

112TH CONGRESS
1ST SESSION

S. 1773

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

IN THE SENATE OF THE UNITED STATES

NOVEMBER 1, 2011

Mr. BROWN of Ohio (for himself, Mr. CASEY, Mrs. GILLIBRAND, Mr. LEAHY, Ms. MIKULSKI, Mr. TESTER, and Mr. HARKIN) 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 2011”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Secretary.

TITLE I—COMMODITY PROGRAMS AND CROP INSURANCE

- Sec. 1001. Sense of Congress on removing barriers to domestic production of fruit and vegetables.
- Sec. 1002. Whole farm adjusted revenue risk management insurance plan.
- Sec. 1003. Authority to conduct crop insurance-related research and development in addition to contracting for research and development.
- Sec. 1004. Improved availability of crop insurance for producers of organic crops.

TITLE II—CONSERVATION

- Sec. 2001. Definition.
- Sec. 2002. Duties of Secretary.
- Sec. 2003. Farmland protection program.
- Sec. 2004. Purposes.
- Sec. 2005. Delivery of technical assistance.
- Sec. 2006. Cooperative conservation partnership initiative.
- Sec. 2007. Administrative requirements for conservation programs.

TITLE III—NUTRITION

- Sec. 3001. Electronic benefit transfers.
- Sec. 3002. Appropriation to encourage exportation and domestic consumption of agricultural products.
- Sec. 3003. Section 32 funds for purchase of fruits, vegetables, and nuts to support domestic nutrition assistance programs.
- Sec. 3004. Direct expenditures for agricultural commodities and other foods.
- Sec. 3005. Purchases of locally produced foods.
- Sec. 3006. Farmers' market nutrition program.
- Sec. 3007. Senior farmers' market nutrition program.
- Sec. 3008. Assistance for community food projects.
- Sec. 3009. Nutrition education and obesity prevention grant program.
- Sec. 3010. Administration.

TITLE IV—CREDIT

- Sec. 4001. Loans to local and regional food producers.
- Sec. 4002. 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. 4003. Young, beginning, and small farmers and ranchers and locally or regionally produced agricultural products.
- Sec. 4004. Government accountability office study examining how well federal agencies are assessing and meeting the capital needs of young, beginning, and small farmers and local and regional farm and food systems.

TITLE V—RURAL DEVELOPMENT

- Sec. 5001. Support for local and regional farm and food systems.
- Sec. 5002. Value-Added Producer grants.

TITLE VI—RESEARCH

- Sec. 6001. Agriculture and food research initiative.
- Sec. 6002. Local food production and market data initiatives.

- Sec. 6003. Under Secretary of Agriculture for Research, Education, and Economics.
- Sec. 6004. Local and regional food system enterprise facilitation.
- Sec. 6005. National genetics resources program.

TITLE VII—HORTICULTURE AND ORGANIC AGRICULTURE

- Sec. 7001. Specialty crop block grants.
- Sec. 7002. National organic certification cost-share program.
- Sec. 7003. Availability of organic certification cost share assistance and risk management education and community outreach partnership assistance under the Federal Crop Insurance Act.
- Sec. 7004. Local Marketing Promotion Program.

TITLE VIII—POULTRY AND LIVESTOCK

- Sec. 8001. Small and very small meat processing plants.
- Sec. 8002. Small and very small poultry processing plants.
- Sec. 8003. Searchable database of electronically submitted meat and poultry labels.
- Sec. 8004. Meat and poultry processing report.

TITLE IX—MISCELLANEOUS

- Sec. 9001. National food safety training, education, extension, outreach, and technical assistance program.
- Sec. 9002. Budgetary effects.

1 **SEC. 2. DEFINITION OF SECRETARY.**

2 In this Act, the term “Secretary” means the Sec-
3 retary of Agriculture.

4 **TITLE I—COMMODITY PRO-** 5 **GRAMS AND CROP INSUR-** 6 **ANCE**

7 **SEC. 1001. SENSE OF CONGRESS ON REMOVING BARRIERS** 8 **TO DOMESTIC PRODUCTION OF FRUIT AND** 9 **VEGETABLES.**

10 It is the sense of Congress that—

11 (1) Federal commodity and crop insurance pro-
12 grams should not create barriers to the domestic
13 production of fruit and vegetables;

1 (2) planting flexibility under Federal commodity
2 programs should be maximized with the goals of—

3 (A) allowing producer choice regarding the
4 planting of agricultural commodities; and

5 (B) increasing the local and regional avail-
6 ability of fresh and minimally processed
7 produce, including to schools and other institu-
8 tions; and

9 (3) crop and revenue insurance products should
10 be made available that are tailored to the needs of
11 diversified farming operations that serve local and
12 regional food markets.

13 **SEC. 1002. WHOLE FARM ADJUSTED REVENUE RISK MAN-**
14 **AGEMENT INSURANCE PLAN.**

15 Section 508(c) of the Federal Crop Insurance Act (7
16 U.S.C. 1508(c)) is amended by adding at the end the fol-
17 lowing:

18 “(11) WHOLE FARM ADJUSTED REVENUE RISK
19 MANAGEMENT INSURANCE PLAN.—

20 “(A) IN GENERAL.—The Corporation shall
21 offer a whole farm adjusted revenue risk man-
22 agement insurance plan (in this paragraph re-
23 ferred to as the ‘plan’) that allows a producer
24 to qualify for an indemnity if actual gross farm

1 revenue is below 85 percent of the average
2 gross farm revenue of the producer.

3 “(B) AVAILABILITY.—The Corporation
4 shall offer the plan in all States and counties,
5 pending required rating.

6 “(C) ELIGIBLE PRODUCERS.—The Cor-
7 poration shall permit producers of any type of
8 agricultural commodity to participate in the
9 plan. Eligible producers include contract grow-
10 ers, direct-to-consumer marketers, and pro-
11 ducers servicing local and regional and farm
12 identity-preserved markets. Eligible commod-
13 ities include specialty crops, industrial crops,
14 poultry, livestock, and aquacultural products.

15 “(D) DIVERSIFICATION.—The Corporation
16 may provide diversification-based additional
17 coverage payment rates, premium discounts, or
18 other enhanced benefits in recognition of the
19 risk management benefits of diversification
20 strategies regarding production of eligible com-
21 modities.

22 “(E) MARKET READINESS.—The Corpora-
23 tion shall include coverage for the value of any
24 packing, packaging, or labeling, washing, grain
25 drying, or any other similar on-farm activities

1 the Corporation determines to be the minimum
2 required in order to sell an agricultural com-
3 modity.”.

4 **SEC. 1003. AUTHORITY TO CONDUCT CROP INSURANCE-RE-**
5 **LATED RESEARCH AND DEVELOPMENT IN**
6 **ADDITION TO CONTRACTING FOR RESEARCH**
7 **AND DEVELOPMENT.**

8 (a) CONDUCTING RESEARCH AND DEVELOPMENT.—
9 Section 522(c) of the Federal Crop Insurance Act (7
10 U.S.C. 1522(c)) is amended—

11 (1) in the subsection heading, by striking
12 “CONTRACTING”;

13 (2) in paragraph (1), in the matter preceding
14 paragraph (A), by striking “enter into contracts to
15 carry out research and development to” and insert-
16 ing “conduct activities or enter into contracts to
17 carry out research and development to maintain or
18 improve existing policies or develop new policies to”;

19 (3) in paragraph (2)—

20 (A) in subparagraph (A), by inserting
21 “conduct research and development or” after
22 “The Corporation may”; and

23 (B) in subparagraph (B), by inserting
24 “conducting research and development or” after
25 “Before”; and

1 (4) in paragraph (5), by inserting “after expert
2 review in accordance with section 505(e)” after “ap-
3 proved by the Board”.

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

6 (1) in paragraph (2)—

7 (A) in the paragraph heading, by striking
8 “CONTRACTING” and inserting “RESEARCH
9 AND DEVELOPMENT AND PARTNERSHIPS”;

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 under
19 this section for a fiscal year is not needed for such
20 purposes” and inserting “for a fiscal year is not
21 needed for the purposes for which the amount was
22 made available”; and

23 (3) by striking paragraph (4).

1 **SEC. 1004. IMPROVED AVAILABILITY OF CROP INSURANCE**
 2 **FOR PRODUCERS OF ORGANIC CROPS.**

3 (a) **ELIMINATION OF ORGANIC PREMIUM SUR-**
 4 **CHARGE.**—Section 508(d) of the Federal Crop Insurance
 5 Act (7 U.S.C. 1508(d)) is amended by adding at the end
 6 the following new paragraph:

7 “(4) **ELIMINATION OF ORGANIC PREMIUM SUR-**
 8 **CHARGE.**—Effective beginning with the 2013 rein-
 9 surance year, the Corporation may not require any
 10 producer to pay a premium surcharge for insuring
 11 crops produced in compliance with standards issued
 12 by the Department of Agriculture under the national
 13 organic program established under the Organic
 14 Foods Production Act of 1990 (7 U.S.C. 6501 et
 15 seq.).”.

16 (b) **COMPLETION OF DEVELOPMENT OF ORGANIC**
 17 **PRICE SERIES.**—Section 508(c)(6) of the Federal Crop
 18 Insurance Act (7 U.S.C. 1508(c)(6)) is amended by add-
 19 ing at the end the following new subparagraph:

20 “(D) **ORGANIC CROPS.**—

21 “(i) **IN GENERAL.**—As quickly as pos-
 22 sible, but in no event later than the 2015
 23 reinsurance year, the Corporation shall
 24 offer producers of organic crops price elec-
 25 tions for all organic crops produced in
 26 compliance with standards issued by the

1 Department of Agriculture under the na-
2 tional organic program established under
3 the Organic Foods Production Act of 1990
4 (7 U.S.C. 6501 et seq.) that reflect the ac-
5 tual retail or wholesale prices, as appro-
6 priate, received by producers for organic
7 crops, as determined by the Secretary
8 using all relevant sources of information.

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

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

19 “(II) the progress of imple-
20 menting the price elections required
21 under this subparagraph, including
22 the rate at which additional price elec-
23 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 (c) REPEAL OF REQUIRED CONTRACTS FOR ORGANIC
 9 PRODUCTION COVERAGE IMPROVEMENTS.—Section
 10 522(b) of the Federal Crop Insurance Act (7 U.S.C.
 11 1522(b)) is amended by striking paragraph (10).

12 **TITLE II—CONSERVATION**

13 **SEC. 2001. DEFINITION.**

14 Section 1201(a) of the Food Security Act of 1985
 15 (16 U.S.C. 3801(a)) is amended by redesignating para-
 16 graphs (18) through (27) as paragraphs (19) through
 17 (28), respectively, and inserting after paragraph (17) the
 18 following new paragraph:

19 “(18) LOCAL AND REGIONAL FOOD.—The term
 20 ‘local and regional food’ means ‘locally or regionally
 21 produced agricultural food product’, as that term is
 22 defined in section 310B(g)(9) of the Consolidated
 23 Farm and Rural Development Act (7 U.S.C.
 24 1932(g)(9)).”.

1 **SEC. 2002. DUTIES OF SECRETARY.**

2 Section 1238G(c) of the Food Security Act of 1985
3 (16 U.S.C. 3838g(c)) is amended as follows:

4 (1) In the header, by striking “SPECIALTY
5 CROP AND ORGANIC PRODUCERS” and inserting
6 “SPECIALTY CROP, ORGANIC, AND LOCAL AND RE-
7 GIONAL FOOD PRODUCERS”.

8 (2) By striking “specialty crop and organic pro-
9 ducers” and inserting “specialty crop, organic, and
10 local and regional food producers”.

11 **SEC. 2003. FARMLAND PROTECTION PROGRAM.**

12 Section 1238I of the Food Security Act of 1985 (16
13 U.S.C. 3838i) is amended as follows:

14 (1) In subsection (b), by inserting “to promote
15 farm viability for future generations and, to the
16 maximum extent practicable, enhance the viability of
17 local and regional food systems” before the period.

18 (2) In subsection (g), by adding at the end the
19 following new paragraph:

20 “(6) FUNDING PRIORITY.—

21 “(A) IN GENERAL.—An agreement under
22 this subsection shall require an eligible entity to
23 provide a funding priority, to the maximum ex-
24 tent practicable, for—

25 “(i) eligible land for which there exists
26 a farm or ranch succession plan or similar

1 plan established to create opportunities for
2 beginning farmers and ranchers and en-
3 courage farm viability for future genera-
4 tions;

5 “(ii) conservation easements that in-
6 clude an option to purchase at a price that
7 is equal to the agricultural use value;

8 “(iii) qualified beginning farmers or
9 ranchers with contracts to purchase the
10 land to be protected;

11 “(iv) land owned by a nongovern-
12 mental organization that will be sold to a
13 qualified beginning farmer or rancher;

14 “(v) conservation easements the pur-
15 chasing of which occurs in conjunction
16 with a transfer of eligible land to a quali-
17 fied beginning farmer or rancher that may
18 not occur without the financial assistance
19 of the program; and

20 “(vi) other similar mechanisms to
21 maintain the affordability of farm and
22 ranch land for successive generations of
23 farmers and ranchers.

24 “(B) DEFINITION.—For the purposes of
25 this paragraph, the term ‘qualified beginning

1 farmer or rancher’ has the meaning given that
2 term in section 343(a) of the Consolidated
3 Farm and Rural Development Act (7 U.S.C.
4 1991(a)).”.

5 **SEC. 2004. PURPOSES.**

6 Section 1240(4) of the Food Security Act of 1985
7 (16 U.S.C. 3839aa(4)) is amended by inserting “or local
8 and regional food” after “related to organic”.

9 **SEC. 2005. DELIVERY OF TECHNICAL ASSISTANCE.**

10 Section 1242(i) of the Food Security Act of 1985 (16
11 U.S.C. 3842(i)) is amended—

12 (1) in the header, by inserting “LOCAL AND
13 REGIONAL FOOD,” after “ORGANIC,”;

14 (2) in paragraph (1)(A), by inserting “local and
15 regional food production,” after “organic crop pro-
16 duction,”;

17 (3) in paragraph (1)(B), by striking “organic or
18 specialty crop production” and inserting “organic,
19 specialty crop, or local and regional production”;

20 (4) in paragraph (2)(A), by striking “or preci-
21 sion agriculture through” and inserting “precision
22 agriculture, or local and regional food production,
23 through”; and

24 (5) in paragraph (2)(B)(i), by striking “or pre-
25 cision agriculture through” and inserting “precision

1 agriculture, or local and regional food production,
2 through”.

3 **SEC. 2006. COOPERATIVE CONSERVATION PARTNERSHIP**
4 **INITIATIVE.**

5 Section 1243(b)(4) of the Food Security Act of 1985
6 (16 U.S.C. 3843(b)(4)) is amended by striking “specialty
7 crop and organic production and precision agriculture pro-
8 ducers” and inserting “specialty crop, organic, and local
9 and regional food production, and precision agriculture
10 producers”.

11 **SEC. 2007. ADMINISTRATIVE REQUIREMENTS FOR CON-**
12 **SERVATION PROGRAMS.**

13 Section 1244(a)(2) of the Food Security Act of 1985
14 (16 U.S.C. 3844(a)(2)) is amended—

15 (1) by redesignating subparagraph (D) as sub-
16 paragraph (E); and

17 (2) by inserting after subparagraph (C) the fol-
18 lowing new subparagraph:

19 “(D) Local and regional food producers.”.

20 **TITLE III—NUTRITION**

21 **SEC. 3001. ELECTRONIC BENEFIT TRANSFERS.**

22 Section 7(h) of the Food and Nutrition Act of 2008
23 (7 U.S.C. 2016(h)) is amended—

24 (1) in paragraph (1)—

1 (A) by redesignating subparagraphs (A)
2 through (D) as subparagraphs (B) through (E),
3 respectively;

4 (B) by inserting before subparagraph (B)
5 (as so redesignated) the following:

6 “(A) DEFINITIONS.—In this subsection:

7 “(i) BUYING CLUB.—The term ‘buy-
8 ing club’ means a group of consumers who
9 join together to purchase in bulk from ag-
10 ricultural producers or food distributors.

11 “(ii) COMMUNITY-SUPPORTED AGRIC-
12 CULTURE PROGRAM.—The term ‘commu-
13 nity-supported agriculture program’ or
14 ‘CSA’ means a farm business or a group of
15 agricultural producers that form a partner-
16 ship with consumers through which con-
17 sumers buy a subscription for farm prod-
18 ucts in advance and the farm business or
19 group of agricultural producers commits to
20 supplying and delivering the products to a
21 common distribution point or directly to
22 the consumers.

23 “(iii) COMMUNITY-SUPPORTED FISH-
24 ERY PROGRAM.—The term ‘community-
25 supported fishery program’ or ‘CSF’

1 means fishing business or a group of fish-
2 ermen that form a partnership with con-
3 sumers through which consumers buy a
4 subscription for seafood in advance and the
5 fishing business or group of fishermen
6 commits to supplying and delivering the
7 seafood to a common distribution point or
8 directly to the consumers.

9 “(iv) FARMERS’ MARKET.—The term
10 ‘farmers’ market’ means a regularly sched-
11 uled assembly of 2 or more agricultural
12 producers for the direct sale of locally
13 grown fresh fruits and vegetables and
14 other staple foods to consumers.

15 “(v) FARM STAND; ROADSIDE
16 STAND.—

17 “(I) IN GENERAL.—The terms
18 ‘farm stand’ and ‘roadside stand’
19 mean a retail outlet for the direct sale
20 of locally grown fresh fruits and vege-
21 tables and other staple foods in rural
22 or urban areas.

23 “(II) INCLUSION.—The terms
24 ‘farm stand’ and ‘roadside stand’ may

1 include a single stall in a farmers’
2 market.

3 “(vi) GREEN CART.—The term ‘green
4 cart’ means a mobile retail food vendor
5 who sells fresh fruits and vegetables on a
6 regular basis from an unmotorized cart.

7 “(vii) ROUTE VENDOR.—

8 “(I) IN GENERAL.—The term
9 ‘route vendor’ means a mobile retail
10 food vendor who sells unprepared food
11 from a vehicle directly to consumers
12 along a scheduled route or by ar-
13 ranged delivery.

14 “(II) INCLUSION.—The term
15 ‘route vendor’ includes vendors who
16 provide food services in disaster or
17 other emergency situations.

18 “(viii) WIRELESS RETAILER.—The
19 term ‘wireless retailer’ includes—

20 “(I) a farmers’ market;

21 “(II) a farm stand;

22 “(III) a green cart;

23 “(IV) a route vendor;

24 “(V) a buying club;

1 “(VI) an entity operating a com-
2 munity-supported agriculture pro-
3 gram;

4 “(VII) an entity operating a com-
5 munity-supported fishery program;
6 and

7 “(VIII) an individual farmer af-
8 filiated with an entity described in
9 any of subclauses (I) through (VII).”;

10 (C) in subparagraph (C) (as so redesign-
11 ated) by striking “subparagraph (A)” and in-
12 serting “subparagraph (B)”;

13 (D) in clause (i) of subparagraph (E) (as
14 so redesignated), by inserting “, including wire-
15 less technology” before the semicolon at the
16 end; and

17 (E) by adding at the end the following:

18 “(F) STATE FLEXIBILITY FOR WIRELESS
19 ELECTRONIC BENEFIT SYSTEMS.—Subject to
20 paragraph (2), a State agency may—

21 “(i) procure and implement any wire-
22 less electronic benefit transfer (referred to
23 in this subsection as ‘EBT’) system that
24 the State agency considers to be appro-

1 ppropriate and that meets all industry security
2 standards; and

3 “(ii) use appropriate wireless tech-
4 nology available to the State agency in im-
5 plementing the wireless electronic benefit
6 transfer system, including smart phone
7 technology and other technologies, so long
8 as the technologies meet all industry secu-
9 rity standards.”;

10 (2) in paragraph (2)—

11 (A) in subparagraph (G), by striking
12 “and” at the end;

13 (B) in subparagraph (H), by striking the
14 period at the end and inserting a semicolon;
15 and

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

17 “(I) a requirement that, for purposes of
18 program participation, State agencies and the
19 Food and Nutrition Service treat wireless retail-
20 ers in the same manner as retail food stores
21 that use wired electronic benefit transfer equip-
22 ment by providing the retail food stores with
23 wireless electronic benefit transfer equipment
24 that ensures immediate benefit account
25 verification;

1 “(J) a system for wireless retail food
2 stores to receive funds in an amount not to ex-
3 ceed the cost of a wireless point-of-sale terminal
4 if alternative wireless technology is used; and

5 “(K) the potential for entering into a con-
6 tract or memoranda of understanding with a
7 statewide nonprofit organization, such as a
8 statewide farmers’ market association, to assist
9 the State agency by providing outreach, train-
10 ing, and administration in wireless electronic
11 benefit transfer equipment deployment at mul-
12 tiple-vendor farmers’ markets, particularly in
13 cases in which scrip (such as farmers’ market
14 tokens) is used to simplify program participa-
15 tion by agricultural producers and vendors.”;

16 (3) in paragraph (3)(B)—

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

19 (B) in clause (ii), by striking the period at
20 the end and inserting “; and”; and

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

22 “(iii) in the case of wireless retailers,
23 the wireless retailer makes wireless elec-
24 tronic benefit and wireless EBT connection
25 services available to all customers.”;

1 (4) in paragraph (5), by inserting before the pe-
2 riod at the end “, including wireless electronic ben-
3 efit systems that enable all wireless retailers to pro-
4 vide for improved access to nutritious foods in areas
5 lacking such access, and in disaster-recovery situa-
6 tions”;

7 (5) by redesignating the second paragraph (12)
8 (relating to interchange fees) as paragraph (13); and

9 (6) by adding at the end the following:

10 “(14) NON-EBT TRANSACTIONS.—Wireless
11 EBT equipment provided to an authorized retailer
12 may be used for non-EBT transactions (such as
13 credit and debit card transactions) only if the re-
14 tailer bears all costs associated with those non-EBT
15 transactions.

16 “(15) WIRELESS RETAILER EBT PILOT PRO-
17 GRAM FOR SMARTPHONE TECHNOLOGY.—

18 “(A) ESTABLISHMENT.—The Secretary
19 shall establish a wireless retailer EBT pilot pro-
20 gram that shall operate in a minimum of 2
21 States for a minimum of 2 years in each
22 State—

23 “(i) to explore EBT smartphone tech-
24 nology; and

1 “(ii) to test the use of EBT tech-
2 nology in accepting benefits for multiple
3 nutrition assistance programs.

4 “(B) PURPOSES.—The purposes of the
5 EBT pilot program are—

6 “(i) to evaluate the opportunities and
7 challenges faced by wireless retailers in
8 using smartphone technology to process
9 EBT transactions; and

10 “(ii) to develop technology, software,
11 and machinery that allows wireless retail-
12 ers to redeem EBT benefits for multiple
13 nutrition assistance programs including—

14 “(I) the supplemental nutrition
15 assistance program established under
16 the Food and Nutrition Act of 2008
17 (7 U.S.C. 2011 et seq.);

18 “(II) the farmers’ market nutri-
19 tion program established under sec-
20 tion 17(m) of the Child Nutrition Act
21 of 1966 (42 U.S.C. 1786(m));

22 “(III) the seniors farmers’ mar-
23 ket nutrition program established
24 under section 4402 of the Farm Secu-

1 rity and Rural Investment Act of
2 2002 (7 U.S.C. 3007);

3 “(IV) the special supplemental
4 nutrition program for women, infants,
5 and children established by section 17
6 of the Child Nutrition Act of 1966
7 (42 U.S.C. 1786); and

8 “(V) other Federal nutrition as-
9 sistance programs for low-income indi-
10 viduals that adopt an electronic ben-
11 efit transfer system.

12 “(C) LIMITATION ON ADMINISTRATIVE EX-
13 PENSES.—For each fiscal year, not more than
14 10 percent of the amounts made available to
15 carry out this paragraph may be used for ad-
16 ministrative expenses.

17 “(D) FUNDING.—On October 1, 2012, of
18 the funds of the Commodity Credit Corporation,
19 the Secretary shall make available to carry out
20 this paragraph \$2,000,000, to remain available
21 until expended.”.

1 **SEC. 3002. APPROPRIATION TO ENCOURAGE EXPORTATION**
 2 **AND DOMESTIC CONSUMPTION OF AGRICUL-**
 3 **TURAL PRODUCTS.**

4 Section 32 of the Act of August 24, 1935 (7 U.S.C.
 5 612e) is amended in the second sentence—

6 (1) in paragraph (2), by striking “; and” at the
 7 end;

8 (2) in paragraph (3), by striking the period at
 9 the end and inserting “; and”; and

10 (3) by inserting after paragraph (3) the fol-
 11 lowing: “(4) support development of local and re-
 12 gional agricultural markets in the United States by
 13 encouraging domestic consumption of locally and re-
 14 gionally grown and raised commodities or products
 15 in the manner described in paragraph (2).”

16 **SEC. 3003. SECTION 32 FUNDS FOR PURCHASE OF FRUITS,**
 17 **VEGETABLES, AND NUTS TO SUPPORT DO-**
 18 **MESTIC NUTRITION ASSISTANCE PROGRAMS.**

19 (a) **PURCHASE OF LOCALLY AND REGIONALLY PRO-**
 20 **DUCED FOODS.**—Section 4404 of the Food, Conservation,
 21 and Energy Act of 2008 (7 U.S.C. 612c–5) is amended—

22 (1) by redesignating subsection (c) as sub-
 23 section (d); and

24 (2) by inserting after subsection (b) the fol-
 25 lowing:

1 “(c) PURCHASE OF LOCALLY AND REGIONALLY PRO-
2 DUCED FOODS.—In carrying out this section, the Sec-
3 retary shall—

4 “(1) encourage the purchase of unprocessed or
5 minimally processed locally and regionally grown
6 fruits, vegetables, and nuts; and

7 “(2) allow the use of geographical preference
8 for the procurement of unprocessed or minimally
9 processed locally and regionally grown fruits, vegeta-
10 bles, and nuts.”.

11 (b) PURCHASE OF FRESH FRUITS AND VEGETABLES
12 FOR DISTRIBUTION TO SCHOOLS AND SERVICE INSTITU-
13 TIONS.—Section 10603(b) of the Farm Security and
14 Rural Investment Act of 2002 (7 U.S.C. 612c–4(b)) is
15 amended—

16 (1) by striking “The Secretary” and inserting
17 “(1) IN GENERAL.—The Secretary”;

18 (2) in paragraph (1) (as so designated), by
19 striking “2008 through 2012” and inserting “2013
20 through 2017”; and

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

22 “(2) DEPARTMENT OF DEFENSE PROGRAM OP-
23 TION.—A school or service institution described in
24 paragraph (1) may carry out this section by—

1 “(A) electing to participate in the Depart-
2 ment of Defense fresh fruit and vegetable dis-
3 tribution program;

4 “(B) under such terms and conditions as
5 the Secretary shall establish, purchasing locally
6 and regionally grown fruits and vegetables with
7 amounts that would have been used by the
8 school or service institution to participate in the
9 Department of Defense fresh fruit and vege-
10 table distribution program; or

11 “(C) carrying out a combination of the ac-
12 tivities described in subparagraphs (A) and
13 (B).”.

14 **SEC. 3004. DIRECT EXPENDITURES FOR AGRICULTURAL**
15 **COMMODITIES AND OTHER FOODS.**

16 Section 6 of the Richard B. Russell National School
17 Lunch Act (42 U.S.C. 1755) is amended by adding at the
18 end the following:

19 “(f) LOCAL FOOD CREDIT PROGRAM.—

20 “(1) DEFINITIONS.—In this subsection:

21 “(A) LOCAL FOOD CREDIT.—The term
22 ‘local food credit’ means cash, letters of credit,
23 or another form of assistance, as determined by
24 the Secretary.

1 “(B) PARTICIPATING SCHOOL AUTHOR-
2 ITY.—The term ‘participating school authority’
3 means a school food authority that—

4 “(i) participates in the school lunch
5 program under this Act; and

6 “(ii) elects to participate in the local
7 food credit program under this subsection.

8 “(C) PARTICIPATING STATE AGENCY.—The
9 term ‘participating State agency’ means a State
10 agency that—

11 “(i) participates in the school lunch
12 program under this Act; and

13 “(ii) elects to participate in the local
14 food credit program under this subsection.

15 “(2) ESTABLISHMENT.—Beginning for the
16 2013–2014 school year and for each subsequent
17 school year, the Secretary shall provide a grant to
18 each participating State agency to provide each par-
19 ticipating school food authority under the jurisdic-
20 tion of that State agency with local food credits in
21 an amount equal to not more than 15 percent of the
22 total value of the commodity assistance or cash pay-
23 ments the State authority is eligible to receive under
24 subsection (c)(2) for that school year in lieu of the
25 commodity assistance or cash payments.

1 “(3) REQUIREMENTS.—As a condition of receiv-
2 ing a grant under this subsection, each participating
3 school food authority shall—

4 “(A) use local food credits received under
5 this subsection to purchase unprocessed or
6 minimally processed locally grown and locally
7 raised foods to be served under the school lunch
8 program in schools under the jurisdiction of the
9 authority;

10 “(B) keep records of any purchases made
11 with the assistance; and

12 “(C) provide the records to the Secretary
13 in such manner and such form as the Secretary
14 determines to be necessary.

15 “(4) PREPURCHASING.—A participating school
16 food authority may use a local food credit received
17 under this subsection in a school year to purchase
18 local foods to serve under the school lunch program
19 during the following school year.

20 “(5) MINIMUM COMMODITY PURCHASES.—The
21 amount of a grant made under this subsection for
22 a school year shall count toward the minimum com-
23 modity assistance requirements of subsection (e)(2)
24 for that school year.”.

1 **SEC. 3005. PURCHASES OF LOCALLY PRODUCED FOODS.**

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

4 (1) in paragraph (1), by inserting “and mini-
5 mally processed” before “agricultural products”;

6 (2) in paragraph (2), by striking “and” after
7 the semicolon;

8 (3) in paragraph (3)—

9 (A) by inserting “and the Agricultural
10 Marketing Service” before “, to use a”;

11 (B) by inserting “and minimally proc-
12 essed” before “agricultural products”; and

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

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

16 “(4) promulgate regulations to clarify that,
17 when using a geographical preference for the pro-
18 curement of unprocessed and minimally processed
19 agricultural products under paragraph (3), the Sec-
20 retary and the institutions described in that para-
21 graph may, notwithstanding any other provision of
22 law, select agricultural products solely from among
23 those agricultural products that qualify for the geo-
24 graphical preference.”.

1 **SEC. 3006. FARMERS' MARKET NUTRITION PROGRAM.**

2 Section 17(m) of the Child Nutrition Act of 1966 (42
3 U.S.C. 1786(m)) is amended—

4 (1) in paragraph (1), by inserting “and through
5 community-supported agriculture programs” after
6 “roadside stands”;

7 (2) in paragraph (5)—

8 (A) in subparagraph (D)(ii), by inserting
9 “, roadside stands, and community-supported
10 agriculture programs” after “farmers’ mar-
11 kets”; and

12 (B) in subparagraph (F)(ii), by inserting
13 “, roadside stands, and community-supported
14 agriculture programs” after “farmers’ markets”
15 each place it appears;

16 (3) in paragraph (6)(C)(ii)(II), by inserting “,
17 roadside stands, and community-supported agri-
18 culture programs” after “farmers’ markets”; and

19 (4) in paragraph (9)(A), by striking “2015”
20 and inserting “2017”.

21 **SEC. 3007. SENIOR FARMERS' MARKET NUTRITION PRO-**
22 **GRAM.**

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

25 (1) in subsection (a)—

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

3 (B) by striking “2008” and inserting
4 “2013”; and

5 (C) by striking “2012” and inserting
6 “2017”; and

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

9 **SEC. 3008. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

10 Section 25 of the Food and Nutrition Act of 2008
11 (7 U.S.C. 2034) is amended—

12 (1) in subsection (b)(2)(B)—

13 (A) by striking “\$5,000,000” and inserting
14 “\$10,000,000”; and

15 (B) by striking “2008” and inserting
16 “2013”; and

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

19 **SEC. 3009. NUTRITION EDUCATION AND OBESITY PREVEN-**
20 **TION GRANT PROGRAM.**

21 Section 28 of the Food and Nutrition Act of 2008
22 (7 U.S.C. 2036a) is amended—

23 (1) in subsection (b)—

24 (A) by striking “Consistent with” and in-
25 serting the following:

1 “(1) IN GENERAL.—Consistent with”; and

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

3 “(2) CONTENTS.—In carrying out a nutrition
4 education and obesity prevention program under this
5 section, State agencies are encouraged to use as
6 venues direct marketing outlets, including farmers’
7 markets, community-supported agriculture pro-
8 grams, community-supported fishery programs, and
9 farm and roadside stands.”; and

10 (2) in subsection (c)(3)(A)—

11 (A) in clause (ii), by striking “and” after
12 the semicolon;

13 (B) in clause (iii), by striking the period at
14 the end and inserting “; and”; and

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

16 “(iv) financial incentives to low-in-
17 come groups to encourage consumption of
18 healthy foods.”.

19 **SEC. 3010. ADMINISTRATION.**

20 Section 11(e)(1) of the Food and Nutrition Act of
21 2008 (7 U.S.C. 2020(e)(1)) is amended by inserting “,
22 which the State agency may carry out through contracts
23 with farmers’ markets and farmers’ market organizations
24 at 100 percent Federal cost, subject to the condition that
25 the contracted farmers’ markets and farmers’ market or-

1 ganizations comply with the State plan under this sub-
 2 section” before the semicolon at the end.

3 **TITLE IV—CREDIT**

4 **SEC. 4001. LOANS TO LOCAL AND REGIONAL FOOD PRO-** 5 **DUCERS.**

6 Subtitle D of the Consolidated Farm and Rural De-
 7 velopment Act (7 U.S.C. 1981–2008u) is amended by in-
 8 serting after section 333C the following:

9 **“SEC. 333D. LOANS TO LOCAL AND REGIONAL FOOD PRO-** 10 **DUCERS.**

11 “(a) IN GENERAL.—The Secretary shall make and
 12 guarantee loans under this title to eligible producers for
 13 the production of locally or regionally produced agricul-
 14 tural food products (as defined in section 310B(g)(10) of
 15 this Act), including qualified producers engaged in direct-
 16 to-consumer marketing, direct-to-institution marketing, or
 17 direct-to-store marketing, businesses or activities that
 18 produce a value-added agricultural product (as defined in
 19 section 231(a)(5) of the Agricultural Risk Protection Act
 20 of 2000), mid-tier value chains (as defined in section
 21 231(a)(3) of such Act of 2000), and other local and re-
 22 gional market outlets.

23 “(b) TRAINING.—The Secretary shall ensure that
 24 loan officers receive appropriate training to serve bor-

1 rowers and potential borrowers engaged in local and re-
2 gional food production.

3 “(c) VALUATION.—The Secretary shall develop ways
4 to determine unit prices (or other appropriate forms of
5 valuation) for crops whose end use is intended to be in
6 locally or regionally produced agricultural food products
7 (as so defined) to facilitate lending to local and regional
8 food producers. In addition, the Secretary shall implement
9 a mechanism for the producers to establish their price his-
10 tory for the crops.

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

14 **SEC. 4002. CLARIFICATION OF THE MISSION OF THE FARM**
15 **CREDIT SYSTEM TO RECOGNIZE THE ECO-**
16 **NOMIC BENEFITS OF SUPPORTING YOUNG,**
17 **BEGINNING, AND SMALL FARMERS AND**
18 **RANCHERS, AND CONTRIBUTIONS OF LOCAL**
19 **AND REGIONAL FARM AND FOOD SYSTEMS.**

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

23 “(d) Recognizing that the vitality of United States
24 agriculture and rural communities depends on the contin-
25 ued entry of young, beginning, and small farmers and

1 ranchers into agriculture, many of whom will operate
 2 farms with local and regional food product distribution,
 3 it is declared to be the policy of the Congress and an objec-
 4 tive of this Act that the Farm Credit System should en-
 5 deavor to serve the credit and related needs of these indi-
 6 viduals and the businesses on which they rely and that
 7 are necessary to the growth and vitality of local and re-
 8 gional farm and food systems.”.

9 **SEC. 4003. YOUNG, BEGINNING, AND SMALL FARMERS AND**
 10 **RANCHERS AND LOCALLY OR REGIONALLY**
 11 **PRODUCED AGRICULTURAL PRODUCTS.**

12 (a) CREDIT FOR YOUNG, BEGINNING, AND SMALL
 13 FARMERS.—Section 4.19(a) of the Farm Credit Act of
 14 1971 (12 U.S.C. 2207(a)) is amended—

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

20 (2) by inserting after the 2nd sentence the fol-
 21 lowing: “Each such program shall include initiatives
 22 and may include grants to support current and fu-
 23 ture borrowers by helping to organize, build, expand,
 24 or improve infrastructure and markets for locally or

1 regionally produced agricultural food products (as so
2 defined).”.

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

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

16 **SEC. 4004. GOVERNMENT ACCOUNTABILITY OFFICE STUDY**
17 **EXAMINING HOW WELL FEDERAL AGENCIES**
18 **ARE ASSESSING AND MEETING THE CAPITAL**
19 **NEEDS OF YOUNG, BEGINNING, AND SMALL**
20 **FARMERS AND LOCAL AND REGIONAL FARM**
21 **AND FOOD SYSTEMS.**

22 (a) STUDY.—The Comptroller General of the United
23 States shall conduct a study evaluating how the needs of
24 young, beginning, and small farmers and local and re-
25 gional farm and food systems, and how their credit needs

1 are being assessed and met by the Farm Credit System,
2 the Department of Agriculture, the Department of the
3 Treasury, and any other Federal agencies.

4 (b) REPORT TO THE CONGRESS.—Within 1 year after
5 the date of the enactment of this section, the Comptroller
6 General shall prepare and submit to the Congress a report
7 containing the findings and conclusions made in the study
8 required by subsection (a). The report shall address—

9 (1) the cost and availability of credit and other
10 assistance (including technical assistance) provided
11 through programs of the Farm Credit System, the
12 Department of Agriculture, and other Federal Gov-
13 ernment financial resources; and

14 (2) programs, including those that serve histori-
15 cally underserved populations including beginning
16 and young farmers, small and medium-sized farms
17 and ranches, minorities and the socially disadvan-
18 taged, producers or harvesters of aquatic products,
19 businesses, and other entities, that are necessary to
20 the growth and vitality of local and regional farm
21 and food systems, including aggregation, processing,
22 storage, distribution, and marketing.

1 **TITLE V—RURAL DEVELOPMENT**

2 **SEC. 5001. SUPPORT FOR LOCAL AND REGIONAL FARM AND**
 3 **FOOD SYSTEMS.**

4 (a) **RURAL BUSINESS OPPORTUNITY GRANTS.**—Sec-
 5 tion 306(a)(11) of the Consolidated Farm and Rural De-
 6 velopment Act (7 U.S.C. 1926(a)(11)) is amended—

7 (1) in subparagraph (A)—

8 (A) in clause (iv), by striking “and” at the
 9 end;

10 (B) in clause (v), by striking the period
 11 and inserting “; and”; and

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

13 “(vi) to redevelop a local or regional
 14 farm or food system, including a poultry or
 15 livestock processing facility.”;

16 (2) in subparagraph (C), by striking “Coopera-
 17 tive State Research, Education, and Extension Serv-
 18 ice” and inserting “National Institute of Food and
 19 Agriculture”; and

20 (3) in subparagraph (D), by striking “2008
 21 through 2012” and inserting “2013 through 2017”.

22 (b) **COMMUNITY FACILITIES GRANTS.**—Section
 23 306(a)(19) of such Act (7 U.S.C. 1926(a)(19)) is amend-
 24 ed by adding at the end the following:

1 “(D) ELIGIBILITY FOR LOCAL AND RE-
 2 REGIONAL FOOD SYSTEM FACILITIES.—The Sec-
 3 retary may make a grant under this paragraph
 4 or paragraph (20) or (21) for a community or
 5 nonprofit local and regional food system facility,
 6 including a community kitchen, incubator, farm
 7 store, farmers’ market store, distribution center
 8 or service, and a related facility.”.

9 (c) LOAN GUARANTEES FOR WATER, WASTEWATER,
 10 AND ESSENTIAL COMMUNITY FACILITIES LOANS.—Sec-
 11 tion 306(a)(24) of such Act (7 U.S.C. 1926(a)(24)) is
 12 amended by adding at the end the following:

13 “(C) ELIGIBILITY FOR LOCAL AND RE-
 14 GIONAL FOOD SYSTEM FACILITIES.—The Sec-
 15 retary may guarantee a loan under this para-
 16 graph for a community or nonprofit local and
 17 regional food system facility, including commu-
 18 nity a kitchens, incubator, farm store, farmers’
 19 market store, distribution center or service, and
 20 a related facility.”.

21 (d) BUSINESS AND INDUSTRY LOCAL FOOD SYSTEM
 22 SET-ASIDE.—

23 (1) RURAL BUSINESS ENTERPRISE GRANTS.—
 24 Section 310B(e)(1)(B)(ii) of such Act (7 U.S.C.
 25 1932(e)(1)(B)(ii)) is amended to read as follows:

1 “(ii) USE OF GRANT.—An eligible
2 nonprofit entity, or other tax exempt orga-
3 nization, described in clause (i) may use
4 assistance provided under this paragraph
5 to create, expand, or operate—

6 “(I) value-added processing in an
7 area described in clause (i) in connec-
8 tion with production agriculture; or

9 “(II) a local or regional farm or
10 food-based enterprise, including a
11 meat or poultry processing facility.”.

12 (2) BUSINESS AND INDUSTRY DIRECT AND
13 GUARANTEED LOANS.—Section 310B(g) of such Act
14 (7 U.S.C. 1932(g)) is amended—

15 (A) by redesignating paragraphs (5)
16 through (9) as paragraphs (6) through (10), re-
17 spectively; and inserting after paragraph (4) the
18 following:

19 “(5) TIMING OF GUARANTEED LOANS.—The
20 Secretary shall approve a loan guarantee under this
21 subsection before or at the same time as the loan
22 being guaranteed is made.”;

23 (B) in paragraph (10)(B) (as so redesi-
24 gnated)—

1 (i) by redesignating clauses (iv) and
2 (v) as clauses (vii) and (viii), respectively,
3 and inserting after clause (iii) the fol-
4 lowing:

5 “(iv) GUARANTEE PERCENTAGE; AU-
6 THORITY TO WAIVE GUARANTEE FEE.—
7 The Secretary may provide a 90 percent
8 guarantee, and may waive or reduce any
9 guarantee loan fee that would otherwise be
10 imposed, under this subparagraph for a
11 small-scale project and for a project lo-
12 cated in a community with low or declining
13 population, low income levels, or low food
14 access, as determined by the Secretary.

15 “(v) LOAN AND LOAN GUARANTEES IN
16 NONRURAL AREAS.—

17 “(I) IN GENERAL.—The Sec-
18 retary may make or guarantee a busi-
19 ness and industry loan for a facility
20 that is not located in a rural area if
21 the primary purpose of the loan or
22 loan guarantee is for a facility to
23 process, distribute, aggregate, store,
24 or market locally or regionally pro-
25 duced agricultural food products in a

1 manner that benefits agricultural pro-
2 ducers and provides employment for
3 residents of a rural area.

4 “(II) RETAIL.—The Secretary
5 may make or guarantee a business
6 and industry loan for a rural or
7 nonrural retail facility that provides
8 access to locally or regionally pro-
9 duced agricultural products if the fa-
10 cility—

11 “(aa) operates under a writ-
12 ten policy that provides a clear
13 preference for the products and
14 demonstrates that a substantial
15 portion of its business is or will
16 be marketing the products; and

17 “(bb) demonstrates that the
18 facility has written agreements or
19 will obtain written agreements
20 with agricultural producers, agri-
21 cultural producer groups, farmer
22 or rancher cooperatives, or ma-
23 jority-controlled producer-based
24 business ventures on marketing
25 strategies that will increase the

1 profitability and competitiveness
2 of farmers and ranchers growing
3 for the local or regional market.

4 “(vi) OUTREACH.—The Secretary
5 shall develop and implement an outreach
6 plan to publicize the availability of loans
7 and loan guarantees under this paragraph,
8 working closely with rural cooperative de-
9 velopment centers, credit unions, commu-
10 nity development financial institutions, re-
11 gional economic development authorities,
12 and other financial and economic develop-
13 ment entities.”;

14 (C) in clause (vii) (as so redesignated)—

15 (i) by inserting “, and publish on the
16 internet,” after “Senate”; and

17 (ii) by redesignating subclauses (I)
18 and (II) as subclauses (II) and (III), re-
19 spectively, and inserting before subclause
20 (II) (as so redesignated), the following:

21 “(I) summary information about
22 all projects;”; and

23 (D) in clause (viii) (as so redesignated)—

24 (i) by striking subclause (I) and in-
25 serting the following:

1 “(I) IN GENERAL.—For each of
2 fiscal years 2013 through 2017, the
3 Secretary shall reserve not less than
4 10 percent of the loan and loan guar-
5 antee funds made available to carry
6 out this subsection, to carry out this
7 subparagraph.”; and

8 (ii) by adding at the end the fol-
9 lowing:

10 “(III) USE OF RESERVED
11 FUNDS.—The Secretary may use a
12 portion of the funds reserved under
13 subclause (I) for technical assistance,
14 which may include market research
15 and feasibility studies.”.

16 **SEC. 5002. VALUE-ADDED PRODUCER GRANTS.**

17 Section 231 of the Agricultural Risk Protection Act
18 of 2000 (7 U.S.C. 1632a) is amended—

19 (1) in subsection (a)(3), by inserting “, includ-
20 ing those that operate through centralized food dis-
21 tribution systems that coordinate agricultural pro-
22 duction and the aggregation, storage, processing,
23 distribution, and marketing of locally or regionally
24 produced agricultural products,” after “networks”;
25 and

1 (2) in subsection (b)—

2 (A) by striking paragraph (6) and insert-
3 ing the following:

4 “(6) PRIORITY.—

5 “(A) IN GENERAL.—In awarding grants
6 under this subsection, the Secretary shall give
7 priority to projects that—

8 “(i) contribute to increasing opportu-
9 nities for operators of small- and medium-
10 sized farms and ranches that are struc-
11 tured as a family farm; and

12 “(ii) have applicants at least $\frac{1}{4}$ of
13 whom are beginning farmers and ranchers
14 or socially disadvantaged farmers and
15 ranchers.

16 “(B) RANKING.—In evaluating and rank-
17 ing proposals under this subsection, the Sec-
18 retary shall give very substantial weight to the
19 priorities described in subparagraph (A).”;

20 (B) by redesignating paragraph (7) as
21 paragraph (8) and inserting after paragraph
22 (6) the following:

23 “(7) OUTREACH AND TECHNICAL ASSIST-
24 ANCE.—The Secretary shall develop and implement
25 an outreach and technical assistance strategy to help

1 the program established by this section reach and
2 serve underserved States and communities.”; and

3 (C) in paragraph (8) (as so redesign-
4 nated)—

5 (i) by striking subparagraph (A) and
6 inserting the following:

7 “(A) MANDATORY FUNDING.—On October
8 1, 2002, and each October 1 thereafter through
9 October 1, 2016, of the funds of the Com-
10 modity Credit Corporation, the Secretary shall
11 make available to carry out this subsection
12 \$30,000,000, to remain available until ex-
13 pended.”;

14 (ii) in subparagraph (B), by striking
15 “2008 through 2012” and inserting “2013
16 through 2017”; and

17 (iii) in subparagraph (C)—

18 (I) in clause (i), by striking “ben-
19 efit” and inserting “have applicants
20 $\frac{1}{4}$ of whom are”; and

21 (II) in clause (iii), by striking
22 “June 30 of the fiscal year” and in-
23 serting “the close of the annual pro-
24 posal review process”.

TITLE VI—RESEARCH

SEC. 6001. AGRICULTURE AND FOOD RESEARCH INITIATIVE.

Section 2(b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) is amended—

(1) in paragraph (2)(F)—

(A) in clause (v), by striking “and”;

(B) in clause (vi), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(vii) new approaches to advance systems that enhance markets and policy for locally or regionally produced agricultural food products, as defined in section 310B(g)(9)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(9)(A)).”;

(2) in paragraph (5)—

(A) in subparagraph (A)—

(i) in clause (i), by striking “teams; and” inserting “teams to any eligible entity listed under paragraph (7)”;

(ii) by adding at the end the following:

1 “(iii) not less than 5 percent is made
2 available to make grants for research on
3 conventional plant and animal breeding as
4 described in paragraph (2); and”;

5 (B) in subparagraph (B), by inserting “to
6 any eligible entity listed under paragraph (7)”
7 before the period at the end; and

8 (3) in paragraph (11)(A)—

9 (A) in the matter preceding clause (i), by
10 striking “2008 through 2012” and inserting
11 “2013 through 2017”; and

12 (B) in clause (i), by striking “pursuant to”
13 and inserting “as described in”.

14 **SEC. 6002. LOCAL FOOD PRODUCTION AND MARKET DATA**
15 **INITIATIVES.**

16 (a) **IN GENERAL.**—Section 251 of the Department of
17 Agriculture Reorganization Act of 1994 (7 U.S.C. 6971)
18 is amended by adding at the end the following:

19 “(h) **LOCAL FOOD PRODUCTION AND MARKET DATA**
20 **INITIATIVES.**—

21 “(1) **DEFINITION OF LOCALLY OR REGIONALLY**
22 **PRODUCED AGRICULTURAL FOOD PRODUCT.**—In this
23 subsection, the term ‘locally or regionally produced
24 agricultural food product’ has the meaning given the
25 term in section 310B(g)(9) of the Consolidated

1 Farm and Rural Development Act (7 U.S.C.
2 1932(g)(9)).

3 “(2) INITIATIVES.—The Secretary shall—

4 “(A) collect data on the production and
5 marketing of locally or regionally produced agri-
6 cultural food products; and

7 “(B) facilitate interagency collaboration
8 and data sharing on research on local and re-
9 gional food systems.

10 “(3) REQUIREMENTS.—In carrying out this
11 subsection, the Secretary shall, at a minimum—

12 “(A) collect and distribute comprehensive
13 reporting of prices of locally or regionally pro-
14 duced agricultural food products;

15 “(B) conduct surveys and analysis and
16 publish reports relating to the production, han-
17 dling, distribution, retail sales, and trend stud-
18 ies (including consumer purchasing patterns) of
19 or on locally or regionally produced agricultural
20 food products;

21 “(C) form an interagency work group that
22 includes representatives from—

23 “(i) the Agricultural Marketing Serv-
24 ice;

1 “(ii) the Agricultural Research Serv-
2 ice;

3 “(iii) the Economic Research Service;

4 “(iv) the Food and Nutrition Service;

5 “(v) the Food Safety and Inspection
6 Service;

7 “(vi) the National Agricultural Statis-
8 tics Service;

9 “(vii) the National Institute of Food
10 and Agriculture; and

11 “(viii) other agencies that are involved
12 in data collection and research on locally
13 or regionally produced agricultural food
14 products;

15 “(D) expand the Agricultural Resource
16 Management Surveys—

17 “(i) to include questions on locally or
18 regionally produced agricultural food prod-
19 ucts; and

20 “(ii) sample a greater sector of agri-
21 cultural producers, including agricultural
22 producers engaged in the production of lo-
23 cally or regionally produced agricultural
24 food products;

1 “(E) authorize the National Agricultural
2 Statistics Service to create and administer—

3 “(i) a followup survey to the Census
4 of Agriculture, in order to collect more de-
5 tailed data on producers who indicated on
6 the Census of Agriculture that the pro-
7 ducers sell to markets for locally or region-
8 ally produced agricultural food products;
9 and

10 “(ii) a survey for the purpose of col-
11 lecting market data, including sales by
12 product type and supply chain or sourcing
13 data, from all vendors, including retail and
14 wholesale vendors, of locally and regionally
15 produced agricultural food products; and

16 “(F) seek to establish or expand private-
17 public partnerships to facilitate, to the max-
18 imum extent practicable, the collection of data
19 on locally or regionally produced agricultural
20 food products.

21 “(4) FUNDING.—

22 “(A) IN GENERAL.—Of the funds of the
23 Commodity Credit Corporation, the Secretary
24 shall use to carry out this section \$5,000,000,
25 to remain available until expended.

1 “(B) ADDITIONAL FUNDING.—In addition
 2 to funds made available under paragraph (1),
 3 there are authorized to be appropriated to carry
 4 out this section \$5,000,000 for each of fiscal
 5 years 2012 through 2017, to remain available
 6 until expended.”.

7 (b) CONFORMING AMENDMENT.—Section 296(b) of
 8 the Department of Agriculture Reorganization Act of
 9 1994 (7 U.S.C. 7014(b)) is amended—

10 (1) in paragraph (6), by striking “or” after the
 11 semicolon at the end;

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

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

15 “(8) the authority of the Secretary to carry out
 16 local food production and market data initiatives de-
 17 scribed in section 251(h).”.

18 **SEC. 6003. UNDER SECRETARY OF AGRICULTURE FOR RE-**
 19 **SEARCH, EDUCATION, AND ECONOMICS.**

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

23 “(6) SPECIAL COORDINATION RESPONSIBIL-
 24 ITIES.—

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 classical plant and animal breeding.

6 “(B) WORKING GROUP.—In carrying out
7 the special initiative, the Under Secretary shall
8 establish a working group that reports to the
9 Under Secretary, to be comprised of individuals
10 who are responsible for the management or ad-
11 ministration of public breeding programs in the
12 Department from—

13 “(i) the National Institute of Food
14 and Agriculture;

15 “(ii) the Agricultural Research Serv-
16 ice;

17 “(iii) the Economic Research Service;
18 and

19 “(iv) the National Agricultural Statis-
20 tics Service.

21 “(C) DUTIES OF WORKING GROUP.—The
22 working group shall—

23 “(i) coordinate classical plant and ani-
24 mal breeding research being conducted at

1 or funded by the agencies described in sub-
2 paragraph (B)(i);

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

8 “(iii) coordinate and collaborate with
9 the National Genetics Resource Advisory
10 Council;

11 “(iv) to maximize delivery of public
12 cultivars and breeds, ensure efficient co-
13 ordination of the activities the working
14 group and those of—

15 “(I) the Agricultural Research
16 Service;

17 “(II) National Institute of Food
18 and Agriculture;

19 “(III) the National Genetic Re-
20 sources Advisory Council;

21 “(IV) genetic resource conserva-
22 tion centers;

23 “(V) land grant universities;

1 “(VI) nongovernmental organiza-
2 tions with interests or expertise in
3 classical breeding; and

4 “(VII) public and private clas-
5 sical plant and animal breeders; and

6 “(v) evaluate classical public plant
7 and animal breeding activities and out-
8 comes to make recommendations to the
9 Under Secretary on the adequacy of
10 human and financial resources needed to
11 ensure that the next generation of public
12 breeders and agricultural breeders are pre-
13 pared to meet the challenges of the future.

14 “(D) ADVISORY BOARD.—The Under Sec-
15 retary shall establish an advisory board whose
16 primary duty will be to make recommendations
17 to the working group on matters related to the
18 duties specified in subparagraph (C). The advi-
19 sory board shall be comprised of individuals
20 with expertise in classical plant and animal
21 breeding including representatives from—

22 “(i) the Agricultural Research Service;

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

25 “(iii) the Extension Service;

1 “(iv) private foundations and non-
2 profit organizations that have expertise in
3 classical plant and animal breeding;

4 “(v) private agricultural research and
5 technology transfer firms; and

6 “(vi) the Land Grant University Sys-
7 tem.”.

8 (b) CONFORMING AMENDMENT.—Section 296(b) of
9 the Department of Agriculture Reorganization Act of
10 1994 (7 U.S.C. 7014(b)) (as amended by section 6002(b))
11 is amended—

12 (1) in paragraph (7), by striking “or” at the
13 end;

14 (2) in paragraph (8), by striking the period at
15 the end and inserting “; or”; and

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

17 “(9) the authority of the Secretary to establish
18 a special initiative under section 251(e).”.

19 **SEC. 6004. LOCAL AND REGIONAL FOOD SYSTEM ENTER-**
20 **PRISE FACILITATION.**

21 Section 502 of the Rural Development Act of 1972
22 (7 U.S.C. 2662) in amended by adding at the end the fol-
23 lowing:

24 “(j) LOCAL AND REGIONAL FOOD SYSTEM ENTER-
25 PRISE FACILITATION.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish a local and regional food system enterprise fa-
3 cilitation initiative to increase technical assistance to
4 help build sustainable local and regional food sys-
5 tems.

6 “(2) REQUIREMENTS.—In carrying out this
7 subsection, the Secretary shall, at a minimum—

8 “(A) authorize the establishment in the
9 Extension Service of the position of enterprise
10 facilitator (referred to in this subsection as an
11 ‘enterprise facilitator’); and

12 “(B) give priority to providing funding for
13 enterprise facilitators that are located in areas
14 that—

15 “(i) have high participation rates for
16 the supplemental nutrition assistance pro-
17 gram established under the Food and Nu-
18 trition Act of 2008 (7 U.S.C. 2011 et
19 seq.); and

20 “(ii) are predominantly rural areas.

21 “(3) GRANTS.—The Secretary may make
22 grants on a competitive basis to nongovernmental
23 organizations and institutions that have appropriate
24 experience working on the rural development initia-
25 tives in the targeted areas described in paragraph

1 (2)(B) to provide technical assistance to help build
2 sustainable local and regional food systems if the
3 Secretary determines that the Extension Service in
4 a State or locality is not able to provide the assist-
5 ance.

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

8 “(A) identify and organize local food pro-
9 ducers and entrepreneurs into entities that are
10 able to deliver local and regional food into local
11 markets, including—

12 “(i) farmers markets;

13 “(ii) community kitchens;

14 “(iii) locally owned processing facili-
15 ties;

16 “(iv) aggregation centers;

17 “(v) transportation cooperatives; and

18 “(vi) collaborative production coopera-
19 tives;

20 “(B) develop partnerships with local and
21 regional organizations and institutions to pro-
22 vide resources for effective partnerships to train
23 entrepreneurs and facilitate new enterprises;

1 “(C) assist agricultural producers and
2 processors with marketing and distribution of
3 local and regional food products;

4 “(D) identify and work to remove barriers
5 to the movement of local and regional food
6 products into the marketplace;

7 “(E) encourage new agricultural producers
8 to produce foods for local and regional markets;

9 “(F) provide education programs to new
10 agricultural producers that emphasize local and
11 regional foods;

12 “(G) work with local expanded food and
13 nutrition education programs, schools and other
14 local institutions, and individuals to develop
15 food processing skills;

16 “(H) provide technical assistance in the
17 preparation of grant and loan applications to
18 promote the purposes of this subsection; and

19 “(I) work with private sources of funding
20 and other Federal and State agencies to acquire
21 grants and loans to promote the purposes of
22 this subsection.

23 “(5) AUTHORIZATION OF APPROPRIATIONS.—
24 There are authorized to be appropriated to carry out
25 this subsection such sums as are necessary.”.

1 **SEC. 6005. NATIONAL GENETICS RESOURCES PROGRAM.**

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

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

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

9 (3) by inserting after paragraph (5) the fol-
10 lowing:

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

14 **TITLE VII—HORTICULTURE AND**
15 **ORGANIC AGRICULTURE**

16 **SEC. 7001. SPECIALTY CROP BLOCK GRANTS.**

17 (a) DEFINITIONS.—Section 3 of the Specialty Crops
18 Competitiveness Act of 2004 (7 U.S.C. 1621 note) is
19 amended—

20 (1) by redesignating paragraphs (1), (2), and
21 (3) as paragraphs (2), (3), and (4), respectively; and

22 (2) by inserting before paragraph (2), as redesi-
23 gnated by paragraph (1) of this subsection, the fol-
24 lowing new paragraph:

25 “(1) The term ‘locally or regionally produced
26 food’ has the meaning given the term ‘locally or re-

1 regionally produced agricultural food products’ in sec-
2 tion 310B(g)(9)(A)(i) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C.
4 1932(g)(9)(A)(i)).”.

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

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

9 (2) by striking “2005 through 2012” and in-
10 sserting “2013 through 2017”; and

11 (3) by striking “solely to enhance” and all that
12 follows and inserting “to increase the consumption
13 and availability of specialty crops that are locally or
14 regionally produced food and to increase the profit-
15 ability, ecological sustainability, and competitiveness
16 of specialty crop producers.”.

17 (c) PLAN REQUIREMENTS.—Subsection (e) of such
18 section 101 is amended—

19 (1) by striking “The State plan shall identify
20 the lead agency” and inserting “The State plan
21 shall—

22 “(1) identify the lead agency”; and

23 (2) by adding at the end the following new
24 paragraph:

1 “(2) ensure a balanced and equitable distribu-
2 tion of grants across—

3 “(A) the full array of specialty crop agri-
4 culture, including all types of farm enterprises,
5 organic farming systems, beginning and socially
6 disadvantaged farmers and ranchers, and small
7 and mid-scale farms;

8 “(B) the full array of funding areas, in-
9 cluding—

10 “(i) research and education;

11 “(ii) nutrition and public health;

12 “(iii) pest and plant health;

13 “(iv) conservation and the environ-
14 ment;

15 “(v) food safety;

16 “(vi) marketing and promotion; and

17 “(vii) production; and

18 “(C) the full range of activities inherent in
19 developing systems for locally or regionally pro-
20 duced foods, including issues related to proc-
21 essing, distributing, aggregating, storing, mar-
22 keting, and consumption.”.

23 (d) REVIEW OF APPLICATION.—Subsection (f) of
24 such section 101 is amended—

1 (1) by striking “purpose” and inserting “pur-
2 poses”; and

3 (2) by striking “subsection (a)” and inserting
4 “subsection (a), and would represent a balanced and
5 equitable distribution of grant funds, as specified in
6 subsection (e)”.

7 (e) PREFERENCE.—Such section 101 is further
8 amended—

9 (1) by redesignating subsections (g), (h), (i),
10 and (j) as subsections (i), (j), (k), and (n), respec-
11 tively; and

12 (2) by inserting after subsection (f) the fol-
13 lowing new subsection:

14 “(g) PREFERENCE.—In using grant funds provided
15 under this section, the State receiving the grant shall give
16 a preference to marketing proposals that—

17 “(1) demonstrate ability to have direct positive
18 impact on—

19 “(A) farm profitability and sustainability;

20 “(B) improved distribution capacity for lo-
21 cally or regionally produced foods; or

22 “(C) increased domestic consumption and
23 affordability of edible specialty crops, particu-
24 larly in low-income communities; and

1 “(2) in which final products are marketed so
2 that the total distance that products are transported
3 for final sale is less than 250 miles from the origin
4 of the products.”.

5 (f) TRANSPARENCY.—Such section 101 is further
6 amended by inserting after subsection (g), as added by
7 subsection (e) of this section, the following new subsection:

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

13 (g) USE OF GRANT FUNDS.—Such section 101 is fur-
14 ther amended by inserting after subsection (k), as redesign-
15 nated by subsection (e)(1) of this section, the following
16 new subsection:

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

23 (h) OTHER USE OF FUNDS.—Such section 101 is
24 further amended by inserting after subsection (l), as

1 added by subsection (g) of this section, the following new
2 subsection:

3 “(m) OTHER USE OF FUNDS.—

4 “(1) NATIONAL RESEARCH AND EVALUATION.—

5 Of the funds made available under subsection (n),
6 the Secretary shall use not less than \$5,000,000 for
7 a nationally-coordinated and regionally-balanced re-
8 search and evaluation effort on the redevelopment of
9 locally or regionally produced food systems con-
10 ducted through a consortium of land grant univer-
11 sities, in partnership with non-governmental organi-
12 zations engaged in work on locally or regionally pro-
13 duced food systems.

14 “(2) LOCALLY OR REGIONALLY PRODUCED
15 FOOD SYSTEM DEVELOPMENT.—Of the funds made
16 available under subsection (n), the Secretary shall
17 use \$30,000,000 during each fiscal year for locally
18 or regionally produced food system specialty crop de-
19 velopment, including development or enhancement of
20 State and regional local food marketing programs,
21 local and regional food enterprise development,
22 farmer-to-consumer direct marketing, direct-to-store
23 and direct-to-institution marketing, regional supply
24 chains, regional food hubs, new farmer development,
25 and State food policy councils.”.

1 (i) FUNDING.—Subsection (n) of such section 101,
2 as redesignated by subsection (e)(1) of this section, is
3 amended by striking “shall make grants” and all that fol-
4 lows and inserting “shall use \$90,000,000 for each of fis-
5 cal years 2013 through 2017 to carry out this section.”.

6 (j) EFFECTIVE DATE.—The amendments made by
7 this section shall take effect on October 1, 2012.

8 **SEC. 7002. NATIONAL ORGANIC CERTIFICATION COST-**
9 **SHARE PROGRAM.**

10 (a) REAUTHORIZATION.—Section 10606 of the Farm
11 Security and Rural Investment Act of 2002 (7 U.S.C.
12 6523) is amended—

13 (1) in subsection (a), by striking “Of the
14 funds” and all that follows through “until expended,
15 to” and inserting “The Secretary of Agriculture
16 (acting through the Agricultural Marketing Service)
17 shall”; and

18 (2) in subsection (b)(2), by striking “\$750”
19 and inserting “\$1,000”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on October 1, 2012.

1 **SEC. 7003. AVAILABILITY OF ORGANIC CERTIFICATION**
 2 **COST SHARE ASSISTANCE AND RISK MANAGE-**
 3 **MENT EDUCATION AND COMMUNITY OUT-**
 4 **REACH PARTNERSHIP ASSISTANCE UNDER**
 5 **THE FEDERAL CROP INSURANCE ACT.**

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

9 “(b) ORGANIC CERTIFICATION COST SHARE ASSIST-
 10 ANCE AND RISK MANAGEMENT EDUCATION AND COMMU-
 11 NITY OUTREACH PARTNERSHIP ASSISTANCE.—

12 “(1) PROVISION OF ASSISTANCE.—The Sec-
 13 retary shall provide organic certification cost share
 14 assistance and risk management education and com-
 15 munity outreach partnership assistance as provided
 16 in paragraph (4).

17 “(2) USE OF COMMODITY CREDIT CORPORA-
 18 TION.—The Secretary shall carry out this subsection
 19 through the Commodity Credit Corporation.

20 “(3) FUNDING.—Subject to paragraph (4), the
 21 Commodity Credit Corporation shall make available
 22 to carry out this subsection not less than
 23 \$10,000,000 for each fiscal year.

24 “(4) DISTRIBUTION OF FUNDS.—Of the
 25 amount made available under paragraph (3) for a
 26 fiscal year—

1 “(A) 70 percent shall be used to provide
2 organic certification cost share assistance pur-
3 suant to section 10606 of the Farm Security
4 and Rural Investment Act of 2002 (7 U.S.C.
5 1524); and

6 “(B) 30 percent shall be used to conduct
7 activities to support risk management education
8 and community outreach partnerships pursuant
9 to section 522(d).”.

10 **SEC. 7004. LOCAL MARKETING PROMOTION PROGRAM.**

11 Section 6 of the Farmer-to-Consumer Direct Mar-
12 keting Act of 1976 (7 U.S.C. 3005) is amended to read
13 as follows:

14 **“SEC. 6. LOCAL MARKETING PROMOTION PROGRAM.**

15 “(a) ESTABLISHMENT.—The Secretary shall carry
16 out a program, to be known as the ‘Local Marketing Pro-
17 motion Program’ (referred to in this section as the ‘Pro-
18 gram’), to make grants to eligible entities for projects to
19 establish, expand, and promote direct producer-to-con-
20 sumer marketing, including farmers’ markets, and other
21 local and regional food markets.

22 “(b) PROGRAM PURPOSES.—

23 “(1) IN GENERAL.—The purposes of the Pro-
24 gram are to increase domestic consumption of and

1 access to locally and regionally produced agricultural
2 products by—

3 “(A) improving and expanding or assisting
4 in the improvement and expansion of—

5 “(i) domestic farmers’ markets, farm
6 and roadside stands, community-supported
7 agriculture and community-supported fish-
8 ery programs, agritourism activities, green
9 carts, route vendors, buying clubs, and
10 other direct producer-to-consumer market
11 opportunities; and

12 “(ii) local and regional food markets
13 that are not direct farmer-to-consumer
14 markets, but that may include the scaling
15 up of such direct markets, including proc-
16 essing, distributing, aggregating, storing,
17 and marketing;

18 “(B) developing or aiding in the develop-
19 ment of—

20 “(i) new farmers’ markets, roadside
21 stands, community-supported agriculture
22 and community-supported fishery pro-
23 grams, agritourism activities, and other di-
24 rect producer-to-consumer marketing op-
25 portunities; and

1 “(ii) local and regional food markets
2 that are not direct farmer-to-consumer
3 markets, but that may include the scaling
4 up of such direct markets, including proc-
5 essing, distributing, aggregating, storing,
6 and marketing.

7 “(2) LIMITATIONS.—An eligible entity may not
8 use a grant or other assistance provided under the
9 Program for the purchase, construction, or rehabili-
10 tation of a building or structure.

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

13 “(1) an agricultural or fishing cooperative or
14 other business entity or a producer or fisher network
15 or association, including community-supported agri-
16 culture or fishery networks or associations;

17 “(2) a local government;

18 “(3) a nonprofit corporation;

19 “(4) a public benefit corporation;

20 “(5) an economic development corporation;

21 “(6) a regional farmers’ market authority; or

22 “(7) such other entity as the Secretary may
23 designate.

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

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

3 “(e) PRIORITIES.—

4 “(1) PREFERENCE FOR CERTAIN COMMUNITIES
5 AND OPERATIONS.—In providing grants under the
6 Program, priority shall be given to applications that
7 include projects—

8 “(A) to benefit underserved communities;
9 and

10 “(B) to develop market opportunities for
11 small and mid-sized farm and ranch operations.

12 “(2) PREFERENCE FOR PRODUCER-ONLY FARM-
13 ERS’ MARKETS.—In providing grants under the di-
14 rect marketing portion of the Program, priority shall
15 be given to producer-only farmers’ markets.

16 “(f) FUNDING.—

17 “(1) IN GENERAL.—The Secretary shall use
18 \$30,000,000 of the funds of the Commodity Credit
19 Corporation each fiscal year to carry out the Pro-
20 gram.

21 “(2) USE OF FUNDS.—

22 “(A) DISTRIBUTION BETWEEN PUR-
23 POSES.—Of the funds made available under
24 paragraph (1) for a fiscal year—

1 “(i) 50 percent shall be used for the
2 direct marketing portion of the Program in
3 subparagraphs (A)(i) and (B)(i) of sub-
4 section (b)(1); and

5 “(ii) 50 percent shall be used for the
6 local and regional food portion of the Pro-
7 gram in subparagraphs (A)(ii) and (B)(ii)
8 of subsection (b)(1).

9 “(B) DIRECT MARKETING PORTION.—For
10 each of the following, not less than 10 percent
11 of the funds reserved for the direct marketing
12 portion of the Program in a fiscal year under
13 paragraph (2)(A)(i) shall be used—

14 “(i) to support outreach, education,
15 and operation of the use of electronic bene-
16 fits transfers for Federal nutrition pro-
17 grams at farmers’ markets and other di-
18 rect marketing outlets including farm and
19 roadside stands, community-supported ag-
20 riculture and community-supported fishery
21 programs, green carts, route vendors and
22 buying clubs; and

23 “(ii) to provide general technical as-
24 sistance and organizational capacity build-
25 ing grants to strengthen market develop-

1 ment networks and otherwise enhance the
2 outcomes of the Program.

3 “(C) LOCAL AND REGIONAL FOOD POR-
4 TION.—Not less than 10 percent of the funds
5 reserved for the local and regional food portion
6 of the Program in a fiscal year under para-
7 graph (2)(A)(ii) shall be used to provide tech-
8 nical assistance grants to strengthen the ability
9 of small and medium-sized agricultural pro-
10 ducers, food wholesalers and retailers, schools,
11 and other individuals, organizations, entities,
12 and institutions for processing, distributing, ag-
13 gregating, storing, and marketing locally and
14 regionally produced agricultural products.
15 Funds reserved under such paragraph may be
16 used—

17 “(i) to carry out feasibility studies re-
18 lated to the local and regional food portion
19 of the Program; and

20 “(ii) to assist enterprises that process,
21 distribute, aggregate, store, and market lo-
22 cally and regionally produced foods.

23 “(3) INTERDEPARTMENTAL COORDINATION.—
24 In carrying out this subsection, the Secretary shall

1 ensure coordination between the various agencies to
2 the maximum extent practicable.

3 “(4) LIMITATIONS.—

4 “(A) ADMINISTRATIVE EXPENSES.—Not
5 more than 10 percent of the total amount made
6 available under paragraph (1) for a fiscal year
7 may be used for administrative expenses.

8 “(B) PROJECT LIMITATIONS.—Funds de-
9 scribed in paragraph (2)(B)(i)—

10 “(i) may not be used for the ongoing
11 cost of carrying out any project; and

12 “(ii) shall only be provided to eligible
13 entities that demonstrate a plan to con-
14 tinue to provide EBT card access at 1 or
15 more farmers’ markets or direct marketing
16 outlets following the receipt of the grant.”.

17 **TITLE VIII—POULTRY AND**
18 **LIVESTOCK**

19 **SEC. 8001. SMALL AND VERY SMALL MEAT PROCESSING**
20 **PLANTS.**

21 (a) TECHNICAL ASSISTANCE AND GUIDANCE.—The
22 Federal Meat Inspection Act (21 U.S.C. 601 et seq.) is
23 amended by adding at the end the following new title:

1 **“TITLE VI—VERY SMALL AND**
2 **CERTAIN SMALL ESTABLISH-**
3 **MENTS**

4 **“SEC. 601. TECHNICAL ASSISTANCE.**

5 “(a) ESTABLISHMENT.—The Secretary shall estab-
6 lish in the Food Safety and Inspection Service of the De-
7 partment of Agriculture a technical assistance division to
8 coordinate the initiatives of any other appropriate agency
9 of the Department of Agriculture to provide—

10 “(1) outreach, education, and training to very
11 small or certain small establishments (as defined by
12 the Secretary);

13 “(2) grants to appropriate State agencies, edu-
14 cational institutions, non-governmental organizations
15 with appropriate expertise, or networks or partner-
16 ships of such agencies, such institutions, and such
17 organizations to provide outreach, technical assist-
18 ance, education, and training to very small or cer-
19 tain small establishments; and

20 “(3) grants to appropriate State agencies to
21 provide outreach, technical assistance, education,
22 and training to very small or certain small establish-
23 ments.

1 “(b) PERSONNEL.—The technical assistance division
2 shall be comprised of individuals that, as determined by
3 the Secretary—

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

6 “(2) possess appropriate qualifications and ex-
7 pertise relating to the duties of the technical assist-
8 ance division.

9 **“SEC. 602. GUIDANCE.**

10 “(a) PURPOSE.—Not later than 2 years after the
11 date of the enactment of this section, the Secretary, acting
12 through the Food Safety and Inspection Service, shall
13 issue guidance to allow very small or certain small estab-
14 lishments (as defined by the Secretary under section 601)
15 to demonstrate compliance with required food safety and
16 sanitation standards upon a showing that the process con-
17 trols for food safety and sanitation are being applied.

18 “(b) CONTENT.—The guidance issued under sub-
19 section (a) shall address process controls, appropriate for
20 the size and scale of a facility, for—

21 “(1) slaughter and processing facilities that
22 conduct Federal inspections, State inspections, or
23 custom slaughter or processing at the facility;

24 “(2) leased slaughter and processing facilities;

25 “(3) on-farm slaughter and processing;

1 “(4) mobile slaughter and processing facilities;
2 and

3 “(5) other facilities or circumstances deter-
4 mined by the stakeholders group referred to in sub-
5 section (c) to be relevant to very small or certain
6 small establishments.

7 “(c) STAKEHOLDER GROUP.—

8 “(1) IN GENERAL.—Not later than 90 days
9 after the date of the enactment of this section, the
10 Secretary shall convene a stakeholders group with
11 expertise on small scale processing facilities, includ-
12 ing mobile processing facilities, to prepare proposed
13 guidance on process controls for food safety and
14 sanitation for very small or certain small establish-
15 ments.

16 “(2) MEMBERSHIP.—The stakeholders group
17 convened under paragraph (1) shall include—

18 “(A) small scale growers;

19 “(B) operators of small scale slaughtering
20 and processing facilities; and

21 “(C) representatives from appropriate Fed-
22 eral and State agencies, educational institu-
23 tions, non-governmental organizations with ap-
24 propriate expertise, or networks or partnerships

1 of such agencies, such institutions, and such or-
2 ganizations.

3 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated to the Secretary
5 \$5,000,000 for each of fiscal years 2013 through 2017
6 to carry out this title and section 32 of the Poultry Prod-
7 ucts Inspection Act.”.

8 (b) CONFORMING AMENDMENTS.—Section 501 of the
9 Federal Meat Inspection Act (21 U.S.C. 683) is amend-
10 ed—

11 (1) in subsection (b)(3)(B)(ii), by striking “sub-
12 section (j)” and inserting “subsection (i)”;

13 (2) in subsection (e)(1), by striking “subsection
14 (j)” and inserting “subsection (i)”;

15 (3) by striking subsection (f); and

16 (4) by redesignating subsections (g) through (j)
17 as subsections (f) through (i), respectively.

18 **SEC. 8002. SMALL AND VERY SMALL POULTRY PROCESSING**

19 **PLANTS.**

20 The Poultry Products Inspection Act (21 U.S.C. 451
21 et seq.) is amended by adding at the end the following
22 new section:

23 **“SEC. 32. TECHNICAL ASSISTANCE AND GUIDANCE.**

24 “(a) TECHNICAL ASSISTANCE.—

1 “(1) ESTABLISHMENT.—The Secretary shall es-
2 tablish in the Food Safety and Inspection Service of
3 the Department of Agriculture a technical assistance
4 division to coordinate the initiatives of any other ap-
5 propriate agency of the Department of Agriculture
6 to provide—

7 “(A) outreach, education, and training to
8 very small or certain small establishments (as
9 defined by the Secretary);

10 “(B) grants to appropriate State agencies,
11 educational institutions, non-governmental or-
12 ganizations with appropriate expertise, or net-
13 works or partnerships of such agencies, such in-
14 stitutions, and such organizations to provide
15 outreach, technical assistance, education, and
16 training to very small or certain small establish-
17 ments; and

18 “(C) grants to appropriate State agencies
19 to provide outreach, technical assistance, edu-
20 cation, and training to very small or certain
21 small establishments.

22 “(2) PERSONNEL.—The technical assistance di-
23 vision shall be comprised of individuals that, as de-
24 termined by the Secretary—

1 “(A) are of a quantity sufficient to carry
2 out the duties of the technical assistance divi-
3 sion; and

4 “(B) possess appropriate qualifications and
5 expertise relating to the duties of the technical
6 assistance division.

7 “(b) GUIDANCE.—

8 “(1) PURPOSE.—Not later than 2 years after
9 the date of the enactment of this section, the Sec-
10 retary, acting through the Food Safety and Inspec-
11 tion Service, shall issue guidance to allow very small
12 or certain small establishments (as defined by the
13 Secretary under subsection (a)) to demonstrate com-
14 pliance with required food safety and sanitation
15 standards upon a showing that the process controls
16 for food safety and sanitation are being applied.

17 “(2) CONTENT.—The guidance issued under
18 paragraph (1) shall address process controls, appro-
19 priate for the size and scale of a facility, for—

20 “(A) slaughter and processing facilities
21 that conduct Federal inspections, State inspec-
22 tions, or custom slaughter or processing at the
23 facility;

24 “(B) leased slaughter and processing facili-
25 ties;

1 “(C) on-farm slaughter and processing;

2 “(D) mobile slaughter and processing fa-
3 cilities; and

4 “(E) other facilities or circumstances de-
5 termined by the stakeholders group referred to
6 in paragraph (3) to be relevant to very small or
7 certain small establishments.

8 “(3) STAKEHOLDER GROUP.—

9 “(A) IN GENERAL.—Not later than 90
10 days after the date of the enactment of this sec-
11 tion, the Secretary shall convene a stakeholders
12 group with expertise on small scale processing
13 facilities, including mobile processing facilities,
14 to prepare proposed guidance on process con-
15 trols for food safety and sanitation for very
16 small or certain small establishments.

17 “(B) MEMBERSHIP.—The stakeholders
18 group convened under subparagraph (A) shall
19 include—

20 “(i) small scale growers;

21 “(ii) operators of small scale slaugh-
22 tering and processing facilities; and

23 “(iii) representatives from appropriate
24 Federal and State agencies, educational in-
25 stitutions, non-governmental organizations

1 with appropriate expertise, or networks or
2 partnerships of such agencies, such institu-
3 tions, and such organizations.

4 “(c) AUTHORIZATION OF APPROPRIATIONS.—The au-
5 thorization of appropriations for this section appears in
6 section 602 of the Federal Meat Inspection Act.”.

7 **SEC. 8003. SEARCHABLE DATABASE OF ELECTRONICALLY**
8 **SUBMITTED MEAT AND POULTRY LABELS.**

9 (a) ELECTRONIC OPTION FOR SUBMISSION.—Not
10 later than 1 year after the date of the enactment of this
11 Act, the Secretary of Agriculture shall promulgate regula-
12 tions under section 7 of the Federal Meat Inspection Act
13 (21 U.S.C. 607) and section 8 of the Poultry Products
14 Inspection Act (21 U.S.C. 457) to establish an electronic
15 option for submitting meat and poultry labels for
16 preapproval.

17 (b) SEARCHABLE DATABASE OF ELECTRONICALLY
18 SUBMITTED LABELS.—Not later than 1 year after the
19 date of the enactment of this Act, the Secretary of Agri-
20 culture shall establish a publicly accessible searchable
21 database of electronically submitted meat and poultry la-
22 bels.

23 **SEC. 8004. MEAT AND POULTRY PROCESSING REPORT.**

24 (a) IN GENERAL.—Not later than 18 months after
25 the date of the enactment of this Act, the Secretary of

1 Agriculture, in consultation with the stakeholders group
2 referred to in section 602(c) of the Federal Meat Inspec-
3 tion Act (as added by section 8001 of this Act) and the
4 stakeholders group referred to in section 32(b)(3) of the
5 Poultry Products Inspection Act (as added by section
6 8002 of this Act), shall submit to Congress a report on
7 steps that can be taken to better meet the needs of very
8 small and certain small establishments (as defined by the
9 Secretary under section 601 of the Federal Meat Inspec-
10 tion Act (as added by such section 8001) or section 32(a)
11 of the Poultry Products Inspection Act (as added by such
12 section 8002)), including any recommended changes to
13 statutory and regulatory provisions of law.

14 (b) CONTENTS.—The report required under para-
15 graph (1) shall include a proposal to allow participating
16 States to enter into memoranda of understanding with
17 non-participating States to allow covered products pro-
18 duced in a participating State to be sold in a non-partici-
19 pating State.

20 (c) DEFINITIONS.—In this section:

21 (1) COVERED PRODUCTS.—The term “covered
22 products” means a meat or poultry product in-
23 spected in accordance with the covered programs.

24 (2) COVERED PROGRAMS.—The term “covered
25 programs” means the cooperative meat and poultry

1 inspection programs of the Food Safety and Inspec-
 2 tion Service of the Department of Agriculture.

3 (3) NON-PARTICIPATING STATE.—The term
 4 “non-participating State” means a State that does
 5 not participate in the covered programs.

6 (4) PARTICIPATING STATE.—The term “partici-
 7 pating State” means a State that participates in the
 8 covered programs.

9 **TITLE IX—MISCELLANEOUS**

10 **SEC. 9001. NATIONAL FOOD SAFETY TRAINING, EDUCATION,** 11 **EXTENSION, OUTREACH, AND TECHNICAL AS-** 12 **SISTANCE PROGRAM.**

13 Section 405 of the Agricultural Research, Extension,
 14 and Education Reform Act of 1998 (7 U.S.C. 7625) is
 15 amended by striking subsection (j) and inserting the fol-
 16 lowing:

17 “(j) FUNDING.—

18 “(1) IN GENERAL.—Of the funds of the Com-
 19 modity Credit Corporation, the Secretary shall use
 20 to carry out this section \$15,000,000 for each of fis-
 21 cal years 2013 through 2017.

22 “(2) ADDITIONAL FUNDING.—In addition to
 23 funds made available under paragraph (1), for the
 24 purposes of making grants under this section, there
 25 are authorized to be appropriated such sums as are

1 necessary for each of fiscal years 2011 through
2 2017.”.

3 **SEC. 9002. BUDGETARY EFFECTS.**

4 The budgetary effects of this Act, for the purpose of
5 complying with the Statutory Pay-As-You-Go Act of 2010,
6 shall be determined by reference to the latest statement
7 titled “Budgetary Effects of PAYGO Legislation” for this
8 Act, submitted for printing in the Congressional Record
9 by the Chairman of the Senate Budget Committee, pro-
10 vided that such statement has been submitted prior to the
11 vote on passage.

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