

Local Farms, Food, and Jobs Act of 2013
Section By Section Summary

Title I – Nutrition
(Title IV of Farm Bill)

Section 101 - Electronic Benefit Transfer (EBT) for Direct Farmer-to-Consumer Markets - Amend Section 7(h) of the Food and Nutrition Act of 2008 to clarify that the exemption from the requirement that SNAP retailers pay for the cost of EBT technology and implementation also includes the full range of other direct farmer-to-consumer marketing outlets.

Section 102 - EBT Pilot for Mobile Technology - Amend Section 7(h) of the Food and Nutrition Act of 2008 to test and report to Congress on the use of mobile technology (e.g., smartphones) in accepting SNAP benefits.

Section 103 - Community Supported Agriculture and SNAP - Amend Section 10 of the Food and Nutrition Act of 2008 to ensure that SNAP beneficiaries can participate in community-supported agriculture programs (CSAs).

Section 104 - Department of Defense Fresh (DoD Fresh) Local Pilots and Geographic Preference - Amend Section 10603(b) of the Farm Security and Rural Investment Act of 2002 to authorize five state pilots to test purchasing more local fruits and vegetables, and to prompt USDA to take geographic preference into consideration in any future procurement and purchasing contracts with DoD.

Section 105 - USDA Foods Local Option and Demonstrations - At an appropriate place in the Nutrition Title of the new farm bill, establish an option for school food authorities with low annual commodity entitlement values to make their own food purchases instead of participating in USDA Foods, provided USDA determines this would yield reduced administrative costs. Also, create a demonstration project in at least 10 school districts to test alternative farm to school procurement models to USDA food distribution. These demonstration projects are accompanied by robust data collection and analyses and a report to Congress.

Section 106 - Community Food Projects - Amend Section 25 of the Food and Nutrition Act of 2008 to increase annual mandatory farm bill direct funding for the CFP competitive grants program, administered by the National Institute for Food and Agriculture, from \$5 million to \$10 million and to increase the maximum term of CFP grants from three years to five years.

Section 107 - Senior Farmers Market Nutrition Program - Amend Section 4402 of the Farm Security and Rural Investment Act of 2002 to increase annual mandatory funding from \$20.6 million to \$25 million and to extend the authorization through 2018.

Section 108 - SNAP Incentives - Amend Section 4405 of the Food, Conservation, and Energy Act of 2008 to federal cost-share for State, local and private point of purchase incentive programs for fruits and vegetables to participants in the Supplemental Nutrition Assistance Program (SNAP), increasing the purchase and consumption of fresh fruit and vegetables by SNAP families and thereby support improvements in their diets and health status. Provide \$100 million in mandatory farm bill funding over the course of the 5-year farm bill.

Section 109 – Food and Agriculture Service Learning Program - Add a new provision to Subtitle D of the Department of Agriculture Reorganization Act of 1994 (7.U.S.C. 6951) to establish a program to advance children’s nutritional health and education in underserved communities, both urban and rural, by increasing the number of national service members working in K-12 schools to engage children in experiential learning about agriculture, gardening, nutrition, cooking and where food comes from, as well as to facilitate a connection between schools and area agricultural producers in coordination with the Cooperative Extension Service. Provide \$25 million in mandatory farm bill funding over the course of the 5-year farm bill.

**Title II – Credit
(Title V of Farm Bill)**

Section 201 - 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.

Section 202 - Farm Credit System Objectives - 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.

Section 203 - Farm Credit System Initiatives - 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.

**Title III – Rural Development
(Title VI of the Farm Bill)**

Section 301 - Rural Business Opportunity Grants - Amend Section 306(a)(11) of the Consolidated Farm and Rural Development Act to authorize local and regional food systems as a specific authority.

Section 302 - Community Facilities Grants and Loans - Amend Section 306(a)(19-21) and 306(a)(24) of the Consolidated Farm and Rural Development Act to ensure that eligible entities are able to partner with for-profit and philanthropic entities.

Section 303 - Rural Business Enterprise Grants - Amend Section 310B(c)(1)(B)(ii) of the Consolidated Farm and Rural Development Act to expand eligible grant uses to include not only value-added processing but also aggregation, distribution, storage, and marketing.

Section 304 - Business & Industry Local Food System Set-Aside - Amend Section 310B(g) of the Consolidated Farm and Rural Development Act to broaden the existing provision allowing loan guarantees in rural and non-rural areas for coops using the loan for value-added processing of food

products to also include distribution, aggregation, storage or marketing of food products in a manner benefiting agricultural producers and providing employment for rural residents. Strengthen the existing local and regional foods provision within the B&I program to clarify that projects can be funded in rural and non-rural areas provided the projects benefit farmers, underserved communities, or are part of a more comprehensive regional economic development strategy. Direct USDA to develop and implement an outreach plan for the local and regional food enterprise B&I set-aside and to publish, online and in a timely manner, summary information about all loan awards made from the set-aside funds.

Section 305 - 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 and clarify the priority for projects benefitting beginning farmers and ranchers as well as the set-aside of program funding for these projects. Add new language directing USDA to do special outreach in underserved states and areas. Renew mandatory farm bill funding at \$20 million a year.

Title IV – Research, Extension, and Related Matters (Title VII of Farm Bill)

Section 401 - 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 system development as a new priority area within AFRI's Agriculture Economic and Rural Community mission area. Also amend AFRI to require USDA to conduct at least one separate request for applications for grants 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)

Section 402 - Local and Regional Food System Enterprise Facilitation - Create a new subsection (f) to Section 502 of the Rural Development and Small Farm Research and Education Act (Title V of the Rural Development Act of 1972) authorizing grants for a new technical assistance initiative to facilitate development of local and regional food systems in the neediest parts of rural America.

Section 403 - 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).

Section 404 - National Genetics Resource Program - Amend Section 1632(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 to 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.

Title V – Horticulture (Title X of Farm Bill)

Section 501 - Farmers Market and Local Food Promotion Program - Amend Section 6 of the Farmer-to-Consumer Direct Market Act of 1976 to expand the current Farmers Market Promotion Program to support not only direct producer-to-consumer marketing but also scaled up local and regional food marketing. Remove the EBT set-aside. Increase annual mandatory farm bill direct funding for the program from \$10 million to \$20 million and add an authorization for up to \$20 million per year in discretionary funding.

Section 502 - Specialty Crop Block Grants - Amend Section 101 of the Specialty Crop Competitiveness Act of 2004 such that the purposes and preferences of the grants include the consumption and availability of local/regional specialty crops, the profitability and ecological sustainability of specialty crops, and the affordability of specialty crops for low-income consumers. Require States to publish online and in a timely manner summary information about grants. Direct the Secretary to consider expansion of the program to include traditional foods of federally recognized Indian tribes and other minority communities.

Section 503 - Study on Local Food Production and Program Evaluation - At the appropriate place in the horticulture title of the new farm bill add a new provision to establish a study to collect data on the production and marketing of locally or regionally produced agricultural food products, to facilitate interagency collaboration and data sharing on programs related to local and regional food systems, and to monitor the effectiveness of programs designed to expand or facilitate local food systems (including the Farmers Market and Local Food Promotion Program and the Specialty Crop Block Grant Program). Expand the Agricultural Resource Management Survey (ARMS) and authorize a follow up National Agricultural Statistics Service survey regarding locally and regionally produced food. Require an annual report to Congress.

Title VI – Crop Insurance (Title XI of Farm Bill)

Section 601 - Research and Development - Amend Section 522(c) of the Federal Crop Insurance Act to allow the Corporation to conduct activities or enter into contracts to carry out research and development to maintain or improve existing crop insurance policies or develop new crop insurance policies.

Section 602 - Whole Farm Diversified Risk Management Insurance - Amend Section 508(c) of the Federal Crop Insurance Act to authorize RMA to develop a whole farm 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.

Section 603 - R&D Advanced Payments - Amend Section 522(b)(2) of the Federal Crop Insurance Act to allow FCIC to increase the 50 percent limitation to 75 percent on advance payments for R&D if the proposal provides coverage of an underserved crop or region.

Section 604 - Organic Crop Insurance - 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.

Section 605 - National Organic Certification Cost Share Program - Amend Section 524 of the Federal Crop Insurance Act to streamline and strengthen organic certification cost share assistance by revising the Agricultural Management Assistance program so that it provides \$23 million annually, including no less than 50 percent of that total for national organic certification cost share.

**Title VII – Miscellaneous
(Title XIV of Farm Bill)**

Section 701 - Technical Assistance for Small and Very Small Meat and Poultry Processors - Amend Title V of the Federal Meat Inspection Act of 1906 and add a new section to the Poultry Products Inspection Act to enhance technical assistance activities to small and very small facilities.

Section 702 – Guidance for Small and Very Small Meat and Poultry Processors - Amend Title V of the Federal Meat Inspection Act of 1906 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 controls were applied and are working.

Section 703 – Public Information on Meat and Poultry Label Content - Amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to require FSIS to make approved meat labels searchable in a database, so that farmers and very small processors can view and if they wish model their own meal labels after those that have previous approval.

Section 704 - Meat and Poultry Processing Report - At the appropriate place in the miscellaneous title of the new farm bill add a new provision to direct USDA, in cooperation with the States, processors, and growers, to produce a report to Congress analyzing additional steps that could be taken to better meet the needs of small meat and poultry growers and processors.