

107TH CONGRESS
1ST SESSION

H. R. 1093

To provide for grants to assist value-added agricultural businesses.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2001

Mr. THUNE (for himself, Mrs. EMERSON, and Mr. REHBERG) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for grants to assist value-added agricultural businesses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Value-Added Develop-
5 ment Act for American Agriculture”.

6 **SEC. 2. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.**
7

8 (a) PURPOSES.—The purposes of this section are to
9 carry out a demonstration program under which agricul-
10 tural producers are provided—

1 (1) technical assistance, including engineering
2 services, applied research, scale production, and
3 similar services to enable the producers to establish
4 businesses for further processing of agricultural
5 products;

6 (2) marketing, market development, and busi-
7 ness planning;

8 (3) overall organizational, outreach, and devel-
9 opment assistance to increase the viability, growth,
10 and sustainability of value-added agricultural busi-
11 nesses.

12 (b) NATURE OF PROGRAM.—The Secretary of Agri-
13 culture (in this section referred to as the “Secretary”)
14 shall—

15 (1) make grants to eligible applicants for the
16 purposes of enabling the applicants to obtain the as-
17 sistance described in subsection (a); and

18 (2) provide assistance to eligible applicants
19 through the research and technical services of the
20 Department of Agriculture.

21 (c) ELIGIBILITY REQUIREMENTS.—

22 (1) IN GENERAL.—An applicant shall be eligible
23 for a grant and assistance described in subsection

24 (b) to establish an Agriculture Innovation Center
25 if—

1 (A) the applicant—

2 (i) has provided services similar to
3 those described in subsection (a); or

4 (ii) shows the capability of providing
5 the services;

6 (B) the application of the applicant for the
7 grant and assistance sets forth a plan, in ac-
8 cordance with regulations which shall be pre-
9 scribed by the Secretary, outlining support of
10 the applicant in the agricultural community, the
11 technical and other expertise of the applicant,
12 and the goals of the applicant for increasing
13 and improving the ability of local producers to
14 develop markets and processes for value-added
15 agricultural products;

16 (C) the applicant demonstrates that re-
17 sources (in cash or in kind) of definite value are
18 available, or have been committed to be made
19 available, to the applicant, to increase and im-
20 prove the ability of local producers to develop
21 markets and processes for value-added agricul-
22 tural products; and

23 (D) the applicant meets the requirement of
24 paragraph (2).

1 (2) BOARD OF DIRECTORS.—The requirement
2 of this paragraph is that the applicant shall have a
3 board of directors comprised of representatives of
4 the following groups:

5 (A) The 2 general agricultural organiza-
6 tions with the greatest number of members in
7 the State in which the applicant is located.

8 (B) The Department of Agriculture or
9 similar State organization or department, for
10 the State.

11 (C) Organizations representing the 4 high-
12 est grossing commodities produced in the State,
13 according to annual gross cash sales.

14 (d) GRANTS AND ASSISTANCE.—

15 (1) IN GENERAL.—Subject to the availability of
16 appropriations, the Secretary shall make annual
17 grants to eligible applicants under this section, each
18 of which grants shall not exceed the lesser of—

19 (A) \$1,000,000; or

20 (B) twice the dollar value of the resources
21 (in cash or in kind) that the applicant has dem-
22 onstrated are available, or have been committed
23 to be made available, to the applicant in accord-
24 ance with subsection (c)(1)(C).

1 (2) INITIAL LIMITATION.—In the first year of
2 the demonstration program under this section, the
3 Secretary shall make grants under this section, on a
4 competitive basis, to not more than 10 eligible appli-
5 cants.

6 (3) EXPANSION OF DEMONSTRATION PRO-
7 GRAM.—In the second year of the demonstration
8 program under this section, the Secretary may make
9 grants under this section to not more than 10 eligi-
10 ble applicants, in addition to any entities to which
11 grants are made under paragraph (2) for such year.

12 (4) STATE LIMITATION.—In the first 3 years of
13 the demonstration program under this section, the
14 Secretary shall not make a Agricultural Innovation
15 Center Demonstration Program grant under this
16 section to more than 1 entity in any State.

17 (e) USE OF FUNDS.—An entity to which a grant is
18 made under this section may use the grant only for the
19 following purposes:

20 (1) Applied research.

21 (2) Consulting services.

22 (3) Office equipment.

23 (4) Hiring of employees, at the discretion of the
24 board of directors of the entity.

1 (5) The making of matching grants, each of
2 which shall be not more than \$5,000, to agricultural
3 producers, so long as the aggregate amount of all
4 such matching grants shall be not more than
5 \$50,000.

6 (6) Legal services.

7 (f) LIMITATIONS ON AUTHORIZATION OF APPROPRIA-
8 TIONS.—For grants and assistance under this section,
9 there are authorized to be appropriated to the Secretary
10 not more than—

11 (1) \$10,000,000 for fiscal year 2002;

12 (2) \$20,000,000 for each of fiscal years 2003
13 and 2004.

14 (g) REPORT ON BEST PRACTICES.—

15 (1) EFFECTS ON THE AGRICULTURAL SEC-
16 TOR.—The Secretary shall utilize \$300,000 per year
17 of the funds appropriated pursuant to this section to
18 support research at a land-grant university into the
19 effects of value-added projects on agricultural pro-
20 ducers and the commodity markets. The research
21 should systematically examine possible effects on de-
22 mand for agricultural commodities, market prices,
23 farm income, and Federal outlays on commodity
24 programs using linked, long-term, global projections
25 of the agricultural sector.

1 (2) DEPARTMENT OF AGRICULTURE.—Not later
2 than 3 years after the first 10 grants are made
3 under this section, the Secretary shall prepare and
4 submit to the Committee on Agriculture, Nutrition,
5 and Forestry of the Senate and to the Committee on
6 Agriculture of the House of Representatives a writ-
7 ten report on the effectiveness of the demonstration
8 program conducted under this section at improving
9 the production of value-added agricultural products
10 and on the effects of the program on the economic
11 viability of the producers, which shall include the
12 best practices and innovations found at each of the
13 Agriculture Innovation Centers established under the
14 demonstration program under this section, and de-
15 tail the number and type of agricultural projects as-
16 sisted, and the type of assistance provided, under
17 this section.

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