

Local Farms, Food, and Jobs Act

-- Detailed Outline --

Preliminary Notes:

- Short summaries of each provision follow, clustered by farm bill title.
- To help see which provisions are amendments to existing provisions and which are new, each item is marked as either “*Revise*” or “*New*”.
- Each provision that would entail farm bill mandatory funding it is marked with “§§”.
- The definition of the term “local and regional” in this bill will be the one in the 2008 Farm Bill -- in-state or within 400 miles from farm to market. However, in the Specialty Crop Block Grant Program (see below in Title X) there is a priority for projects within 250 miles from farm to market and in the school meal provisions (see below in Title IV) the definition is left to be determined by each school food authority.

Short Summary of Provisions:

Title I – Commodity Programs & Title XII – Crop Insurance

*Revise – **Planting Flexibility** – Expresses the Sense of Congress that that federal commodity and crop insurance programs should not create barriers to the domestic production of fruit and vegetables, that commodity program planting flexibility should be maximized with the goals of allowing producer choice and increasing the local and regional availability of fresh and minimally processed produce, and that crop and revenue insurance products be made available that are tailored to the needs of diversified farming operations that serve local and regional food markets.*

*Revise – §§ – **Whole FARRM Insurance** – Amend Section 508(c) of the Federal Crop Insurance Act to authorize RMA to develop a Whole Farm Adjusted Revenue Risk Management insurance product that is available in all states and all counties and is relevant to all diversified operations including but not limited to specialty crops and mixed grain/livestock or dairy operations, contract producers, and organic and conventional farms. Direct that it be offered at same buy-up coverage levels as other policies, include a strong diversification bonus, and allow coverage for any packing material or other materials or process required in order to be able to market the product.*

*Revise – **Organic Crop Insurance** – Amend Section 508(d) of the Federal Crop Insurance Act to direct RMA to eliminate the organic premium surcharge within 12 months of enactment. Amend Section 508(c)(6) of the Federal Crop Insurance Act to direct RMA to complete development of organic price series to allow organic policies to pay out at the organic price within 36 months of enactment. Also, require RMA to submit an annual report to Congress on the progress made in developing and improving federal crop insurance products for organic crops.*

Title II – Conservation

*Revise – **Conservation Stewardship Program** – Amend Section 1238G(c) of the Food Security Act of 1985 to add local and regional food producers to the current provision directing USDA to develop program specifications appropriate to enable specialty crop and organic producers to participate in the program.*

*Revise – **Farmland and Ranchland Protection Program** – Amend Section 1238I of the Food Security Act of 1985 to make farm viability part of the purpose of the program and to give discretionary authority to the eligible entities that implement the program at the State or local level to do so in a manner that gives funding priority to proposals that help create new farming opportunities now or in the future. Priority would be given to applicants by giving consideration to farm transfers to beginning and farmers and ranchers (BFRs), easements with an option to purchase at the agricultural use value, applications with a farm succession plan, and other similar mechanisms that maintain the affordability of protected farm and ranchland.*

*Revise – **Environmental Quality Incentives Program** – Amend the “purposes” section of EQIP -- Section 1240(4) of the Food Security Act of 1985 to add local and regional food production to the current consideration given to organic production as one of the production/conservation systems that are a designated as a purpose of EQIP.*

*Revise – **Technical Assistance for Local and Regional Food Producers** – Amend Section 1242(i) of the Food Security Act of 1985 to add local and regional food producers to the current list of specialty crop, organic, and precision agriculture producers that NRCS is to incorporate into conservation practice standards, provide appropriate conservation practices for, increase technical assistance to, and sign cooperative agreements with to meet specific producer needs.*

*Revise – **Cooperative Conservation Partnership Initiative** – Amend Section 1243(b) of the Food Security Act of 1985 to add local and regional food producers to the current list of specialty crop, organic, and precision agriculture producers eligible for demonstration projects of innovative conservation systems and delivery methods.*

*Revise – **Conservation Incentives for Certain Farmers and Ranchers and Indian Tribes** – Amend Section 1244(a) of the Food Security Act of 1985 to include local and regional food producers to the current list of beginning farmers and ranchers, socially disadvantaged farmers and ranchers, and tribes eligible for special incentives to foster new farming and ranching opportunities and enhance long-term environmental goals.*

Title IV – Nutrition

*Revise – **Electronic Benefit Transfer** – Amend Section 7(b) of the Food and Nutrition Act of 2008 to ensure equal EBT access for farmers markets, CSAs, CSFs, roadside and farm stands, green carts, route vendors, buying clubs, and other direct marketing outlets by requiring that FNS/States treat wireless retail food vendors similarly to wired retail food vendors (i.e., grocery and corner stores). Establish a system for wireless retail food vendors to receive funds in an amount not to exceed the cost of a wireless point-of-sale terminal if alternative wireless technology is use. Authorize contracts or MOUs between State and nonprofit to provide training and technical assistance on implementation (i.e., scrip/tokens).*

*New – §§ – **EBT Pilot for Smartphone Technology and Multiple Nutrition Assistance Program Redemptions** – Add a new provision to the 2012 Farm Bill to establish and fund two statewide pilot projects to develop the software, technology, and machinery needed to facilitate redemption of SNAP, WIC, FMNP, and Senior FMNP by wireless direct market retail food vendors. Pilots should be two to three-year programs that allow for solid planning, implementation, evaluation, and sharing ahead of the WIC deadline to transition to EBT by 2020; at least one should include smartphone technology.*

Revise – **Section 32 Funds** – Amend Section 32 of the Act of August 24, 1935 to clarify that one purpose of the funds is to support local and regional agricultural market development.

Revise – **Section 32 Funds and Purchase of Fruits, Vegetables, and Nuts** – Amend Section 4404 of the Food, Conservation, and Energy Act of 2008 to include Geographic Preference language (similar to the existing language in Section 4302 of FCEA of 2008) to the Fruit, Vegetable and Nut Purchase Program.

Revise – **DoD Fresh** – Amend the Department of Defense (DoD) Fresh program in Section 10603(b) of the Farm Security and Rural Investment Act of 2002 to allow schools a discretionary option to use their DoD dollars for a “local food credit” with which to make their own purchases of local and regional produce.

New – **USDA Foods** – Add a subsection to the end of Section 6(c) of the Richard B. Russell National School Lunch Act to establish a “local food credit program” that allows schools to use an amount equal to 15 percent of their commodity dollars for purchases of local and regional foods in lieu of AMS commodities.

Revise – **Geographic Preference** – Amend Section 9(j) of the Richard B. Russell National School Lunch Act to specify that AMS purchases fall under geographic preference provisions and that both AMS and DoD Fresh purchases under geographic preference may be selected solely from among sources that qualify under the geographic preference.

Revise – **Farmers Market Nutrition Program** – Amend Section 17(m) of the Child Nutrition Act of 1966 to encourage State plans to include community-supported agriculture programs as eligible to participate in the program.

Revise – §§ – **Senior Farmers’ Market Nutrition Program** – Amend Section 4402 of the Farm Security and Rural Investment Act of 2002 to increase annual funding from \$20.6 million to \$25 million, extend authorization through 2017.

Revise – §§ – **Community Food Projects** – Amend Section 25 of the Food and Nutrition Act of 2008 to increase annual mandatory farm bill direct funding for the program from \$5 million to \$10 million and increase the maximum term of CFP grants from three years to five years.

Revise – **Supplemental Nutrition Assistance Program-Education (SNAP-Ed)** – Amend Section 28 of the Food and Nutrition Act of 2008 (created in Section 241 of the Healthy, Hunger-Free Kids Act of 2010) to encourage States to use farmers markets and other direct marketing outlets (CSAs, CSFs, etc.) as a venue for nutrition education activities, including demonstration projects. Provide States with discretion to include nutrition incentives as part of such educational efforts. Any such activities would be included in State plans submitted for approval by USDA and would not be mandated but optional at the State’s discretion.

Revise – **Supplemental Nutrition Assistance Program (SNAP) Outreach** – Amend Section 11(e)(1) of the Food and Nutrition Act of 2008 to allow States to contract with farmers market organizations as part of their SNAP Outreach plans. Also amend the law to allow States to provide 100 percent reimbursement for farmers markets using outreach dollars that comply with State plans.

Title V – Credit

*New – **FSA Credit for Local and Regional Food Producers** – Add a new section at the end of Subtitle D (Administrative Provisions) of the Consolidated Farm and Rural Development Act to authorize lending under all FSA credit programs to farmers and ranchers producing for local and regional food markets, including farmer-to-consumer direct markets, farm identity-preserved markets, farm-to-institutions markets, and mid-tier value chains, and to local and regional food producers engaged in value-added enterprises. Require FSA to develop unit prices or other alternative forms of valuation to facilitate lending to these operations. Require FSA to do special outreach to these potential borrowers.*

*New – **Farm Credit System Provisions for Local and Regional Food Producers** – Amend Section 1.1(d) of the Farm Credit Act to make serving young, beginning, and small farmers and local and regional food production an objective of the Farm Credit System. Amend Section 4.19(a) of the Farm Credit Act to require each FCS institution to implement a program for furnishing credit to farmers and ranchers producing for local and regional markets and to undertake initiatives to help organize, build, expand, or improve infrastructure and markets for locally or regionally produced food products.*

Amend Section 4.19(b) of the Farm Credit Act to require the Farm Credit Administration to report annually to Congress on progress and achievements of the Farm Credit System in meeting goals for lending to young, beginning, and small farmers and to local and regional food production and marketing. Add a new provision to direct the Government Accountability Office to conduct a study evaluating the capital needs of young, beginning, and small farmers and local and regional food systems and how those needs are being met by the Farm Credit System, USDA, Treasury, and other agencies and what gaps and needs exist.

Title VI – Rural Development

*Revise – **Rural Business Opportunity Grants** – Amend Section 306(a)(11) of the Consolidated Farm and Rural Development Act to amend the RBOG authorization to include specific authority for the redevelopment of local and regional farm and food systems, including but not limited to meat and poultry processing facilities.*

*Revise – **Community Facilities Grants and Loans** – Amend Section 306(a)(19-21) and 306(a)(24) of the Consolidated Farm and Rural Development Act to provide explicit authority for community and non-profit local and regional food system facilities, including community kitchens, incubators, farm stores, farmers market stores, distribution centers and services, and related facilities that are run as non-profits.*

*Revise – **Rural Business Enterprise Grants** – Amend Section 310B(c)(1)(B)(ii) of the Consolidated Farm and Rural Development Act to provide specific authority to use grants to create, expand, or operate local and regional farm and food-based enterprises, including but not limited to meat and poultry processing facilities.*

*Revise – **Business & Industry Local Food System Set-Aside** – Amend Section 310B(g) of the Consolidated Farm and Rural Development Act to increase the funding set-aside for local and regionally produced agricultural products and food enterprises from 5% to 10%, including direct loans. Grant*

USDA authority to use a portion of set-aside funds for technical assistance, including for market research and feasibility studies.

Add discretionary authority to waive or reduce loan fees and to provide a 90 percent guarantee for small-scale projects and projects located in communities with low or declining population, low income levels, or low food access. Add language clarifying that the infrastructure can be located anywhere provided the primary purpose of the loan or loan guarantee is for a facility to process, distribute, aggregate, store, or market locally or regionally produced agricultural food products in a manner that benefits agricultural producers and provides employment for residents of rural areas. Add authority to make loans for rural and non-rural retail facilities that provide access to locally or regionally produced agricultural products. Require that B&I loan guarantee approval by USDA be timed to occur before or simultaneously with the loan.

Direct USDA to develop and implement an outreach plan including outreach through rural cooperative development centers, credit unions, community development financial institutions, regional economic development authorities, and other financial and economic development entities. Add a new subsection requiring USDA to publish, online and in a timely manner, summary information about all loan awards made from the set-aside funds.

*Revise – §§ – **Value-Added Producer Grants** – Amend Section 231 of the Agricultural Risk Protection Act of 2000 to authorize grants to those that operate through centralized food distribution systems as part of the mid-tier value chain eligible purpose and set-aside. Retain the priority for projects benefitting beginning farmers and ranchers as well as the set-aside of program funding for these projects, but clarify that VAPG projects in which more than a quarter of the beneficiaries are beginning farmers or ranchers shall qualify. Add new language directing USDA to do special outreach in underserved states and areas. Renew mandatory farm bill funding at \$30 million a year.*

Title VII – Research

*Revise – **Agriculture and Food Research Initiative** – Amend Section 2(b) of the Competitive, Special, and Facilities Research Act of 1965 to add local and regional food systems as a new priority area within AFRI's Agriculture Economic and Rural Community mission area. Also amend AFRI to require that 5 percent of total funding be set aside for conventional plant and animal breeding projects, and clarify the authorizing legislation to ensure that all AFRI programs (including integrated) are truly competitive and open to all eligible entities listed under Sec. 2(b)(7)*

*New – §§ – **Local and Regional Food Production and Market Data Collection Initiative** – Amend Section 251 of the Department of Agriculture Reorganization Act of 1994 to create a new initiative for collection of production and market data on local and regional food systems. Establish an interagency work group (including ERS, ARS, NASS, NIFA, AMS, FNS, FSIS) to facilitate collaborative research and interagency data sharing. Expand the annual Agricultural Resource Management Survey (ARMS) to include questions on local and regional food systems and to sample a greater and more representative sector of U.S. agricultural producers, including local and regional food producers. Authorize NASS to conduct a follow-up survey to the Ag Census to solicit more detailed production and economic data from respondents who indicate on the Ag Census that they produce for direct and local markets. Also, authorize NASS to create a new survey on local and regional food sales, targeted at retail. Provide an authorization for appropriations, but also provide \$5 million in mandatory funding to kick start this new effort.*

*New – **Seeds and Breeds Research Coordination** – Amend Section 251 of the Department of Agriculture Reorganization Act of 1994 to direct USDA’s Research, Education, and Extension Office (REEO) to coordinate classical plant and animal breeding research within and between REE agencies and in close coordination with the recently re-established National Genetic Resources Advisory Committee (NGRAC). Also, include a requirement in the National Genetics Resource Program to establish a national strategic germplasm assessment and use plan in order to meet food security goals.*

*New – **Local and Regional Food System Enterprise Facilitation** – Create a new subsection (j) to Section 502 of the Rural Development and Small Farm Research and Education Act (Title V of the Rural Development Act of 1972) authorizing a new Extension technical assistance initiative to help create sustainable local and regional food systems in the neediest parts of rural America (based on the expanded food and nutrition education program or EFNEP formula). Extension facilitators and the partnerships they help build would work with farmers, local schools and institutions, and local businesspersons to form enterprise facilitation networks and projects.*

Title X – Horticulture and Organic Agriculture

*Revise – §§ – **Specialty Crop Block Grant** – Amend Section 101 of the Specialty Crop Competitiveness Act of 2004 to increase annual mandatory farm bill direct funding to from \$55 million to \$90 million. Create a \$30 million a year allocation to local and regional farm and food system specialty crop development within each State, including such items as development or enhancement of state and regional marketing programs, direct to consumer and direct to store and institution marketing, access to specialty crops for low-income consumers, regional supply chains, food hubs, new farmer development, and state food policy councils. Also designate \$5 million a year for a nationally-coordinated and regionally-balanced research and evaluation effort on the redevelopment of a local and regional food system, to be conducted through a consortium of land grant universities in partnership with non-governmental organizations engaged in food system work.*

Specify that State plans be balanced and ensure an equitable distribution of grants across the full array of specialty crop agriculture, including all types of farm enterprises, organic farming systems, beginning and socially disadvantaged farmers and ranchers, and small and mid-scale farms; the full array of funding areas, including: research and education, nutrition and public health, pest and plant health, conservation and environment, food safety, marketing and promotion, and production; and the range of issues inherent in developing local and regional food systems.

*Revise – §§ – **National Organic Certification Cost Share Program** – Amend Section 10606 of the Farm Security and Rural Investment Act of 2002 to reauthorize the program and maintain the 75 percent cost share rate, but raise the maximum dollar cap from \$750 to \$1,000. Amend Section 524 of the Federal Crop Insurance Act to revise the Agricultural Management Assistance program to make it a national program. Amend Section 524(b) of the Federal Crop Insurance Act to specify that 70 percent of the funds will be used for national organic certification cost share and that 30 percent of the funds will be used for national risk management education community outreach partnerships.*

*Revise – §§ – **Local Marketing Promotion Program** – Amend Section 6 of the Farmer-to-Consumer Direct Market Act of 1976 to establish mandatory farm bill direct funding amount of \$30 million a year for what is now the Farmers Market Promotion Program as well as a new subsection that will provide grants to scaling up of local and regional food marketing, including processing, distributing, aggregating, storing, and marketing. Allocate 50 percent of the funds for direct marketing and 50 percent for scaling up of food systems.*

Consistent with the EBT section of the Nutrition Title of this bill, change the EBT 10 percent set-aside in FMPP to focus on operating systems and outreach rather than equipment. Allocate no less than 10 percent of total funding for technical assistance and organizational capacity building grants that will strengthen statewide, regional, and national market development networks. Clarify the eligibility definition for the program so that it works better for community supported agriculture (CSA), community supported fisheries (CSFs), and other similar farm-to-consumer enterprises. Within farmers market grants, create a priority for producer-only markets.

Title XI – Livestock

*Revise – **Small and Very Small Processing Plant Outreach and Technical Assistance** – Amend the Federal Meat Inspection Act of 1906 (and making it a new Title VI) to establish a new division within FSIS to coordinate technical assistance activities within USDA agencies and provide grants to state agencies (including Extension, NGOs, and partnerships) in order to provide outreach, education and training to small and very small processing plants. Also, create an authorization for appropriations for this critical, ongoing program.*

*New – **Guidance for Small and Very Small Plants on Process Control** – Create a new Section 602 of the Federal Meat Inspection Act to require FSIS to create guidance for small and very small processing plants on specified process control such that small and very small processors can demonstrate compliance with FSIS required control procedures. Those plants would still be required to show the control were applied and are working.*

*New – **Searchable Database of Electronically Submitted Meat Labels** – Amend Section 7 of the Federal Meat Inspection Act of 1906 to require FSIS within 12 months of enactment to provide an electronic submission option for the meat label approval process. Require FSIS to make approved meat labels searchable in a database, so that meat processors can view and if they wish model their own meat labels after those that have previous approval.*

*New – **Meat and Poultry Processing Report** – Create a new Section 8003 of the Federal Meat Inspection Act to direct USDA, in cooperation with the States, processors, and growers, to produce a report to Congress, within 18 months of enactment of the bill to analyze additional steps that can be taken to better meet the needs of small meat and poultry growers and processors, including but not limited to statutory and regulatory improvements.*

Title XIV – Miscellaneous

*\$\$ – **Food Safety Training for Farmers and Small Processors** – Amend Section 405 the Agricultural Research, Extension, and Education Reform Act of 1998 to provide mandatory farm bill direct funding of \$15 million a year for the National Food Safety Training, Education, Extension, Outreach and Technical Assistance competitive grants program. The program provides grants for local and regional food safety training for farmers and small processors. Priority is given to small and medium-sized farms and emphasis is placed on co-management of food safety and conservation.*

Estimated Farm Bill Budget Implications

Title I – Commodity and Crop Insurance – No cost

Title II – Conservation – No cost

Title IV – Nutrition

- EBT Pilot: \$2 M
- Community Food Projects: \$5 M per year additional = \$25 M over 5, \$50 M over 10
- Senior Farmers Market: \$3 M per year additional = \$15 M over 5, \$30 M over 10

Title V – Credit – No cost

Title VI – Rural Development

- VAPG: \$30 M a year = \$150 M over 5, \$300 M over 10

Title VII – Research

- Data Collection Initiative: \$5 M

Title X – Horticulture and Organic Agriculture

- LMPP: \$30M per year = \$150 M over 5, \$300 M over 10
- SCBG: \$35 M per year additional = \$175 M over 5, \$350 M over 10

Title XI – Livestock – No cost

Title XIV – Miscellaneous

- Food Safety Training: \$15 M per year = \$75M over 5, \$150 M over 10

5-YEAR TOTAL over Current FY 2011 Spending -- \$452 M

10-YEAR TOTAL over Current FY 2011 Spending -- \$898 M

5-YEAR TOTAL over the Baseline for next Farm Bill -- \$597 M

10-YEAR TOTAL over the Baseline for next Farm Bill -- \$1,187 M