

“Local” Foods Initiatives in the Food, Conservation, and Energy Act of 2008

Local Preference for School Food Purchases – Regulatory reform – no cost

for schools using federal school meal funds

- Allows local schools the flexibility to specify “local” as a bid requirement in purchasing foods for school meals with school meal program funds.
- Includes all food products: fruits, vegetables, dairy, meats, etc.
- Section 4302

Farmers’ Market Promotion Program – \$33 million over 5 years

for organized farmers markets, non-profits, units of government, others

- Provides one-year, competitively awarded grants of up to \$75,000 to promote farmers’ markets through such projects as market development, Food Stamp implementation with the use of Electronic Benefit Transfer (EBT) Cards, promotion of market(s), start-up funds, etc. Sets aside 10% of annual funding for EBT implementation projects.
- Report language included to “encourage the Secretary to examine and implement more systemic administrative approaches to increase the nationwide access of EBT technology suitable for farmers’ markets”. Manager’s Statement, page 249.
- Annual funding: FY08: \$3M; FY09 & FY10: \$5M; FY11 & FY12: \$10M.
- Section 10106.

Financing for Local Food Enterprises – New program priority – no cost

for businesses, producers, non-profits

- Provides a prioritized pathway for entities involved in local food distribution and marketing to secure private-secure loans backed by a USDA loan guarantee (up to 90% guarantee rate) through the Rural Business and Industries Loan and Loan Guarantee program.
- Includes a set-aside valued at 5% of program funds (approx. \$50 million annually in loan guarantees at the current funding level).
- The applicant must be in a USDA designated “rural” area. Includes a definition of “locally produced food.”
- Section 6015.

Healthy Urban Food Enterprise Development Center – New – \$3 million over 3 years

to be competitively bid for by non-profits to serve producers, small businesses, non-profits

- Establishes a Center within the Cooperatives State, Education, Extension, and Research Service to provide outreach, technical assistance, and feasibility study grants to support the development of enterprises which distribute and market healthy and locally produced foods to underserved urban, rural, and tribal communities.
- Includes a definition of “underserved community” (aka food deserts).
- Section 4402(2).

Community Food Projects – \$5 million over ten years

for non-profits only

- Provides one-time, fifty percent federal matching grants for community-based organizations to develop innovative solutions to address local hunger, nutrition, and food access issues, often by connecting low-income people with fresh foods direct from farmers or community.
- Since 1996, this program has funded 240 projects nationally, and retains its previous funding level of \$5 million annually.
- Section 4402(1) has a new definition of “Community Food Project”
- Section 4406(a)(7) funds the program through fiscal year 2008 and each year after.

Value-added Agricultural Market Development Program Grants – \$15 million over 5 years

for producers and cooperatives only

- Continues the program with a priority for value-chains which market and distribute locally produced food and agricultural products.

- Focuses on enhancing a farmer and rancher's share of the final retail food dollar by adding value through product differentiation and packaging, processing, marketing, and distribution innovations, including renewable energy.
- Most funding authority shifted to discretionary, of up to \$40M annually.
- Priorities for new and beginning farmers and socially disadvantaged producers at 10% of total funding, small and mid-sized operations (no funding set-aside), and value-chain development at 10% of total funding.
- Section 6202.

Senior Farmers Market Nutrition Program – \$20.6 million annually

for low-income seniors to redeem at markets, roadside stands, and CSAs

- Expands funding by \$5.6million annually, which may allow currently unfunded states and tribes to participate, or increase benefits to existing participating entities.
- Continues to provide vouchers for fresh fruits and vegetables to low-income seniors purchased directly from participating farmers at farmers' markets, roadside stands and community supported agriculture subscriptions, worth \$10-\$100 annually per recipient (amount varies by state/tribe).
- It has benefited over 825,000 low-income seniors and 14,575 farmers annually.
- Section 4231 has minor program changes.
- Section 4406(c)(1) funds the program for \$20,600,000 each year for FY08-FY12.

USDA "Food Desert" Study – New – \$500,000 in discretionary funding authority

- Calls for a one-year USDA-led study with the Health and Human Services, Small Business Administration, Institute of Medicine, and others to study the incidence of "food deserts" or areas with limited healthy and fresh food retail access and identify strategies which can reduce their incidence.
- Section 7527.

Other Related Provisions

Fresh Fruit and Vegetable Snack Program – allows for local food purchasing

- Allocates 1% of funding to each state and the District of Columbia, to purchase at least one daily fresh fruit or vegetable snack, with the focus on low-income school districts, with additional funding allocated by relative state population.
- Gives schools discretionary over food purchases, including local preferences Funded at over \$500 million over five years, and indexes to inflation beginning in FY12.
- Section 4304.

Organic Conversion, Technical, and Education Assistance – NEW – provision in EQIP

- Allows organic practices and the conversion of organic production practices as an eligible activity under the EQIP conservation program, at a maximum of \$80,000 per producers over a maximum of 6 years. Technical assistance not included in payment cap.
- Section 2503, (under Section 1240B(i)).

Rural Micro-enterprise Assistance Program – New – \$15 million over 4 years

- Will assist rural entrepreneurs in establishing new small businesses in rural sectors with micro-financing loan of up to \$50,000.
- Annual funding levels: FY09-FY11: \$4M; FY12 \$3M. Additional discretionary authority of up to \$40M annually.
- Section 6022.

Farmland Protection Program – funding increased; \$743 million over five years

- Annual mandatory funding – FY08 \$97M; FY09 \$121M; FY10 \$150M; FY11 \$175M; FY12 \$200M.
- Requires an impervious surface requirement in easements, with requirements specified by eligible entities.
- Section 2401.