

110TH CONGRESS  
2D SESSION

# H. R. 6793

To provide for grants to assist municipalities to facilitate the ability of local farmers to grow food crops and certain livestock to be sold locally, grants to enable local nongovernmental farming associations to support the formation of community-supported agricultural projects, and grants to provide start-up funds to farmers who must diversify their operations in order to participate in the projects, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2008

Mr. HOLT introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To provide for grants to assist municipalities to facilitate the ability of local farmers to grow food crops and certain livestock to be sold locally, grants to enable local nongovernmental farming associations to support the formation of community-supported agricultural projects, and grants to provide start-up funds to farmers who must diversify their operations in order to participate in the projects, 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,*

1 **SECTION 1. GRANTS TO ASSIST MUNICIPALITIES TO HELP**  
2 **LOCAL FARMERS TO GROW FOOD CROPS OR**  
3 **RAISE CERTAIN LIVESTOCK TO BE SOLD LO-**  
4 **CALLY.**

5 (a) IN GENERAL.—The Secretary of Agriculture,  
6 through the respective State Department of Agriculture,  
7 may make a grant in accordance with this section to a  
8 municipality to enable the municipality to facilitate the  
9 ability of local farmers to grow food crops or raise live-  
10 stock to be sold to the local community.

11 (b) MAXIMUM AMOUNT OF GRANT.—The amount of  
12 a grant under this section shall not exceed \$100,000.

13 (c) USE OF GRANTS.—

14 (1) IN GENERAL.—A municipality to which a  
15 grant is made under this section shall use the grant,  
16 subject to paragraph (2), to establish a community-  
17 supported agriculture project, by—

18 (A) leasing municipal land to a partici-  
19 pating farmer;

20 (B) providing a loan guarantee for a loan  
21 made for the purchase or lease of equipment or  
22 facilities to be used by a participating farmer;

23 (C) establishing a kitchen certified by rel-  
24 evant health authorities for use by farmers or  
25 nongovernmental farming associations oper-

1           ating, as determined by the municipality, locally  
2           or regionally; or

3           (D) establishing a plant for the processing  
4           of food crops or livestock, which is certified by  
5           relevant health authorities for use by farmers or  
6           nongovernmental farming associations oper-  
7           ating, as determined by the municipality, locally  
8           or regionally.

9           (2) REQUIREMENTS RELATING TO MINIMUM  
10          OUTPUT, LOCAL SALE, AND UNDER-SERVED COMMU-  
11          NITIES.—

12           (A) IN GENERAL.—A lease entered into or  
13           a loan guarantee provided pursuant to this sec-  
14           tion shall provide that the municipality may ter-  
15           minate the lease or rescind the loan guarantee,  
16           as the case may be, if, during any year for  
17           which the lease or loan guarantee is in effect—

18           (i) the total value of the food crops or  
19           livestock produced from the land involved  
20           is less than—

21           (I) \$2,500, in the case of the  
22           first year of operation;

23           (II) \$3,500, in the case of the  
24           second year of operation; or

1 (III) \$5,000, in the case of any  
2 subsequent year of operation;

3 (ii) at least 30 percent of the sales of  
4 the food crops or livestock are not made in  
5 an under-served community within 50  
6 miles of the community-supported agricul-  
7 tural project; or

8 (iii) at least 70 percent of the sales of  
9 the food crops or livestock are not made lo-  
10 cally or regionally.

11 (B) LOCAL OR REGIONAL SALE.—An agri-  
12 cultural product shall be considered to be made  
13 available for sale locally or regionally for pur-  
14 poses of this section if the product is distrib-  
15 uted within the locality or region where pro-  
16 duced, in a manner which—

17 (i) ensures that information regarding  
18 the product origin, production practices, or  
19 other similar information which is a source  
20 of value to the end-use consumer is typi-  
21 cally conveyed;

22 (ii) facilitates the likelihood that the  
23 income of the community-supported agri-  
24 culture operation is increased through

1 maximization of the share of the retail  
2 food price retained by the producer;

3 (iii) ensures that consumers are pro-  
4 vided with a product produced, processed,  
5 and distributed in the locality or region  
6 where the end-use consumers acquire the  
7 product; and

8 (iv) ensures that the product has trav-  
9 eled less than 200 miles.

10 (3) REQUIREMENTS RELATING TO TERMI-  
11 NATION OF LEASE OR RESCINDING OF LOAN GUAR-  
12 ANTEE.—If the municipality determines that a lease  
13 entered into or a loan guarantee provided pursuant  
14 to this section will be terminated pursuant to para-  
15 graph (2), the municipality—

16 (A) shall announce the impending termi-  
17 nation and seek to transition the operation for  
18 which the lease was entered into or loan guar-  
19 antee was provided as a going concern to a new  
20 operator under the terms and conditions of this  
21 Act; and

22 (B) may convert the operation to another  
23 use if, during the 6-month period beginning  
24 with the announcement, the municipality does  
25 not receive an application for the lease or loan

1           guarantee from such a new operator who is eli-  
2           gible for the lease or loan guarantee under such  
3           terms and conditions.

4           (4) PUBLIC BIDDING REQUIRED.—

5                   (A) IN GENERAL.—The municipality shall  
6           solicit bids from the general public for the  
7           leases and loan guarantees to be provided by  
8           the municipality pursuant to this section, and  
9           shall submit the bids to the State Department  
10          of Agriculture for review and award of funding  
11          in accordance with the schedule of priorities set  
12          forth in subparagraph (B).

13                   (B) PRIORITY FOR CERTAIN PARTICI-  
14          PATING FARMERS.—The municipality shall con-  
15          duct the bidding in a manner that results in,  
16          and the Secretary of Agriculture, through the  
17          respective State Department of Agriculture,  
18          shall award grants and loan guarantees to mu-  
19          nicipalities that have demonstrated that they  
20          have conducted bidding in a manner that re-  
21          sults in applications by participating farmers  
22          who are socially disadvantaged farmers (as de-  
23          fined in section 355(e) of the Consolidated  
24          Farm and Rural Development Act) or begin-  
25          ning farmers or ranchers (as defined in section

1           7405(a) of the Farm Security and Rural In-  
2           vestment Act of 2002) being considered first in  
3           the order of priority to receive funding.

4           (d) LIMITATIONS ON AUTHORIZATION OF APPRO-  
5           PRIATIONS.—For grants under this section, there are au-  
6           thorized to be appropriated to the Secretary not more than  
7           \$40,000,000 for each of fiscal years 2009 through 2014.

8           **SEC. 2. GRANTS TO ENABLE LOCAL NONGOVERNMENTAL**  
9                           **FARMING ASSOCIATIONS SUPPORT THE FOR-**  
10                           **MATION OF COMMUNITY-SUPPORTED AGRI-**  
11                           **CULTURAL PROJECTS.**

12           (a) IN GENERAL.—The Secretary of Agriculture may  
13           make a grant to enable a local nongovernmental farming  
14           association that promotes community-based farming, or a  
15           qualified farmer, to provide technical, advisory, and other  
16           assistance to support the formation of a municipally-based  
17           community-supported agricultural project.

18           (b) MAXIMUM AMOUNT OF GRANT.—The amount of  
19           a grant under this section shall not exceed \$25,000.

20           (c) USE OF GRANTS.—The recipient of a grant made  
21           under this section shall use the grant to—

22                   (1) provide public information about the assist-  
23                   ance available pursuant to this Act;

24                   (2) provide technical and advisory assistance to  
25                   participating farmers who enter into a lease or re-

1       ceive a loan guarantee from a municipality pursuant  
2       to section 1; or

3               (3) conduct training sessions on subjects rel-  
4       evant to starting, operating, maintaining, or mar-  
5       keting crops produced by participating farmers.

6       (d) DEFINITION OF QUALIFIED FARMER.—In this  
7       section, the term “qualified farmer” means a farmer who  
8       has established a profit-making enterprise such as a farm,  
9       a community-supported agriculture operation, or a farm-  
10      ers’ market, which has been in operation at least 5 years  
11      or a designated representative of such enterprise.

12      (e) MEDIATION CONDITION.—As a condition of re-  
13      ceiving a grant under this section, the grantee shall agree  
14      that, if a dispute arises between a participating farmer  
15      and a municipality from which the farmer has entered into  
16      a lease pursuant to section 1, concerning ownership rights  
17      to infrastructure improved with funds provided under this  
18      Act, or other matters with respect to the funds or activi-  
19      ties engaged in pursuant to this Act, the parties shall use  
20      the services of the Certified State Agricultural Mediation  
21      Program of the Farm Service Agency of the Department  
22      of Agriculture.

23      (f) LIMITATIONS ON AUTHORIZATION OF APPROPRIA-  
24      TIONS.—For grants under this section, there are author-

1 ized to be appropriated to the Secretary not more than  
2 \$10,000,000 for each of fiscal years 2009 through 2014.

3 **SEC. 3. GRANTS TO PROVIDE START-UP FUNDS TO FARM-**  
4 **ERS WHO MUST DIVERSIFY THEIR OPER-**  
5 **ATIONS IN ORDER TO PARTICIPATE IN COM-**  
6 **MUNITY-SUPPORTED AGRICULTURAL PRO-**  
7 **JECTS.**

8 (a) IN GENERAL.—The Secretary of Agriculture may  
9 make a one-time grant to provide start-up funding to an  
10 agricultural producer who must diversify the agricultural  
11 operations of the producer in order to participate in a  
12 community-supported agricultural project.

13 (b) MAXIMUM AMOUNT OF GRANT.—The amount of  
14 a grant under this section shall not exceed \$10,000.

15 (c) USE OF GRANTS.—An agricultural producer to  
16 whom a grant is made under this section shall use the  
17 grant to begin or participate in a community-supported  
18 agricultural project under this Act.

19 (d) LIMITATIONS ON AUTHORIZATION OF APPRO-  
20 PRIATIONS.—For grants under this section, there are au-  
21 thorized to be appropriated to the Secretary not more than  
22 \$4,000,000 for each of fiscal years 2009 through 2014.

1 **SEC. 4. MARKETING ASSISTANCE FOR COMMUNITY-SUP-**  
2 **PORTED AGRICULTURE PROJECTS.**

3 The Secretary of Agriculture shall provide marketing  
4 assistance to a participating farmer who has received a  
5 lease or loan guarantee under section 1 that has not been  
6 terminated, to assist the farmer in marketing to commu-  
7 nity institutions, including schools, child care centers, and  
8 senior centers.

9 **SEC. 5. DEFINITIONS.**

10 In this Act:

11 (1) **COMMUNITY-SUPPORTED AGRICULTURAL**  
12 **PROJECT.**—The term “community-supported agricul-  
13 tural project” means a contract under which a group  
14 of consumers, a nonprofit organization, or a public  
15 agency which represents consumers is obligated to  
16 purchase a specified amount of one or more agricul-  
17 tural products directly from one or more agricultural  
18 producers during a specific period.

19 (2) **FARM VENDOR.**—The term “farm vendor”  
20 means a farmer, a member of the family of a farm-  
21 er, or an employee of a farmer, who sells at a farm-  
22 ers’ market agricultural products produced only by  
23 the farmer.

24 (3) **LIVESTOCK.**—The term “livestock” means  
25 cattle, bison, deer, swine, sheep, goats, and poultry,  
26 whether raised directly for human consumption or

1 for the production of milk or eggs for human con-  
2 sumption.

3 (4) **MARKETING ALLIANCE.**—The term “mar-  
4 keting alliance” means a legally recognized entity  
5 from which farmers and managers of farmers’ mar-  
6 kets can obtain technical support on issues relating  
7 to farmers’ markets.

8 (5) **MUNICIPALITY.**—The term “municipality”  
9 includes any city, town, borough, county, parish, dis-  
10 trict, transportation district, assessment jurisdiction,  
11 or other public body, or any other political subdivi-  
12 sion within the territorial limits of the United  
13 States, created by or pursuant to State law or the  
14 law of an Indian tribe or tribal organization, with  
15 the authority to impose a tax, charge, or fee.

16 (6) **NONGOVERNMENTAL FARMING ASSOCIA-**  
17 **TION.**—The term “nongovernmental farming asso-  
18 ciation” means any of the following entities that has  
19 legal standing:

20 (A) A group of agricultural producers that  
21 operates as a marketing alliance.

22 (B) A cooperative association, each of  
23 whose owners and members is an agricultural  
24 producer.

1 (C) A group of two or more agricultural  
2 producers or farm vendors who sell an agricul-  
3 tural product through a common distribution  
4 channel.

5 (D) A nonprofit organization with exper-  
6 tise in farming.

7 (E) A network or association of agricul-  
8 tural producers.

9 (7) PARTICIPATING FARMER.—The term “par-  
10 ticipating farmer” means an agricultural producer  
11 who has made a binding commitment to participate  
12 in a community-supported agricultural project.

13 (8) STATE.—The term “State” includes the  
14 several States, the District of Columbia, the Com-  
15 monwealth of Puerto Rico, the Commonwealth of the  
16 Northern Mariana Islands, the United States Virgin  
17 Islands, Guam, and American Samoa.

18 (9) UNDER-SERVED COMMUNITY.—The term  
19 “under-served community” means an urban, rural,  
20 or tribal community which has—

21 (A) limited access to affordable, healthy  
22 foods, including fresh fruits and vegetables, in  
23 retail grocery stores or farmer-to-consumer di-  
24 rect markets;

1           (B) a high incidence of diet-related dis-  
2           eases, including obesity;

3           (C) a high rate of hunger or food insecu-  
4           rity; or

5           (D) severe or persistent poverty.

6 **SEC. 6. REGULATIONS.**

7           The Secretary of Agriculture shall prescribe such reg-  
8           ulations as may be necessary to carry out this Act.

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