To promote expanded economic opportunities for farmers and ranchers through local and regional markets, expand access to healthy food in underserved communities, provide access to locally and regionally grown food for schools, institutions, and consumers, and strengthen rural-urban linkages, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BLUMENAUER introduced the following bill; which was referred to the
Committee on ______________________

A BILL

To promote expanded economic opportunities for farmers and ranchers through local and regional markets, expand access to healthy food in underserved communities, provide access to locally and regionally grown food for schools, institutions, and consumers, and strengthen rural-urban linkages, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.— This Act may be cited as the
“Local Food and Farm Support Act”

(b) Table of Contents.—
SEC. 2. GRANTS TO SUPPORT VALUE-ADDED AGRICULTURAL PRODUCTS.

The Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224) is amended by striking section 231 and inserting the following new sections:

“SEC. 231. GRANTS TO SUPPORT VALUE-ADDED AGRICULTURAL PRODUCTS.

“(a) DEFINITIONS.—In this section:

“(1) VALUE-ADDED AGRICULTURAL PRODUCT.—

“(A) IN GENERAL.—The term ‘value-added agricultural product’ means any agricultural commodity or product that—

“(i)(I) has undergone a change in physical state;

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

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

“(ii) As a result of the change in physical state or the manner in which the agricultural commodity or product was produced or segregated—

“(I) the customer base for the agricultural commodity or product has been expanded; and

“(II) a greater portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity or product is available to the producer of the commodity or product.

“(B) Inclusion.—The term includes such farm- or ranch-based renewable energy conservation and generation projects as are ineligible for assistance under section 9006 of the Farm Security and Rural Investment Act of
2002 and are otherwise eligible for this program, as determined by the Secretary.

“(2) MID-TIER VALUE CHAIN.—The term ‘mid-tier value chain’ means supply networks that link independent producers with businesses and cooperatives that market value-added agricultural products in a manner that—

“(A) specifically targets and strengthens the profitability and competitiveness of mid-sized family farms, that are not larger than family farms, as defined in regulations pursuant to section 302 of the Consolidated Farm and Rural Development;

“(B) obtains agreement from the eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture engaged in the value chain in the method for price determination; and

“(C) adheres to clear and transparent social, environmental, economic, and consumer standards and equitable business practices throughout all parts of the supply network.

“(3) SOCIALLY DISADVANTAGED FARMER.—The term ‘socially disadvantaged farmer’ has the mean-
ing given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003 (e)).

“(b) GRANT PROGRAM.—From amounts made available to carry out this section, the Secretary shall award competitive grants—

“(1) to an eligible independent producer (as determined by the Secretary) of a value-added agricultural product to assist the producer—

“(A) in developing a business plan for viable marketing opportunities for the value-added agricultural product; or

“(B) in developing strategies that are intended to create marketing opportunities for the producer;

“(2) to an eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture (as determined by the Secretary) to assist the entity—

“(A) in developing a business plan for viable marketing opportunities in emerging markets for a value-added agricultural product; or

“(B) in developing strategies that are intended to create marketing opportunities in
emerging markets for the value-added agricultural product; and

“(3) to nonprofit organizations, educational institutions, and units of government to assist producers and groups eligible under paragraph (A) or (B) by—

“(A) providing training or technical assistance; or

“(B) conducting outreach on the availability of the program and application requirements.

“(c) GRANT AMOUNTS AND ALLOCATIONS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the total amount provided under this section to a grant recipient shall not exceed $500,000.

“(2) FEASIBILITY STUDY GRANTS.—The total amount provided under this section to a grant recipient for a feasibility study grant shall not exceed $100,000.

“(3) MAJORITY-CONTROLLED PRODUCER-BASED BUSINESS VENTURES.—The amount of grants provided to majority-controlled producer-based business ventures under subsection (b)(2) for a fiscal year may not exceed 10 percent of the amount of funds
that are used to make grants for the fiscal year under this section.

“(4) Farm and ranch-based renewable energy.—The amount of grants provided for farm and ranch-based renewable energy conservation and generation for a fiscal year may not exceed 15 percent of the amount of funds that are used to make grants for the fiscal year under this section.

“(5) Mid-tier value chains.—To the maximum extent practicable, the amount of grants provided for mid-tier value chains for a fiscal year shall be not less than 15 percent of the amount of funds that are used to make grants for the fiscal year under this section.

“(6) Socially disadvantaged farmers and ranchers.—To the maximum extent practicable, the amount of grants provided for projects which include the significant participation of socially disadvantaged farmers and ranchers for a fiscal year shall be not less than 10 percent of the amount of funds that are used to make grants for the fiscal year under this section.

“(7) Training, technical assistance, and outreach.—The amount of grants provided to nonprofit organizations, educational institutions, and
units of government under subsection (b)(3) for a fiscal year may not exceed 10 percent of the amount of funds that are used to make grants for the fiscal year under this section.

“(8) Small and Individual Producer Grants.—The Secretary may provide for separate funding pools for proposals requesting less than $50,000 grants and for individual producer grants.

“(d) Grantee Strategies.—A recipient of a grant under this section shall use the grant—

“(1) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added agricultural product; or

“(2) to provide capital to establish alliances or business ventures that allow the producer of the value-added agricultural product to better compete in domestic or international markets.

“(e) Priority.—

“(1) In General.—In awarding grants the Secretary shall give the priority to projects that—

“(A) are 100 percent producer owned;

“(B) contribute to increasing the number and quality of self-employment opportunities in farming and ranching by increasing value-added opportunities for beginning farmers and ranch-
ers, socially disadvantaged farmers and ranchers, and other operations that are not larger than family farms, as defined in regulations pursuant to section 302 of the Consolidated Farm and Rural Development Act;

“(C) help retain and enhance small and medium-sized farms and ranches and preserve productive farm and ranch lands;

“(D) conserve and enhance the quality of land, water, and energy resources, wildlife habitat, and other landscape values and amenities in rural areas; and

“(E) support new ventures that do not have well-established market or product development staffs and budgets.

“(2) Mid-tier Value Chain Grants.—In awarding grants pursuant to subsection (b)(2), the Secretary shall give priority to projects that facilitate partnerships that may involve businesses, cooperatives, non-profit organizations, agencies, and educational institutions.

“(3) Regional Balance.—In awarding grants the Secretary shall to the maximum extent practicable ensure that all States and regions are able to participate.
“(f) TERM.—A grant under this section shall have a term that does not exceed three years.

“(g) SIMPLIFIED APPLICATION.—The Secretary shall offer a simplified application form and process for project proposals requesting less than $50,000.

“(h) FUNDING.—Not later than 30 days after the date of enactment of the Local Food and Farm Support Act, on October 1, 2008, and on each October 1 thereafter through October 1, 2012, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $60,000,000. Such amounts shall remain available until expended.

“SEC. 232. FAMILY FARMER AND RANCHER VIABILITY AND INNOVATION FUND.

“(a) ESTABLISHMENT.—The Secretary shall establish a demonstration program to be known as the ‘Family Farmer and Rancher Viability and Innovation Fund’ under which the Secretary shall make grants to groups of producers who operate not larger than family farms, as defined in regulations pursuant to section 302 of the Consolidated Farm and Rural Development Act, for innovative strategies, other than marketing value-added agricultural products, that enhance viability, profitability, and competitiveness through joint efforts.
“(b) FUNDING.—Of the amounts made available under section 231(h) for each fiscal year, the Secretary shall use to carry out this section—

“(1) not less than $2 million for fiscal year 2008;

“(2) not less than $3 million for fiscal year 2009; and

“(3) not less than $10 million for fiscal years 2010 through 2012.”.

SEC. 3. HEALTHY FOOD ENTERPRISE DEVELOPMENT PROGRAM.

Title II of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465) is amended by adding at the end the following:

“SEC. 204. HEALTHY FOOD ENTERPRISE DEVELOPMENT PROGRAM.

“(a) FINDINGS.—Congress makes the following findings:

“(1) The average distance fresh foods, especially fresh fruits and vegetables, travel from point of production to point of retail sale has increased over the past three decades to at least 1,500 miles as referenced in a 2003 report from Iowa State University.
“(2) It is in the public interest that agricultural producers, including small and mid-sized family farms and ranches, socially disadvantaged farmers and ranchers, and beginning farmers and ranchers, have access to a local and regional processors and distributors to foster competitive markets and improve farm and ranch profitability.

“(3) Improving producer access to processing, distribution, and other marketing services can significantly enhance consumer access to affordable locally and regionally-produced foods.

“(4) Increasing the availability of locally and regionally-produced food is especially important for improving food access in underserved communities.

“(5) Renewal of local and regional food systems will encourage the preservation of farm and ranch lands and spur natural resource and environmental improvements.

“(b) PURPOSE.—The purpose of this section is to support farm and ranch income by significantly enhancing a producer’s share of the final retail product price through improved access to competitive processing and distribution systems which deliver affordable, locally and regionally produced foods to consumers, improve food access in un-
derserved communities, and help save farm and ranch land
and protect natural resources.

“(c) DEFINITIONS.—In this section:

“(1) BEGINNING FARMER OR RANCHER.—The
term ‘beginning farmer or rancher’ has the meaning
given the term ‘qualified beginning farmer or rancher’ in section 343(a) of the Consolidated Farm and
Rural Development Act (7 U.S.C. 1991(a)).

“(2) ELIGIBLE ENTITY.—The term ‘eligible ent-
ity’ includes—

“(A) a small or midsized processor, dis-
tributor, wholesaler, or retail food outlet;
“(B) a group of producers operating as a
legally recognized marketing alliance;
“(C) a producer-owned cooperative;
“(D) a nonprofit organization;
“(E) an economic development or commu-
nity development corporation;
“(F) a unit of State or local government;

and
“(G) an academic institution.

“(3) INDIAN TRIBE.—The term ‘Indian tribe’
has the meaning given the term in section 4 of the
Indian Self-Determination and Education Assistance
“(4) **Locally or regionally produced food.**—The term ‘locally or regionally produced food’ means any agricultural product distributed within the locality or region in which the agricultural product is produced in a manner that ensures that—

“(A) typically convey information regarding the product origin, production practices, or other similar information which is a source of value to the end-use consumer;

“(B) the income of the producer is increased through maximization of the share of the retail food price retained by the producer;

“(C) consumers are provided with affordable agricultural products produced, processed, and distributed in the locality or region of the consumers; and

“(D) have traveled at least less than half of the current average distance of all food produced and consumed in the United States as determined by the Secretary

“(5) **SECRETARY.**—The term ‘Secretary’ means the Secretary of Agriculture.

“(6) **Socially disadvantaged farmer or rancher.**—The term ‘socially disadvantaged farmer or rancher’ has the meaning given the term in sec-
tion 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

“(7) UNDERSERVED COMMUNITY.—The term ‘underserved community’ includes any community that may have, as determined by the Secretary—

“(A) limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets;

“(B) high incidences of diet-related diseases, including obesity;

“(C) high rates of hunger or food insecurity; or

“(D) severe or persistent poverty in urban or rural communities, including Indian tribal communities.

“(d) GRANT PROGRAM.—

“(1) ESTABLISHMENT.—The Secretary, acting through the head of the market services branch of the Agricultural Marketing Service, shall establish a program under which the Secretary shall provide grants, on a competitive basis, to eligible entities to conduct enterprise feasibility studies (including studies of consumer preference), in accordance with the purpose of this section.
“(2) APPLICATION.—To be eligible to receive a grant under this subsection, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

“(3) COORDINATION WITH OTHER AGENCIES.—In carrying out the program under this subsection, the Secretary shall coordinate, with respect to the development of the program and reviews of grant applications, with—

“(A) the Cooperative State Research, Education, and Extension Service; and

“(B) the Rural Business Cooperative Service.

“(4) PRIORITY.—In providing grants under this subsection, the Secretary shall give priority to applications with proposed projects that—

“(A) convey food products produced, processed, distributed near to point of final retail purchase, with the total distance a food product travels to the point of retail purchase as a measure of product freshness and compliance with the purpose in subsection (b).

“(B) are from partnerships of 2 or more eligible entities;
“(C) include features effectively targeting participation by socially disadvantaged farmers or ranchers or beginning farmers or ranchers;

“(D) increase employment opportunities in underserved communities;

“(E) support small and mid-sized farm viability and increase farming opportunities; or

“(F) establish and maintain satisfactory environmental and labor standards, including worker protection.

“(5) MAXIMUM AMOUNT.—The amount of a grant provided under this subsection shall not exceed $250,000.

“(6) TERM.—A grant provided under this subsection shall have a term of not more than 3 years.

“(7) REPORTS.—

“(A) IN GENERAL.—Each eligible entity that receives a grant under this subsection shall submit to the Secretary an annual report describing the results and progress of each feasibility study to ensure sufficient progress is achieved with respect to the goals of the projects carried out by the eligible entity.

“(B) PUBLIC AVAILABILITY.—The Secretary shall ensure that any information con-
tained in a report under subparagraph (A) relating to consumer preference or producer availability is made available to the public.

“(8) Funding.—On October 1, 2008, and on each October 1 thereafter through October 1, 2013, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this subsection $5,000,000, to remain available until expended.

“(e) Enterprise Development Loan Program.—

“(1) Establishment.—The Secretary, acting through the Agricultural Marketing Service, shall establish a program under which the Secretary shall provide loans and loan guarantees to eligible entities and individual producers for use in accordance with paragraph (6).

“(2) Coordination with Other Agencies.—In carrying out the program under this subsection, the Secretary shall coordinate, with respect to the development of the program, reviews of applications, and implementation with the Rural Business Cooperative Service.

“(3) Application.—To be eligible to receive a loan or loan guarantee under this subsection, an eli-
gible entity or individual producer shall submit to
the Secretary an application at such time, in such
manner, and containing such information as the Sec-
retary may require.

“(4) REQUIREMENTS.—

“(A) PRIORITY.—In providing loans and
loan guarantees under this subsection, the Sec-
retary shall give priority to applications with
proposed projects that—

“(i) convey food products produced,
processed, distributed near to point of final
retail purchase, with the total distance a
food product travels to the point of retail
purchase as a measure of product
freshness and compliance with the purpose
in subsection (b).

“(ii) are from partnerships of 2 or
more eligible entities;

“(iii) include features effectively tar-
geting participation by socially disadvan-
taged farmers or ranchers or beginning
farmers or ranchers;

“(iv) increase employment opportuni-
ties in underserved communities;
“(v) establish and maintain clear environmental and labor standards, including worker protection; or

“(vi) support small and mid-sized farm viability and increase farming opportunities.

“(B) LIMITATION.—The Secretary shall ensure that no recipient of a loan or loan guarantee under this subsection holds, or significantly benefits from, more than 1 loan or guarantee for the term of the loan or guarantee.

“(5) DIRECT LOANS.—

“(A) IN GENERAL.—The Secretary shall provide loans under this subsection—

“(i) on an annual and competitive basis;

“(ii) after conducting a review of applicable applications in accordance with subsection (c)(3);

“(iii) in a manner that is economically sound, as determined by the Secretary;

“(iv) that may be subordinated to loans made by local private lenders; and

“(v) in an amount equal to not more than $1,500,000, as adjusted to reflect
changes for the 12-month period ending
the preceding November 30 in the Con-
sumer Price Index for All Urban Con-
sumers published by the Bureau of Labor
Statistics of the Department of Labor.

“(B) INTEREST RATE.—The interest rate
of a loan provided under this subsection—

“(i) shall be equivalent to the interest
rate of securities of the United States
Treasury of comparable maturity as of the
date on which the loan is provided;

“(ii) may be offered as a variable rate
to allow lower-interest payments until an
eligible entity is able to pay higher-interest
payments, subject to the condition that the
total interest rate does not exceed the
standard interest rate of the Department
of the Treasury, as in existence on the
date on which the loan is approved; and

“(iii) shall not change, in the aggre-
gate, during the term of the loan.

“(C) REPAYMENT.—An eligible entity or
individual producer shall repay the Secretary an
amount equal to the amount of the loan re-
ceived by the eligible entity or individual pro-
ducer (including interest) by not later than 15 years after the date on which the loan is pro-
vided.

“(D) UNDERSERVED COMMUNITIES.—The Secretary shall defer repayment of a loan (in-
cluding interest) provided to an eligible entity located in an underserved community for the 3-
year period beginning on the date on which the loan is provided.

“(6) LOAN GUARANTEES.—

“(A) RATES.—

“(i) IN GENERAL.—Except as pro-
vided in clauses (ii) and (iii), the rate of a loan guarantee provided under this sub-
section shall be not less than 80 percent and not more than 90 percent.

“(ii) CERTAIN RECIPIENTS.—The rate of a loan guarantee provided under this sub-
section to an eligible entity that serves primarily a majority of socially disadvan-
taged farmers or ranchers or beginning farmers or ranchers, as determined by the Secretary, shall be not less than 95 per-
cent.
“(iii) CERTAIN PROJECTS.—The rate of a loan guarantee provided under this subsection for a project that, as determined by the Secretary, will result in increased employment in a low-income community, an economic empowerment zone, or such other similar area as the Secretary may designate, shall be not less than 95 percent.

“(B) ELIGIBLE LENDERS.—For purposes of loan guarantees under this paragraph, eligible lender institutions include—

“(i) community development financial institutions;

“(ii) community development banks;

“(iii) credit unions;

“(iv) banks owned by Indian tribes; and

“(v) such other institutions as the Secretary may designate to ensure equitable access to loan guarantees—

“(I) in each State; and

“(II) to Indian tribal organizations.
“(C) MAXIMUM AMOUNT.—The amount of a loan guaranteed under this subsection shall not exceed $1,500,000, as adjusted to reflect changes for the 12-month period ending the preceding November 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

“(7) USE OF FUNDS.—An eligible entity or individual producer shall use funds provided pursuant to a loan or loan guarantee under this subsection to develop processing, distribution, and information infrastructure for locally or regionally produced food, in accordance with the purpose of this section, including through—

“(A) construction of new infrastructure;

“(B) rehabilitation of existing infrastructure;

“(C) activities to support the development of marketing networks and alliances;

“(D) development of information infrastructure, including websites;

“(E) purchases of equipment for processing, distribution, transportation, storage, and other related purposes; and
“(F) other activities, as the Secretary determines to be appropriate.

“(8) FUNDING.—On October 1, 2008, and on each October 1 thereafter through October 1, 2013, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this subsection $35,000,000, to remain available until expended, of which—

“(A) not less than $15,000,000 shall be used for each fiscal year to provide loans under paragraph (4); and

“(B) not less than $10,000,000 shall be used for each fiscal year to provide loan guarantees under paragraph (5).

“(f) GRANT AND LOAN PROGRAM REQUIREMENTS.—

“(1) TECHNICAL ASSISTANCE AND OUT-REACH.—

“(A) IN GENERAL.—The Secretary shall—

“(i) provide to the public information relating to the grant and loan programs under this section; and

“(ii) provide technical assistance to—

“(I) socially disadvantaged farmers or ranchers;
“(II) Indian tribal organizations;
“(III) low-income populations;
and
“(IV) other underserved communities and producers.

“(B) SERVICE PROVIDERS.—In carrying out subparagraph (A), the Secretary may enter into contracts, on a competitive basis, with entities that, as determined by the Secretary—

“(i) demonstrate experience in serving socially disadvantaged farmers or ranchers and other underserved communities and producers;

“(ii) include, in the governance structure of the entity, 2 or more members representing the targeted communities served by the entity; and

“(iii) will share information developed or used by the entity with—

“(I) researchers;
“(II) practitioners; and
“(III) other interested parties.

“(C) FUNDING.—On October 1, 2008, and on each October 1 thereafter through October 1, 2013, out of any funds in the Treasury not
otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this paragraph not less than $200,000 and not more than an amount equal to 5 percent of the funds required to carry out this program, to remain available until expended.

“(2) LIMITATIONS.—For purposes of the programs under this section, the Secretary—

“(A) shall not give preference to any entity based on an agricultural commodity produced or supported by the entity; and

“(B) shall encourage, to the maximum extent practicable, projects that use infrastructure efficiently for more than 1 agricultural product.

“(3) REPORT.—Not less frequently than once each year, the Secretary shall submit to Congress a report that describes the programs (including the level of participation in each program) under this section, including information relating to—

“(A) projects carried out under this section;

“(B) characteristics of the agricultural producers and communities served by the projects;
“(C) the benefits of the projects;
“(D) data necessary to comply with—
   “(i) section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279–1); or
   “(ii) section 8(b)(5)(B) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)); and
   “(E) outreach and technical assistance activities carried out by the Secretary under paragraph (1).”.

SEC. 4. DIRECT FARMER TO CONSUMER MARKETING ASSISTANCE PROGRAM.

Section 6 of the Farmers-to-Consumers Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended to read as follows:

“SEC. 6. DIRECT FARMER TO CONSUMER MARKETING ASSISTANCE PROGRAM.

“(a) FINDINGS.—The Congress finds that—
   “(1) agricultural direct farmer to consumer marketing activities, including farmers markets, roadside stands, community supported agriculture, internet, mail-order, and other similar direct order marketing activities significantly enhance the ability
of agricultural producers to retain a greater share of
their products’ retail value;

“(2) direct farmer-to-consumer marketing ac-
tivities are a crucial component of the current and
future viability of small and mid-sized farms and
ranches, and beginning and socially disadvantaged
farmers and ranchers; and

“(3) agricultural direct marketing activities
contribute to the health and well-being of consumers
in rural, urban, and tribal communities by providing
access to healthy, fresh, and affordable food.

“(b) Establishment.—The Secretary shall carry
out a program, to be known as the ‘Direct to Consumer
Marketing Assistance Program’ (referred to in this section
as the ‘Program’), to make grants to eligible entities for
projects to establish, expand, and promote farmers’ mar-
kets, and other farmer to consumer direct marketing op-
portunities.

“(c) Program Purposes.—The purposes of the Pro-
gram are—

“(1) to increase domestic consumption of agri-
cultural commodities by improving and expanding,
or assisting in the improvement and expansion of di-
rect producer to consumer marketing opportunities;
“(2) to develop, or aid in the development of, new direct producer to consumer marketing opportunities;

“(3) to increase direct producer to consumer direct marketing opportunities in underserved areas by providing, to the maximum extent possible, not less than twenty-five percent of program grants to projects in areas determined underserved by the Secretary.

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

“(1) two or more farmers and or farm vendors who sell their own products through a common channel of distribution;

“(2) producer networks and associations;

“(3) a local government;

“(4) a nonprofit corporation;

“(5) a public benefit corporation;

“(6) an economic development corporation;

“(7) a regional farmers’ market authority; or

“(8) such other entity as the Secretary may designate.

“(e) ELIGIBLE ACTIVITIES.—Eligible direct farmer-to-consumer activities include—

“(1) farmers markets;
“(2) roadside stands;
“(3) community supported agriculture;
“(4) activities to support the use of EBT at farmers markets and, where feasible, other direct market enterprises;
“(5) pick your own operations;
“(6) internet and mail-order sales with eligible entities qualifying as producer networks and associations under this section limited to those engaged in emerging markets;
“(7) producer-run agritourism activities facilitating the direct sale of agricultural products; and
“(8) other similar ventures as determined by the Secretary.
“(f) LIMITATIONS.—An eligible entity may not use a grant or other assistance provided under this Program for the purchase, construction, or rehabilitation of a building or structure.
“(g) CRITERIA AND GUIDELINES.—The Secretary shall establish criteria and guidelines for the submission, evaluation, and funding of proposed projects under the Program.
“(h) FUNDING.—Not later than 30 days after the date of enactment of the Local Food and Farm Support Act, on October 1, 2008, and on each October 1 thereafter
through October 1, 2012, of the funds of the Commodity
Credit Corporation, the Secretary shall make available to
carry out this subsection $25,000,000. Such funds shall
remain available until expended.”.

SEC. 5. WIC FARMER’S MARKET NUTRITION PROGRAM.

Section 17(m)(9)(A) of the Child Nutrition Act of
1966 (42 U.S.C. 1786(m)(9)(A)) is amended—

(1) in clause (i), by striking “2009” and insert-
ing “2013”; and

(2) by striking clause (ii) and inserting the fol-
lowing:

“(ii) MANDATORY FUNDING.—Of the funds of the
Commodity Credit Corporation, the Secretary shall make
available to carry out this subsection $20,000,000 for fis-
cal year 2008, $30,000,000 for fiscal year 2009,
$45,000,000 for fiscal year 2010, $60,000,000 for fiscal
year 2011, and not less than $75,000,000 for fiscal year
2012 and each fiscal year thereafter. Such funds shall re-
main available until expended.”.

SEC. 6. SENIOR FARMERS’ MARKET NUTRITION PROGRAM.

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

(1) in subsection (a) by striking “$5,000,000”
and all that follows through “2007”, and inserting
“$20,000,000 for fiscal year 2008, $30,000,000 for
fiscal year 2009, $45,000,000 for fiscal year 2010, $60,000,000 for fiscal year 2011, and not less than $75,000,000 for fiscal year 2012 and each fiscal year thereafter”, and

(2) in subsection (b)—

(A) in paragraph (2) by striking “and” at the end,

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

(C) by adding at the end the following:

“(4) to promote the transition to organic and other environmentally beneficial food production systems.”; and

(3) by adding at the end the following new subsection:

“(d) ELIGIBLE PARTICIPANTS; BENEFITS LEVELS.—
The regulations required by subsection (c)

“(1) shall allow for participation by farmers markets, and roadside stands, community supported agriculture programs; and

“(2) shall not limit the ability of State or regional programs to set benefit levels per individual senior.”.
SEC. 7. COMMUNITY FOOD PROJECT COMPETITIVE GRANTS.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—Section 25(b) of the Food Stamp Act of 1977 (7 U.S.C. 2034(b)) is amended—

(1) in paragraph (1) by striking “From amounts made available to carry out this Act, the Secretary may” and inserting “The Secretary shall”;

and

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

“(2) FUNDING AMOUNTS.—From amounts made available to carry out this Act, the Secretary shall use $60,500,000 for each of fiscal years 2008 through 2013 to make grants under this section.”.

(b) PREFERENCE FOR CERTAIN PROJECTS.—Section 25(d) of the Food Stamp Act of 1977 (7 U.S.C. 2034(d)) is amended—

(1) in paragraph (3) by striking “or” at the end;

(2) in paragraph (4) by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(5) serve special project needs in areas of—
'(A) transportation and processing for expanding institutional and emergency food service demand for local food;

‘‘(B) retail access to healthy foods in underserved markets;

‘‘(C) integration of urban and metro-area food production in food projects; and

‘‘(D) technical assistance for youth, socially disadvantaged individuals, and limited resource groups.’’.

(c) MATCHING FUNDS REQUIREMENTS.—Section 25(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2034(e)(1)) is amended by striking ‘‘50’’ and inserting ‘‘75’’.

(d) TERM OF GRANT.—Section 25(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2034(f)(2)) is amended by striking ‘‘3’’ and inserting ‘‘5’’.

(e) FUNDING.—Section 25(h)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2034(h)(4)) is amended—

(1) by striking ‘‘fiscal years 2003 through 2007’’ and inserting ‘‘fiscal years 2008 through 2013’’; and

(2) by striking ‘‘$200,000’’ and inserting ‘‘$500,000’’. 
SEC. 8. AUTHORIZATION LEVEL FOR FARM-TO-CAFETERIA ACTIVITIES.

Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended in subsection (i)(2) by striking “such sums as are necessary” and all that follows through the period at the end and inserting “to carry out this subsection $20,000,000 for each of fiscal years 2008 through 2013.”.

SEC. 9. PURCHASES OF LOCALLY PRODUCED FOODS.

(a) IN GENERAL.—The Secretary shall—

(1) allow institutions participating in the school lunch program under this Act, the Department of Defense Farm to School Program and the programs established by the Child Nutrition Act of 1966 (42 U.S.C. 1773) to use geographic preferences in their bidding and procurement programs to purchase, in addition to other food purchases, locally produced foods for meal programs;

(2) advise institutions participating in a program described in paragraph (1) of the policy described in that subparagraph and post information concerning the policy on the website maintained by the Secretary;

(3) in accordance with requirements established by the Secretary, provide startup grants to not more than 200 institutions to defray the initial costs of

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equipment, materials, and storage facilities, and similar costs, incurred in carrying out the policy described in paragraph (1);

(4) report to Congress annually concerning implementation of this section.

(b) Clarification Regarding Geographic Preferences.—Nothing in this Act or any other provision of law shall be construed to preempt, prohibit, or otherwise limit the authority of institutions participating in the programs described in subsection (a)(1) of this section from using geographic preferences in their bidding and procurement programs to purchase, in addition to other food purchases, locally produced foods for meal programs.

(e) Authorization of Appropriations.—

(1) In general.—There is authorized to be appropriated to carry out this section $400,000 for each of fiscal years 2007 through 2012 to remain available until expended.

(2) Limitation.—No amounts may be made available to carry out this section unless specifically provided by an appropriation Act.

SEC. 10. SCHOOL PREFERENCE STUDY.

The Secretary of Agriculture shall carry out a study on the preferences of elementary and secondary schools for commodity distribution, including the extent to which
such schools prefer commodity distribution to include fresh fruits and vegetables, and submit to Congress a report on the results of the study. The report shall include an analysis of the logistical issues that would impede efforts to increase the extent to which commodity distribution to schools includes fresh fruits and vegetables, and shall include recommendations for improving the availability of fresh fruits and vegetables to schools.

SEC. 11. FOOD STAMP FRUIT AND VEGETABLE INCENTIVE PROGRAM.

(a) Establishment.—There is hereby established a demonstration project within the Food Stamp Program to provide incentives for program participants to purchase more fruits and vegetables. This demonstration project shall be available to all States that submit to the Secretary a plan that meets the requirements of this section. Approved projects that meet plan requirements may operate within a State for a period of up to five years but not beyond September 30, 2012.

(b) State Plan Requirements.—State proposals to operate a fruit and vegetable incentive demonstration project shall provide a description of the following:

(1) the incentive mechanism that will be implemented and how it will be implemented;
(2) the categories of fruit and vegetable purchases to which the incentive will apply;

(3) the plan to inform food stamp consumers of the incentive and of the categories of fruits and vegetables to which the incentive applies;

(4) the nutrition education activities that will be conducted to support the incentive;

(5) the methodology to be used to evaluate the impact of the incentive on the food purchases of food stamp households when utilizing Food Stamp Program benefits;

(6) the plan to meet the following assurances:

   (A) that if project incentives apply to fresh fruits and/or fresh vegetables, the incentive will be operative in established farmers’ markets for food stamp consumers who purchase fruits or vegetables in those venues;

   (B) that operation of the demonstration project at the point of sale will not cause food stamp consumers to be delayed or to be identified to the general public as Food Stamp Program participants;

   (C) that food retailers and farmers’ market vendors approved to accept food stamp purchases have participated in the planning of the
operation of the incentive mechanism at point
of purchase;

(D) that no more than 25 percent of the
federal funds expended by or pursuant to the
State agency plan will be utilized for adminis-
trative, educational and or evaluative purposes;
and

(E) that the State agency will provide
quarterly reports on the administrative costs of
the project and annual reports on the impact of
the project on food stamp purchases of fruits
and vegetables;

(c) PLAN APPROVAL.—The Secretary shall approve
State fruit and vegetable incentive demonstration project
proposals that adequately address the required elements.

(d) INCENTIVE MECHANISM.—A State submitting a
proposed plan for the fruit and vegetable demonstration
project shall select one of the following incentive mecha-
nisms for implementation:

(1) bonus payments, not to exceed 10 percent
of purchases of qualifying fruits and vegetables,
which will be credited to the electronic benefit ac-
count of the food stamp consumer and may be used
to make additional purchases; or
(2) bonus vouchers, not to exceed the value of 10 percent of purchases of qualifying fruits and vegetables, which may be used to purchase additional fruits or vegetables.

(e) Categories of Fruits and Vegetables.—A State submitting a proposed plan for the fruit and vegetable demonstration project shall apply the incentive mechanism to one or more of the following food categories:

(1) fresh fruits;
(2) fresh vegetables;
(3) canned fruits;
(4) canned vegetables;
(5) frozen fruits;
(6) frozen vegetables;
(7) dried fruits;
(8) dried vegetables.

A food product that consists of one or more reconstituted or reprocessed fruits or vegetables, or which consists of less than 100 percent fruit juice, may not be included in a State’s plan of food products to which the incentive applies.

(f) Administrative Costs.—The Secretary shall reimburse all State administrative costs related to the operation and evaluation of a demonstration project. No State administrative cost share may be required.
(g) **EVALUATION.**—On or before January 1, 2012, the Secretary shall report to Congress on the impact of the incentives implemented by the States on total food purchases by food stamp consumers.

**SEC. 12. INDEPENDENT EVALUATION OF DEPARTMENT OF AGRICULTURE COMMODITY PURCHASE PROCESS.**

(a) **EVALUATION REQUIRED.**—The Secretary of Agriculture shall arrange to have performed an independent evaluation of the commodity purchasing processes (and the statutory and regulatory authority underlying such processes) used by the Department of Agriculture to remove surplus commodities from the market and support commodity prices and producer incomes, especially with regard to activities under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) and the importance of increasing purchases of perishable specialty crops.

(b) **SUBMISSION OF RESULTS.**—Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall submit to Congress a report on the results of the evaluation.

**SEC. 13. URBAN AGRICULTURE PRODUCTION PROGRAM.**

(a) **FINDINGS.**—
(1) Urban agriculture production serves health, food security, economic and community development goals.

(2) Urban communities at risk for obesity, Type II diabetes and other chronic diet related diseases benefit from the access to fresh agricultural products and gardens where good nutritional behavior and healthy food choices are modeled.

(3) Community and school gardens and other urban agriculture enterprises are entry points for new food system workers and farmers who value healthy food choices.

(b) PURPOSE.—To improve food security, address obesity, increase access to healthy food and nutrition education in low income areas, grow the number of urban agricultural enterprises, community and school gardens, and the services provided to them.

c) ESTABLISHMENT.—The Secretary, acting through the Natural Resources Conservation Service (NRCS) and in cooperation with Cooperative State Research, Education and Extension Service (CSREES) and other agencies as appropriate, establish an Urban Agriculture Production Program which will promote agricultural production capacity in metropolitan counties.
(d) ASSISTANCE.—In carrying out this program, the Secretary shall—

(1) provide urban agriculture production grants, provide technical assistance and carry out information and education programs to foster food production in towns and cities; and

(2) provide a priority for projects seeking to direct fresh produce to food insecure communities and neighborhoods surrounding production sites.

(e) FUNDING AMOUNTS.—From amounts made available to carry out this section the Secretary shall use $5,000,000 for each of fiscal years 2008 through 2012 to make grants under this section.

(f) ELIGIBLE ENTITIES.—To be eligible for a grant under subsection (b), a private nonprofit entity, must—

(1) have experience in areas of—

(A) planning, constructing and maintaining public community or school gardens; and

(B) nonprofit entrepreneurial youth or job skills training in low-income communities;

(2) demonstrate competency to implement a project, provide fiscal accountability, collect data, and prepare reports and other necessary documentation; and
3) demonstrate a willingness to share information with researchers, practitioners, and other interested parties.

(g) Preference for Certain Projects.—In selecting urban agriculture production projects to receive assistance under subsection (b), the Secretary shall give a preference to projects designed to—

(1) develop and strengthen linkages between urban producers, community-based organizations, private businesses, schools and other public institutions and agencies;

(2) operate in underserved markets and low income neighborhoods; and

(3) engage with youth, the elderly, and immigrant communities.

(h) Matching Funds Requirements.—

(1) Requirements.—The Federal share of the cost of establishing or carrying out a community food project that receives assistance under subsection (b) may not exceed 75 percent of the cost of the project during the term of the grant.

(2) Calculation.—In providing for the non-Federal share of the cost of carrying out a community food project, the entity receiving the grant shall provide for the share through a payment in cash or
in kind, fairly evaluated, including facilities, equipment, or services.

(3) SOURCES.—An entity may provide for the non-Federal share through State government, local government, or private sources.

(i) TERM OF GRANT.—

(1) SINGLE GRANT.—An urban food project may be supported by only a single grant under subsection (b).

(2) TERM.—The term of a grant under subsection (b) may not exceed 3 years.

(j) TECHNICAL ASSISTANCE AND RELATED INFORMATION.—In carrying out this section, the Secretary may provide technical assistance regarding urban food projects, processes, and development to any entity seeking the assistance.