

Amendment offered by Nikki Budzinski

Amendment description

The amendment creates the New Producer Economic Security Program to provide funding and grants to help new farmers, ranchers, and forest owners.

AMENDMENT

OFFERED BY MS. BUDZINSKI OF ILLINOIS

At the end of title V, add the following:

1 **SEC. _____. NEW PRODUCER ECONOMIC SECURITY PRO-**
2 **GRAM.**

3 (a) DEFINITIONS.—In this section:

4 (1) AUTHORIZED LEGAL ENTITY.—The term
5 “authorized legal entity” means any corporation,
6 business trust, estate, trust, partnership, limited li-
7 ability company, association, joint venture, public
8 corporation, cooperative, pension or investment fund,
9 or any other legal or commercial entity organized or
10 created under the laws of any State that meets each
11 of the following requirements:

12 (A) The entity is not a subsidiary of, or
13 owned in any part by, a multilayered subsidiary
14 entity.

15 (B) The shareholders, partners, members,
16 or beneficial owners of the entity do not exceed
17 25 individuals.

18 (C) The shareholders, partners, members,
19 or beneficial owners of the entity are all natural
20 persons who—

1 (i) regularly and frequently make, or
2 take an important part in making, man-
3 agement decisions substantially contrib-
4 uting to or affecting the operation of a
5 farm or forest; or

6 (ii) perform physical work that signifi-
7 cantly contributes to cultivation, steward-
8 ship, crop or livestock production, or food
9 production.

10 (2) COVERED PROJECT.—The term “covered
11 project” means a project described in subsection (e).

12 (3) ELIGIBLE ENTITY.—

13 (A) IN GENERAL.—The term “eligible enti-
14 ty” means an entity that—

15 (i) has demonstrated experience in
16 serving qualified beneficiaries; and

17 (ii) is—

18 (I) a State, local, or territorial
19 government;

20 (II) an Indian Tribe or Tribal or-
21 ganization (as those terms are defined
22 in section 4 of the Indian Self-Deter-
23 mination and Education Assistance
24 Act (25 U.S.C. 5304));

1 (III) a Native community devel-
2 opment financial institution certified
3 by the Secretary of the Treasury;

4 (IV) a community development
5 financial institution (as defined in sec-
6 tion 103 of the Community Develop-
7 ment Banking and Financial Institu-
8 tions Act of 1994 (12 U.S.C. 4702))
9 certified by the Secretary of the
10 Treasury, acting through the Director
11 of the Community Development Fi-
12 nancial Institutions Fund established
13 under section 104(a) of that Act (12
14 U.S.C. 4703(a));

15 (V) an organization described in
16 paragraph (2) or (3) of section 501(c)
17 of the Internal Revenue Code of 1986
18 and exempt from tax under section
19 501(a) of such Code;

20 (VI) a foundation;

21 (VII) a cooperative entity;

22 (VIII) an institution of higher
23 education (as defined in section 101
24 of the Higher Education Act of 1965
25 (20 U.S.C. 1001));

1 (IX) a financial institution de-
2 scribed in section 1.7(b)(1)(B) of the
3 Farm Credit Act of 1971 (12 U.S.C.
4 2015(b)(1)(B)); and

5 (X) any other appropriate part-
6 ner, as determined by the Secretary.

7 (B) EXCLUSION.—The term “eligible enti-
8 ty” does not include a corporation that is for-
9 eign-based or foreign-owned.

10 (4) ELIGIBLE LAND.—

11 (A) IN GENERAL.—The term “eligible
12 land” means—

13 (i) agricultural land;

14 (ii) private land;

15 (iii) urban land;

16 (iv) public land, including Federal,
17 State, and municipally owned or managed
18 land;

19 (v) lands held in common that are
20 controlled and managed by groups of indi-
21 viduals;

22 (vi) lands held in trust;

23 (vii) multiple parcels of land described
24 in any of clauses (i) through (vi) that are
25 noncontiguous; and

1 (viii) public or private shoreline or
2 intertidal zone areas, which may be wholly
3 or partially underwater.

4 (B) EXCLUSION.—The term “eligible land”
5 does not include a natural area (as defined in
6 section 650.23(a) of title 7, Code of Federal
7 Regulations (or successor regulations)).

8 (5) PROGRAM.—The term “program” means
9 the New Producer Economic Security Program es-
10 tablished under subsection (b).

11 (6) QUALIFIED BENEFICIARY.—

12 (A) IN GENERAL.—The term “qualified
13 beneficiary” means a farmer, a rancher, or a
14 forest owner who—

15 (i) is a natural person;

16 (ii) is—

17 (I) a shareholder in an author-
18 ized legal entity;

19 (II) an officer, director, or em-
20 ployee of an authorized legal entity;

21 (III) a member or manager of an
22 authorized legal entity;

23 (IV) a partner in an authorized
24 legal entity;

- 1 (V) a beneficiary or trustee of an
- 2 authorized legal entity; or
- 3 (VI) any other individual who—
- 4 (aa) regularly and frequently
- 5 makes, or takes an important
- 6 part in making, management de-
- 7 cisions substantially contributing
- 8 to or affecting the operation of a
- 9 farm or forest; or
- 10 (bb) performs physical work
- 11 that significantly contributes to
- 12 cultivation, stewardship, crop or
- 13 livestock production, or food pro-
- 14 duction; and
- 15 (iii)(I) has never operated, or has not
- 16 operated for more than 10 consecutive
- 17 years, a farm or a ranch;
- 18 (II) operates only on rented or leased
- 19 land;
- 20 (III) has an income that is at or
- 21 below 200 percent of the national poverty
- 22 level or half of the median household in-
- 23 come of the county in which the natural
- 24 person is located; or

1 (IV) is economically disadvantaged, as
2 determined by the Secretary.

3 (B) EXCLUSION.—The term “qualified
4 beneficiary” does not include a natural person
5 who solely provides capital to an authorized
6 legal entity that is not a qualified beneficiary
7 described in subparagraph (A).

8 (b) ESTABLISHMENT.—The Secretary shall establish
9 within the Farm Service Agency a competitive program,
10 to be known as the “New Producer Economic Security
11 Program”, to make grants to, enter into cooperative
12 agreements with, or provide other capital support to eligi-
13 ble entities to carry out covered projects in accordance
14 with subsection (e).

15 (c) PURPOSE.—The purposes of the program are—

16 (1) to strengthen the food systems security of
17 the United States by efficiently investing in commu-
18 nity-led solutions to increasing access to land, cap-
19 ital, and markets for qualified beneficiaries; and

20 (2) to support projects that—

21 (A) support farm establishment and long-
22 term farm business viability;

23 (B) support the financial viability of quali-
24 fied beneficiaries;

- 1 (C) support the physical and mental health
- 2 of qualified beneficiaries;
- 3 (D) increase land access;
- 4 (E) prevent land loss;
- 5 (F) establish innovative ways to make land
- 6 accessible to qualified beneficiaries;
- 7 (G) transition farmland from existing land-
- 8 owners to qualified beneficiaries; and
- 9 (H) provide appropriate technical assist-
- 10 ance related to permissible activities described
- 11 in subsection (e)(2).

12 (d) SELECTION.—

13 (1) APPLICATION REQUIREMENTS.—To be eligi-

14 ble to receive assistance under the program, an eligi-

15 ble entity shall submit to the Secretary an applica-

16 tion at such time, in such manner, and containing

17 such information as the Secretary may require, in-

18 cluding—

19 (A) information demonstrating that the

20 covered project the eligible entity seeks to carry

21 out is designed—

22 (i) to serve qualified beneficiaries; and

23 (ii) to meet the purposes of the pro-

24 gram described in subsection (e);

1 (B) a description of how project activities
2 will support the long-term financial viability of
3 qualified beneficiaries;

4 (C) a plan for notification and consultation
5 with local Tribal governments for the future
6 sale of land, if applicable;

7 (D) an analysis of anticipated benefits to
8 the community and the agricultural economy
9 within the project area; and

10 (E) a plan for evaluation, data manage-
11 ment, communication, and reporting of project
12 findings and results.

13 (2) EVALUATION AND SELECTION OF APPLICA-
14 TIONS.—

15 (A) EVALUATION PROCESS.—The Sec-
16 retary shall develop a process for evaluating
17 and selecting applications submitted under
18 paragraph (1) in collaboration with the stake-
19 holder committee established under subpara-
20 graph (B).

21 (B) STAKEHOLDER COMMITTEE.—

22 (i) IN GENERAL.—Not later than 180
23 days after the date of enactment of this
24 Act, the Secretary shall establish and con-
25 vene a stakeholder committee to provide

1 input on the distribution of funds and the
2 evaluation and selection of applications
3 submitted under paragraph (1).

4 (ii) CONSIDERATION.—The Secretary
5 shall ensure that the stakeholder com-
6 mittee established under clause (i) includes
7 perspectives reflecting—

8 (I) the complexity of the rural
9 and urban agricultural landscapes of
10 the United States; and

11 (II) the wide variety of agricul-
12 tural production models employed by
13 qualified beneficiaries.

14 (C) PRIORITY.—In selecting applications
15 submitted under paragraph (1), the Secretary
16 shall give priority to applications for covered
17 projects that—

18 (i) provide direct financial assistance
19 to qualified beneficiaries;

20 (ii) involve a substantial and effective
21 collaborative network or partnership of
22 public or private entities;

23 (iii) include a right of first refusal for
24 Tribal citizens or governments when land

1 becomes available on or near Tribal com-
2 munities;

3 (iv) involve mechanisms, such as a
4 deed restriction or conservation easement,
5 that restrict the resale value of eligible
6 land to protect the land for agricultural
7 use;

8 (v) support the voluntary transition of
9 agricultural land from existing producers
10 to qualified beneficiaries;

11 (vi) provide technical assistance, in-
12 cluding translation and interpretation serv-
13 ices;

14 (vii) include activities under sub-
15 section (e) designed to support farm-
16 workers; or

17 (viii) support long-term adoption of
18 conservation practices that are consistent
19 with conservation practice standards of the
20 Natural Resources Conservation Service
21 and designed to achieve conservation out-
22 comes.

23 (e) COVERED PROJECTS.—

24 (1) REQUIRED USE OF FUNDS.—An eligible en-
25 tity that receives assistance under the program shall

1 provide direct assistance to qualified beneficiaries in
2 order to facilitate access to land, capital, and mar-
3 kets, which may include payments—

4 (A) to acquire real property (including air
5 rights, water rights, and other interests there-
6 in), including closing costs;

7 (B) to subsidize interest rates and mort-
8 gage principal amounts for qualified bene-
9 ficiaries;

10 (C) to provide down payment assistance to
11 decrease farm mortgages;

12 (D) to secure clear title on heirs' property;

13 (E) to conduct surveys and assessments of
14 eligible land;

15 (F) to improve or remediate land, water,
16 and soil;

17 (G) to construct or repair infrastructure;

18 (H) to support land use planning;

19 (I) to acquire succession planning assist-
20 ance;

21 (J) to carry out Tribal consultation;

22 (K) to support acquisition of a Department
23 farm number; and

24 (L) for any other activities, as determined
25 by the Secretary.

1 (2) PERMISSIBLE ACTIVITIES.—An eligible enti-
2 ty that receives assistance under the program may
3 use the funds—

4 (A) for activities associated with strength-
5 ening the economic security of qualified bene-
6 ficiaries by increasing access to markets and
7 capital;

8 (B) to provide direct assistance to qualified
9 beneficiaries in assessing, purchasing, acquir-
10 ing, or retaining eligible land;

11 (C) for activities designed to support farm
12 establishment and long-term viability;

13 (D) to establish a revolving loan fund or
14 other innovative financial mechanism designed
15 for the purpose of investing in covered projects
16 beyond the initial project timeline; and

17 (E) to provide technical assistance that
18 meets the specific needs of, and is accessible to
19 qualified beneficiaries, including—

20 (i) providing translation and interpre-
21 tation services;

22 (ii) developing and carrying out strat-
23 egies to identify unique needs and gaps in
24 access, knowledge, and services; and

1 (iii) specialized consultation, training,
2 coaching, capacity building, and mentoring
3 focused on—

4 (I) accessing, purchasing, acquir-
5 ing, or retaining eligible land;

6 (II) comprehension of, prepara-
7 tion to apply for, and complying with
8 Department of Agriculture programs;

9 (III) succession planning;

10 (IV) market planning and risk
11 analysis;

12 (V) cooperative development;

13 (VI) legal and tax issues;

14 (VII) developing business plans
15 and feasibility studies;

16 (VIII) financial planning and rec-
17 ordkeeping;

18 (IX) enterprise, business, and
19 labor management; and

20 (X) any other activities as deter-
21 mined by the Secretary.

22 (3) SUBCONTRACT.—An eligible entity may
23 subcontract with an organization to carry out a use
24 or activity under paragraph (1) or (2) if the services
25 of the subcontractor are necessary.

1 (4) FUNDING MECHANISM.—

2 (A) ELIGIBLE ENTITIES.—The Secretary
3 shall make funding available under the program
4 to eligible entities in the form of—

5 (i) grants;

6 (ii) cooperative agreements;

7 (iii) capitalization loans, in the case of
8 an activity described in paragraph (2)(D);

9 or

10 (iv) other means, as determined by
11 the Secretary.

12 (B) QUALIFIED BENEFICIARIES.—In car-
13 rying out covered projects under the program,
14 an eligible entity shall provide direct assistance
15 to qualified beneficiaries in the form of—

16 (i) grants;

17 (ii) loans (both long-term and in-
18 terim); or

19 (iii) other direct payments or assist-
20 ance, as determined by the Secretary.

21 (5) REPAYMENT OF FUNDS IN CASE OF NON-
22 COMPLIANCE.—An eligible entity that violates the
23 terms or conditions of assistance provided under the
24 program shall reimburse the Secretary for that as-
25 sistance.

1 (f) FUNDING.—

2 (1) AUTHORIZATION OF APPROPRIATIONS.—

3 There are authorized to be appropriated to the Sec-
4 retary such sums as are necessary to carry out this
5 section.

6 (2) AGENCY CONTRIBUTION ACCOUNT.—In ad-
7 dition to amounts otherwise made available under
8 paragraph (1), the Secretary may use funds avail-
9 able through 1 or more contribution accounts estab-
10 lished under section 1241(f)(1) of the Food Security
11 Act of 1985 (16 U.S.C. 3841(f)(1)).

12 (3) ADMINISTRATION.—Of the amounts made
13 available to carry out the program, the Secretary
14 may use an appropriate amount for the costs of im-
15 plementing and administering the program.

16 (4) DISTRIBUTION OF FUNDS.—

17 (A) LIMITATION.—An eligible entity that
18 receives assistance under the program shall ob-
19 ligate the amounts for a covered project by not
20 later than 5 years after the date on which the
21 funds are made available to the eligible entity,
22 unless the Secretary determines otherwise.

23 (B) EXCLUSION.—In the case of a covered
24 project to support qualified beneficiaries in as-
25 sessing, purchasing, acquiring, or retaining eli-

1 gible land for a period longer than the 5-year
2 period described in subparagraph (A), section
3 200.311 of title 2, Code of Federal Regulations
4 (or a successor regulation) shall not apply.

