

106TH CONGRESS
1ST SESSION

H. R. 3513

To provide for grants to assist value-added agricultural businesses.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 1999

Mr. TALENT (for himself and Mr. THUNE) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for grants to assist value-added agricultural businesses.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Value-Added Develop-
5 ment Act for American Agriculture”.

6 **SEC. 2. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.**
7

8 (a) PURPOSES.—The purposes of this section are to
9 carry out a demonstration program under which agricul-
10 tural producers are provided—

1 (1) technical assistance, including engineering
2 services, applied research, scale production, and
3 similar services to enable the producers to establish
4 businesses for further processing of agricultural
5 products;

6 (2) marketing, market development, and busi-
7 ness planning;

8 (3) overall organizational, outreach, and devel-
9 opment assistance to increase the viability, growth,
10 and sustainability of value-added agricultural busi-
11 nesses.

12 (b) NATURE OF PROGRAM.—The Secretary of Agri-
13 culture (in this section referred to as the “Secretary”)
14 shall—

15 (1) make grants to eligible applicants for the
16 purposes of enabling the applicants to obtain the as-
17 sistance described in subsection (a); and

18 (2) provide assistance to eligible applicants
19 through the research and technical services of the
20 Department of Agriculture.

21 (c) ELIGIBILITY REQUIREMENTS.—

22 (1) IN GENERAL.—An applicant shall be eligible
23 for a grant and assistance described in subsection

24 (b) to establish an Agriculture Innovation Center
25 if—

1 (A) the applicant—

2 (i) has provided services similar to
3 those described in subsection (a); or

4 (ii) shows the capability of providing
5 the services;

6 (B) the application of the applicant for the
7 grant and assistance sets forth a plan, in ac-
8 cordance with regulations which shall be pre-
9 scribed by the Secretary, outlining support of
10 the applicant in the agricultural community, the
11 technical and other expertise of the applicant,
12 and the goals of the applicant for increasing
13 and improving the ability of local producers to
14 develop markets and processes for value-added
15 agricultural products; and

16 (C) the applicant meets the requirement of
17 paragraph (2).

18 (2) BOARD OF DIRECTORS.—The requirement
19 of this paragraph is that the applicant shall have a
20 board of directors comprised of representatives of
21 the following groups:

22 (A) The 2 general agricultural organiza-
23 tions with the greatest number of members in
24 the State in which the applicant is located.

1 (B) The Department of Agriculture or
2 similar State organization or department, for
3 the State.

4 (C) Organizations representing the 4 high-
5 est grossing commodities produced in the State,
6 according to annual gross cash sales.

7 (d) GRANTS AND ASSISTANCE.—

8 (1) IN GENERAL.—Subject to the availability of
9 appropriations, the Secretary shall make annual
10 grants to eligible applicants under this section, each
11 of which grants shall not exceed \$1,000,000.

12 (2) INITIAL LIMITATION.—In the first 3 years
13 of the demonstration program under this section, the
14 Secretary may make grants under this section, on a
15 competitive basis, to not more than 10 eligible appli-
16 cants, including those whose applications provide for
17 the operation of an Agriculture Innovation Center in
18 the following States:

19 (A) Missouri.

20 (B) Mississippi.

21 (C) Ohio.

22 (D) New Mexico.

23 (E) South Dakota.

24 (F) Texas.

25 (G) Wisconsin.

1 (3) EXPANSION OF DEMONSTRATION PRO-
2 GRAM.—In the second year of the demonstration
3 program under this section, the Secretary may make
4 grants under this section to not more than 10 eligi-
5 ble applicants, in addition to any entities to which
6 grants are made under paragraph (2) for such year.

7 (4) STATE LIMITATION.—In the first 3 years of
8 the demonstration program under this section, the
9 Secretary shall not make a grant under this section
10 to more than 1 entity in any State.

11 (e) USE OF FUNDS.—An entity to which a grant is
12 made under this section may use the grant only for the
13 following purposes:

14 (1) Applied research.

15 (2) Consulting services.

16 (3) Office equipment.

17 (4) Hiring of employees, at the discretion of the
18 board of directors of the entity.

19 (5) The making of matching grants, each of
20 which shall be not more than \$5,000, to agricultural
21 producers, so long as the aggregate amount of all
22 such matching grants shall be not more than
23 \$50,000.

24 (f) LIMITATIONS ON AUTHORIZATION OF APPROPRIA-
25 TIONS.—For grants and assistance under this section,

1 there are authorized to be appropriated to the Secretary
2 not more than—

3 (1) \$10,000,000 for fiscal year 2001;

4 (2) \$15,000,000 for fiscal year 2002; and

5 (3) \$20,000,000 for fiscal year 2003.

6 (g) REPORT ON BEST PRACTICES.—Not later than
7 3 years after the first 10 grants are made under this sec-
8 tion, the Secretary shall prepare and submit to the Com-
9 mittee on Agriculture, Nutrition, and Forestry of the Sen-
10 ate and to the Committee on Agriculture of the House
11 of Representatives a written report on the effectiveness of
12 the demonstration program conducted under this section
13 at improving the production of value-added agricultural
14 products and on the effects of the program on the eco-
15 nomic viability of the producers, which shall include the
16 best practices and innovations found at each of the Agri-
17 culture Innovation Centers established under the dem-
18 onstration program under this section, and detail the
19 number and type of agricultural projects assisted, and the
20 type of assistance provided, under this section.

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