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Local and Urban Food Systems: Selected Farm Bill and Other Federal Programs

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SUMMARY

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Local and Urban Food Systems: Selected Farm Bill and Other Federal Programs

Over the past decade, food policy in the United States has responded to ongoing shifts in consumer preferences and producer trends that favor local and regional food systems as well as agricultural production in urban areas. Sales of locally produced foods comprise a small but growing share of U.S. farm sales. Most recent available data reported by the U.S. Department of Agriculture (USDA) indicate the farm-level value of U.S. local food sales totaled about $11.8 billion, reflecting sales from nearly 159,000 farmers (about 8% of U.S. farms). Local foods accounted for an estimated 3% of the value of total U.S. agricultural production in 2017. (USDA does not collect separate data and statistics on urban farming operations in the United States.)

As part of the 2018 farm bill (Agriculture Improvement Act of 2018, P.L. 115-334), Congress increased support for local and regional food systems, building on efforts in the 2014 farm bill (P.L. 113-79, Agricultural Act of 2014) and the 2008 farm bill (P.L. 110-246, Food, Conservation, and Energy Act of 2008). The 2018 farm bill also provided support for urban, indoor, and other emerging agricultural production, creating new programs and authorities, and providing additional funding for such operations. The law combined and expanded existing USDA programs and provides financial and resource management support for both local and urban food production, while also supporting traditional farm enterprises. Other programs that may support local and regional food systems were authorized in 2010 as part of the most recent child nutrition reauthorization (Healthy, Hunger-Free Kids Act of 2010, P.L. 111-296).

A wide variety of farm businesses are considered to be engaged in producing local foods. These include direct-to-consumer marketing, farmers' markets, community-supported agriculture (CSA), community gardens, school gardens, farm to school programs, and food hubs. Other types of operations include on-farm sales/stores, internet sales, food cooperatives and buying clubs, roadside stands, "pick-your-own" operations, urban farms, community kitchens, small-scale food processing and decentralized root cellars, and agritourism activities. Urban farming operations also include those that grow food in vacant city lots, city parks, churchyards, schoolyards, backyards, and community gardens. However, urban operations further represent a diverse range of systems and practices, including large-scale innovative systems and capital-intensive operations, vertical and rooftop farms, hydroponic greenhouses (e.g., soilless systems), and aquaponic facilities (e.g., growing fish and plants together in an integrated system).

More than 30 USDA grant and loan programs provide support and assistance for local and urban food producers and producer groups. With few exceptions, these programs are not limited or targeted to local or urban food systems but are generally available to provide support to all U.S. farms and ranchers. These grant and loan programs may be grouped into several broad program categories, including marketing and promotion; business assistance and agricultural research; rural and community development; urban and indoor production; nutrition and education; and farmland conservation. Examples include farmers' market and local food promotion programs, rural cooperative grant and loan programs, child nutrition programs, and USDA's research and extension activities. Other USDA grant and research programs provide specific support for urban agricultural systems. More than $100 million is available annually through USDA to support local and urban food systems across several programs (not including funding through other USDA programs for which information is not available on the share of total spending available to support local and urban food systems only).

Contents

Background 1
Definition of Terms 1
Size and Scale of Market 2
Federal Funding For Local and Urban Foods 6
Federal Support for Local Food Systems 7
Major Laws Supporting Local Food Systems 7
Overview of Selected Federal Programs 10
Marketing and Promotion 11
Local Agricultural Marketing Program (LAMP) 11
Specialty Crop Block Grant Program (SCBGP) 16
Federal State Marketing Improvement Program (FSMIP) 17
Food Safety Outreach Program 18
Agricultural Management Assistance (AMA) 18
Business Assistance and Research 20
Farming Opportunities Training and Outreach (FOTO) 20
USDA Farm Loan Programs 22
Urban Agriculture and Innovative Production (UAIP) Assistance 24
Urban, Indoor, and Other Emerging Agricultural Production, Research, Education, and Extension Initiative 25
Food and Agriculture Service Learning Program (FASLP) 26
Small Business Innovation Research Program (SBIR) 26
Sustainable Agriculture Research and Education (SARE) 27
Rural and Community Development Programs 28
Rural Cooperative Development Grant (RCDG) Program 28
Rural Business Development Grant (RBDG) Program 29
Business and Industry (B&I) Loan Guarantee Program 30
Community Facilities Direct Loans, Grants, and Loan Guarantees 31
Rural Microentrepreneur Assistance Program (RMAP) 31
Healthy Food Financing Initiative (HFFI) 32
Nutrition Assistance Programs 33
Farmers' Market Nutrition Programs 33
Supplemental Nutrition Assistance Program (SNAP) (specifically SNAP redemptions at farmers' markets) 34
Farm to School Program 35
Procurement in School Meals and Other Child Nutrition Programs 37
Farm to Food Bank Projects 39
Community Food Projects Competitive Grants Program 39
Gus Schumacher Nutrition Incentive Program (GuSNIP) Grants 39
Other Federal Programs 40
Administration Initiatives 42
Centers for Community Prosperity 42
Know Your Farmer, Know Your Food (KYF2) and Related Initiatives 42

Figures

Figure 1. Share of Farms with Direct-to-Consumer Sales by Farm Size, 2017 (Based on Farm Sales) 4
Figure 2. Share of Sales to Direct-to-Consumer Sales by Farm Size, 2017 (Based on Farm Sales) 4
Figure 3. Share of Farms with Direct-to-Retail Market Sales by Farm Size, 2017 (Based on Farm Sales) 4
Figure 4. Share of Sales to Direct-to-Retail Market Sales by Farm Size, 2017 (Based on Farm Sales) 4
Figure 5. Direct-to-Retail Market Sales Top Ten States, 2015 5
Figure 6. Direct-to-Consumer Sales Top Ten States, 2015 5
Figure 7. Regional Share of Direct Farm Sales of Food, 2015 6

Tables

Table 1. Direct Farm Sales, 2012 and 2017 3
Table 2. Selected USDA Programs That Potentially Support Local and Urban Food Systems 44

Contacts

Author Information 52

As part of the 2018 farm bill (Agriculture Improvement Act of 2018, P.L. 115-334), Congress increased support for local and regional food systems, building on previously enacted support in both the 2014 farm bill (P.L. 113-79, Agricultural Act of 2014) and the 2008 farm bill (P.L. 110-246, Food, Conservation, and Energy Act of 2008).[1] The law combines and expands existing USDA programs and provides financial and resource management support for both local and urban food production, while also supporting traditional farm enterprises. The 2018 farm bill also provided support for urban, indoor, and other emerging agricultural production, creating new programs and authorities, and providing additional funding for such operations. Other programs that may support local food systems were authorized in the most recent child nutrition reauthorization (Healthy, Hunger-Free Kids Act of 2010, P.L. 111-296).

A number of programs administered by the U.S. Department of Agriculture (USDA) provide targeted support for local and urban food systems. Other USDA grant and loan programs that broadly support all U.S. agricultural producers target support and assistance for local food systems. These programs span several broad program categories, including marketing and promotion; business assistance and agricultural research; rural and community development; urban and indoor production; nutrition and education; and farmland conservation. Examples include farmers' market programs, rural cooperative grant and loan programs, child nutrition programs, and USDA's research and cooperative extension service. Other USDA grant and research programs provide specific support for urban agricultural systems. These programs cover a wide range of USDA programs contained within various titles of the three most recent omnibus farm bills and the most recent reauthorization of the child nutrition programs. In addition, USDA administers various initiatives intended to eliminate organizational barriers between existing USDA and other federal programs supporting local and urban foods systems.

Background

Definition of Terms

There is no widely accepted established definition or broad consensus of what constitutes a local food or a local food system. Local foods generally refer to agricultural production and marketing that occurs within a certain geographic proximity (between farmer and consumer). Whether a food is considered *local* tends to be associated with the location where the food is produced and sold to consumers; elsewhere it may be associated with the distance between where a food is produced and its point of sale. In some states and localities, this may be based on the number of miles the food is be transported from producer to consumer, or it may fall within the borders of a state where the food is produced and sold. In some cases, local foods might also involve certain social or supply chain characteristics in producing food (such as small family farms, urban gardens, or farms using sustainable agricultural practices).[2] A wide range of farm businesses may be considered to be engaged in producing local foods. These include direct-to-consumer marketing, farmers' markets, farm-to-school programs, community-supported agriculture (CSA), community gardens, school gardens, and food hubs. Other types of operations include on-farm sales/stores, internet marketing, food cooperatives and buying clubs, roadside stands, "pick-your-own" operations, urban farms, community kitchens, small-scale food processing and decentralized root cellars, and some agritourism or on-farm recreational activities.

[1] For more information, see CRS In Focus IF11252, *2018 Farm Bill Primer: Support for Local Food Systems* and CRS In Focus IF11210, *2018 Farm Bill Primer: Support for Urban Agriculture*.

[2] For related background, see CRS Report R44390, *The Role of Local and Regional Food Systems in U.S. Farm Policy*.

Absent any statutory definition or consensus regarding what constitutes local or regional foods or food system, in some cases USDA farm programs that support local food systems may base program eligibility using a statutory definition for USDA's Business and Industry (B&I) loan program established in the 2008 farm bill.[3] This definition defines *locally or regionally produced agricultural food products* as

> any agricultural food product that is raised, produced, and distributed in … the locality or region in which the final product is marketed, so that the total distance that the product is transported is less than 400 miles from the origin of the product; or … the State in which the product is produced. (7 U.S.C. §1932)

There is also not an established definition for what constitutes urban agriculture, which also includes a variety of systems and practices. *Urban agriculture* is not specifically defined in statute, and the 2018 farm bill refers to this farming demographic as *urban, indoor, and other emerging agricultural production* without specifically defining this term (7 U.S.C. §5925g). Urban farming may also include peri-urban areas, referring to areas immediately surrounding a city or town, generally between the suburbs and rural areas.[4] USDA similarly states "city and suburban agriculture takes the form of backyard, roof-top and balcony gardening, community gardening in vacant lots and parks, roadside urban fringe agriculture and livestock grazing in open space."[5]

In practice, urban farming operations represent a diverse range of systems and practices. These include large-scale innovative systems and capital-intensive operations, vertical and rooftop farms, hydroponic greenhouses (e.g., soilless systems), and aquaponic facilities (e.g., growing fish and plants together in an integrated system). Urban farming also includes operations growing food in vacant city lots and redevelopment sites, city parks, churchyards, schoolyards, backyards, and community gardens. Given the diversity in the types of urban farming operations, existing data limitations, and lack of consensus about what constitutes an urban or peri-urban farm, USDA does not collect separate data and statistics on urban farming operations in the United States.[6]

Size and Scale of Market

There is limited nationwide data and information on the local and urban food systems operating in the United States. The collection of data on these sectors across all states and localities continues to be a challenge for USDA, despite recent and continued directives by Congress to compile such statistics. For the purposes of profiling the size and scale of local and regional food markets in the United States, USDA mostly relies on data and information compiled for farm sales that are direct-to-consumer and/or sold directly to retail and other intermediary markets.

Sales of locally produced foods comprise a small but growing part of U.S. agricultural sales. According to the *2017 Census of Agriculture*, USDA reports that the farm-level value of U.S. local food sales totaled about $11.8 billion, reflecting sales from nearly 159,000 farms (about 8% of all U.S. farms).[7] Compared to total U.S. farm sales, local foods accounted for an estimated 3%

[3] P.L. 110-246, §6015. See section titled "Definition of Terms".

[4] See, United Nations, "Food for the Cities," http://www.fao.org/tempref/docrep/fao/012/ak824e/ak824e00.pdf.

[5] See, for example, USDA National Agricultural Library website, https://www.nal.usda.gov/afsic/urban-agriculture.

[6] To address such data needs, the 2018 farm bill directs USDA to conduct a "follow-up study" to its most recent Census of Agriculture to examine U.S. urban farming operations in 2017, and provides a separate authorization of an additional $14 million for the period of FY2019-FY2021 (P.L. 115-334, §7212). See also H.Rept. 116-107 (Title I).

[7] USDA *2017 Census of Agriculture* data, Table 2, https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/.

of the value of total U.S. agricultural production in 2017.[8] (**Table 1**.) Data on the share of sales attributable to urban or peri-urban areas only are not available.

Limited available market data from USDA's *2017 Census of Agriculture* cover

- Direct-to-Consumer Sales: Food sold from farms directly to consumers (e.g., as farmers' markets, roadside stands, on-farm stores, and CSAs), and
- Direct-to-Retail Market Food Sales: Food sold from farms directly to retail markets, institutions, and food hubs for local or regionally branded products.

By type of buyer, sales direct to consumers account for about one-fourth of sales, while the majority (about three-fourths) of all direct farm sales is sold directly to retailers as well as institutions and intermediary market channels, including local distributors (**Table 1**).[9] Available data include both fresh foods (such as fruits and vegetables) and processed or value-added products (such as bottled milk, cheese, meat, jam, cider, and wine).

Table 1. Direct Farm Sales, 2012 and 2017

	Number of Farms	Value of Direct Farm Sales (in millions)	Percentage of Farms Engaged in Direct Sales	Direct Sales as a Share of Total U.S. Farm Sales
Food Sold Directly to Consumers				
2012	144,530	$1,310	6.9%	0.3%
2017	130,056	$2,805	6.4%	0.7%
Food Sold Directly to Retail Markets, Institutions, and Hubs for Local/Regionally Branded Products				
2012	N/A	N/A	N/A	N/A
2017	28,958	$9,036	1.4%	2.3%
Total Direct Sales				
2012	N/A	N/A	N/A	N/A
2017	159,014	$11,841	7.8%	3.0%

Source: CRS from USDA *2017 Census of Agriculture* data (Table 2), https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/.

Notes: N/A = not available. Total sales are the summation of USDA *2017 Census of Agriculture* data from direct sales to consumers and direct sales to retail markets, institutions, and hubs for local/regionally branded products.

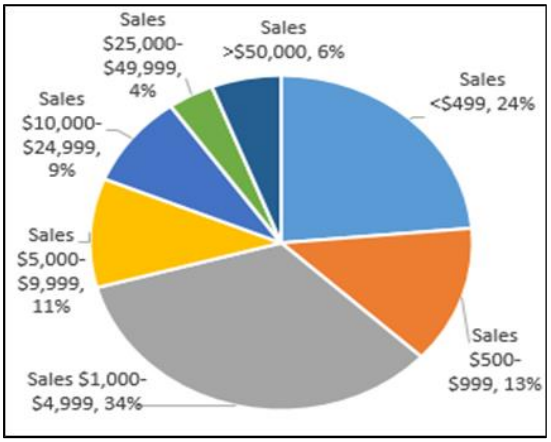
The majority of farms selling food products directly to consumers are considered *small* farms (i.e., annual sales of less than $50,000) based on data for both direct-to-consumer food sales and direct-to-retail market food sales. Data for direct-to-consumer food sales are shown in **Figure 1** and **Figure 2**. Farms with annual sales in 2017 of more than $50,000 accounted for 6% of farms selling directly to consumers (**Figure 1**) but the majority of all direct-to-consumer sales (80%) (**Figure 2**). About 94% of farms selling directly to consumers had annual sales of less than $50,000 (**Figure 1**) and accounted for 20% of total direct-to-consumer sales (**Figure 2**). This distinction is more pronounced for food sold directly to retail markets, institutions, and food hubs

[8] Much of the market value of agricultural production remains in traditional industrial-scale enterprises growing bulk feed grain commodities that may not be well marketed as local.

[9] Direct farm sales sold directly to retailers includes supermarkets, supercenters, restaurants, caterers, independent grocery stores, and food cooperatives. Institutions and intermediary market channels includes institutions such as schools, colleges, universities, and hospitals as well as intermediary businesses such as wholesalers, distributors, processors, etc., that market locally or regionally branded products.

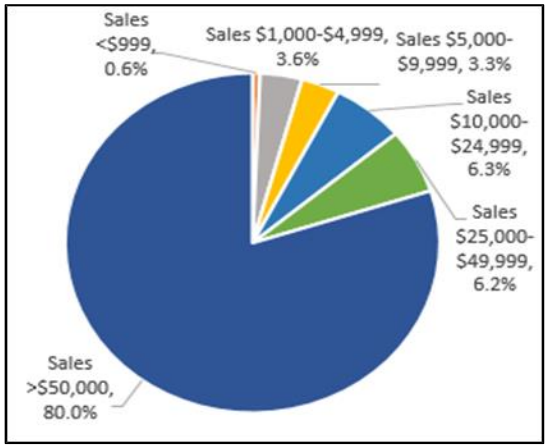
for local and regionally branded products. Data for direct-to-retail food sales are shown in **Figure 3** and **Figure 4**. Farms with annual sales in 2017 of less than $50,000 accounted for about 78% of farms selling directly to consumers (**Figure 3**), but less than 2% of total direct to retail sales (**Figure 4**). Farms with annual sales of more than $50,000 accounted for 22% of farms selling direct to retail (**Figure 3**) but accounted for nearly all direct to retail sales (98%) (**Figure 4**).

Figure 1. Share of Farms with Direct-to-Consumer Sales by Farm Size, 2017
(Based on Farm Sales)



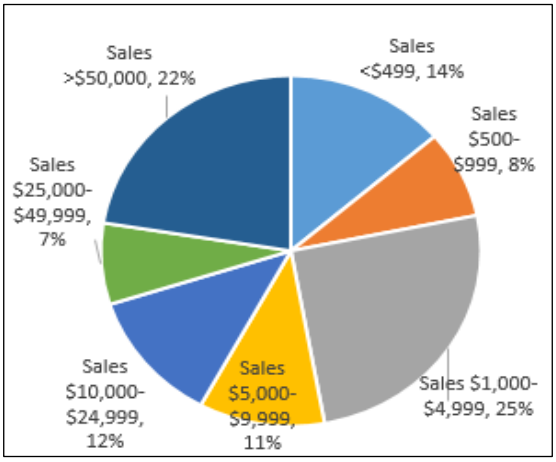
Source: CRS using data from USDA *2017 Census of Agriculture* data (Table 2).

Figure 2. Share of Sales to Direct-to-Consumer Sales by Farm Size, 2017
(Based on Farm Sales)



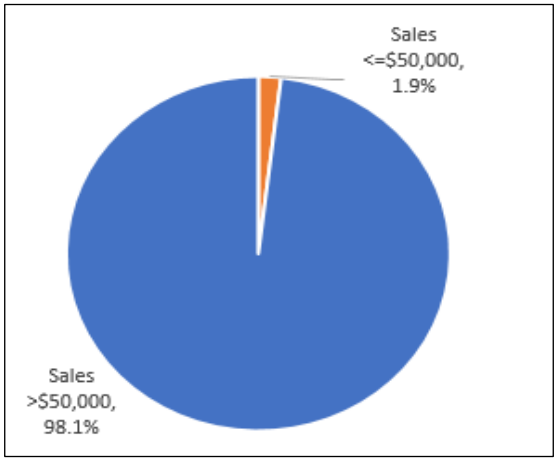
Source: CRS using data from USDA *2017 Census of Agriculture* data (Table 2).

Figure 3. Share of Farms with Direct-to-Retail Market Sales by Farm Size, 2017
(Based on Farm Sales)



Source: CRS using data from USDA *2017 Census of Agriculture* data (Table 2).

Figure 4. Share of Sales to Direct-to-Retail Market Sales by Farm Size, 2017
(Based on Farm Sales)

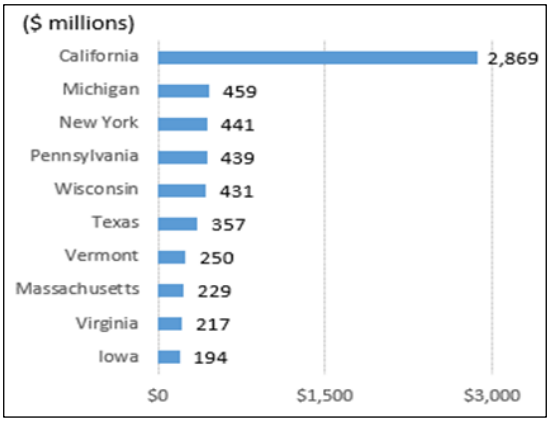


Source: CRS using data from USDA *2017 Census of Agriculture* data (Table 2).

Other USDA data on direct farm sales are from a separate *Census* analysis conducted by USDA in 2015, which provides additional information by state and region.[10] California leads the nation both in terms of direct-to-consumer and direct to retail/institutional market sales (**Figure 5**). The southwestern region, which includes California, had the largest share of direct farm sales (35%) in 2015 (**Figure 7**). Four of the top ten states in direct sales—New York, Pennsylvania, Vermont, and Massachusetts—are among the northeastern states that together accounted for 22% of total sales (see **Figure 7**, also **Figure 5**). Rankings differ somewhat when measured based on farm sales that are direct-to-consumer (**Figure 6**). Regionally, the southeast and northeast had the greatest number of farms engaged in direct sales of food.

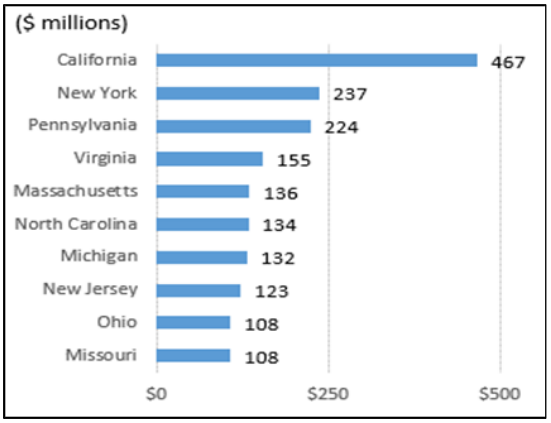
Based on USDA's most recent 2015 survey, the majority (53%) of farms marketing food directly were located in metropolitan counties, and 67% of direct food sales were from farms located in metropolitan counties.[11] USDA reports that more than 80% of farms selling food directly sold all of their directly marketed food within a 100-mile radius of the farm.

Figure 5. Direct-to-Retail Market Sales Top Ten States, 2015



Source: CRS using data from NASS, *Direct Farm Sales of Food*, ACH12-35, December 2016.

Figure 6. Direct-to-Consumer Sales Top Ten States, 2015

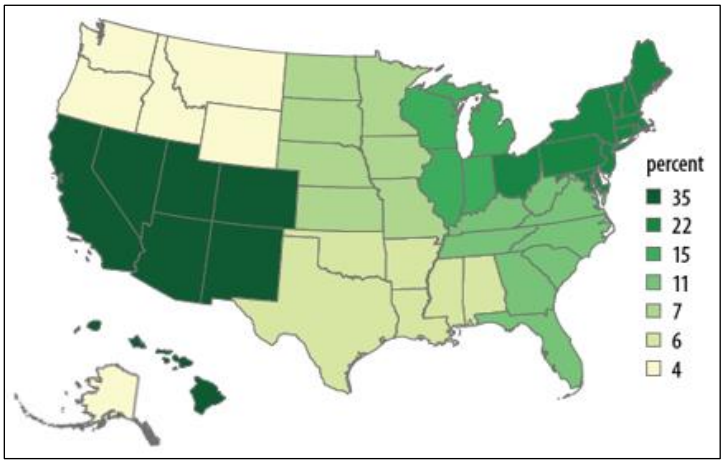


Source: CRS using data from NASS, *Direct Farm Sales of Food*, ACH12-35, December 2016.

[10] USDA National Agricultural Statistics Service (NASS), *Direct Farm Sales of Food*, ACH12-35, December 2016. Data are at https://www.nass.usda.gov/Publications/AgCensus/2012/Online_Resources/Local_Food/index.php. The 2015 Local Food Marketing Practices Survey was the first-ever survey conducted by NASS to produce benchmark data about local food marketing practices, as directed under the 2014 farm bill. For more information, see USDA's website at https://www.nass.usda.gov/Surveys/Guide_to_NASS_Surveys/Local_Food/index.php. The next survey reflecting 2020 is scheduled for release in November 2021. For other USDA analysis, see S. A. Low et al., *Trends in U.S. Local and Regional Food Systems: A Report to Congress*, AP-068, January 2015; and S. Martinez et al., *Local Food Systems: Concepts, Impacts, and Issues*, ERR-97, May 2010 (available at https://www.ers.usda.gov/topics/food-markets-prices/local-foods/). See also S. Low and S. Vogel, "Local Foods Marketing Channels Encompass a Wide Range of Producers," *Amber Waves*, December 2011.

[11] NASS, *Direct Farm Sales of Food*, ACH12-35, December 2016.

Figure 7. Regional Share of Direct Farm Sales of Food, 2015



Source: USDA National Agricultural Statistics Service (NASS), *Direct Farm Sales of Food*, ACH12-35, December 2016, https://www.nass.usda.gov/Surveys/Guide_to_NASS_Surveys/Local_Food/index.php. The most recent mapping data available. The next survey reflecting 2020 data is scheduled for release in November 2021.

Notes: Based on $8.7 billion sales of food sold directly to consumers, retailers, institutions, and distributors.

Federal Funding For Local and Urban Foods

Funding for local and urban foods totals more than $100 million annually (not including programs that might fund local as well as nonlocal food system purposes). Much of this money is mandatory funding through USDA's Commodity Credit Corporation (CCC)[12] and is therefore not subject to the annual appropriations process. Other funding is from discretionary appropriations for general grant and loan programs, from which a portion may be used for local and urban purposes. Reported total estimates may differ depending on whether estimates include funding for other programs, such as USDA programs that support specialty crops and organic agriculture.

Funding for some selected programs that support local and urban food systems include

- $50 million annually in mandatory funding for competitive grants for the Local Agricultural Marketing Program (LAMP), allocated across three USDA programs: (1) the Farmers' Market Promotion Program supports projects for direct farmer-to-consumer marketing projects such as farmers' markets and other businesses; (2) the Local Food Marketing Promotion Program funds projects that support intermediary supply chain activities for businesses that process, distribute, aggregate, and store locally or regionally produced food products; and (3) the Value-Added Producer Grant program finances value-added activities, such as further processing and packaging of raw agricultural commodities;
- $10 million in the 2018 farm bill, to remain available until expended, for grants to support research, education, and extension activities to facilitate the development of urban, indoor, and other emerging agricultural production, harvesting, transportation, aggregation, packaging, distribution, and markets;

[12] USDA's Commodity Credit Corporation is a government-owned corporation that is authorized to borrow up to $30 billion at any one time from the U.S. Treasury. The CCC mainly is a financing mechanism for farm bill programs such as commodity price and income supports, agricultural conservation, export assistance, and other authorizations. For more background, see CRS Report R44606, *The Commodity Credit Corporation (CCC)*.

- $5 million annually in mandatory funding for Community Food Projects Competitive Grants to address basic food access for low-income families and individuals;
- $1 million annually in Federal-State Marketing Improvement Program grants to state departments of agriculture and state colleges and universities to support research addressing marketing and distribution of U.S. agricultural products;
- $5 million annually in mandatory funding for Farm to School grants; and
- Roughly $50 million available annually in loan authority to support local and regional food enterprises under its B&I loan program.[13]

In addition, other USDA grants and loan programs support local and urban food systems, but aggregate spending for local and urban foods is not reported or available. For example, for FY2019, USDA's Food and Nutrition Service (FNS) reported nearly 3,700 farmers' markets and farmers engaged in direct marketing now accept electronic benefits transfer (EBT) technology in order to redeem benefits provided through Supplemental Nutrition Assistance Program (SNAP, formerly the food stamp program). SNAP redemption at these retailers nationwide totaled nearly $23 million in FY2019, down from over $24 million in FY2018.[14] FNS also provides technical assistance and guidance to support local and urban food purchases by U.S. schools.[15]

Available descriptions of awarded grants under USDA's Specialty Crop Block Grant Program also indicate that several states award grants under that program to fund a range of local and urban food projects; however, the aggregate share attributable to local and urban food systems cannot be readily determined.[16] Other programs supporting beginning, socially disadvantaged, and veteran farmers and ranchers, among other USDA programs, also may indirectly support local and urban food systems, although aggregate spending for local foods is not reported.

In general, local and urban farmers, ranchers, and producers may be eligible for federal programs available to all U.S. farming operations and food distribution systems (i.e., programs that are not restricted by farm size or location from market). Across all federal programs and total available funding for these programs, however, the overall share supporting local and urban food systems is likely small with most available funding for the programs mentioned above.

Federal Support for Local Food Systems

Major Laws Supporting Local Food Systems

Omnibus farm bills and other legislation enacted in the 2000s created programs providing support for local and urban food producers, and reauthorized programs that benefit all U.S. agricultural producers, including local and urban food producers. In general, producers engaged in local and

[13]The $50 million was calculated by assuming 5% set-aside for local and regional foods out of roughly $1 billion annual in total loan authority. The budget authority that supports those loans is much smaller.

[14] USDA-FNS, *Retailer Management Year-End Summaries: FY2019 Year-End Summary*, available at https://www.fns.usda.gov/snap/retailer/data.

[15] See, for example, USDA's website, Procuring Local Foods, https://www.fns.usda.gov/cfs/procuring-local-foods. Previously, USDA reported that U.S. schools spent about $385 million on local food purchases during the 2011-2012 school year (USDA, "USDA Announces New Support to Help Schools Purchase More Food from Local Farmers." Release No. 0260.14, December 2, 2014).

[16] See, for examples, project descriptions of awarded grants listed online date back to 2006, available at AMS, https://www.ams.usda.gov/services/grants/scbgp/awards. The program is administered through state block grants.

urban food systems may qualify along with other qualifying producers and ranchers for federal farm programs available to all farmers and ranchers as well as for programs available to residents living in rural areas. Many of these federal farm programs are long-standing and authorized prior to the 2000s. Some of these programs have been further amended by subsequent farm bills to address the needs of local and urban food producers. In some cases, certain programs may have remained inactive due to time lags in appropriated funding, despite authorized program funding.[17] An abbreviated legislative summary of the expansion of local and urban programs is as follows:

- The 2002 farm bill (P.L. 107-171, Farm Security and Rural Investment Act of 2002) established the Farmers' Market Promotion Program (FMPP), which is now part of the Local Agricultural Marketing Program (LAMP). A few years later, outside a farm bill years, Congress enacted the Specialty Crops Competitiveness Act of 2004 (P.L. 108-465) supporting specialty crops, such as fruits and vegetables, including those produced within local and urban food systems.
- The 2008 farm bill (P.L. 110-246, Food, Conservation, and Energy Act of 2008) reauthorized and expanded many of the existing provisions supporting local food systems. The 2008 farm bill also amended the Business and Industry (B&I) loan program to require USDA to support local and regional food production by setting aside at least 5% of program funding each year, and also provided a definition of *locally or regionally produced agricultural food products* for the purposes of the B&I program.
- In the run-up to the 2014 farm bill, several bills were introduced in Congress broadly addressing local food systems. Some of these bills were comprehensive "marker bills" addressing provisions across multiple farm bill titles and recommending changes that would have provided additional directed support for local and regional food systems.[18] Some provisions from these bills were incorporated into the enacted 2014 farm bill (P.L. 113-79, Agricultural Act of 2014).[19]
- In the run-up to the 2018 farm bill, several marker bills were introduced in Congress addressing both local and urban food systems.[20] The enacted 2018 farm bill (Agriculture Improvement Act of 2018, P.L. 115-334) included several provisions supporting urban, indoor, and other emerging agricultural production, creating new programs and authorities, and providing funding for urban operations.[21] The 2018 farm bill also combined and expanded existing USDA programs providing financial and resource management support for local food production, while also supporting traditional farm enterprises.[22]

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[17] For example, Congress authorized the Farmers' Market Promotion Program (FMPP) in the 2002 farm bill but first appropriated money for FMPP in FY2006. More background on FMPP is provided in an archived 2006 CRS Report RS21652, *Farmers' Markets: The USDA Role* (available to congressional clients on request). Also Congress authorized the Healthy Food Financing Initiative (HFFI) in the 2014 farm bill but first provided funding for HFFI in FY2017.

[18] See, for example, the Local Farms, Food, and Jobs Act of 2013 (H.R. 1414 and S. 679) in the 113th Congress.

[19] See CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*.

[20] See, for example, the Local FARMS Act (H.R. 3941 and S. 1947) in the 115th Congress.

[21] See, for example, the Urban Agriculture Act of 2018 (S. 3005) and Urban Agriculture Production Act of 2017 (H.R. 3699) in the 115th Congress. For more background, see CRS In Focus IF11210, *2018 Farm Bill Primer: Support for Urban Agriculture* and CRS In Focus IF10498, *Expanding Federal Support for Urban Agriculture*.

[22] See CRS Report R45525, *The 2018 Farm Bill (P.L. 115-334): Summary and Side-by-Side Comparison*.

- In the 2018 farm bill, an array of farm assistance programs that might be considered to support local and urban food systems are distributed within several titles, including conservation (Title II); nutrition (Title IV); farm credit (Title V); rural development (Title VI); research (Title VII); horticulture (Title X); and disaster assistance (Title XI). Programs administered by USDA may be grouped into several broad program categories: marketing and promotion; business assistance and agricultural research; rural and community development; nutrition and education; and farmland conservation.

Other legislation introduced in past Congresses has addressed specific issues, including proposals to provide targeted support for nontraditional and beginning farmers and ranchers, focused at the farm production level, as well as proposals focused on nutrition and enhanced access to food.[23] In recent farm bill legislation Congress has continued to require that most USDA programs establish priority consideration or program set-asides for new and beginning farmers and ranchers as well as certain *socially disadvantaged* producers, defined in statute as members of a group that have been subjected to racial or ethnic prejudice.[24] Congress continues to examine ways address the needs of socially disadvantaged producer groups. For example, in the 116th Congress, the Local and Regional Farmer and Market Support Act (H.R. 8096) would target coronavirus pandemic aid to local and regional food economies, and prioritize assistance to Black, Indigenous and people of color (BIPOC) farmers and low-income communities of color through set-asides.

Many USDA programs and Congressional efforts also have tended to prioritize projects that address the nutritional needs of certain food insecure communities located in areas of concentrated poverty with limited access to supermarkets, or areas of low income/low food access—more commonly referred to as food deserts or as healthy food priority areas.[25] For example, the Healthy Food Access for All Americans Act (H.R. 1717 and S. 786), reintroduced in the 116th Congress, would establish tax credits and grants for certain food providers that invest and provide healthy nutrition options in areas identified as food deserts.

Provisions supporting local food systems are also contained within certain child nutrition programs and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which together provide cash, commodity, and other assistance under three major federal laws: the Richard B. Russell National School Lunch Act (originally enacted as the National School Lunch Act in 1946), the Child Nutrition Act (originally enacted in 1966), and Section 32 of the Act of August 24, 1935 (7 U.S.C. §612c). Congress periodically reviews and reauthorizes expiring authorities under these laws. The most recent reauthorization of the child nutrition programs was the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296).[26]

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[23] See CRS Report R44390, *The Role of Local and Regional Food Systems in U.S. Farm Policy*.

[24] 7 U.S.C. §2279(a)(6). In statute, the term *socially disadvantaged group* means "a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities." For a summary of USDA programs that address the needs of these and other groups, see CRS Congressional Distribution memos, "Programs/Policies that Address Farmers and Ranchers Who are Beginning, Socially Disadvantaged, Limited Resource, Historically Underserved, or Veterans" (January 22, 2020) and "USDA Programs and Related Policies that Specifically Address Indian Tribes" (September 10, 2019), available upon request.

[25] Low income/low food access (LILA) census tracts are defined by mapping layers available at USDA's ERS Food Access Research Atlas (https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas/). Data are available at https://www.ers.usda.gov/data-products/food-access-research-atlas/download-the-data/. USDA's state-level estimates of LILA populations is available at https://www.ers.usda.gov/data-products/food-access-research-atlas/state-level-estimates-of-low-income-and-low-access-populations/. For more background, see M. Ver Ploeg et al., *Mapping Food Deserts in the United States*, USDA/ERS, May 2019.

[26] For more information, CRS In Focus IF10266, *Child Nutrition Reauthorization (CNR): An Overview* and CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296*.

Overview of Selected Federal Programs

Many existing federal programs benefiting U.S. agricultural producers may provide support and assistance for local and urban food systems. With few exceptions, these programs are not limited or targeted to local or urban food systems, but are generally available to provide support to all U.S. farmers and ranchers. Programs administered by USDA that may provide support to local and urban farmers and ranchers can be grouped into the following broad categories:

- marketing and promotion;
- business assistance and agricultural research;
- rural and community development;
- nutrition and education; and
- farmland conservation.

Selected Provisions Supporting Local and Urban Food Systems in the 2018 Farm Bill (P.L. 115-334)

Marketing and Promotion

- Local Agriculture Market Program (§10102)
- Specialty Crop Block Grant Program (§10107)

Business Assistance and Research

- Farming Opportunities Training and Outreach (§12301)
- USDA Microloan Program (§5202)
- Urban, Indoor, and Other Emerging Agricultural Production Research, Education, and Extension Initiative (§7212)
- Urban Agriculture (§12301)
- Food Safety Education Initiatives (§10106)
- Research and Development Authority (§11122)
- Noninsured Crop Assistance Program (NAP) (§1601)

Rural and Community Development Programs

- Rural Cooperative Development Grant (§6412)
- Business and Industry Guaranteed Loans (local set-aside, §6416)
- Community Facilities Direct Loans and Grants (§6101)
- Rural Business Development Grants (§6411)
- Rural Microentrepreneur Assistance Program (§6422)
- Healthy Food Financing Initiative (§4204)

Nutrition Assistance Programs

- Gus Schumacher Nutrition Incentive Program (§4205)
- Senior Farmers Market Nutrition Program (§4201)
- SNAP Redemption at Farmers' Markets (§4006(a))
- Micro-Grants for Food Security (§4206)
- Community Food Projects (§4017)

Examples include farmers' market programs, rural cooperative grant and loan programs, and child nutrition programs, as well as other farm support and grant programs administered by USDA. (See the listing of selected programs in the **text box** based on provisions that were included in the 2018 farm bill [P.L. 115-334]).

This listing does not include broad-based conservation or research and cooperative extension programs that provide benefits to a range of agricultural producers, including those engaged in local and urban food production, either directly or indirectly.

Table 2 at the end of this report provides a summary of selected federal programs that potentially support local and urban food systems. These selected programs are administered by various USDA agencies, including the Agricultural Marketing Service (AMS), Rural Development (RD), Risk Management Agency (RMA), National Institute of Food and Agriculture (NIFA), Agricultural Research Service (ARS), Natural Resources Conservation Service (NRCS), and

Food and Nutrition Service (FNS). Other types of USDA programs not listed in **Table 2** include selected USDA research and cooperative extension programs, as well as USDA conservation programs, among others. **Table 2** also does not highlight programs administered by other federal agencies that might support local and urban food systems.

Additional resources on grant and loan programs that support local and urban food systems is available from USDA.[27] The Catalog of Federal Domestic Assistance (CFDA) also provides detailed program description for a range of federal assistance programs.[28] Other resources are also available outside groups, such as the National Sustainable Agriculture Coalition (NSAC) online *Grassroots Guide to Federal Farm and Food Programs*, which further highlights selected state or regional initiatives.[29] Some state and local programs also provide support and incentives for producers and consumers of locally grown agricultural products, but a compilation of such information is not readily available.

Other background and information is available in other CRS products (see **text box**).

Selected CRS Reports

- CRS In Focus IF11252, *2018 Farm Bill Primer: Support for Local Food Systems*
- CRS In Focus IF11210, *2018 Farm Bill Primer: Support for Urban Agriculture*
- CRS In Focus IF11227, *2018 Farm Bill Primer: Beginning Farmers and Ranchers*
- CRS In Focus IF11093, *2018 Farm Bill Primer: Veteran Farmers and Ranchers*
- CRS In Focus IF11287, *2018 Farm Bill Primer: Support for Indian Tribes*
- CRS In Focus IF11317, *2018 Farm Bill Primer: Specialty Crops and Organic Agriculture*
- CRS Report R46235, *Rural Development Provisions in the 2018 Farm Bill (P.L. 115-334)*

Marketing and Promotion

Local Agricultural Marketing Program (LAMP)

The 2018 farm bill combined and expanded existing competitive grant programs to create the Local Agricultural Marketing Program (LAMP).[30] LAMP includes three separate USDA grant programs: (1) Farmers' Market Promotion Program, (2) Local Food Promotion Program, and (3) Value-Added Producer Grant program. These three programs are described in more detail below.

By merging the existing stand-alone programs into LAMP—while still maintaining the underlying activities of each of the individual programs—Congress addressed concerns regarding funding availability to continue these programs. Previously, these programs were "programs without baseline." Consolidation of these programs into LAMP provided both new funding and permanent baseline for these programs, thus ensuring that they have future funding if policymakers decide that the programs should continue beyond FY2023.[31]

[27] See, for example, https://newfarmers.usda.gov/ and USDA "discovery tool" (https://newfarmers.usda.gov/discovery).

[28] CFDA provides a listing of federal programs that are available to organizations, government agencies (state, local, tribal), U.S. territories, and individuals authorized to do business with the government. CFDA programs may be a project, service, or activity. CFDA assistance listings are searchable at https://beta.sam.gov/.

[29] NSAC, https://sustainableagriculture.net/publications/grassrootsguide/. See also See, for example, NSAC, "Guide to USDA Funding for Local and Regional Food Systems," April 2010.

[30] P.L. 115-334, §10102(a); 7 U.S.C. §1627c; FMPP/LFPP (CFDA #10.175) and VAPG (CFDA #10.352).

[31] For information about baseline funding, see CRS Report R45425, *Budget Issues That Shaped the 2018 Farm Bill*.

LAMP is intended to support regional partnerships, development grants, and cooperative extension. Applicants must be domestic entities owned, operated, and located within U.S. states, the District of Columbia (DC), or U.S. territories. Eligible applicants include agricultural businesses or cooperatives, producer or CSA networks or associations, local or Tribal governments, food policy councils or system networks that represents multiple organizations, nonprofit or public benefit corporations, economic development corporations, and regional farmers' market authorities.

LAMP is authorized to receive mandatory CCC funding of $50 million for FY2019 and for each fiscal year thereafter, to remain available until expended, as well as authorized appropriations of such sums as are necessary. Mandatory funding is to be allocated by providing 47% for farmers' market and local food promotion grants,[32] 35% for value-added producer grants, and 10% for regional partnerships, with no more than 8% for administrative expenses and any remaining unobligated expenses to be available to carry out any function of the program.

Farmers' Market Promotion Program (FMPP)

FMPP was originally authorized in the 2002 farm bill (Farm Security and Rural Investment Act of 2002, P.L. 107-171, §10605).[33] It was intended to provide grants to establish, improve, and promote farmers' markets and other direct marketing activities through a range of marketing channels including farmers' markets,[34] farm stands, and roadside stands, community-supported agriculture (CSA) programs,[35] "pick-your-own" farms, agritourism activities, online sales or other direct producer-to-consumer market opportunities (including direct producer-to-retail, direct producer-to-restaurant and direct producer-to-institutional marketing). AMS administers FMPP.

Included as part of LAMP in the 2018 farm bill, FMPP funds projects that develop, coordinate, and expand direct producer-to-consumer markets to help increase access to and availability of locally and regionally produced agricultural products by developing, coordinating, expanding, and providing outreach, training, and technical assistance. FMPP funds two types of projects:

- **Capacity Building (CB) projects.** CB projects are intended to assist applicants in building long-term organizational capacity in the development, coordination, and expansion of domestic farmers' markets, roadside stands, CSA programs, agritourism activities, online sales, or other direct producer to market opportunities. Projects may include market analysis and strategic planning; startup training and education; activity startup, operation, and/or expansion; and recruitment, outreach and retention of new and beginning farmers and ranchers, and direct producer-to-consumer markets. Projects range from $50,000 (minimum award) to $250,000 (maximum award).
- **Community Development Training and Technical Assistance (CTA) projects.** CTA projects are intended to assist applicants' efforts to provide outreach,

[32] Available CCC funding is equally split between FMPP and LFPP.

[33] P.L. 107-171 (§10605) revived and amended the Farmer-to-Consumer Direct Marketing Act of 1976 (P.L. 94-463), which had expired at the end of FY1978. Prior to the 2018 farm bill, FMPP was at 7 U.S.C. §3005; CFDA# 10.168. Congress first appropriated money for FMPP in FY2006, designating $1 million for the program (P.L. 109-97).

[34] USDA reports there were 8,140 farmers' markets in operation in 2019, of which nearly 85% had locally grown labeling. See NASS, "National Farmers' Market Managers," August 17, 2020, https://www.nass.usda.gov/Publications/Todays_Reports/reports/nfar0820.pdf.

[35] As is discussed in CRS Report R44390, *The Role of Local and Regional Food Systems in U.S. Farm Policy*, a CSA provides a way for consumers to buy local, seasonal food directly from a farm by pledging to support that farm's costs and risks at the beginning of each year in return for a share of that farm's annual production.

> training, and technical assistance to farm and ranch operations serving local markets and expanding direct producer to market opportunities. Projects may include conducting statewide or regional training for farmers, ranchers, or managers; assisting farmers and ranchers in advertising and promoting their locally and regionally produced agricultural products; establishing or expanding producer-to-consumer networks and organizations; and providing technical support for small- and mid-sized producers to become compliant with regulatory and buyer specifications/standards. Projects range from $100,000 (minimum award) to $500,000 (maximum award).

A 25% match of total federal funds is required. For the FY2020 application cycle, approximately $13.5 million was available to fund FMPP applications.[36] A listing of previous awards is on USDA's website.[37] Awards are for three years in length. The number and value of requested grants outnumbers the number and value available each year, with available data indicating that about 10%-15% of all FMPP funding requests are awarded annually.[38]

USDA may provide priority consideration to projects that benefit communities located in areas of concentrated poverty with limited access to supermarkets, or low income/low food access such as food deserts or healthy food priority areas. Ineligible projects and activities are those not related to producer-to-consumer direct marketing, or those benefitting only one agricultural producer, vendor, or individual, or projects promoting general food consumption (unrelated to a specific product or service). Grants may not be used to pay for production related expenses (such as food production and the purchase of farm equipment, tools, materials, supplies) or the purchase or lease-to-own of a vehicle, or depend upon a critical component (such as land and structures) not in place or useable at the time of application, among other restrictions.

Other USDA programs support low-income households with resources to purchase goods at direct-market outlets. For instance, households may redeem Supplemental Nutrition Assistance Program (SNAP) benefits at authorized direct marketing outlets, typically redeemed through Electronic Benefits Transfer (EBT) technology. In addition to SNAP, USDA's Food and Nutrition Service (FNS) administers two farmers' market programs: the WIC Farmers' Market Nutrition Program (WIC-FMNP) and the Senior Farmers' Market Nutrition Program (SFMNP).[39] These two programs—discussed later in "Farmers' Market Nutrition Programs"—allow for farmers' market purchases by low-income WIC applicants and recipients, and low-income seniors, usually through the use of redeemable coupons.

Local Food Promotion Program (LFPP)

LFPP was originally authorized in the 2014 farm bill, when Congress reauthorized and expanded FMPP and included a separate local foods program (and renamed both programs the Farmers' Market and Local Food Promotion Program or FMLFPP).[40] AMS administers LFPP.

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[36] AMS, "Farmers' Market Promotion Program, Fiscal Year 2020 Request for Applications," March 9, 2020. USDA reports that in FY2019, AMS received 182 applications and funded 49 (27%) of the applications.

[37] AMS, https://www.ams.usda.gov/services/grants/fmpp/awards. Awarded grants listed online date back to 2006.

[38] CRS communication with USDA, March 25, 2019. The 10%-15% is based on available data on both the number of requests and the value of awarded grants (2017-2018).

[39] USDA reports 4,076 farmers' markets accepted Federal Nutrition Programs in 2019, of which 79% accepted SNAP benefits. USDA reports 4,352 vendors/producers accepted Federal Nutrition Programs, of which 67% accepted WIC-FMNP and 66% accepted SFMNP benefits. (USDA, "National Farmers' Market Managers," August 17, 2020).

[40] P.L. 113-79, §10003 (previously: 7 U.S.C. §3005; CFDA# 10.171).

Included as part of LAMP in the 2018 farm bill, LFPP funds projects that develop, coordinate, and expand local and regional food business enterprises that engage as intermediaries in indirect producer-to-consumer marketing to help increase access and availability of locally and regionally produced agricultural products. LFPP funds two types of projects:

- **Planning.** Grants may be used to develop, coordinate, or expand a food business that supports locally and regionally produced agricultural products and food system infrastructure. Projects may include completing a feasibility study, hiring experts for technical assistance or for training, or devising a business development plan. Projects range from $25,000 (minimum award) to $100,000 (maximum award), and must be completed within one year.
- **Implementation.** Grants may be used to establish a new food business, or to improve/expand an existing food business that supports locally and regionally produced agricultural products and food system infrastructure. Projects may include developing or expanding food incubator programs or mid-tier value chains, instituting group-based Good Agricultural Practice (GAP) certification[41] for sellers, cultivating new wholesale market channels through an online portal or virtual marketplace, or investigating and implementing cost-effective means of transportation for food supply chains through backhaul, route optimization, and/or other operational efficiencies. Projects range from $100,000 (minimum award) to $500,000 (maximum award), and must be completed within two years.

Funds may not be used for the purchase or construction of general purpose equipment (such as cars or trucks), buildings, or structures, with the exception of food safety equipment and related upgrades (allowable up to $6,500 of the amount of the recipient's grant).[42] Accordingly, funds could be used to fund small local and regional processing activities, including processing, storage, distribution and aggregation.

A 25% match of total federal funds is required of grant recipients. USDA may provide priority consideration to projects that benefit communities located in areas of concentrated poverty with limited access to supermarkets, or low income/low food access, similar to that for FMPP. Ineligible projects and activities under LFPP are also those previously described for FMPP. For the FY2020 application cycle, approximately $13.5 million was available to fund LFPP applications.[43] A listing of previous awards is at USDA's website.[44] The number and value of requested grants has exceeded the funds available each year, with available data indicating that roughly 10%-15% of all LFPP funding requests are awarded annually.[45]

[41] Good Agricultural Practices (GAP) are voluntary audits that verify that fruits and vegetables are produced, packed, handled, and stored as safely as possible to minimize risks of microbial food safety hazards. For more information, see USDA's website, https://www.ams.usda.gov/services/auditing/gap-ghp.

[42] CRS communication with USDA, March 25, 2019.

[43] AMS, "Local Food Promotion Program, Fiscal Year 2020 Request for Applications," March 9, 2020. USDA reports that in FY2019, AMS received 216 applications and funded 41 (19%) of the applications.

[44] AMS, https://www.ams.usda.gov/services/grants/lfpp/awards. Awarded grants listed online date back to 2014.

[45] CRS communication with USDA, March 25, 2019. The 10%-15% figure is based on available data for 2017-2018.

Value-Added Producer Grant (VAPG) Program

The VAPG program was originally authorized in the Agricultural Risk Act of 2000, and amended in subsequent farm bills.[46] Despite now being part of LAMP, the program continues to be administered by USDA's Rural Development (RD) agency.

The program provides grants to finance various value-added activities, such as further processing and packaging of raw agricultural commodities, thus generating new products, and creating and expanding marketing opportunities. It also provides funding to develop strategies and business plans to further refine, enhance, or otherwise add value to agricultural products. Examples of value-added agricultural products include products that have undergone a change in physical state (e.g., berries processed into jam or meat into sausage), are produced or segregated in a manner that enhances product value (e.g., an identity preservation system for a particular variety of grain), are a source of farm- or ranch-based renewable energy (e.g., converting methane from animal waste into energy), or are aggregated and marketed as locally produced agricultural products.[47] There are two types of project grants:

- **Planning.** Grants may be used to determine the viability of a potential value-added venture, including conducting and developing a feasibility study, business plan, and/or marketing plan.
- **Working Capital.** Grants may be used to operate a value-added project, specifically to pay the eligible project expenses directly related to the processing and/or marketing of the value-added product. Examples of working capital expenses include processing costs, marketing and advertising expenses, and certain inventory and salary expenses.[48]

The maximum grant amount for any fiscal year may not exceed $500,000.[49] For FY2020, USDA set maximum grant amounts at $75,000 for planning grants and $250,000 for working capital grants. A 50% match of total federal funds is required of grant recipients.

In December 2019, RD announced $37 million in available funding for the VAPG program in FY2020. RD added that "[t]he Agency may also utilize any funding that becomes available after publishing this notice."[50] The $37 million reflects $17.5 million in mandatory funding allocated under LAMP, as well as additional carryover funds from prior years.[51] After this announcement, Congress provided an additional $12 million for the VAPG program in FY2020 enacted appropriations. The VAPG program has continued to adjust to administrative changes since being merged into LAMP. USDA reports that the VAPG program funded 249 grants totaling $34.8 million in 2018 and funded seven grants totaling $1.6 million in 2019.[52]

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[46] P.L. 106-224, §231 (previously 7 U.S.C. §1632). Originally named the Value-Added Product Market Development Grant Program.

[47] See 7 U.S.C. §1627c(a)(12), and A. Rupasingha et al., *USDA's Value-Added Producer Grant Program and Its Effect on Business Survival and Growth*, USDA Economic Research Service, ERR-248, May 2018, p.3.

[48] USDA's fact sheet, https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RBS_VAPG.pdf.

[49] 7 C.F.R. §4284.915 and §4284.927.

[50] 84 *Federal Register* 67703, December 11, 2019.

[51] USDA, FY2021 and FY2020 Explanatory Notes – Rural Business-Cooperative Service, https://www.usda.gov/obpa/congressional-justifications.

[52] Ibid.

A report commissioned by USDA indicates that there were 2,059 VAPG awarded from 2001 to 2016, with the highest number of recipients located in Iowa, Wisconsin, Montana, California, New York, Oregon, Nebraska, Minnesota, Virginia, Washington, Michigan, Texas, Georgia, Pennsylvania, North Carolina, and Kentucky.[53] These sixteen states accounted for 70% of all grant recipients. By commodity group, as a share of all grant awards, dairy products, wine/liquor products, and fruit and nut products accounted for about 40% of all awards.

Eligible applicants include independent agricultural producers, agricultural producer groups, farmer and rancher cooperatives, majority-controlled producer-based businesses, and federally recognized Tribes and tribal entities that meet the definition requirements. Under the program, at least 10% of funding must be reserved for projects serving beginning farmers and ranchers, socially disadvantaged farmers and ranchers, veteran farmers and ranchers, and operators of small- and medium-sized family farms and ranches, and at least 10% of VAPG funding must be reserved for projects to develop *mid-tier value chains*.[54] In addition, not more than 10% of VAPG funding may be awarded to majority-controlled producer-based businesses, and not more than 25% of VAPG funding may be awarded to projects to obtain food safety certifications or to upgrade food safety practices and equipment.[55]

Specialty Crop Block Grant Program (SCBGP)

A program providing specialty crop block grants to states, administered by AMS, was originally authorized in the Specialty Crops Competitiveness Act of 2004 (P.L. 108-465) and further amended in subsequent farm bills.[56] Under the program, USDA provides block grants to the state departments of agriculture within the 50 states, the District of Columbia, and the U.S. territories to enhance the competitiveness of specialty crops. The program receives mandatory CCC funds and is therefore available without an annual (or discretionary) appropriation. Total available program funding is $85 million per year, which includes multistate project grants of up to $5 million each year. For FY2019, a reported 717 projects were funded by grants awarded to the states, DC, and the U.S. territories, totaling $72.5 million.[57] A listing of previous awards is on USDA's website.[58]

Under the program, each state receives a base grant plus additional funds based on the state's share of the total value of U.S. specialty crop production.[59] California, Florida, and Washington have been the three largest recipients under this program, accounting for nearly one-half of all available funds. Although the statute identifies broad categories of eligible uses, how each state

[53] L. Anderson, E. Blevins, and M. Boland, *Overview of the USDA VAPG Program From 2001 to 2017*, Staff Paper P19-6 September 2019, available at https://www.agmrc.org/.

[54] *Mid-tier value chain* refers to "a local or regional supply network that links independent producers with businesses and cooperatives that market value-added agricultural products" (7 U.S.C. §1627c(a)(6)).

[55] 7 U.S.C. §1627c(i)(3).

[56] P.L. 110-246, §10109; 7 U.S.C. §1621 note (CFDA# 10.170). "Specialty crop" is defined as "fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops (including floriculture)." See also "USDA Definition of Specialty Crop" (https://www.ams.usda.gov/services/grants/scbgp/specialty-crop). For more background, see CRS Report R42771, *Fruits, Vegetables, and Other Specialty Crops: Selected Farm Bill and Federal Programs*.

[57] USDA, "Fiscal Year 2019 Description of Funded Projects," https://www.ams.usda.gov/sites/default/files/media/2019SCBGPGrantstotheStates.pdf.

[58] AMS, https://www.ams.usda.gov/services/grants/scbgp/awards. Awarded grants listed online date back to 2006.

[59] The minimum base grant that each state is eligible to receive is equal to the higher of $100,000 or 1/3 of 1% of the total amount of funding made available for that year. The base grant portion is about $180,000 per state. The additional allocation is based on the value and acreage of specialty crop production in each state relative to national production.

spends its allocation depends on its stated priorities. Funded projects cover marketing and promotion, education, research, pest and plant health, food safety, production, and other types of projects. USDA's annual report describes the funded projects across all states.[60] Funded projects have also included certification and training for farmers; facilities that support the processing, aggregation, and distribution of locally grown specialty crops; agritourism; school and community gardens; farm to school programs; horticultural therapy; and improved access to specialty crops in underserved communities.

Federal State Marketing Improvement Program (FSMIP)

FSMIP was authorized in the Agricultural Marketing Act of 1946.[61] Administered by AMS, the program provides grants to eligible applicants for projects that explore new market opportunities for U.S. food and agricultural products and encourage research and innovation aimed at improving the efficiency and performance of the U.S. marketing system. Eligible applicants include state departments of agriculture, state agricultural experiment stations, and other appropriate state agencies from the U.S. states, the District of Columbia, or U.S. territories. FSMIP funds four types of projects:

- **Agricultural Product Distribution.** Grants may be used to determine the best methods for processing, preparing for market, packing, handling, transporting, storing, distributing, and marketing agricultural products.
- **Cooperative Development.** Grants may be used to encourage cooperation among federal and state agencies, producers, industry organizations, and others in the development of more efficient marketing methods, practices, and facilities to bring about more efficient and orderly marketing, and reduce the price spread between the producer and the consumer.
- **Economic Research to Clarify Marketing Barriers and Opportunities.** Grants may be used to collect and disseminate marketing information or to offset regulatory compliance costs, or to develop standards of quality, condition, quantity, grade, and packaging in order to encourage uniformity and consistency in commercial practices.
- **Agricultural Product Development.** Grants may be used to determine the costs of marketing agricultural products and to foster new/expanded domestic and foreign markets and new/expanded uses of agricultural products

Approximately $1 million is available to fund applications in FY2020.[62] Funding opportunity requires 50% match in the form of cash or with properly valued, in-kind nonfederal resources. Maximum grant award is $250,000.

Previous projects have been used to determine market demand for local products, to build online marketing tools, develop protocols for harvesting excess crops for local food banks, and to develop business plans for food hubs. A listing of previous awards is on USDA's website.[63]

[60] USDA's annual report provides a full listing of all program recipients by state, applicant name, and grant amount.

[61] Authorized in Agricultural Marketing Act of 1946, Section 204(b), 7 U.S.C. §1623(b) (CFDA# 10.156).

[62] AMS, "Federal-State Marketing Improvement Program, Fiscal Year 2020 Request for Applications," March 9, 2020. USDA reports that in FY2019, AMS received 17 applications and funded 9 (53%) of the applications.

[63] AMS, https://www.ams.usda.gov/services/grants/fsmip/awards. Awarded grants listed online date back to 1999.

Funds may not benefit only one agricultural producer, entity, or individual, and also may not be used for the construction or the purchase of land.

Food Safety Outreach Program

Food Safety Outreach Program grants were authorized in the FDA Food Safety Modernization Act (FSMA), which became law in 2011.[64] Under the program, USDA's National Institute of Food and Agriculture awards competitive grants to projects that develop and implement FSMA-related food safety training, education, extension, outreach, and technical assistance to owners and operators of small and medium-sized farms, beginning and socially disadvantaged farmers and ranchers, small processors, and small fresh fruit and vegetable merchant wholesalers. In 2015, NIFA and the Food and Drug Administration (FDA) collaborated to establish the National Food Safety Training, Education, Extension, Outreach and Technical Assistance Competitive Grant Program national infrastructure.[65] The current Food Safety Outreach Program continues to expand the program by funding new projects. Eligible applicants include federal, state (including DC), and local organizations; federally recognized Indian Tribal governments and Native American organizations; and public and private nonprofit institutions and organizations. Grants cover two project types:[66]

- **Community Outreach.** Grants support the development of new food safety education and outreach programs in local communities and expand upon existing food safety education and outreach programs to address the needs of small, specialized groups that may not have been previously addressed. Projects may build capacity of local groups to identify and implement customized food safety education and outreach programs, and ensure production is consistent with FSMA guidelines. Awards range from $80,000 to $150,000.
- **Collaborative Education and Training.** Grants support the development of multi-county, statewide or multi-state programs that meet FSMA rules for a variety of agricultural production and processing systems. Awards range from $200,000 to $400,000.

There are no matching funding requirements. For the FY2020 application cycle, the amount available for grants is approximately $8 million.[67] Awards are for two years in length. A listing of previous awards is at USDA's website.[68]

Agricultural Management Assistance (AMA)

The Agricultural Management Assistance (AMA) program was authorized in the Agricultural Risk Protection Act of 2000 and amended by subsequent farm bills.[69] AMA helps agricultural producers manage financial risk through diversification, marketing, or natural resource

[64] P.L. 111-353, §209, amending Food and Drug Cosmetic Act (21 U.S.C. §391 et seq.) (CFDA #10.328). Within USDA, the authority for the program is the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. §7625) as part of the National Integrated Food Safety Initiative.

[65] NIFA press release, "USDA Grants Establish Regional Centers for Food Safety Training, Outreach and Technical Assistance," October 14, 2015.

[66] NIFA, FY2020 Request for Application, Food Safety Outreach Competitive Grants Program, April 7, 2020.

[67] Authorized appropriations total $10 million for each FY2019 through FY2023 for the purposes of making grants.

[68] NIFA, https://nifa.usda.gov/food-safety-outreach-program. Awarded grants listed online date back to 2015.

[69] P.L. 106-224, §133; 7 U.S.C. §1524(b) (CFDA# 10.917).

conservation practices in states traditionally underserved by federal crop insurance.[70] AMA is managed by three USDA agencies—NRCS, AMS, and the RMA. NRCS administers the conservation provisions, while AMS and RMA implement the production diversification and marketing provisions. Applicants must be engaged in livestock or agricultural production and have annual potential sales of $1,000 or more, and be within applicable payment limitation requirements. AMA provides mandatory CCC funding of $10 million annually, and the funding is allocated in statute as follows: NRCS (50%), RMA (40%), and AMS (10%).[71] Total AMA payments from all three agencies cannot exceed $50,000 per applicant for any fiscal year. AMA offers additional assistance for beginning and socially disadvantaged farmers or ranchers, among other historically underserved producers.

AMA's NRCS portion provides financial and technical assistance to farmers to voluntarily address issues, such as water management, water quality, and erosion control, by incorporating conservation into their farming operations.[72] The program provides technical and financial assistance of up to 75% of the cost of installing certain conservation practices. Under the program, producers may construct or improve water management structures or irrigation structures; plant trees for windbreaks or to improve water quality; or mitigate risk through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or seasonal high tunnel structures.

Under AMA, a joint effort between RMA and AMS is supporting fruit and vegetable producers by paying for buyer-required food safety certifications. Under the RMA-AMS Harmonized Good Agricultural Practices (GAP) Assistance program, USDA covers the costs of voluntary USDA Harmonized GAP audits or Harmonized GAP Plus+ audits.[73] Such audit programs refer to a third party audit administered by USDA and developed with industry to verify food safety standards in pre-harvest and post-harvest operations to verify that fruits and vegetables are produced, packed, handled, and stored in the safest manner possible to minimize risks of food safety hazards.[74] A food safety audit helps mitigate financial risk by expanding the number of market options available to the farm. This program received a one-time funding commitment of $3.7 million in 2019. The program provides credits to eligible producers covering up to 100% of the cost of a producer's audit fees, including auditor travel time and state or federal administrative expenses, but do not cover farm investments in time or equipment to meet the standard, nor for training and outreach or other activities not directly associated with conducting and completing the audit.

AMA's RMA portion has provided assistance to farmers to mitigate financial risk through production or marketing diversification, including support for direct marketing and value-added processing, and the development of new risk management approaches.[75] AMA's AMS portion is

[70] States include Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

[71] P.L. 110-246, §2801.

[72] See USDA's website: https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/ama/ and NRCS' fact sheet (July 2019), https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/ama/.

[73] USDA, "RMA-AMS Harmonized GAP Assistance Q&A," December 3, 2018, https://www.ams.usda.gov/publications/content/rma-ams-harmonized-gap-assistance-qa. Additional discretionary funds of $1 million annually were authorized in the 2008 farm bill (P.L. 110-234, 7 U.S.C. §7655), since reauthorized, for certain "food safety education initiatives."

[74] See, for example, AMS, *Produce GAPs Harmonized Food Safety Standard*, January 5, 2018; and AMS, *Harmonized GAP Plus+ Standard*, May 16, 2018. Both are at https://www.ams.usda.gov/services/auditing/gap-ghp/harmonized.

[75] RMA has historically used AMA to provide assistance to producers for the purchase of adjusted gross revenue (AGR) insurance but has recently been used to increase participation for buy-up insurance coverage. AGR insurance provides a guaranteed revenue level for the whole farm and rewards more diversified farmers with higher coverage

implemented through FSA under the Organic Certification Cost Share Program.[76] Similar to the NRCS portion of AMA, funds are limited to select states, and certified operations may receive up to 50% of their certification costs during the program year, not to exceed $500 per certification.[77]

Business Assistance and Research

Farming Opportunities Training and Outreach (FOTO)

The 2018 farm bill combined and expanded existing competitive grant programs to create Farming Opportunities Training and Outreach (FOTO), a new umbrella program intended to coordinate USDA training and outreach to beginning, socially disadvantaged, and veteran farmers and ranchers.[78] The program merges two formerly separate USDA programs: (1) Beginning Farmer and Rancher Development Grant Program (BFRDP) and (2) Outreach and Assistance to Socially Disadvantaged and Veteran Farmers and Ranchers (also known as the 2501 Program).[79] These programs are described below.

By merging the existing stand-alone programs into FOTO—while still maintaining the underlying activities of each of the individual programs—Congress addressed concerns regarding mandatory funding availability to continue these programs. Previously, these were "programs without baseline." Consolidation of these programs into FOTO provided both new funding and permanent baseline for these programs, thus ensuring that they have future funding if Congress were to decide that the programs should continue beyond FY2023.[80]

FOTO is authorized to receive mandatory CCC funding of $30 million for FY2019 and for FY2020, $35 million for FY2021, $40 million for FY2022, and $50 million for FY2023 and for each fiscal year thereafter. It is also authorized to receive $50 million in discretionary appropriations for each of FY2019 through FY2023.[81] All authorized mandatory and discretionary appropriations are to be equally split between BFRDP and the 2501 Program.

Beginning Farmer and Rancher Development Program (BFRDP)

Congress originally authorized BFRDP in the 2002 farm bill (P.L. 107-171, §7405), and has amended it in successive farm bills.[82] BFRDP, which is administered by NIFA, provides competitive grants to new and established local and regional training, education, outreach, and technical assistance initiatives that address the needs of beginning farmers and ranchers. Eligible applicants must be a state, tribal, local, or regional network or partnership of public and/or private entities. Eligible project areas include production and land management strategies that enhance land stewardship; business management and decision support strategies that improve financial

levels and smaller insurance premiums. Buy-up insurance provides higher coverage on crops and lower deductibles. For more information, see CRS Report R40532, *Federal Crop Insurance: Background*.

[76] FSA, *Organic Certification Cost Share Program*, https://www.fsa.usda.gov/programs-and-services/occsp/index.

[77] 85 *Federal Register* 48149, August 10, 2020.

[78] P.L. 115-334, §12301; 7 U.S.C. §2279.

[79] BFRDP (CFDA #10.311) and 2501 Program (CFDA #10.443).

[80] For more information, see CRS Report R45425, *Budget Issues That Shaped the 2018 Farm Bill*.

[81] In FY2020, Congress provided $5 million in discretionary appropriations for this program (P.L. 116-94, §772).

[82] P.L. 107-171, §7405 (previously 7 U.S.C. §3319f). The 2002 farm bill authorized "such sums as may be necessary" for FY2002-FY2007. The 2008 and 2014 farm bills established and expanded authorities for mandatory funding and discretionary appropriations for BFRDP. The 2018 farm bill incorporated BFRDP's funding into FOTO.

viability; marketing strategies for increased competitiveness; and legal strategies that assist with farm or land acquisition and transfer. Grants are available for three project types:

- **Standard.** Grants support third-party initiatives directly serving beginning farmers and ranchers.
- **Educational Teams.** Grants support teams of experts with diverse backgrounds to enhance beginning farmer efforts based on a particular topic, region, or audience. Teams might also identify gaps in existing beginning farmer and rancher curricula and programs, develop programs to fill these gaps, and collaborate to enhance successful use of curricula and programs.[83]
- **Curriculum and Training Clearinghouse**. Grants support establishing a national site to house curricula, training materials, and other information for new farmers and ranchers and organizations that work with them. Grants are awarded every three years and cover a three year period.

In statute, the maximum grant amount is $250,000 per year and is limited to three years, with a 25% match in nonfederal resources. In recent years, the maximum grant amount has been $200,000.[84] Estimated total BFRDP program funding for FY2019 and FY2020 is expected to be $14 million for each fiscal year. Not less than 5% of available funds for BFRDP are to be used to support beginning farmers and ranchers who are military veterans.[85] The Curriculum Training Clearinghouse grant awarded in FY2019 went to the University of Minnesota, which has hosted this clearinghouse since FY2015.[86] Award information for previous years is on USDA's website.[87]

Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program)

The 2501 Program was first authorized in the 1990 farm bill, and amended by successive farm bills,[88] and administered by USDA's Office of Partnerships and Public Engagement (OPPE). The 2501 Program provides competitive grants for outreach, training, education, financial assistance, and technical assistance. The purpose of these activities is to encourage and assist *socially disadvantaged* farmers, ranchers, and forest landowners to own and operate farms, ranches, and nonindustrial forestlands.[89] Eligible entities include land-grant institutions,[90] Hispanic-serving

[83] Previous topics have included environmental stewardship, financial management, farm safety, farmer-to-farmer curricula, and individual development accounts.

[84] NIFA, Beginning Farmer and Rancher Development Program, Fiscal Years 2019 and 2020 Request for Applications, April 23, 2019.

[85] 7 U.S.C. §2279(l)(4)(B).

[86] The clearinghouse is available at FarmAnswers.org.

[87] NIFA, https://nifa.usda.gov/program/beginning-farmer-and-rancher-development-program-bfrdp.

[88] The program is known by the section number in its originating law, P.L. 101-624, §2501, the 1990 farm bill. Among amendments in subsequent farm bills, the 2014 farm bill (P.L. 113-79, §12201) added veteran farmers and ranchers to the program. The 2002 farm bill authorized annual appropriations of $25 million; however, the program had not received a congressional appropriation of more than $6 million in any year. The 2014 farm bill authorized both mandatory funding and discretionary appropriations.

[89] Under the program, USDA provides outreach and technical assistance to *socially disadvantaged groups* that have been subjected to racial or ethnic prejudice (7 U.S.C. §2279(a)(6)).

[90] Land-grant institutions include the 1862 Institutions (or the first land-grant institutions), the 1890 Institutions (or historically black colleges and universities), and the 1994 Institutions (or tribal colleges and universities). For more

institutions, other higher education institutions with experience in providing agricultural education to disadvantaged groups, Tribal governments and organizations, and community-based and nonprofit organizations that do not or have not engaged in activities prohibited under Section 501(c)(3) of the Internal Revenue Code of 1986.

The 2018 farm bill set a maximum grant amount of $250,000 per year for up to three years, with no matching funds requirement. For FY2020, USDA solicited proposals of up to $150,000 per year for up to three years.[91] In FY2019, USDA solicited proposals of up to $750,000 over three years.[92] Prior to the 2018 farm bill, in FY2018 USDA solicited proposals of a maximum of $200,000 over one year.[93] Award information for previous years is on USDA's website.[94] In addition to standardizing grant terms, the 2018 farm bill also required that Section 2501 proposals be reviewed by an outside peer-review panel, and it gave funding preference to community-based organizations.

USDA Farm Loan Programs

The USDA Farm Service Agency (FSA) makes direct loans to family sized farmers and ranchers, and guarantees repayment on loans to similar farmers and ranchers that are made by commercial banks and the Farm Credit System (FCS). The USDA farm loan program is for farmers who cannot obtain credit elsewhere. Statute reserves a portion of each year's loan appropriation for beginning farmers and ranchers, and also targets lending to socially disadvantaged farmers by race, gender, and ethnicity. Using these provisions, FSA is known as lender of first opportunity for many borrowers. The Farm Credit System (FCS) is not a government agency but is a for-profit network of borrower-owned lending institutions that has a statutory mandate to serve agriculture. FCS makes direct loans to farmers and other farm-related rural businesses, and can utilize USDA loan guarantees.[95] Local and urban agricultural producers may qualify for the government-related FSA and FCS loans, in addition to other private sources of agricultural credit.

Farm Operating Loans

FSA farm operating loans may be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, and insurance, and to cover other operating expenses.[96] Operating loans also may be used to pay for minor improvements to buildings, costs associated with land and water development, family living expenses, and to refinance debt under certain conditions. Individual borrowing limits are $400,000 for direct operating loans and $1.78 million for guaranteed operating loans (the latter is as of FY2020 and is indexed for inflation). Appropriated

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information, see CRS Report R45897, *The U.S. Land-Grant University System: An Overview*.

[91] 85 *Federal Register* 41938, July 13, 2020. Funding Opportunity Announcement for FY2020 and FY2021. The FY2019 request for applications allowed for awards of up to $750,000 over three years.

[92] USDA, "Office of Partnerships and Public Engagement; Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers," 84 *Federal Register* 33904, July 16, 2019.

[93] USDA, "Catalog of Federal Domestic Assistance (CFDA) No.: 10.443—Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program," 83 *Federal Register* 11669, March 16, 2018.

[94] OPPE's website, https://www.usda.gov/partnerships/socially-disadvantaged-farmers-and-ranchers. Awarded grants listed online date back to 2010.

[95] For more background, see CRS Report RS21977, *Agricultural Credit: Institutions and Issues*.

[96] Consolidated Farm and Rural Development Act, as amended, 7 U.S.C. §1941 *et seq.* (CFDA# 10.406).

discretionary funding in FY2020 allows FSA to make up to $1.6 billion of new direct operating loans, and up to $2.0 billion of new guaranteed operating loans.

Farm Ownership Loans

FSA farm ownership loans may be used to purchase farmland and buildings, including the construction or repair of buildings, and for developing farmland for soil and water conservation.[97] Individual borrowing limits are $600,000 for direct ownership loans and $1.78 million for guaranteed ownership loans (the latter is indexed for inflation). Appropriated discretionary funding in FY2020 allows FSA to make up to $1.9 billion of new direct ownership loans and $2.8 billion of new guaranteed ownership loans.

Microloan Program

Congress authorized the microloan program in the 2014 farm bill, following administrative actions taken by USDA to begin offering such loans in 2013.[98] The microloan program operates within the existing direct farm operating and farm ownership loan programs. It is meant to simplify and expedite the application process for smaller loans up to $50,000. Microloans add flexibility for borrowers to meet loan eligibility and security requirements that can benefit some nontraditional or specialty crop producers, including operators of community-supported agriculture. Individual borrowing limits for microloans are $50,000 each for direct operating loans and direct farm ownership loans, for a total of up to $100,000. Repayment terms may not exceed 7 years for farm operating microloans, and 25 years for farm ownership microloans. In FY2019, FSA made $111 million of farm operating microloans and $6.3 million of farm ownership microloans.

Beginning Farmer Loans

For FSA loans, a beginning farmer is one who has operated a farm or ranch for less than 10 years; does not own a farm or ranch greater than 30% of the average size farm in the county (as determined by the most current Census for Agriculture); meets other loan eligibility requirements; and substantially participates in the farm operation. Parts of the FSA loan program are reserved for beginning farmers and ranchers.[99] For direct loans, the reservation is 75% of the appropriation for farm ownership loans and 50% of the appropriation for operating loans for most of the fiscal year. For guaranteed loans, 40% of the appropriation is reserved for both farm ownership loans and farm operating loans. A down payment loan program is also available to beginning farmers to partially finance a family farm.[100] Down payment loan applicants must contribute a minimum of 5% of the purchase price and FSA will finance 45% up to a maximum down payment loan of $300,150. Loans for beginning farmers and the down payment loan program operate from within the farm ownership and farm operating loan programs. In FY2019, FSA made, or guaranteed,

[97] Consolidated Farm and Rural Development Act, as amended, 7 U.S.C. §1922 *et seq.* (CFDA# 10.407).

[98] Consolidated Farm and Rural Development Act, as amended for microloans by P.L. 113-79, §5106, 7 U.S.C. §1943(c) (administered through Farm Operating Loans and Farm Ownership Loans). For additional background, see FSA, "Microloan Fact Sheet," August 2019.

[99] Consolidated Farm and Rural Development Act, as amended 7 U.S.C. §1994 (administered through farm operating loans and farm ownership loans).

[100] Consolidated Farm and Rural Development Act, as amended, 7 U.S.C. §1935 (administered through farm ownership loans).

$2.7 billion of direct farm operating and ownership loans to beginning farmers, including $554 million of down payment loans.

Farm Credit System (FCS) Loans

FCS can make direct loans both to farmers and to certain food system businesses that process or market agricultural products.[101] Local and urban farming operations are eligible borrowers. FCS does not have the same loan limit or eligibility requirements as FSA, and eligibility and loan size are based more on the creditworthiness of the borrower. Loan guarantees such as those from FSA may enable FCS to lend to less creditworthy borrowers than would qualify for regular FCS loans. FCS does not receive federal appropriations; it finances its over $150 billion loan portfolio from the sale of bonds in the financial markets. FCS has programs that encourage loans to young, beginning and small farms.[102]

Urban Agriculture and Innovative Production (UAIP) Assistance

The 2018 farm bill established the Office of Urban Agriculture and Innovative Production (UAIP) at USDA to encourage and promote urban, indoor, and other emerging agricultural practices. The 2018 farm bill provision also created an Urban Agriculture and Innovative Production Advisory Committee and provided for new grant authority for USDA to support the development of urban agriculture and innovative production and authorized new pilot programs, among other requirements.[103] The provision authorized $25 million in total annual appropriations.[104] UAIP is housed at and administered by NRCS.[105]

UAIP project grants may target areas of food access, education, start-up businesses, and development of policies related to zoning and other needs of urban production, including community gardens, rooftop farms, outdoor vertical production, indoor farms, greenhouses, and high-tech vertical technology farms. Grants cover also hydroponic, aeroponic, and aquaponic farm facilities, among other innovations in agricultural production, as determined by USDA. Available financial assistance is in the form of grants and cooperative agreements:

- **UAIP Grants.** Grants support program planning projects and implementation projects that initiate or expand efforts of farmers, gardeners, citizens, government officials, schools and other stakeholders in urban areas and suburbs. UAIP grants are available to Tribal and local governments, nonprofits, and K-12 schools.
- **Community Compost and Food Waste Reduction (CCFWR) Cooperative Agreements.** Supports projects that assist local and municipal governments to develop and test strategies for planning and implementing municipal compost plans and food waste reduction plans. Implementation activities will increase access to compost for agricultural producers, improve soil quality and encourage innovative, scalable waste management plans that reduce and divert food waste

[101] Farm Credit Act of 1971, as amended; 12 U.S.C. §2001 *et seq*.

[102] CRS Report RS21278, *Farm Credit System*.

[103] P.L. 115-334, §12302 (UAIP, 7 U.S.C. §6923) (CFDA #10.935).

[104] For FY2020, Congress provided $5 million for the Office of Urban Agriculture and Innovative Production, of which $1 million was to be available for pilot programs (P.L. 116-94, §768; H.Rept. 116-107, Title II). For more background, see CRS Report R46011, *FY2020 Appropriations for Agricultural Conservation*.

[105] More information is available at farmers.gov/urban and https://www.farmers.gov/manage/urban/opportunities, and at NRCS' website, https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/urbanagriculture/.

from landfills. Cooperative agreements are available to local governments, and are intended to solicit applications and fund projects in no fewer than ten states.

CCFWR cooperative agreements require 25% matching funds. For UAIP grants, 25% matching funds, in-kind contributions, or a combination of both must be from sources other than funds provided through the cooperative agreement for UAIP grants. For UAIP grants, the maximum grant amount is $500,000 and the minimum grant amount is $100,000. For FY2020, total funding is $3 million, of which $1 million was for planning grants and $2 million is for implementation grants.[106] For CCFWR cooperative agreements, the maximum grant amount is $90,000 and the minimum grant amount is $45,000. For FY2020, total available funding is $900,000.[107] Out of more than 500 applications received for FY2020, USDA awarded ten UAIP grants and 13 CCFWR pilot projects.[108]

The 2018 farm bill also created a five-year pilot program to expand FSA County Committees to include urban and suburban areas, which USDA is implementing in two phases with five new county committees created in each fiscal years 2020 and 2021.[109] For FY2020, FSA urban and suburban county committees were announced in five locations: Portland, Oregon; Albuquerque, New Mexico; Cleveland, Ohio; Richmond, Virginia; and Philadelphia, Pennsylvania.[110] The 2018 farm bill also created a federal UAIP Advisory Committee to advise USDA on the development of policies and outreach relating to urban, indoor, and other emerging production practices.[111] The Department's internal urban agricultural advisory committee consists of most USDA agencies.[112]

Urban, Indoor, and Other Emerging Agricultural Production, Research, Education, and Extension Initiative

The 2018 farm bill directed USDA to establish a new competitive grants program to support research, education, and extension activities that would facilitate the development of urban, indoor, and other emerging agricultural production, including harvesting, transportation, aggregation, packaging, distribution, and markets.[113] NIFA administers this program.[114] These

[106] For more information, see NRCS' FY2020 application at https://www.grants.gov/web/grants/search-grants.html?keywords=USDA-NRCS-NHQ-UAIP-20-NOFO0001013.

[107] For more information, see NRCS' FY2020 application at https://www.grants.gov/web/grants/view-opportunity.html?oppId=326961.

[108] USDA press release, "USDA Announces First-Ever Recipients of Urban Agriculture Grants and Cooperative Agreements," Release No. 0347.20, August 25, 2020. UAIP grant recipients were located in Arkansas, California, Connecticut, Georgia, Kansas, New Jersey, New York, North Carolina, Ohio, and Vermont. CCFWR pilot projects were located in Alaska, Arkansas, Arizona, Colorado, Connecticut, Florida, Illinois, Kansas, New Jersey, New York, North Carolina, Pennsylvania and Virginia.

[109] P.L. 115-334, §12302 (7 U.S.C. §6923). FSA County Committees are made up of locally elected farmers that provide input and establish priorities for support programs. Urban and suburban county committees may promote urban and indoor agriculture; address food access, community engagement, support community compost, and food waste reduction; and make programmatic determinations, appeals, and related decisions. See FSA's FAQ at https://www.farmers.gov/sites/default/files/2020-09/FSA_UrbanAgCountyCommittees_FAQs.pdf.

[110] FSA press release, "USDA Announces New Farm Service Agency County Committees for Urban Agriculture, Requests Nominations," August 12, 2020.

[111] To date, nominations to the 12-member federal UAIP Advisory Committee have not been announced.

[112] USDA's internal advisory committee includes AMS, ARS, APHIS, ERS, FSA, FNS, FAS, FS, NASS, NIFA, NRCS, RMA, OPPE, USDA's Office of the Chief Economist, and USDA's Office of Tribal Relations.

[113] P.L. 115-334 §7212, 7 U.S.C. §5925g. In addition to establishing a new competitive grants program, this provision also directs USDA to examine urban agriculture as a follow-on study to the 2017 *Census of Agriculture*.

[114] To date, NIFA had not issued a request for applications (RFA) for this program. In April 2020, NIFA requested

activities include strategies to remediate contaminated sites; to promote best production management and integrated pest management practices; and to identify other factors that may be unique to urban and indoor settings. Eligible entities include state agricultural experiment stations, colleges and universities, research foundations, federal agencies, national laboratories, private organizations, individuals, and groups consisting of multiple eligible entities.

The 2018 farm bill provided $10 million in mandatory funding for FY2019, to remain available until expended, and it authorized up to $10 million in discretionary funding annually for FY2019-FY2023.[115]

Food and Agriculture Service Learning Program (FASLP)

FASLP is a competitive grants program administered by NIFA.[116] It was established in the 2014 farm bill with the purpose of increasing knowledge of agriculture and improving the nutritional health of children.[117] NIFA awards FASLP grants of up to $225,000 for projects designed to achieve the statutory purposes of the program. These include the following:

- increasing the capacity for food, garden, and nutrition education within host organizations, school cafeterias, and classrooms;
- complementing farm to school programs implemented under the Richard B. Russell National School Lunch Act (42 U.S.C. §1769(g));
- complementing efforts by USDA and school food authorities to implement the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. §1751 et seq.) and the School Breakfast Program (42 U.S.C. §1773);
- advancing the nutritional health of children and nutrition education in elementary and secondary schools; and
- increasing community engagement and national service and volunteer opportunities.

All projects must involve underserved rural and urban communities and facilitate a connection between elementary schools and secondary schools with agricultural producers in the local and regional area.[118] Eligible entities include state agricultural experiment stations; colleges and universities; research foundations; federal agencies; national laboratories; private organizations; individuals; and groups consisting of multiple eligible entities.

Small Business Innovation Research Program (SBIR)

SBIR originated as part of the Small Business Innovation Development Act of 1982, as amended.[119] Under this act, federal agencies with annual research and development budgets in

written stakeholder input on the most urgent research, education and extension needs in this area to assist in developing an FY2020 RFA.

[115] Congress did not provide discretionary funding for the program in FY2019 (P.L. 116-6) or in FY2020 (P.L. 116-94).

[116] NIFA's website," https://nifa.usda.gov/funding-opportunity/food-and-agriculture-service-learning-program.

[117] P.L. 113-79 §4209; 7 U.S.C. §7633 (CFDA #10.522). The 2014 farm bill authorized appropriations of $25 million for FASLP, to remain available until expended. Congress has provided discretionary appropriations of $1 million in each of FY2018 (P.L. 115-141), FY2019 (P.L. 116-6), and FY2020 (P.L. 116-94).

[118] 7 U.S.C. §7633(c)(2).

[119] P.L. 97-219; 15 U.S.C. §638 (CFDA# 10.212). See also NIFA's website, https://nifa.usda.gov/program/small-business-innovation-research-program-sbir.

excess of $100 million spend a percentage of that budget in connection with an SBIR program. NIFA administers USDA's SBIR program. Small business innovations can contribute to technological advances and address challenges in U.S. agriculture or rural development. SBIR grants from USDA to qualified small businesses are intended to help stimulate technological innovations in the private sector, strengthen the role of small businesses in meeting federal research and development needs, increase private sector commercialization of innovations derived from USDA-supported research and development efforts, and encourage participation in technological innovations by women-owned businesses and socially and economically disadvantaged small businesses. Among many types of projects, NIFA has awarded grants to small and mid-size farms and ranches that sell to local markets, and to similar entities to implement a CSA model to bring their locally grown food to inner-city households and schools.[120] NIFA provides abstracts of funded projects on its website.[121]

NIFA's SBIR program offers Phase I and Phase II grants. Phase I grants are limited to $100,000 over a period of up to eight months, and are open to all who meets SBIR eligibility requirements: small business concerns for research and development purposes with fewer than 500 employees. Phase II grants are limited to $600,000 over a period of up to two years, and are open only to previous Phase I awardees. As for other federal research and development agencies, NIFA's annual SBIR funding equals at least 3.2% of its annual extramural research budget.[122] In recent years, annual program funding has totaled approximately $25 million for Phase I projects, and $12 million for Phase II projects.[123]

Sustainable Agriculture Research and Education (SARE)

SARE is a regionally focused NIFA program aimed at enhancing low-input farming systems. It originated in the research provisions in the 1985 farm bill, and the 1990 farm bill expanded and renamed it.[124] Through this program, NIFA allocates federal funds to four regional SARE offices that administer a range of research and education grants in the areas of renewable energy, pest and weed management, pastured livestock and rotational grazing, no-till and conservation tillage, nutrient management, agroforestry, marketing, sustainable communities, systems research, and crop and livestock diversity, among others.[125] Since 1988, SARE has funded more than 7,000 projects with grants for farmers, ranchers, extension agents and university educators, researchers, nonprofits, students, and communities.[126] Funded projects include those that support local foods

[120] See SBIR, "Small & Mid-Sized Farms," https://www.sbir.gov/node/1671761.

[121] NIFA, "Abstracts of Funded SBIR Projects," https://nifa.usda.gov/abstracts-funded-sbir-projects.

[122] National Defense Authorization Act for Fiscal Year 2012 (P.L. 112-81, §5102) amended the Small Business Innovation Development Act to allow the set aside of not less than 3.2% of appropriations in FY2017 and each fiscal year thereafter for extramural research and development for awards to eligible small firms.

[123] See NIFA, "Phase I & Phase II Solicitations," https://nifa.usda.gov/phase-i-phase-ii-solicitations.

[124] The current SARE program (7 U.S.C. §5801 et seq. (CFDA #10.215) was originally part of P.L. 99-198, Subtitle C (Agricultural Productivity Research), and was referred to as the Low-Input Sustainable Agriculture program (LISA). The 1990 farm bill (P.L. 101-624, §§1619-1624) expanded the program and provided the current name.

[125] SARE's four Regional Administrative Councils (7 U.S.C. §5812) set regional priorities and establish regional competitive grants programs. Regional host institutions carry out these competitive grant programs. Since 2017, regional host institutions have been selected for four-year terms on a competitive basis. For information on the four regions, see SARE, "SARE's Four Regions," https://www.sare.org/about/sares-four-regions.

[126] SARE, https://www.sare.org/. SARE first received appropriations in FY1988.

and marketing.[127] SARE is somewhat rare among NIFA grant programs in awarding some funding directly to farmers and ranchers.

Each regional SARE administers its own competitive grant programs. Regional SARE's offer different types of grants. For example, research and education grants may range from $10,000 to $250,000, and fund projects that usually are interdisciplinary and involve scientists, agricultural producers, and others. Professional development grants may provide up to $150,000, and offer educational opportunities for agricultural service providers, including extension agents, NRCS staff, and for-profit entities that serve the farming community. Producer grants may provide up to $25,000 to farmers and ranchers who test innovative ideas and share their research results with other agricultural producers. Grants do not require matching funds. State-by-state summaries and profiles of the SARE grants portfolio are available at SARE's website.[128] In recent years, Congress has provided a $35 million discretionary annual appropriation for SARE.[129]

Rural and Community Development Programs

Rural Cooperative Development Grant (RCDG) Program

RCDG was established as part of the 1990 farm bill, and has been reauthorized and amended in subsequent farm bills.[130] Administered by USDA's Rural Development agency, the program provides grants to nonprofit institutions, including higher education institutions, to establish and operate new or existing cooperative development centers.[131] Rural cooperative development centers may use grant funds for eligible activities, including providing technical assistance and training, conducting feasibility studies, providing organizational guidance to new cooperatives, and assessing the needs and potential support base for newly developing cooperatives. RCDG has supported local food systems by establishing linkages with local food sectors, helping worker cooperatives obtain financing, and providing training and technical assistance to allow farmer cooperatives or groups of farmers to collaborate to scale up production and distribution.[132] For FY2020, the maximum grant amount is $200,000.[133]

Congress has authorized discretionary funding for RCDG in periodic farm bills, subject to annual appropriations. If the total annual appropriation exceeds $7.5 million, the authorization requires

[127] See SARE, *30 Years of Sustainable Agriculture Research and Education (SARE): Our Farms, Our Future*, 2018, https://www.sare.org/wp-content/uploads/30-Years-of-SARE-Our-Farms-Our-Future.pdf, especially pp. 18-19.

[128] SARE, "Grants Funded in Your State," https://www.sare.org/grants/funded-grants-in-your-state. SARE's searchable database is at https://projects.sare.org/search-projects.

[129] Congress provided $35 million in appropriations for both FY2019 (P.L. 116-6) and FY2020 (P.L. 116-94); 7 U.S.C. §5814. SARE originated with a $3.9 million appropriation in FY1988. SARE is authorized to receive annual appropriations of $40 million (FY2013-FY2023).

[130] P.L. 101-624, §2347, amending the Consolidated Farm and Rural Development Act (7 U.S.C. §1932; CFDA #10.771). Regulations are at 7 C.F.R. part 4284. Formerly known as the Rural Technology and Cooperative Development Grant Program. See also RD's website at https://www.rd.usda.gov/programs-services/rural-cooperative-development-grant-program.

[131] Cooperative development centers must primarily serve *rural areas*, defined as any area except a city or town where the population exceeds 50,000, or any urbanized area contiguous or adjacent to a town where the population exceeds 50,000 people. For a list of USDA-supported Rural Cooperative Development Centers, see https://www.rd.usda.gov/files/RD-CoopDevelopmentCenters.pdf.

[132] See, for example, USDA's press release, "USDA Announces $5.8 Million to Support Rural Cooperatives," October 24, 2015, at https://www.rd.usda.gov/newsroom/news-release/usda-announces-58-million-support-rural-cooperatives.

[133] 85 *Federal Register* 39870, July 2, 2020.

USDA to set aside 20% of funding for cooperatives or cooperative development centers that serve socially disadvantaged groups under the Socially Disadvantaged Groups Grant Program (SDGG).[134] Eligible SDGG applicants include cooperatives or cooperative development centers that serve socially disadvantaged groups, and where a majority of the governing board is comprised of individuals who are members of socially disadvantaged groups.[135] Eligible projects must provide technical assistance to socially disadvantaged groups in rural areas. Congress appropriated $5.8 million for RCDG in both FY2019 and FY2020. Successful RCDG applicants are required to provide a cash or in-kind matching contribution of 25% of the total project cost, with some exceptions;[136] however, there is no matching requirement for SDGG. In FY2019 and FY2020, Congress provided less than $7.5 million annually for RCDG, and thus did not trigger the 20% set-aside for SDGG. However, Congress provided $3 million per year for SDGG in FY2019 and FY2020, outside of the $5.8 million provided for RCDG.

Rural Business Development Grant (RBDG) Program

The RBDG program was established in the 2014 farm bill, consolidating two existing RD grant programs—the Rural Business Enterprise Grant Program and the Rural Business Opportunity Grant Program—into a single program.[137] RBDG provides grants for technical assistance and projects that benefit small businesses, defined in program regulations as businesses with fewer than 50 employees and less than $1 million in gross revenue.[138] RBDG grants are classified into two categories:

- **Enterprise Grants.** Eligible projects for enterprise grants include land acquisition, construction or repair of facilities and equipment, job training, and technical assistance, such as developing feasibility studies and business plans. Recipients may also use enterprise grants to establish a revolving loan fund that will make loans to small businesses for start-up costs or working capital.
- **Opportunity Grants.** Eligible projects for opportunity grants include business planning, leadership or entrepreneur training, community development planning, establishing business support centers, and establishing training centers focused on technology or trade.[139]

Eligible entities for both types of grants include public bodies, federally recognized Tribes, and nonprofit entities. Grants must support small businesses in a rural area with a population of 50,000 or fewer. There is no matching requirement, but RD gives priority to applications that provide at least 25% of the project cost in nonfederal funds. RD also gives priority to certain projects, including projects requesting grants under $500,000; projects in areas that have experienced economic distress, population decline, or persistent poverty; and projects based on

[134] 7 U.S.C. §1932(e)(11)(B). See RD's website at https://www.rd.usda.gov/programs-services/socially-disadvantaged-groups-grant.

[135] See footnote 24 for statutory definition of socially disadvantaged group.

[136] For example, a 5% match applies for Native American tribally controlled colleges and universities that were granted land-grant status under an act of Congress in 1994.

[137] P.L. 113-79, §6012, amending the Consolidated Farm and Rural Development Act (7 U.S.C. §1932(c); CDFA#10.351). Regulations are at 7 C.F.R. Part 4280, Subpart E. See also RD's website, https://www.rd.usda.gov/programs-services/rural-business-development-grants.

[138] 7 C.F.R. §4280.403.

[139] 7 C.F.R. §4280.417.

the number of jobs the project expects to create, relative to grant size.[140] Congress provided $35 million for the RBDG program in FY2019 and $37 million in FY2020. Opportunity grants are limited to 10% of annual program funding.

Business and Industry (B&I) Loan Guarantee Program

B&I loans were established as part of the 1990 farm bill, and reauthorized and amended in subsequent farm bills.[141] The program, administered by RD, provides loan guarantees to help new and existing businesses in rural areas gain access to capital. By issuing a guarantee to a private lender, USDA essentially co-signs the loan to a business owner, committing to pay a portion of any loss that might result if the business owner is unable to repay the loan. Having the guarantee reduces the lender's risk, allowing the lender to extend more favorable interest rates and terms. Eligible borrowers include individuals, cooperative organizations, corporations, public bodies, partnerships, or other legal entities (for profit or nonprofit), or federally recognized tribal groups. Borrowers may use loans for business conversion, enlargement, repair, modernization, or development; to purchase and develop land, easements, rights-of-way, buildings, or facilities; to purchase equipment, leasehold improvements, machinery, supplies, or inventory; or to finance business acquisitions that will create or save jobs.[142]

RD may guarantee individual loans of up to $10 million, with some special exceptions for loans up to $25 million, and up to $40 million for rural cooperatives that process value-added agricultural commodities. Guarantees range from 60%-80%, depending on the loan size.[143] The maximum loan term is 30 years for loans for real estate; the lesser of 15 years or the useful life for machinery and equipment loans; and 7 years for working capital loans.[144] Congress provided loan authority of $950 million in FY2019 and $1 billion in FY2020 for the program.[145] RD allocates funds to states based on the proportion of their rural population.

Congress amended the B&I program in the 2008 farm bill to direct RD to support local and regional food production by setting aside at least 5% of program funding each year.[146] This allocation is "to establish and facilitate enterprises that process, distribute, aggregate, store, and market *locally or regionally produced agricultural food products* to support community development and farm and ranch income" [emphasis added].[147] Congress has reauthorized this set-aside in subsequent farm bills, including the 2018 farm bill, which reauthorized the set-aside through FY2023. An eligible locally or regionally produced agricultural food product is defined as "any agricultural food product that is raised, produced, and distributed in ... the locality or region in which the final product is marketed, so that the total distance that the product is transported is less than 400 miles from the origin of the product; or ... the State in which the

[140] For examples of previously awarded grants, see USDA, FY2021 Explanatory Notes – Rural Business-Cooperative Service, https://www.usda.gov/obpa/congressional-justifications.

[141] P.L. 101-624, §1811, amending the Consolidated Farm and Rural Development Act (7 U.S.C §1932(g); CFDA #10.768). See RD's website at https://www.rd.usda.gov/programs-services/business-industry-loan-guarantees.

[142] 7 C.F.R. §4279.113.

[143] 7 C.F.R. §4279.119.

[144] 7 C.F.R. §4279.126.

[145] In March 2020, Congress provided supplemental funding of $1 billion in loan authority for loans "to prevent, prepare for, and respond to coronavirus" in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136, Division B, Title 1).

[146] P.L. 110-246, §6015.

[147] P.L. 110-246, §6015.

product is produced."[148] Eligible applicants may be located in rural or urban areas, as long as they produce and sell food products locally or regionally. USDA gives priority to projects that serve underserved communities—communities that have limited access to affordable, healthy foods, and have a high rate of poverty or food insecurity.[149]

Community Facilities Direct Loans, Grants, and Loan Guarantees

Community Facilities loans and grants were established as part of the 1990 farm bill, and reauthorized and amended in subsequent farm bills.[150] Administered by RD, the programs provide low-interest loans and grants to construct, acquire, or renovate community facilities for public use in rural areas, including equipment. Eligible projects may include health care facilities, public safety facilities (such as police and fire stations), town halls and courthouses, community support facilities (such as childcare centers), and educational facilities (such as museums and libraries). Local and regional food facilities that may be eligible include community kitchens, community gardens, food banks, food hubs, or greenhouses. Eligible applicants include public and nonprofit organizations, and federally recognized Indian tribes.

RD administers two programs to finance Community Facilities—the Direct Loan and Grant Program and the Loan Guarantee Program. The two programs have the same aim, and fund the same activities, but eligibility criteria for the Loan Guarantee Program is slightly broader than for the Direct Loan and Grant Program. An eligible area for grants and direct loans is a rural area with a population of 20,000 or fewer. Grants may fund between 15%-75% of a project's cost.[151] RD reserves grant funds for projects that serve very rural communities, serve communities with low median household incomes, or fund health care or public safety projects. RD often awards loan-grant combinations, where projects meeting one or more of the above prioritizations receive a higher portion of their total award as a grant. For loan guarantees, an eligible area is a rural area with a population of 50,000 or fewer, though RD prioritizes projects in rural areas with a population of 20,000 or fewer. The maximum loan guarantee is 90% of the eligible loan. The maximum loan term for a direct or guaranteed loan is 40 years.

In FY2019, Congress provided $30 million for grants, loan authority of $2.8 billion for direct loans, and loan authority of $148 million for loan guarantees. In FY2020, Congress provided $32 million for grants, loan authority of $2.8 billion for direct loans, and loan authority of $500 million for loan guarantees.

Rural Microentrepreneur Assistance Program (RMAP)

The 2008 farm bill established RMAP to provide technical assistance to, and improve access to credit for, eligible rural microenterprises.[152] Under the program, a *rural microenterprise* is defined as a sole proprietorship or a business with not more than 10 full-time-equivalent

[148] 7 U.S.C. §1932(g)(9)(A).

[149] 79 *Federal Register* 24393, April 30, 2014. See also RD's 2015 fact sheet, at https://www.rd.usda.gov/files/Local_Food_Fact_Sheet_20150401.pdf.

[150] P.L. 101-624, §1811, amending the Consolidated Farm and Rural Development Act (7 U.S.C §1926; CFDA #10.766). Regulations are at 7 C.F.R. Part 1942.17(d) for loans and 7 C.F.R. Part 3570.62 for grants. See RD's websites at https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program; and https://www.rd.usda.gov/programs-services/community-facilities-guaranteed-loan-program.

[151] See 7 C.F.R. §3570.63. For examples of previously awarded grants, see RD's press release, "USDA Announces Investments in Rural Community Facilities that will Benefit Nearly 300,000 Americans," March 18, 2019.

[152] P.L. 110-246, §6022, amending the Consolidated Farm and Rural Development Act, 7 U.S.C. §2008s (CFDA #10.870). Regulations are at 7 CFR 4280, Subpart D. See RD's website, https://www.rd.usda.gov/programs-services/rural-microentrepreneur-assistance-program.

employees, located in a rural area (population 50,000 or fewer). This could include entities engaged in the production, processing, or distribution of local foods. RMAP provides loans and grants to eligible entities that provide assistance to rural microenterprises. Eligible entities, include nonprofit organizations, Indian tribes, or public institutions of higher education.

RMAP grants may be used to finance technical assistance or training to rural microenterprises. The maximum grant award is $205,000. Applicants must provide nonfederal matching funds of at least 15% of the project cost. RMAP loans may be used to finance the establishment of a revolving loan fund that provides microloans of $50,000 or less to rural microenterprises. As microenterprises repay their microloans to the intermediary (USDA loan recipient), the intermediary "revolves" the repaid funds by making new microloans to microenterprises. Under RD regulations, the minimum loan amount from RD to an intermediary is $50,000 and the maximum loan amount is $500,000.[153] The interest rate is set at 1% and the maximum loan term is 20 years. [154] Microenterprises may use microloans to finance working capital, the purchase of inventory or supplies, the purchase or lease of real estate, debt refinancing, or business acquisitions. The maximum microloan term is 10 years.[155] An intermediary may make a microloan for up to 85% of the project cost. The other 15% of cost must be funded either by the microenterprise receiving the microloan or by the intermediary, using nonfederal funds.

The 2008 and 2014 farm bills authorized both mandatory and discretionary funding for RMAP.[156] The 2018 farm bill eliminated the mandatory funding.[157] Congress appropriated $3 million in FY2019 and $6 million in FY2020 for the program.[158]

Healthy Food Financing Initiative (HFFI)

Prior to the 2014 farm bill, USDA administered a Healthy Food Financing Initiative (HFFI) and requested appropriations for several existing statutory authorities in order to provide grants and tax credits to support development of food retailers in underserved communities. Since 2010, Administrations have operated related programs at USDA, Health and Human Services (HHS), and/or the U.S. Treasury.[159] At USDA, RD administers HFFI.

The 2014 farm bill established a legislatively mandated HFFI at USDA, modeled after existing HFFI programs at HHS and the U.S. Treasury, to expand access to healthy, fresh foods in low-income, underserved communities, among other objectives.[160] The law established a new authority by the same name. The purpose of the initiative is to enhance USDA authorities to[161]

> support efforts to provide access to healthy food by establishing an initiative to improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to

[153] 7 C.F.R. §4280.311(f).

[154] 7 U.S.C. §2008(b)(3)(B).

[155] 7 C.F.R. §4280.322.

[156] The 2008 farm bill (P.L. 110-246, §6022) authorized mandatory funding of $4 million annually for FY2009-FY2011 and $3 million for FY2012. The 2014 farm bill (P.L. 113-79, §6023) authorized mandatory funding of $3 million annually for FY2013-FY2018. Both farm bills authorized discretionary funding of $40 million per year.

[157] P.L. 115-334, §6422.

[158] In FY2019, Congress provided RMAP funding in the General Provision title (Title VII) of the Agriculture appropriations bill. In FY2020, Congress provided RMAP funding in the Rural Development title (Title III) of the Agriculture appropriations bill.

[159] For more information, see CRS Report R44390, *The Role of Local and Regional Food Systems in U.S. Farm Policy*.

[160] P.L. 113-79, §4206; 7 U.S.C. §6953 (CFDA #10.872).

[161] 7 U.S.C. §6953.

> revitalize low-income communities by providing loans and grants to eligible fresh, healthy food retailers to overcome the higher costs and initial barriers to entry in underserved areas.

The program's authority allows USDA to approve a community development financial institution as the *national fund manager*.[162] The national fund manager administers HFFI on behalf of USDA, including raising private capital, leveraging existing federal programs, establishing criteria for projects and partnerships, making awards, and monitoring and reporting on program performance.[163] The national fund manager may use HFFI funds to establish a revolving loan fund, provide grants, and provide technical assistance.[164] The national fund manager also establishes project criteria; however, eligible projects must expand or preserve access to staple foods and accept SNAP benefits, when applicable.[165] In 2017, after USDA initiated its application process, the agency selected Reinvestment Fund as HFFI's national fund manager.[166]

The 2014 farm bill authorized discretionary funding of $125 million for HFFI, to remain available until expended. Congress first provided funding for USDA's HFFI in FY2017. Congress has provided $1 million for HFFI in each of FY2017 and FY2018, $2 million in FY2019, and $5 million in FY2020. According to Reinvestment Fund, in 2019 the organization awarded a total of $1.4 million in financial assistance to ten projects and an additional $0.4 million in technical assistance awards to another 13 projects.[167] Reinvestment Fund also announced that financial and technical assistance through the 2020 round of HFFI's Targeted Small Grants Program will provide $3 million in grant funding for food retail and food enterprises that are working to "improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities."[168]

Nutrition Assistance Programs

Farmers' Market Nutrition Programs

USDA's Food and Nutrition Service administers two programs that provide benefits redeemable only at farmers' markets—the WIC Farmers' Market Nutrition Program (WIC FMNP), and the Senior Farmers' Market Nutrition Program (SFMNP). FNS provides grants to state agencies, such as state health, agriculture, and other agencies and Indian Tribal Organizations (ITOs), in nearly all but not all states (or tribes).

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[162] The national fund manager must be a community development financial institution that is in existence on the date of the 2014 farm bill's enactment, and certified by the Community Development Financial Institution (CDFI) fund of the Department of Treasury to manage the Initiative (7 U.S.C. §6953(b)(3)).

[163] 81 *Federal Register* 85510, November 28, 2016.

[164] Up to 10% of funds may be used to cover the national fund manager's administrative expenses (7 U.S.C. §6953(c)(2)).

[165] A *staple food* means a "food that is a basic dietary item," including "bread or cereal, flour, fruits, vegetables, meat and dairy products" (7 U.S.C. §6953(b)(7)).

[166] 81 *Federal Register* 85510, November 28, 2016. See also RD press release, "USDA Announces New Partnership to Increase Rural Residents' Access to Healthy Food," January 13, 2017.

[167] Reinvestment Fund, "Financial and Technical Assistance Awardees," at http://www.investinginfood.com/impact.

[168] Reinvestment Fund press release, "Healthy Food Financing Initiative Announces $3 Million Available in Funding," May 20, 2020.

WIC Farmers' Market Nutrition Program

The WIC FMNP was first established in 1992 under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) to provide fresh, locally grown produce to low-income WIC applicants and recipients and to expand their use of farmers' markets. The program allows farmers' markets and roadside stands to accept WIC FMNP benefits (typically checks or coupons).[169] Federal funds support 100% of the food costs and 70% of the administrative cost of the program (states contribute at least 30% of the administrative cost of the program). In FY2018, 39 states, DC, Guam, Puerto Rico, the U.S. Virgin Islands, and 6 ITOs participated in WIC FMNP. Participating state agencies must submit a plan describing how the agency intends to implement, operate, and administer the program. In FY2018, the FMNP provided coupons to over 1.7 million WIC participants. The participants redeemed their coupons, a national average of $23 per person per year, at nearly 5,800 authorized farmers' markets and roadside stands, providing revenue to over 16,900 farmers.[170] Appropriated funding for the WIC-FMNP totaled approximately $18.5 million in FY2020.

Senior Farmers' Market Nutrition Program (SFMNP)

The SFMNP was authorized in the 2002 farm bill and reauthorized in the 2008 farm bill, to provide fruits, vegetables, herbs, and honey from farmers' markets, roadside stands, and CSA programs to low-income seniors, by allowing farmers' markets and roadside stands to accept SFMNP coupons.[171] The SFMNP awards grants to states, territories, and ITOs to provide low-income seniors with coupons that can be exchanged for eligible foods at farmers' markets, roadside stands, and CSAs. During FY2018, the SFMNP operated in a total of 53 state agencies, including the District of Columbia, Puerto Rico, and 8 federally recognized Indian Tribal Organizations (ITOs). One state agency, Missouri, was added in FY2019. In FY2018, the SFMNP provided coupons to nearly 840,000 low-income older Americans. The participants redeemed their coupons at over 6,500 authorized farmers' markets, roadside stands and CSAs providing revenue to over 19,000 farmers. Annual SFMNP vouchers/coupons were worth an average of $32 in FY2019.[172] The 2018 farm bill extended the annual mandatory funding, provided by a transfer from the CCC, of $20.6 million annually through FY2023.

Supplemental Nutrition Assistance Program (SNAP) (specifically SNAP redemptions at farmers' markets)

Benefits under the FNS-administered Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) similarly provide additional resources to patronize and support farmers' markets.[173] SNAP participants receive benefits on an electronic benefit transfer (EBT) card that

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[169] 42 U.S.C. §1786, amending the Child Nutrition Act (CFDA# 10.572). FNS, https://www.fns.usda.gov/fmnp/wic-farmers-market-nutrition-program.

[170] FNS, "WIC FMNP Profiles – Grants and Participation," https://www.fns.usda.gov/sites/default/files/resource-files/FY%202018%20FMNP%20Profile_0.pdf. WIC FMNP coupons are separate and additional assistance to the monthly WIC fruit and vegetable vouchers provided to women and children in WIC. See CRS Report R44115, *A Primer on WIC: The Special Supplemental Nutrition Program for Women, Infants, and Children*.

[171] P.L. 107-171; §4402 (as amended by P.L. 115-334); 7 U.S.C. §3007 (CFDA# 10.576). FNS, https://www.fns.usda.gov/sfmnp/senior-farmers-market-nutrition-program .

[172] FNS, "SFMNP Profiles – Grants and Participation," https://www.fns.usda.gov/sfmnp/sfmnp-profile-data.

[173] SNAP statutory provisions, however, do not require that benefits be redeemed at local establishments or in farm-to-consumer settings.

they may redeem at an authorized retailer for most foods. SNAP benefits may also be used to purchase seeds or plants to grow food.[174]

Farmers' markets may and often do become SNAP-authorized retailers. FNS reported that nearly 3,700 farmers' markets and direct marketing farmers were authorized to accept SNAP benefits in FY2019, with their SNAP transactions totaling nearly $23 million, down from over $24 million in FY2018.[175] Over 50% of the authorized markets and farmers are found in 11 states: California, Iowa, Massachusetts, Michigan, New York, North Carolina, Ohio, Oregon, Pennsylvania, Virginia, and Washington.

Over the years, to increase SNAP consumers' purchasing power for fruits and vegetables, many markets have implemented bonus incentive projects. These initiatives provide additional funds to SNAP consumers; for instance, $5 in SNAP benefits at a particular bonus incentive site could allow $10 in purchases. Until the 2014 farm bill, no federal funding was available for these projects. However, the 2014 farm bill created a competitive grant program that provides federal funding to grantees (government and nonprofit organizations) for bonus incentives. The 2018 farm bill reauthorized and renamed the program, increasing funding and expanding the grant types for incentivizing fruit and vegetable purchases (see "Gus Schumacher Nutrition Incentive Program (GuSNIP) Grants").

Farm to School Program

The Healthy, Hunger-Free Kids Act of 2010 (§243 of P.L. 111-296) authorized a "farm to school program" in Section 18 of the Richard B. Russell National School Lunch Act.[176] The law provided $5 million per year in mandatory funding and authorized discretionary funding for grants to organizations, technical assistance, and research.[177] Subsequent appropriations laws provided additional discretionary funds for the farm to school grant program and FNS' technical assistance for grantees.[178] The farm to school program is administered by FNS' Office of Community Food Systems.

The largest component of the program, The Farm to School Grant Program, provides competitive grants to schools and institutions participating in a child nutrition program,[179] state and local

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[174] The 1973 farm bill (Agriculture and Consumer Protection Act of 1973, P.L. 93-86, 7 U.S.C. §2012(b)) included an amendment to the Food Stamp Act stating that "the term 'food'... shall also include seeds and plants for use in gardens to produce food for the personal consumption of the eligible household." For information, see FNS, "SNAP: Eligible Foods," http://www.fns.usda.gov/snap/eligible-food-items and SNAPGardens.org, http://www.snapgardens.org/.

[175] FNS, *Retailer Management Year-End Summaries: FY2019 Year-End Summary*, available at https://www.fns.usda.gov/snap/retailer/data. In FY2019 the number of authorized farmers' markets and direct marketing farmers decreased 43% from FY2018 (7,206 retailers). FNS states that the non-redeeming farmers' markets and direct marketing farmers were removed from the program.

[176] For further discussion, see USDA, "Legislative History Related to Farm to School," http://www.fns.usda.gov/sites/default/files/F2Sleg_history.pdf.

[177] Discretionary funding has been provided through appropriations for the Farm to School program. For example, §754 of the Consolidated Appropriations Act of 2019 (P.L. 116-6) provided an additional $5 million for FY2019 (bringing the FY2019 total to $10 million). For more information on USDA's research of farm to school programs, see FNS, "About the Census," https://farmtoschoolcensus.fns.usda.gov/about.

[178] For example, the Consolidated Appropriations Act of 2019 (§754 of P.L. 116-6) provided an additional $5 million in discretionary funding for the farm to school program and $4 million for FNS' technical assistance related to the program (the "farm to school tactical team").

[179] For the purposes of Farm to School, "eligible school" is defined in statute as a school or institution that participates in a program under the Richard B. Russell National School Lunch Act or the School Breakfast Program established under §4 of the Child Nutrition Act of 1966 (42 U.S.C. §1773). The programs include the National School Lunch

agencies, ITOs, agricultural producers or groups of agricultural producers, and nonprofit entities "to implement farm to school programs that improve access to local foods in eligible schools."[180] According to statute, grants may be used for "training; supporting operations; planning; purchasing equipment; developing school gardens,[181] developing partnerships; and implementing farm to school programs."[182] Grantees have used funds to source local foods, facilitate farm tours, establish school gardens, and incorporate nutrition education and agriculture-related lessons into the curriculum, among other activities.[183] The law specifies that "geographical diversity" and "equitable treatment of urban, rural, and tribal communities" be considered when USDA awards grants under the program.[184] According to statute, USDA must also prioritize projects that make local food products available on school menus, serve a high proportion of students who receive free and reduced-price meals, include nutrition education, demonstrate collaboration between schools and community partners, include evaluation plans, and demonstrate the potential for long-term program sustainability.[185] Nonfederal funds must comprise at least 25% of project costs.[186]

Since its inception in 2013, the Farm to School Grant Program has funded more than 700 projects in approximately 47,000 schools in all 50 states, DC, the U.S. Virgin Islands, Guam, and Puerto Rico.[187] In FY2020, FNS awarded more than $12 million for 159 grants, projected to serve more than 7,610 schools and 2.5 million students.[188] In FY2019, FNS awarded more than $9 million for 126 grants. Grants can range from $20,000 to $100,000, and three different types of grants were available: *planning grants* to help launch new projects, *implementation grants* to expand existing programs, and *training grants* to disseminate best practices statewide, across regions, or nationally.[189]

A smaller component of farm to school efforts is technical assistance. In recent years, annual appropriations acts have provided nearly $4 million for FNS' Farm to School Team, which facilitates relationships between program operators and regional or local food producers among other technical assistance. In addition, in FY2019, FNS awarded a $1.8 million three-year contract to the National Center for Appropriate Technology to develop farm to school trainings for agricultural producers.[190] FNS also created a new grant program in FY2020, the Regional Farm to School Institute Grants, which are intended "to develop and deliver farm to school

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Program, the School Breakfast Program, Child and Adult Care Food Program, and Summer Food Service Program, among others. For more information, see CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A Primer*.

[180] Section 18(g)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. §1769(g)(2)).

[181] The Richard B. Russell National School Lunch Act also authorizes a pilot program to provide grants to high-poverty schools to promote healthy food education and hands-on gardening in the school curriculum. This program has not been funded since FY2011.

[182] Section 18(g)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. §1769(g)(3)).

[183] FNS, *Cultivating Opportunity: An Overview of USDA's Fiscal Year 2015 and 2016 Farm to School Grantees' Growing Achievements*, October 2018.

[184] Section 18(g)(5) of the Richard B. Russell National School Lunch Act (42 U.S.C. §1769(g)(5)).

[185] Ibid.

[186] Section 18(g)(3)(C) of the Richard B. Russell National School Lunch Act (42 U.S.C. §1769(g)(3)(C)).

[187] FNS press release, "USDA Gives Out $12.1 Million in Largest-Ever Farm to School Grant Awards," Release No. FNS 0007.20, June 29, 2020.

[188] Ibid.

[189] Ibid.

[190] USDA, FY2021 Explanatory Notes – Food and Nutrition Service, https://www.usda.gov/obpa/congressional-justifications.

training, create and disseminate information on developing farm to school programs, and provide ongoing coaching and technical assistance."[191] Grants of $100,000 were awarded to two private organizations: Shelburne Farms, which serves school districts in the Northeast, and the First Nations Development Institute, which serves tribal communities in the Midwest.

Additional information on farm to school initiatives is available through the National Farm to School Network (an advocacy organization).[192]

Procurement in School Meals and Other Child Nutrition Programs

While specific grant programs support farm to school work, schools and institutions participating in the USDA-FNS child nutrition programs may also utilize federal funds to purchase local foods in their daily operations. Specifically, schools and institutions participating in the National School Lunch Program (NSLP), School Breakfast Program (SBP), Child and Adult Care Food Program (CACFP), and Summer Food Service Program (SFSP) receive per-meal reimbursements from the federal government, and they may use these funds to purchase foods from local and regional food systems.[193] Moreover, the 2008 farm bill amended the child nutrition program statute to include language that encourages schools and other institutions to purchase "unprocessed agricultural products, both locally grown and locally raised, to the maximum extent practicable and appropriate."[194] The law also allows (but does not require) schools and other institutions receiving child nutrition funds to use "geographic preference" in procurement criteria.[195] Because geographic preference still operates within the framework of existing procurement law, schools may face barriers to purchasing a local product that is not the lowest-cost bid. USDA has provided guidance, suggesting that applying geographic preference points may enable a local product to win a contract.[196]

In addition to cash reimbursements, schools and other institutions participating in the child nutrition programs also receive a certain amount of funding to use towards federally purchased commodities.[197] Most of these commodities are "USDA Foods" selected by states and schools and procured by USDA. These commodities are domestically produced, but not necessarily locally produced. There are two exceptions to using commodity funds for USDA Foods: DOD Fresh and the Pilot Project for Procurement of Unprocessed Fruits and Vegetables—both of which include local options (discussed below).

DOD Fresh

Schools may also use their commodity funding towards fresh fruits and vegetables offered through the Department of Defense Fresh Fruit and Vegetable Program ("DOD Fresh"), which includes both local and domestic products (*local* is defined as "produce from within the state or

[191] Ibid.

[192] National Farm to School Network, http://www.farmtoschool.org/.

[193] For more information on child nutrition programs, see CRS Report R46234, *School Meals and Other Child Nutrition Programs: Background and Funding*.

[194] P.L. 110-246, §4302 (Purchases of Locally Produced Foods), amending §9(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(j)).

[195] Ibid.

[196] FNS, "Procurement Geographic Preference Q&As," February 1, 2011, https://www.fns.usda.gov/procurement-geographic-preference-qas.

[197] See CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.

adjacent states").[198] In addition to the local designation, as of October 1, 2019, the DOD Fresh catalog includes the product's state of origin.[199]

DOD Fresh is a partnership between USDA and the Department of Defense that enables the child nutrition programs to use DOD's food supply chain for military bases.[200] The program is not specific to DOD schools; any school or institution participating in a child nutrition program may participate in DOD Fresh. DOD Fresh helps fulfill a requirement in law that at least $50 million of USDA's commodity purchases per year must be in the form of fresh fruits and vegetables for distribution to schools and other institutions participating in the child nutrition programs.[201]

The geographic preference provision in the 2008 farm bill (discussed in the previous section) also pertains to the DOD Fresh program. USDA is required to allow schools and institutions to apply a preference for locally grown and locally raised unprocessed agricultural products through DOD Fresh.[202] Such institutions are not required to purchase local products through DOD Fresh.

Pilot Project for Procurement of Unprocessed Fruits and Vegetables

The 2014 farm bill established a separate pilot program for up to eight states to allow schools to use their National School Lunch Program commodity allotments to purchase unprocessed fruits and vegetables directly instead of through the USDA Foods system.[203] This includes local procurement if desired. This Pilot Project for Procurement of Unprocessed Fruits and Vegetables began in school year 2014-2015 in California, Connecticut, Michigan, New York, Oregon, Virginia, Washington, and Wisconsin and remained ongoing in these eight states as of school year 2019-2020.[204] An evaluation of the pilot published in March 2018 found that states spent approximately 62% of pilot funds on local fruits and vegetables (local was defined as originating in the same state or adjacent states).[205]

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[198] USDA Office of Community Food Systems, "Using USDA DoD Fresh to Purchase Local Produce," August 2017, https://fns-prod.azureedge.net/sites/default/files/f2s/DoDFresh.pdf.

[199] FNS, "USDA Foods from Farm to Plate: Spotlight on Schools," September 25, 2019, https://content.govdelivery.com/accounts/USFNS/bulletins/2584bde.

[200] The DOD Fresh program began as a USDA pilot project in 1996, with eight states participating by allocating a portion of their commodity entitlement funds toward the program. The program followed discussions between USDA's FNS and the Department of Defense "to enter into a pilot project to supply fresh fruit and vegetables directly to schools along with their deliveries to military installations or other sites in the United States," leading to a formal agreement in August 1995 authorizing the program. In 1996-1997, DOD Fresh delivered produce valued at about $3.2 million to schools in eight states. Today, DOD Fresh delivers produce valued at about $70 million to schools in all 50 states. For more information, see USDA, "Department of Defense Fresh Fruit and Vegetable Program," 2011.

[201] Section 10603(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. §612c-4). The 2018 farm bill (P.L. 115-334) extended this requirement through 2023.

[202] P.L. 110-246, §4302 (Purchases of Locally Produced Foods), amending §9(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. §1758(j)).

[203] P.L. 113-79, §4202; AMS, "Pilot Project: Unprocessed Fruits & Vegetables," https://www.ams.usda.gov/selling-food/pilot-project.

[204] FNS, "Contact Information for the Unprocessed Pilot Project," March 2, 2020, https://www.fns.usda.gov/usda-fis/pilot-project-unprocessed-contacts. Information is not yet available for the 2020-2021 school year.

[205] FNS, *Final Report: Evaluation of the USDA Pilot Project for Procurement of Unprocessed Fruits and Vegetables*, conducted by Econometrica, Inc. and Westat, p. 57.

Farm to Food Bank Projects

The Emergency Food Assistance Program (TEFAP) is a federal food distribution program that supports food banks, food pantries, soup kitchens, and other emergency feeding organizations.[206] The 2018 farm bill (§4018 of P.L. 115-334) authorized Farm to Food Bank Projects (as termed by USDA) within TEFAP. The projects are intended to support the harvesting, processing, packaging, and/or transporting of raw or unprocessed donated commodities from agricultural producers, processors, and distributors to emergency feeding organizations. The law provided $4 million in annual mandatory funding for the projects from FY2019-FY2023 and required at least a 50% nonfederal match. States must include a plan of operations for Farm to Food Bank Projects in their state TEFAP plans in order to receive federal funding. The law gives USDA discretion to determine how funds are allocated to such states. Through rulemaking published in October 2019, USDA established that funds would be allocated the same way as current TEFAP entitlement funds, based on states' share of households in poverty and share of unemployed persons.[207]

Community Food Projects Competitive Grants Program

The Community Food Projects Competitive Grants Program (also known as the Community Food Projects program) was created in the 1996 farm bill and further amended in subsequent farm bills.[208] Program funding is appropriated to the FNS's SNAP account and then transferred to NIFA, the agency that administers the program. The program provides grants to support projects that meet the food needs of low-income people; increase the self-reliance of communities in providing for their own needs; and promote comprehensive responses to local food, farm, and nutrition issues. The 2014 law also included new types of eligible grantees, for example, *gleaners*.[209] The 2018 farm bill reauthorized the competitive grants and funded them at $5 million in mandatory funding for FY2019 and each fiscal year thereafter.[210] Activities supported by this program are a wide range of community-based projects and initiatives, including urban agriculture and targeted markets to address food insecure communities. Grants are awarded for community food projects and planning projects. The range of grant awards and their duration depend on the type of project, but all require a one-to-one match in resources.[211]

Gus Schumacher Nutrition Incentive Program (GuSNIP) Grants

As discussed earlier, the 2014 farm bill established federal funding for projects that incentivize SNAP participants' purchase of fruits and vegetables. Originally, the grants were named the Food Insecurity Nutrition Incentive (FINI). [212] The 2018 farm bill reauthorized, expanded, and renamed the program to Gus Schumacher Nutrition Incentive Program (GuSNIP). In particular, GuSNIP, included dedicated funding for *produce prescription* grants for projects focused on providing a

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[206] See CRS Report R45408, *The Emergency Food Assistance Program (TEFAP): Background and Funding*.

[207] 84 *Federal Register* 52997 October 4, 2019.

[208] P.L. 115-334, §4017, amending the Food and Nutrition Act of 2008 (section codified at 7 U.S.C. §2034). See USDA's website: https://nifa.usda.gov/funding-opportunity/community-food-projects-cfp-competitive-grants-program.

[209] To glean refers to the collection of leftover crops from farmers' fields after harvest or crops that are not economically profitable to harvest. It also refers to the collection of foods from supermarkets that might otherwise be thrown away.

[210] This was a reduction in funding, as the 2014 farm bill had increased funds for this program by $4 million to a total of $9 million.

[211] NIFA, https://nifa.usda.gov/funding-opportunity/community-food-projects-cfp-competitive-grants-program.

[212] P.L. 113-79, §4208.

fruit and vegetable benefit to individuals with health care needs. GuSNIP, like FINI, is administered by NIFA. GuSNIP supports four categories of projects:

- GuSNIP Pilot Projects (awards not to exceed $100,000 over one year);
- GuSNIP Projects (awards not to exceed $500,000 over no more than four years);
- GuSNIP Large-Scale Projects (awards of over $500,000 over no more than four years); and
- Produce Prescription (awards not to exceed $500,000 over no more than three years).[213]

All grant types above except the produce prescription grants require grantees to match federal funding. In addition to the project grants described above, the 2018 farm bill also authorized and included mandatory funding for cooperative agreements for Nutrition Incentive Program Training, Technical Assistance, Evaluation, and Information Centers.[214]

The 2018 farm bill provided annual mandatory funding that increases each year (FY2019-2023) in the amount of: $45 million for FY2019, $48 million for each of FY2020 and FY2021; $53 million for FY2022, and $56 million for FY2023 and each year thereafter. This is an increase from FY2018, for which the 2014 farm bill had provided $25 million. The 2018 farm bill continued discretionary authority of $5 million per year for FY2014-FY2023.[215]

Other Federal Programs

In addition to USDA programs, other federal agencies may provide community and economic development resources to support local and urban food systems. Several federal agencies administer grants, loans or loan guarantees, incentives (including tax policies), and technical assistance programs for businesses and intermediary, support organizations.

Some programs are administered by agencies other than or in conjunction with USDA, such as the Healthy Food Financing Initiative (HFFI), which involves USDA, the Department of Health and Human Services (HHS), and the U.S. Department of the Treasury. Aside from USDA, resources that could support local and urban food systems exist at other U.S. federal agencies. For example, Community Services Block Grants and Social Services Block Grants—both administered by HHS—provide federal funds to states, territories, and tribes for distribution to local agencies to support a wide range of community-based activities to reduce poverty, and may include food aid as an eligible program activity.[216] In addition, the U.S. Treasury's New Markets Tax Credit (NMTC) is a nonrefundable tax credit intended to encourage private capital investment in eligible, impoverished, low-income communities. These include communities that have limited access to fresh and nutritious foods such as in food deserts or in healthy food priority

[213] NIFA, The Gus Schumacher Nutrition Incentive Program, 2020 Request for Applications. See also NIFA, https://nifa.usda.gov/program/gus-schumacher-nutrition-incentive-grant-program.

[214] A cooperative agreement was awarded to the Gretchen Swanson Center for Nutrition to lead this Center.

[215] Section 4205 of P.L. 115-334, codified at 7 U.S.C. §7517.

[216] The Community Services Block Grant Act was last reauthorized in 1998 by P.L. 105-285 (42 U.S.C. §9901). For more background, see CRS Report RL32872, *Community Services Block Grants (CSBG): Background and Funding* and CRS In Focus IF10115, *Social Services Block Grant*. Related programs include Community Economic Development (CED), Rural Community Facilities (RCF), and Individual Development Accounts (IDAs).

areas.[217] NMTCs are allocated by the Community Development Financial Institutions (CDFI) fund, a bureau within U.S. Treasury, under a competitive application process.[218]

Other agencies with programs that could support the development of local food systems include the Department of Housing and Urban Development (HUD), the Department of Commerce's Economic Development Administration (EDA), the Small Business Administration (SBA), and federal regional commissions. For example, HUD administers the Community Development Block Grant (CDBG) program, which might support certain food related activities as part of its federal assistance to state and local governments in support of local neighborhood revitalization, housing rehabilitation, and community and economic development efforts. All CDBG activities must meet one of the three national objectives and qualify as an eligible use of funds. [219] EDA administers a variety of funding and technical assistance avenues for communities seeking to expand local economic opportunities. Eligible activities for many EDA grant programs include construction, equipment, planning, and technical assistance, among other activities.[220] EDA-funded revolving loan funds may help businesses that cannot otherwise obtain traditional bank financing to receive a loan.[221]

SBA helps connect businesses with lenders and funding to help them plan, start, and grow their business.[222] In addition, SBA administers the Community Advantage loan program, which offers streamlined and expedited loan procedures to small businesses in underserved markets.[223] Also SBA's Microloan program is available for smaller projects up to $50,000.[224] In addition, most states are active in direct marketing and farmers' market activities, usually through their state departments of agriculture.[225] Federal regional commissions, such as the Appalachian Regional Commission, the Delta Regional Authority, the Denali Commission, and the Northern Border Regional Commission, provide financial and technical assistance to projects located in counties in the commissions' congressionally designated service areas. The federal regional commissions generally support projects with economic development objectives, which may include the development of food systems, entrepreneurship, and related activities.[226]

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[217] The program was authorized by the Community Renewal Tax Relief Act of 2000 (P.L. 106-554) to stimulate investment in low-income communities. See CRS Report RL34402, *New Markets Tax Credit: An Introduction*.

[218] For more information, see CDFI's website (http://www.cdfifund.gov/).

[219] Authorized by Title I of the Housing and Community Development Act of 1974, P.L. 93-383 (42 U.S.C. §5301 et seq.). See CRS Report R43520, *Community Development Block Grants and Related Programs: A Primer*.

[220] EDA is authorized by the Public Works and Economic Development Act of 1965 (P.L. 89-136), as amended. For more information, see http://www.eda.gov.

[221] For a list of EDA-supported revolving loan funds (RLF), see http://www.eda.gov/rlf. The list includes the organization's name, city, state, webpage and lending area. For more information about RLFs, see CRS In Focus IF11449, *Economic Development Revolving Loan Funds (ED-RLFs)*.

[222] CRS Report RL33243, *Small Business Administration: A Primer on Programs and Funding*. SBA's "lender match" tool can help businesses find potential lenders (https://www.sba.gov/funding-programs/loans/lender-match).

[223] SBA, https://www.sba.gov/category/type-loan/community-advantage. For more information, see CRS Report R41146, *Small Business Administration 7(a) Loan Guaranty Program*.

[224] SBA, https://www.sba.gov/loans-grants/see-what-sba-offers/sba-loan-programs/microloan-program%20.

[225] A list of state contacts is at https://www.ams.usda.gov/services/grants/scmp/states-contacts. Other information is available from the National Association of State Departments of Agriculture (http://www.nasda.org/).

[226] For more information, see CRS Report R45997, *Federal Regional Commissions and Authorities: Structural Features and Function*.

Administration Initiatives

Aside from established federal programs described in this report, USDA has—under various Administrations—initiated policies and departmental initiatives in an effort to provide assistance and support to local and urban food systems. In general, these initiatives are not authorized programs with dedicated authorized funding; however, in some cases the Administration may allocate available funds under other programs to carry out the initiative's priorities and objectives. Examples of such initiatives follow.

Centers for Community Prosperity

In 2019, the Trump Administration launched the USDA's Centers for Community Prosperity initiative. The initiative aims "to increase the capacity of rural and underserved communities across the country," and to implement the recommendations of the White House's Interagency Task Force on Rural Prosperity.[227] Under the initiative, USDA assists rural and underserved communities to organize Local Prosperity Councils, comprised of public and private sector stakeholders, to assess community challenges and identify potential solutions. USDA also supports states and communities to convene Prosperity Summits to facilitate collaboration, provide training, and identify potential federal funding for local projects. While the initiative's primary focus is not local foods systems, it may help connect local food producers to federal assistance. For example, according to USDA, associated trainings "have resulted in grants and leadership endowments to address community challenges such as veteran outreach, improving regional food systems, and combating substance abuse."[228] USDA's Office of Public Partnerships and Engagement (OPPE) administers the Centers for Community Prosperity initiative.

In July 2020, USDA announced $4 million in available funding under USDA's Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (known as the 2501 Program). Under the funding opportunity, applicants must "provide technical assistance to persistent poverty communities, with emphasis on socially disadvantaged and/or veteran farmers, ranchers and agricultural producers ... "[229] In addition to meeting the requirements of the 2501 Program, applicants must also meet certain requirements of the Centers for Community Prosperity Initiative.[230] For example, all applicants must establish a Local Prosperity Council and conduct a community needs assessment for the Council.

Know Your Farmer, Know Your Food (KYF2) and Related Initiatives

The Obama Administration implemented a series of departmental initiatives and priorities intended to support local, regional, and urban food systems.[231] In general, these initiatives were

[227] USDA, "Centers of Community Prosperity," at https://www.usda.gov/partnerships/centers-of-community-prosperity. See also USDA, "Rural Prosperity," at https://www.usda.gov/topics/rural/rural-prosperity.

[228] USDA's press release, "USDA Launches Economic Development Hubs to Support Communities," Release No. 0159.19, October 22, 2019.

[229] 85 *Federal Register* 41516, July 10, 2020.

[230] See OPPE's FAQs, https://www.usda.gov/sites/default/files/documents/cpfo-faqs.pdf. Some lawmakers raised concerns that this funding opportunity redirected funding Congress provided for the 2501 Program to the administration's Centers for Community Prosperity initiative. See, for example, letter from Senators Smith and Lujan et al. to Mike Beatty, OPPE's Director, August 19, 2020. USDA asserted that it did not redirect funding and that the funding opportunity was for outreach, education, and technical assistance to socially disadvantaged and/or veteran farmers and ranchers, as authorized in 7 U.S.C. §2279(c).

[231] These priorities were generally part of USDA's *Strategic Plan FY2010-2015*. For more background on these

intended to leverage existing USDA programs by eliminating organizational barriers among existing USDA programs and promoting enhanced collaboration among staff. These initiatives were not stand-alone programs and were not connected to a specific office or agency, and did not have separate operating budgets. For example, the Know Your Farmer, Know Your Food (KYF2) initiative was a Department-wide initiative (launched by USDA in 2009) to "begin a national conversation to help develop local and regional food systems and spur economic opportunity."[232] Under KYF2, USDA compiled information on any existing agency programs—with a focus on grant and loan programs and technical assistance—that might provide assistance to eligible local and regional farming businesses. These USDA programs, spanning several long-standing programs within FSA, RD, AMS, and the Research, Education and Economics (REE) agencies, were highlighted through USDA websites, reporting, and other promotional activities.

A related initiative was "Local Foods, Local Places" (launched in 2014) to provide technical and financial support to facilitate integrating local food systems into a community's economic development plans. Another effort was the People's Garden Initiative (launched in 2009) to support community and school gardens. Another broader initiative was the "Regional Innovation Initiative" (launched in 2010) focused on assisting rural communities in areas such as rural broadband, biofuels and biobased products, local foods production, and farmland conservation practices. Although initiatives such as KYF2 and other related Obama Administration efforts are no longer active, certain aspects of some of these initiatives still exist within USDA, including through USDA's local and regional food sector mapping tools and directories[233] and through USDA's *Urban Toolkit* and handbooks.[234]

initiatives, see CRS Report R43950, *Local Food Systems: Selected Farm Bill and Other Federal Programs* and CRS Report R44390, *The Role of Local and Regional Food Systems in U.S. Farm Policy*.

[232] USDA's press release, "USDA Launches 'Know Your Farmer, Know Your Food' Initiative to Connect Consumers with Local Producers to Create New Economic Opportunities for Communities," September 15, 2009.

[233] See USDA's websites, https://www.ams.usda.gov/services/local-regional/food-sector/maps and https://www.ams.usda.gov/local-food-sector/compass-map.

[234] See USDA's website, https://www.ams.usda.gov/services/local-regional/food-sector/resources-toolkits, and USDA's Urban Agriculture Tool Kit, https://www.usda.gov/sites/default/files/documents/urban-agriculture-toolkit.pdf. See also USDA press release, "USDA Unveils New 'Urban Agriculture Toolkit' for Urban Farmers and Agri-business Entrepreneurs," Release No. 0099.16, April 29, 2016.

Table 2. Selected USDA Programs That Potentially Support Local and Urban Food Systems

USDA Agency	Program Name/ CFDA#	Program Type	Eligible Applicants	Eligible Purpose and/or Available Funding Amounts/Limits (depending on program)	Total Funding Type and Amount
AMS	Specialty Crop Block Grant Program (#10.170).	Formula grants, multistate project grants.	Departments of agriculture in eligible states and territories in partnership with organizations.[a]	Block grants to states for eligible specialty crop projects. Amount varies by state. Base grant (about $180,000 per state), plus additional funds based on the state's share of the total value and acreage of U.S. specialty crop production. Grants range from under $200,000 to more than $20 million.	Mandatory. Total of $85 million per year, including $5 million per year for multistate projects.
AMS	Federal State Marketing Improvement Program (#10.156).	Competitive grants.	State agriculture departments and experiment stations, other state agencies.	Grants to improve the efficiency and performance of the food marketing system. Grants have ranged from $25,000 to $1 million, averaging about $150,000. One-to-one matching funds are required.	Discretionary. About $1.2 million annually.
AMS, RD	Local Agricultural Marketing Program (LAMP). Combines the Farmers' Market and Local Food Promotion Program (FMPP, LFPP) (#10.175, #10.172) and Value-Added Producer Grants (VAPG) (#10.352).	Competitive grants.	FMPP / LFPP: Farmer cooperatives and associations, nonprofit and public benefit corporations, local authorities, and regional farmers' markets. VAPG: Individual farmers, agriculture producer groups, farmer and rancher cooperatives, and majority-controlled producer-based businesses, and veterans.	FMPP / LFPP grants: FMPP funds Capacity Building projects (ranging from $50,000 to $250,000) or Community Development Training and Technical Assistance projects (ranging from $100,000 to $500,000). LFPP funds Planning projects (ranging from $25,000 to $100,000) or Implementation projects (ranging from $100,000 to $500,000). Requires a 25% match VAPG grants: Grants to support value-added production are limited to $75,000 (planning grant) and $250,000 (working capital grant). Requires a 50% match	Mandatory. Annual funding of $50 million for FY2019 and each fiscal year thereafter, to remain available until expended. Additional authorized appropriations of $20 million for FY2019 and each year thereafter. Funds allocated as follows: 35% for VAPG, 47% for FMPP and LFPP grants, 10% for regional partnerships, with no more than 8% for administrative expenses.
AMS	Micro-Grants for Food Security (#10.179).	Formula grants.	Departments of agriculture in eligible states and territories.[b] Smaller entities apply to state agriculture departments for subgrants.	Grants to support increasing the quantity and quality of locally grown food through small-scale gardening, herding, and livestock operations in food insecure communities. Recipient must contribute 10% matching funds.	Discretionary. Authorized appropriations of $10 million for FY2019 and each year thereafter, to remain available until expended. First funded in FY2020 at $5 million. Distribution of funds: 40% for Alaska; 40% for Hawaii; and 2.5% to each eligible state.

USDA Agency	Program Name/ CFDA#	Program Type	Eligible Applicants	Eligible Purpose and/or Available Funding Amounts/Limits (depending on program)	Total Funding Type and Amount
FSA	Farm Operating Loans (#10.406).	Direct and guaranteed loans.	Individual/Family, Minority groups and Native American Organizations. Individual applicants must be a U.S. citizen, be unable to obtain credit elsewhere, and be an owner/tenant operator of a family farm, among other requirements.	Loans may be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, and insurance; and for other operating expenses. Loans also may be used to pay for minor improvements to buildings, costs associated with land and water development, family living expenses, and to refinance debt under certain conditions. Limits: $400,000 for direct operating loans, $1.78 million for guaranteed operating loans.	Discretionary. Appropriated FY2020 funding was $2 billion of guaranteed/insured loans, and $1.6 billion of direct loans,
FSA	Farm Ownership Loans (#10.407).	Direct and guaranteed loans.	Individual/Family, Minority group, and Native American Organizations. Individual applicants must be a U.S. citizen, be unable to obtain credit elsewhere, and be an owner/tenant operator of a family farm, among other requirements.	Loans may be used to purchase farmland and buildings, as well as construction or repair of buildings and other fixtures, and development of farmland to promote soil and water conservation. Limits: $600,000 for direct ownership loans, $1.78 million for guaranteed ownership loans.	Discretionary. Appropriated FY2020 funding was $2.8 billion of guaranteed/insured loans, and $1.9 billion of direct loans.
FSA	Microloan Program (targeted loans administered through Farm Operating Loans, #10.406, and Farm Ownership Loans, #10.407).	Direct loans.	Small, beginning farmer, niche and nontraditional farm operations (e.g., truck farms, direct-to-consumer marketing, Community Supported Agriculture, restaurants and grocery stores, or those using hydroponic, aquaponic, organic and vertical growing methods).	Streamlined application process. Up to $100,000: $50,000 for each of farm operating microloan and farm ownership microloan. Repayment term may vary, but may not exceed seven years for farm operating microloans, and 25 years for farm ownership microloans.	Discretionary. Amounts unspecified from within Farm Ownership Loans and Farm Operating Loans. In FY2019, FSA made $111 million of farm operating microloans and $6.3 million of farm ownership microloans.
FSA	Beginning Farmer Direct and Guaranteed Loans (targeted loans administered through Farm Operating Loans, #10.406, and Farm Ownership Loans, #10.407).	Direct and guaranteed loans.	Beginning farmer (defined as one who has not operated a farm or ranch for more than 10 years; a farm or ranch greater than 30% of the average size farm in the county as determined by the most current Census of Agriculture;	Part of the FSA loan program that is reserved for beginning farmers and ranchers. For direct loans, 75% of farm ownership loans and 50% of operating loans. For guaranteed loans, 40% is reserved for both farm ownership loans and farm operating loans. Beginning farmers are eligible for Down Payment Loans to partially finance the purchase of a family farm. Loan	Discretionary. Amounts unspecified from within Farm Ownership Loans and Farm Operating Loans. In FY2019, FSA made or guaranteed $2.7 billion of direct farm operating and ownership loans to beginning farmers, including $554 million of Down Payment Loans.

USDA Agency	Program Name/ CFDA#	Program Type	Eligible Applicants	Eligible Purpose and/or Available Funding Amounts/Limits (depending on program)	Total Funding Type and Amount
			and meets loan eligibility requirements; and substantially participates in the operation).	applicants must contribute a minimum down payment of 5% of the purchase price of the farm and the Agency will finance 45% to a maximum loan amount of $300,150.	
FCS	Farm Credit System loans	Direct loans.	Creditworthy full-time and part-time farmers. Certain farming-related businesses. Farm cooperatives.	Real estate, equipment, and operating loans of various sizes.	Not federally appropriated. Funds originate from the sale of bonds through financial markets.
FNS	Women, Infants, and Children (WIC) Farmers' Market Nutrition Program (FMNP)(#10.572)[c]	Formula grants.	States and Indian tribes.	WIC participants, in a participating state or tribe, may receive FMNP vouchers to be redeemed at farmers' markets for fresh, unprepared fruits and vegetables. Participating states' and Indian Tribal Organizations' grant amounts vary. In FY2019, grants ranged from $6,300 to $3.9 million.	Discretionary. About $18.5 million in FY2020.
FNS	Senior Farmers' Market Nutrition Program (SFMNP) (#10.576).	Formula grants.	States and Indian tribes.	Low income elderly receive vouchers to be redeemed at farmers' markets for fruits, vegetables, herbs and honey. Participating states' and tribes' grant amounts vary. In FY2019, grants ranged from $9,900 to $1.8 million.	Mandatory. Funding of $20.6 million annually through FY2023.
FNS	Farm to School Grant Program (#10.579).	Competitive grants.	Schools and other institutions participating in the federal child nutrition programs, state and local agencies, Indian tribes, agricultural producers/groups, nonprofit organizations.	Grants support farm to school activities including sourcing local foods, farm tours, school gardens, and nutrition education. Maximum grant amount shall not exceed $100,000, and the federal share may not exceed 75% of the total project cost.	Mandatory and discretionary. Mandatory funding of $5 million annually. Discretionary appropriations of $5 million in FY2018, $5 million in FY2019, and $9 million in FY2020.
FNS	Pilot Project for Procurement of Unprocessed Fruits and Vegetables.	Policy.	Up to eight states selected by USDA; administered by state education, agriculture, and other agencies.	Projects enable schools in participating states to use their federal National School Lunch Program commodity funds for purchases of unprocessed fruits and vegetables.	Not applicable.
FNS	The Emergency Food Assistance Program	Formula grants.	State health, agriculture and other agencies.	Projects cover the cost of harvesting, processing, packaging, and/or transporting of raw or unprocessed commodities from	Mandatory. Funding of $4 million annually (FY2019-FY2023).

USDA Agency	Program Name/ CFDA#	Program Type	Eligible Applicants	Eligible Purpose and/or Available Funding Amounts/Limits (depending on program)	Total Funding Type and Amount
	(TEFAP) Farm to Food Bank Projects			agricultural producers, processors, and distributors to emergency feeding organizations. Funds are allocated to states that include a plan of operation for the projects in their TEFAP state plans based on states' share of unemployed persons and persons in poverty. Requires a 50% nonfederal match.	
NIFA	Farming Opportunities Training and Outreach (FOTO). Combines the Beginning Farmer and Rancher Development Grant Program (BFRDGP, #10.311) and Outreach to Socially Disadvantaged and Veteran Farmers and Ranchers (referred to as the 2501 Program, #10.443).	Competitive grants.	BFRDGP: State, tribal, local, or regionally based networks and partnerships of public and private entities. At least 5% of funds are reserved for veterans. 2501 Program: Land grant and state-controlled institutions, Indian tribes, veterans, Latino-serving institutions, nonprofits, and community organizations.	BFRDGP: Grants support training, education, outreach, and technical assistance. Up to $250,000 per year for up to 3 years. Matching funds are required. 2501 Program: Grants to support outreach and technical assistance to socially disadvantaged producers. Grants range from $100,000 to $400,000 per year for up to 3 years, with no matching requirements.	Mandatory. Funding of $30 million (FY2019 and FY2020), $35 million (FY2021), $40 million (FY2022), and $50 million (FY2023) and each year thereafter. Annual authorized appropriations of $50 million (FY2019-FY2023). Funding to be equally divided between the two programs.
NIFA	Urban, Indoor, and Other Emerging Agricultural Production. Research, Education, and Extension Initiative (#10.333)	Research, education, and extension grants.	Private, nongovernment institutions. Priority to grant proposals involving cooperation of multiple entities; or states or regions with a concentration or interest in urban farms, rooftop farms, and indoor production facilities.	Grants supporting research, education, and extension activities for the purposes of facilitating the development of urban, indoor, and other emerging agricultural production, harvesting, transportation, aggregation, packaging, distribution, and markets. (Program requirements are being developed by USDA and are not yet available.)	Mandatory. $10 million in FY2019 to remain available until expended, plus authorized appropriations of $10 million annually (FY2019-FY2023).
NIFA	Sustainable Agriculture Research and Education (SARE, #10.215).	Competitive grants.	Farmers and ranchers, researchers, extension agents and other educators, and graduate students.	Provides grants to support research and education across a range of areas, including pest and weed management, conservation/nutrient management, sustainable communities, and marketing. Grants range from up to about $9,000 to $400,000, depending on the type of grant and region.	Discretionary. Funding of $37 million provided in FY2020.

USDA Agency	Program Name/ CFDA#	Program Type	Eligible Applicants	Eligible Purpose and/or Available Funding Amounts/Limits (depending on program)	Total Funding Type and Amount
NIFA	Food and Agriculture Service Learning Program (FASLP, #10.522)	Competitive grants.	Federal agencies, national laboratories, state agricultural experiment stations and universities, research foundations, private organizations, individuals, or any group consisting of two or more of the above entities.	Provides grants up to $225,000 to support food, garden, and nutrition education within host organizations, such as school cafeterias and classrooms that foster community engagement between farms and school systems.	Discretionary. Authorized appropriations of $3 million annually for FY2014-FY2023. Estimated total FY2019 program funding was $960,000.
NIFA	Small Business Innovation Research (SBIR, #10.212).	Competitive grants.	Small businesses with fewer than 500 employees, ownership, and control requirements.	Grants to stimulate technological innovations in the private sector, and to strengthen the role of small businesses in meeting federal research and development needs, among other research and development efforts. Grant limited to between $100,000 and $650,000, and time limited, depending on the type and phase of the project.	Discretionary. Fixed at 3.2% of USDA extramural R&D funds, annually. Estimated at $27 million for FY2020.
NIFA	Community Food Projects (#10.225).	Competitive grants.	Public food program service providers, tribal organizations, or private nonprofit entities, including gleaners (as defined in law).	Grants for community-based food projects serving food security and local agriculture goals as well as for planning an entity's community food security. Amount and duration vary depending on type of grant. Grant amounts are not set in statute, and require a match in resources. Federal share may not exceed 50% of the project cost during the term of the grant.	Mandatory. Funding of $5 million in FY2019 and each year thereafter.
NIFA	Gus Schumacher Nutrition Incentive Program (#10.331) (GuSNIP, formerly Food Insecurity Nutrition Incentive (FINI) Grant Program)[c]	Competitive grants.	Government agencies and nonprofit organizations are eligible for "food insecurity nutrition incentive" or "produce prescription" grants. Produce prescription grantees are required to have a "healthcare partner" as defined in law.	Grants support bonus incentives for Supplemental Nutrition Assistance Program (SNAP) purchases and "produce prescriptions" for low-income households with health care needs. Per USDA request for proposals, grant amounts vary by project type: (1) Pilot Projects (awards under $100,000 for projects over 1 year); (2) Multi-year, Community-based Projects (awards under $500,000 for projects less than 4 years); (3) Multi-year, Large-Scale Projects (awards greater than $500,000 for projects under 4 years); (4) Produce Prescription (under $500,000 for projects under 3 years); and (5)	Mandatory. Annual funding of $25 million (FY2018), $45 million (FY2019), $48 million (each FY2020 and FY2021); $53 million (FY2022); and $56 million (FY2023 and each year thereafter). Discretionary authority of $5 million per year (FY2014-FY2023).

USDA Agency	Program Name/ CFDA#	Program Type	Eligible Applicants	Eligible Purpose and/or Available Funding Amounts/Limits (depending on program)	Total Funding Type and Amount
				Training, Technical Assistance, Evaluation, and Center funding ($8.5 million over a period of less than 4 years).	
NIFA	Food Safety Outreach Program (#10.328) (part of the National Food Safety Training, Education, Extension, Outreach and Technical Assistance Competitive Grant Program).	Competitive grants.	Federal, state, and local organizations; federally recognized Indian Tribal governments and Native American organizations; and public and private nonprofit organizations.	Grants support projects that develop and implement food safety training, education, extension, outreach, and technical assistance to small and medium-sized farms, beginning and socially disadvantaged farmers and ranchers, small processors, and small fresh fruit and vegetable merchant wholesalers. Awards range from $80,000 to $400,000, depending on the type of project. There are no matching requirements.	Discretionary. Authorized annual appropriations of $10 million (FY2019-FY2023). For the FY2020 application cycle, amount available for grants is approximately $8 million.
NRCS	Urban Agriculture and Innovative Production (UAIP, #10.935), including Community Compost and Food Waste Reduction (CCFWR) cooperative agreements.	Grants and cooperative agreements.	UAIP: Tribal and local governments, nonprofit organizations, and K-12 schools. CCFWR: Local governments.	Grants and cooperative agreements to support urban agriculture and innovative production. Requires a 25% match. UAIP grants: Maximum award amount ($500,000); minimum amount ($100,000). CCFWR cooperative agreements: Maximum award amount ($90,000); minimum amount ($45,000).	Discretionary. Authorized annual appropriations of $25 million (FY2019-FY2023). $5 million was appropriated in FY2020. Total FY2020 funding: $3 million (UAIP grants) and $0.9 million (CCFWR cooperative agreements).
NRCS	Conservation Innovation Grants (CIG), which are administered as part of the Environmental Quality Incentives Program (EQIP, #10.912).	Competitive grants.	National and state CIG (all nonfederal entities and individuals). All CIG projects must involve EQIP-eligible producers.	Subject to national CIG funding priorities. Eligible CIG uses may include partnering with farmers to develop innovative practices for "urban, indoor, or other emerging agricultural operations." Maximum CIG award varies annually between either $1 million and $2 million. CIG funding request must be matched at least 1:1 with nonfederal funding.	Mandatory. Authorized to receive an unspecified subset of EQIP funding. Up to $15 million available in FY2020.
RMA, NRCS, AMS	Agricultural Management Assistance (AMA, #10.917).	Direct payments for specified use.	Agricultural producers who voluntarily address certain farmland conservation issues (NRCS portion), undergo a voluntary third party audit (RMA-AMS portion), or other eligible application.	Provides technical and financial assistance up to 75% of the cost of installing certain practices. Total AMA payments shall not exceed $50,000 per participant per year. The program also includes the RMA-AMS Harmonized Good Agricultural Practices (GAP)	Mandatory. Funding of $10 million annually, allocated to NRCS (50%), RMA (40%), and AMS (10%). The RMA-AMS Harmonized Good Agricultural Practices (GAP) Assistance program received a one-

USDA Agency	Program Name/ CFDA#	Program Type	Eligible Applicants	Eligible Purpose and/or Available Funding Amounts/Limits (depending on program)	Total Funding Type and Amount
				Assistance program, which may covers the costs of voluntary USDA third party audits.	time funding commitment of $3.7 million in 2019.
RD	Rural Cooperative Development Grant (#10.771).	Competitive grants.	Nonprofit organizations including universities.	Grants for developing and operating a Cooperative Development Center that provides technical assistance to rural cooperatives and businesses. One-year grants up to $200,000, with matching requirements. Maximum award is $175,000.	Discretionary. Funding of $5.8 million annually in FY2019 and FY2020, with an additional $3 million annually for grants to cooperatives that serve socially disadvantaged groups.
RD	Business and Industry Guaranteed Loans (#10.768).	Guaranteed loans.	Individuals, nonprofits, and businesses.	Provides loan guarantees to increase access to affordable capital for rural businesses. Guaranteed loans up to $10 million, with special exceptions for loans up to $25 million. The Secretary may approve guaranteed loans up to $40 million, for rural cooperative organizations that process value-added agricultural commodities.	Discretionary. Appropriated loan level of $950 million in FY2019 and $1 billion in FY2020. Local share: At least 5% by law (estimated at roughly $50 million annually).
RD	Community Facilities (#10.766).	Direct and guaranteed loans; project grants.	Public and nonprofit organizations, and Indian tribes.	Finances the construction and improvement of community facilities in rural areas, including food banks, community gardens, and food hubs. In 2019, the average direct loan was $2.3 million and the average guaranteed loan was $4.4 million. The average grant was $42,700.	Discretionary. Appropriated loan level of $2.8 billion annually in FY2019 and FY2020, and guaranteed loan level of $148 million in FY2019 and $500 million in FY2020. Grant funding of $30 million in FY2019 and $32 million in FY2020.
RD	Rural Business Development Grants program (#10.351 formerly Rural Business Enterprise Grants and Rural Business Opportunity Grants).	Formula grants.	Rural public entities (towns, communities, state agencies, and authorities), rural nonprofit organizations, rural Indian tribes, and cooperatives.	Grants to provide technical assistance and training for small rural businesses. Financial assistance ranges from $25,000 to $500,000. Average is less than $100,000.	Discretionary. Funding of $35 million in FY2019 and $37 million in FY2020.
RD	Rural Microentrepreneur Assistance Program (RMAP, #10.870).	Direct loans and grants.	Microenterprise Development Organizations or other nonprofits, Indian tribes or public institutions of higher education serving rural areas.	Finances revolving funds to make loans to small businesses in rural areas. Grants finance technical assistance to microentrepreneurs in rural areas. Loans range from a minimum of $50,000 to a maximum of $500,000 for a single	Discretionary. Funding of $3 million in FY2019 and $6 million in FY2020.

USDA Agency	Program Name/ CFDA#	Program Type	Eligible Applicants	Eligible Purpose and/or Available Funding Amounts/Limits (depending on program)	Total Funding Type and Amount
				loan in any given fiscal year. Grants are awarded up to $205,000, with matching requirements.	
RD	Healthy Food Financing Initiative (HFFI, #10.872). Related Federal Assistance through the Community Development Financial Institutions Program (CDFI, #21.020).	Competitive grants.	State and local organizations, Tribal governments and Native American Organizations, specialized groups (such as health professionals, students, veterans), private for-profit and nonprofit organizations, and other private institutions and organizations.	Funding is available to offset costs in underserved urban, suburban, and rural areas, supporting innovations in fresh food retail and assisting retailers with store development and renovation processes. Eligible projects must accept, or plan to accept, SNAP benefits. Technical assistance may be available for consultation and feasibility studies.	Discretionary. $2 million in FY2019 and $5 million in FY2020.

Source: Compiled by CRS. Funding levels shown are those available for all U.S. farming operations and food distribution systems, regardless of size and distance from market. Data are not readily available to determine share of available funding that supports local and regional food systems. Program groupings are not intended to indicate any rank or importance.

Notes: Number shown in parentheses is the Catalog of Federal Domestic Assistance (CFDA) number, which provides detailed program descriptions for federal assistance programs. CFDA provides a listing of federal programs that are available to organizations and government agencies, U.S. territories, and individuals authorized to do business with the government. CFDA programs may be a project, service, or activity. CFDA assistance listings are searchable at https://beta.sam.gov/search?index=cfda. "Mandatory" means funding is available without an annual appropriation and usually funded through the Commodity Credit Corporation (CCC). "Discretionary" requires an annual appropriation by Congress. Where the funding source could not be readily determined, available data on obligations/awards are provided. USDA agencies include Agricultural Marketing Service (AMS), Rural Development (RD), Risk Management Agency (RMA), National Institute of Food and Agriculture (NIFA), Farm Service Agency (FSA), Farm Credit System (FCS), Agricultural Research Service (ARS), Natural Resources Conservation Service (NRCS), and Food and Nutrition Service (FNS).

a. The term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

b. Alaska, American Samoa, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Federated States of Micronesia, Guam, Hawaii, the Republic of the Marshall Islands, the Republic of Palau, and the United States Virgin Islands.

c. In addition to these SNAP- (Supplemental Nutrition Assistance Program) and WIC- (Special Supplemental Nutrition Program for Women, Infants, and Children) related programs, farmers' markets and other retailers that sell locally sourced foods may receive federal funding when they redeem SNAP and WIC (not just FMNP) benefits. According to FNS data, SNAP-authorized farmers' markets and direct marketing farmers redeemed approximately $22.9 million in SNAP benefits in FY2019, 0.05% of total SNAP redemptions that year. Comparable data are not available for WIC.

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