

Welch 1st Degree #31

AMENDMENT NO. _____ Calendar No. _____

Purpose: To establish the Domestic Organic Investment Program.

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

AMENDMENT intended to be proposed by Mr. WELCH

Viz:

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

2 **SEC. 101____. DOMESTIC ORGANIC INVESTMENT PROGRAM.**

3 Subtitle A of the Agricultural Marketing Act of 1946

4 (7 U.S.C. 1621 et seq.) (as amended by section 12303)

5 is amended by adding at the end the following:

6 **“SEC. 210D. DOMESTIC ORGANIC INVESTMENT PROGRAM.**

7 **“(a) DEFINITIONS.—In this section:**

8 **“(1) CERTIFIED ORGANIC PRODUCT.—The term**

9 **‘certified organic product’ means an agricultural**

10 **product (as defined in section 2103 of the Organic**

11 **Foods Production Act of 1990 (7 U.S.C. 6502))**

1 that is organically produced (as defined in that sec-
2 tion).

3 “(2) ELIGIBLE ENTITY.—

4 “(A) IN GENERAL.—The term ‘eligible en-
5 tity’ means an entity described in subparagraph
6 (B) that—

7 “(i) is owned and operated within—

8 “(I) a State;

9 “(II) the District of Columbia;

10 “(III) any territory or possession
11 of the United States; or

12 “(IV) the jurisdiction of an In-
13 dian Tribe; and

14 “(ii)(I) is certified in accordance with
15 subpart E of part 205 of title 7, Code of
16 Federal Regulations (or successor regula-
17 tions); or

18 “(II) is in transition to certification,
19 as defined by the Secretary.

20 “(B) ENTITIES DESCRIBED.—An entity re-
21 ferred to in subparagraph (A) is—

22 “(i) a producer, producer cooperative,
23 or other commercial entity that produces
24 or handles certified organic products;

25 “(ii) a unit of Tribal government; or

1 “(iii) such other entity as the Sec-
2 retary may designate.

3 “(C) EXCLUSION.—The term ‘eligible enti-
4 ty’ does not include an entity described in sub-
5 paragraph (B) the operations of which are sus-
6 pended or revoked under section 205.662 of
7 title 7, Code of Federal Regulations (or a suc-
8 cessor regulation).

9 “(3) INDIAN TRIBE.—The term ‘Indian Tribe’
10 has the meaning given the term in section 4 of the
11 Indian Self-Determination and Education Assistance
12 Act (25 U.S.C. 5304).

13 “(4) SECRETARY.—The term ‘Secretary’ means
14 the Secretary of Agriculture, acting through the Ad-
15 ministrator of the Agricultural Marketing Service.

16 “(5) TRIBAL GOVERNMENT.—The term ‘Tribal
17 government’ means the governing body of an Indian
18 Tribe.

19 “(b) ESTABLISHMENT AND PURPOSE.—The Sec-
20 retary shall establish a program, to be known as the ‘Do-
21 mestic Organic Investment Program’, that—

22 “(1) increases the capacity of the domestic or-
23 ganic product supply chain for producers, handlers,
24 suppliers, and processors of certified organic prod-
25 ucts;

1 “(2) modernizes manufacturing, tracking, stor-
2 age, and information technology systems specific to
3 the purposes described in this subsection, such as
4 process control or organic product ingredient track-
5 ing systems;

6 “(3) improves the capacity of eligible entities to
7 comply with applicable regulatory requirements or
8 quality standards required to access markets, such
9 as requirements and standards relating to food safe-
10 ty and organic product certification;

11 “(4) expands capacity for storage, processing,
12 aggregation, and distribution of certified organic
13 products to create more and better markets for pro-
14 ducers of certified organic products;

15 “(5) facilitates market development for domesti-
16 cally produced certified organic products currently
17 being serviced by organic imports; and

18 “(6) addresses additional barriers and bottle-
19 necks in the domestic organic product supply chain
20 for producers, handlers, suppliers, and processors of
21 certified organic products, as determined by the Sec-
22 retary.

23 “(c) GRANTS.—For each fiscal year for which
24 amounts are made available to carry out this section under
25 subsection (j), the Secretary shall provide grants to sup-

1 port eligible entities in conducting activities in accordance
2 with the purposes of the program described in subsection
3 (b).

4 “(d) APPLICATIONS.—

5 “(1) IN GENERAL.—To be eligible to receive a
6 grant under this section, an eligible entity shall sub-
7 mit to the Secretary an application at such time, in
8 such manner, and containing such information as
9 the Secretary may require.

10 “(2) SIMPLIFIED PROCESS.—The Secretary
11 shall implement a simplified application and award
12 process under this section for use by any eligible en-
13 tity seeking to carry out an equipment-only project.

14 “(3) PRIORITY.—The Secretary may establish
15 an annual priority for grants under this section
16 based in part on—

17 “(A) imbalance of trade and reliance on
18 organic imports;

19 “(B) National Organic Standards Board
20 recommendations; and

21 “(C) identified organic processing and sup-
22 ply chain bottlenecks inhibiting market growth
23 and efficiency.

24 “(4) COMPETITIVE PROCESS.—The Secretary—

1 “(A) shall conduct a competitive process to
2 select applications submitted under this sub-
3 section;

4 “(B) may assess and rank applications
5 with similar purposes as a group; and

6 “(C) before accepting any application
7 under this subsection, shall make publicly avail-
8 able the criteria to be used in evaluating the ap-
9 plications.

10 “(e) PROJECT TYPES.—An eligible entity may use
11 amounts received under this section to carry out, in ac-
12 cordance with such goals and deadlines for completion as
13 the Secretary may establish, the following types of
14 projects:

15 “(1) Certified organic product storage (includ-
16 ing cold storage), aggregation, processing, and dis-
17 tribution capacity expansion.

18 “(2) Equipment-only.

19 “(f) TERM.—Unless otherwise determined by the
20 Secretary, a grant provided under this section shall have
21 a term of not longer than 3 years.

22 “(g) MAXIMUM AMOUNT.—

23 “(1) IN GENERAL.—The amount of a grant
24 provided under this section for a project described in
25 subsection (e)(1) shall be not more than \$2,000,000.

1 “(2) EQUIPMENT-ONLY PROJECTS.—The
2 amount of a grant provided under this section for a
3 project described in subsection (e)(2) shall be not
4 more than \$100,000.

5 “(h) MATCHING FUNDS.—

6 “(1) IN GENERAL.—An eligible entity that re-
7 ceives a grant under this section to carry out a
8 project described in subsection (e)(1) shall provide a
9 non-Federal share equal to not less than 50 percent
10 of the cost of the project.

11 “(2) EQUIPMENT-ONLY PROJECTS.—An eligible
12 entity that receives a grant under this section to
13 carry out a project described in subsection (e)(2)
14 shall provide a non-Federal share equal to not less
15 than 25 percent of the cost of the project.

16 “(3) RULE FOR CERTAIN APPLICATIONS.—The
17 Secretary may waive or lower the non-Federal share
18 required under this subsection for beginning farmers
19 and ranchers and veterans applying for a grant
20 under this section.

21 “(i) TECHNICAL ASSISTANCE.—The Secretary may
22 provide to eligible entities technical assistance under this
23 section, directly or through 1 or more cooperative agree-
24 ments.

1 “(j) AUTHORIZATION OF APPROPRIATIONS.—In addi-
2 tion to amounts otherwise available, there are authorized
3 to be appropriated to the Secretary such sums as are nec-
4 essary to carry out this section for each of fiscal years
5 2027 through 2031, to remain available until expended.”.