Schiff_03

AMENDMENT NO.________ Calendar No.______

Purpose: To permanently authorize the Resilient Food Systems Infrastructure Program and to establish regional food systems hubs.

IN THE SENATE OF THE UNITED STATES—119th Cong., 2d Sess.

S. ____

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2031, and for other purposes.

Referred to the Committee on ____________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by ______________

Viz:

At the end of subtitle A of title X, add the following:

SEC. 10114. AMERICAN FOOD SUPPLY CHAIN RESILIENCY.

(a) FINDINGS.—Congress finds that—

(1) a secure domestic food supply is a national security imperative for the United States;

(2) a resilient food supply chain in the United States is necessary for the production of an abundant, affordable supply of highly nutritious specialty crops, dairy, grains for human consumption, meat and poultry, aquaculture, and other food products,

which are vital to the health and well-being of all people in the United States; and

(3) expanded capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of locally and regionally produced food products, including specialty crops, dairy, grains for human consumption, meat and poultry, aquaculture, and other food products, is needed to increase domestic supply chain resiliency and expand local, regional, and national market opportunities for producers.

(b) RESILIENT FOOD SYSTEMS INFRASTRUCTURE PROGRAM.—Subtitle A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) (as amended by section 4306) is amended by adding at the end the following:

"SEC. 210C. RESILIENT FOOD SYSTEMS INFRASTRUCTURE PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) a local government entity that carries out middle-of-the-supply-chain activities;

"(B) a Tribal government that carries out middle-of-the-supply-chain activities;

"(C) an agricultural producer or processor, or group of agricultural producers or processors;

"(D) a nonprofit organization that carries out middle-of-the-supply-chain activities;

"(E) a for-profit entity—

"(i) that carries out middle-of-the-supply-chain activities;

"(ii) that is a small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632)); and

"(iii) the activities of which primarily benefit local and regional producers; and

"(F) an institution, such as an institution of higher education or hospital, in a partnership with agricultural producers to establish cooperative or shared infrastructure, or to invest in equipment, that will benefit middle-of-the-supply-chain activities of multiple producers.

"(2) INFRASTRUCTURE GRANT.—The term 'infrastructure grant' means a grant made by a State under subsection (e).

"(3) MIDDLE-OF-THE-SUPPLY-CHAIN ACTIVITY.—The term 'middle-of-the-supply-chain activity' means aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of a targeted agricultural product.

"(4) PROGRAM.—The term 'program' means the resilient food systems infrastructure program established under subsection (b).

"(5) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Administrator of the Agricultural Marketing Service.

"(6) SPECIALTY CROP.—The term 'specialty crop' has the meaning given the term in section 3 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465).

"(7) STATE.—The term 'State' means—

"(A) each of the several States of the United States;

"(B) the District of Columbia;

"(C) the United States Virgin Islands;

"(D) Guam;

"(E) American Samoa;

"(F) the Commonwealth of the Northern Mariana Islands; and

"(G) the Commonwealth of Puerto Rico.

"(8) TARGETED AGRICULTURAL PRODUCT.—

"(A) IN GENERAL.—The term 'targeted agricultural product' means—

"(i) a specialty crop;

"(ii) dairy;

"(iii) grain;

"(iv) meat;

"(v) poultry; and

"(vi) seafood (as defined in section 2(e)(1) of the Act of August 11, 1939 (15 U.S.C. 713c–3(e)(1))).

"(B) EXCLUSIONS.—The term 'targeted agricultural product' does not include—

"(i) animal feed;

"(ii) fuel;

"(iii) cotton;

"(iv) fiber; or

"(v) any other product not intended for human consumption.

"(9) UNDERSERVED PRODUCER.—The term 'underserved producer' means an individual that is—

"(A) a beginning farmer or rancher (as defined in section 2501(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)));

"(B) a veteran farmer or rancher (as defined in that section); or

"(C) a socially disadvantaged farmer or rancher (as defined in that section).

"(b) ESTABLISHMENT.—The Secretary shall establish a program, to be known as the 'resilient food systems infrastructure program', under which the Secretary shall seek to enter into cooperative agreements with States—

"(1) to build resilience in the middle of the supply chain; and

"(2) to strengthen local and regional food systems by creating new revenue streams for producers in those States.

"(c) APPLICATION.—

"(1) IN GENERAL.—A State seeking to enter into a cooperative agreement under the program shall submit an application at such time, in such manner, and containing such information as the Secretary may require, including a State plan described in paragraph (2).

"(2) STATE PLAN.—A State plan submitted as part of an application under paragraph (1) shall include—

"(A) the anticipated priorities and needs of the State in carrying out the cooperative agreement;

"(B) a plan for awarding infrastructure grants, including—

"(i) how the State will ensure that the purpose and priorities of the program are fulfilled; and

"(ii) how the State will ensure the prioritization described in subsection (e)(2);

"(C) whether and in what manner the State will use funds for supply chain coordination under subsection (f)(1);

"(D) a plan for conducting outreach required under subsection (g); and

"(E) metrics that will be tracked by the State in carrying out the cooperative agreement.

"(3) METRICS AND EVALUATION.—

"(A) IN GENERAL.—The Secretary shall provide a list of program metrics that each State shall collect and the template the States shall use to report to the Secretary at the end of the period of the cooperative agreement for evaluation.

"(B) PERFORMANCE MEASURES.—The Secretary, in consultation with State departments of agriculture and other stakeholders, shall develop performance measures to be used as the sole measures for evaluating the performance of the program.

"(d) COOPERATIVE AGREEMENT AMOUNTS.—

"(1) VALUE BASIS.—Subject to paragraph (2), the amount that a State shall receive under a cooperative agreement under the program for a fiscal year shall bear the same ratio to the total amount made available under subsection (j)(1) for that fiscal year as the ratio that the average of the most recent available value of the combined targeted agricultural product production in the State bears to the average of the most recent available value of the combined targeted agricultural product production in all States.

"(2) MINIMUM AMOUNT.—A cooperative agreement under the program shall provide not less than $1,000,000 to a State in a fiscal year, unless insufficient funds are appropriated for that fiscal year to meet that minimum amount for all States.

"(3) AVAILABILITY OF FUNDS.—The Secretary shall provide not less than 50 percent of the amount awarded to a State under a cooperative agreement under the program at the time that agreement is executed.

"(e) INFRASTRUCTURE GRANTS.—

"(1) IN GENERAL.—A State entering into a cooperative agreement under the program shall award, on a competitive basis, grants to eligible entities for the purposes of—

"(A) expanding middle-of-the-supply-chain capacity for locally or regionally produced targeted agricultural products;

"(B) offering more and better market opportunities and new streams of revenue to small and mid-sized producers of locally or regionally produced targeted agricultural products; and

"(C) expanding capacity and infrastructure for middle-of-the-supply-chain activities.

"(2) PRIORITY.—In awarding infrastructure grants under the program, a State shall give priority to projects that will benefit—

"(A) underserved producers;

"(B) processors and other middle-of-the-supply-chain businesses owned by socially disadvantaged individuals (as defined in section 8 of the Small Business Act (15 U.S.C. 637)); and

"(C) intermediaries in the food supply chain, such as food hubs, aggregators, cooperatives, wholesalers, and distributors.

"(3) GRANT AMOUNT.—The amount of an infrastructure grant shall be not less than $100,000 and not more than $3,000,000.

"(4) ELIGIBLE USES.—An eligible entity may use an infrastructure grant—

"(A) to expand capacity for processing, aggregation, and distribution of targeted agricultural products to create improved local and regional markets for targeted agricultural products;

"(B) to modernize manufacturing, tracking, storage, and information technology systems;

"(C) to enhance worker safety through adoption of new technologies or investment in equipment or facility improvements;

"(D) to improve the capacity of the eligible entity to comply with Federal, State, and local food safety requirements;

"(E) to improve operations through training opportunities;

"(F) to support construction of a new facility;

"(G) to modernize or expand an existing facility, including expansion and modifications to existing buildings and construction of new buildings at existing facilities;

"(H) to construct wastewater management structures;

"(I) to modernize processing and manufacturing equipment;

"(J) to develop, customize, or install equipment that improves energy efficiency, increases efficiency in water use, and improves air or water quality; and

"(K) for such other purposes as the Secretary determines to be appropriate.

"(5) SIMPLIFIED EQUIPMENT-ONLY PROJECTS.—

"(A) IN GENERAL.—A State may award small infrastructure grants—

"(i) in an amount that is not less than \$10,000 and not more than \$100,000; and

"(ii) that are to be used for purchasing equipment.

"(B) SIMPLIFIED APPLICATION.—The Secretary shall establish a simplified application for small infrastructure grants awarded under subparagraph (A).

"(6) DOMESTIC REQUIREMENT.—To be eligible for a grant under this subsection, an eligible entity that is a business or organization shall be domestically owned, and the facilities of the business or organization shall be physically located in a State.

"(f) OTHER USES OF COOPERATIVE AGREEMENT FUNDS.—

"(1) SUPPLY CHAIN COORDINATION.—Of the amount that a State receives under a cooperative agreement under the program for a fiscal year, the State may use not more than the lesser of 20 percent and $1,000,000 for activities to develop or enhance supply chain coordination in a manner that focuses on business support and market development to benefit local and regional food systems and contributes to the success and impact of the infrastructure grants awarded by the State.

"(2) COORDINATION AND TECHNICAL ASSISTANCE.—A State may coordinate with a regional food systems hub established under section 210C(b) to complement any technical assistance.

"(3) ADMINISTRATIVE COSTS.—Of the amount that a State receives under a cooperative agreement under the program for a fiscal year, not more than 8 percent may be used for administrative costs.

"(g) OUTREACH.—A State that enters into a cooperative agreement under the program shall conduct outreach to interested parties, including underserved producers, farm and food businesses in supply chains for locally and regionally produced targeted agricultural products, and regional communities—

"(1) prior to opening submission for applications for infrastructure grants; and

"(2) through a transparent process of receiving and considering public comment to identify State funding priorities.

"(h) AUDIT.—Each State that enters into a cooperative agreement under the program shall—

"(1) conduct an audit of the expenditures under that cooperative agreement for each fiscal year; and

"(2) submit the audit to the Secretary not later than 30 days after the completion of the audit.

"(i) PERFORMANCE MEASURES AND EVALUATION.—

"(1) DEVELOPMENT.—The Secretary shall annually collect outcomes based on the metrics described in subsection (c)(3)(A).

"(2) EVALUATION.—The Secretary, in consultation with State departments of agriculture, shall periodically evaluate the performance of the program.

"(j) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other funds made available to carry out this section, there is authorized to be appropriated to the Secretary to carry out this section $200,000,000 for each of fiscal years 2027 through 2031, to remain available until expended.

"(2) ADMINISTRATIVE COSTS.—Of the funds made available to carry out this section for a fiscal year, the Secretary shall use not more than 3 percent for administrative expenses.".

(c) REGIONAL FOOD SYSTEMS HUBS.—Subtitle A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) (as amended by subsection (b)) is amended by adding at the end the following:

"SEC. 210D. REGIONAL FOOD SYSTEMS HUBS.

"(a) DEFINITIONS.—In this section:

"(1) BENEFICIARY.—The term 'beneficiary' means—

"(A) a farm, including a small and medium-sized farm;

"(B) an agribusiness; and

"(C) a food business.

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) a nonprofit organization;

"(B) an institution of higher education; and

"(C) a Tribal organization.

"(3) HUB.—The term 'Hub' means a food systems hub established under subsection (b).

"(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Administrator of the Agricultural Marketing Service.

"(b) ESTABLISHMENT.—The Secretary shall enter into cooperative agreements with eligible entities, on a competitive basis, to establish—

"(1) not fewer than 10 regional food systems hubs, which shall collectively geographically cover all States, territories, and possessions of the United States; and

"(2) 1 intertribal food systems hub to provide assistance exclusively to Tribal producers and businesses nationally.

"(c) PURPOSE.—The purpose of a Hub is to provide localized assistance and market creation to beneficiaries to improve—

"(1) local and regional food supply chains and markets, including aggregation, distribution, and processing needs; and

"(2) local and regional food system economic development.

"(d) ACTIVITIES.—

"(1) IN GENERAL.—A Hub shall—

"(A) integrate the assistance and resources of the Department of Agriculture and other Federal agencies available to support beneficiaries;

"(B) provide direct business technical assistance to beneficiaries, including financial coaching, business planning, market development, succession planning, and accessing land and capital;

"(C) provide financial assistance to beneficiaries, including grants to meet business and market development goals;

"(D) provide technical assistance to beneficiaries to create new, and expand or support existing, procurement opportunities from—

"(i) public agencies, including schools, child and senior centers, emergency food agencies participating in Department of

Agriculture food programs, hospitals, correctional facilities, Department of Veterans Affairs hospitals, United States Armed Forces bases, food is medicine programs, and rural healthcare initiatives; and

"(ii) grocery retailers, aggregators, distributors, and other private institutions, such as institutions of higher education, prisons, and hospitals; and

"(E) carry out any other activities that facilitate the development of a resilient domestic food system, as determined by the Secretary.

"(2) PRIORITIES.—A Hub shall prioritize providing services to—

"(A) beneficiaries that are owned or operated by, or partner with, underserved producers (as defined in section 210B(a)); and

"(B) recipients of assistance under other Department of Agriculture programs, including—

"(i) infrastructure grants (as defined in section 210B(a)) under the resilient food systems infrastructure program established under section 210B; and "(ii) grants awarded directly to producers for the purpose of expanding markets.

"(3) SUBAWARDS.—

"(A) IN GENERAL.—An eligible entity entering into a cooperative agreement under subsection (b) may provide subawards, including to contractors, to carry out the activities of the Hub established pursuant to the cooperative agreement.

"(B) ADMINISTRATIVE COSTS.—An entity receiving a subaward under subparagraph (A) may use not more than 20 percent for administrative costs.

"(e) LIMITATION ON ADMINISTRATIVE COSTS.—Of the amount that an eligible entity receives under a cooperative agreement under subsection (b) for a fiscal year, not more than 20 percent may be used for administrative costs.

"(f) CONSULTATION.—In providing assistance, a Hub is encouraged to consult with—

"(1) the Small Business Administration;

"(2) the Department of Commerce;

"(3) the Economic Development Administration;

"(4) the Farm Credit Administration; and

"(5) relevant stakeholders in each State, territory, or other area in which the Hub provides assistance, including—

"(A) State departments of agriculture;

"(B) economic development commissions;

"(C) small business development centers;

"(D) private investment entities;

"(E) philanthropic entities; and

"(F) other relevant financial entities, such as independent bankers and community development financial institutions.

"(g) REPORTS.—Each Hub shall submit to the Secretary an annual report describing the activities of the Hub, which may include—

"(1) as a direct result of the activities of the Hub—

"(A) the amount of increased sales by beneficiaries;

"(B) the number of new markets accessed, including the number of new purchasing agreements with schools, food service companies, independent grocery wholesalers, hospital systems, and other entities;

"(C) the number of new on-farm activities initiated, such as value-added production, agritourism, new crops, or new practices of beneficiaries, as applicable;

"(D) the number of new customers of beneficiaries; and

"(E) the number of new jobs offered by beneficiaries;

"(2) the barriers to market participation faced by beneficiaries and potential remedies; and

"(3) such other matters as the Secretary determines to be appropriate.

"(h) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other funds made available to carry out this section, there is authorized to be appropriated to the Secretary to carry out this section $75,000,000 for each of fiscal years 2027 through 2031, to remain available until expended.".

In section 12303, strike "(as amended by section 4306)" and insert "(as amended by section 10114(c))".

Redesignate section 210C of the Agricultural Marketing Act of 1946 (as amended by section 12303) as section 210E.