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**19. FARMER-TO-CONSUMER DIRECT MARKETING ACT OF
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January 2, 2013

**19. FARMER-TO-CONSUMER DIRECT MARKETING
ACT OF 1976**

[As Amended Through P.L. 112-240, Effective Jan. 2, 2013]

Public Law 94-463, October 8, 1976

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AN ACT To encourage the direct marketing of agricultural commodities from farmers to consumers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That [7 U.S.C. 3001 note] this Act may be cited as the "Farmer-to-Consumer Direct Marketing Act of 1976".

PURPOSE

SEC. 2. [7 U.S.C. 3001] It is the purpose of this Act to promote, through appropriate means and on an economically sustainable basis, the development and expansion of direct marketing of agricultural commodities from farmers to consumers. To accomplish this objective, the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall initiate and coordinate a program designed to facilitate direct marketing from farmers to consumers for the mutual benefit of consumers and farmers.

DEFINITION

SEC. 3. [7 U.S.C. 3002] For purposes of this Act, the term "direct marketing from farmers to consumers" shall mean the marketing of agricultural commodities at any marketplace (including, but not limited to, roadside stands, city markets, and vehicles used for house-to-house marketing of agricultural commodities) established and maintained for the purpose of enabling farmers to sell (either individually or through a farmers' organization directly representing the farmers who produced the commodities being sold) their agricultural commodities directly to individual consumers, or organizations representing consumers, in a manner calculated to

¹This table of contents is not part of the Act but is included for user convenience.

lower the cost and increase the quality of food to such consumers while providing increased financial returns to the farmers.

SURVEY

SEC. 4. [7 U.S.C. 3003] The Secretary shall provide, through the Economic Research Service of the United States Department of Agriculture, or whatever agency or agencies the Secretary considers appropriate, an annual survey of existing methods of direct marketing from farmers to consumers in each State.

DIRECT MARKETING ASSISTANCE WITHIN THE STATES

SEC. 5. [7 U.S.C. 3004] (a) In order to promote the establishment and operation of direct marketing from farmers to consumers, the Secretary shall provide that funds appropriated to carry out this section be utilized by State departments of agriculture and the Secretary for the purpose of conducting or facilitating activities which will initiate, encourage, develop, or coordinate methods of direct marketing from farmers to consumers within or among the States. Such funds shall be allocated to a State on the basis of the feasibility of direct marketing from farmers to consumers within that State as compared to other States and shall be allocated within a State to the State department of agriculture and to the Secretary on the basis of the types of activities which are needed in the State, as determined by the Secretary. The activities shall include, but shall not be limited to—

(1) sponsoring conferences which are designed to facilitate the sharing of information (among farm producers, consumers, and other interested persons or groups) concerning the establishment and operation of direct marketing from farmers to consumers;

(2) compiling laws and regulations relevant to the conduct of the various methods of such direct marketing within the State, formulating drafts of enabling legislation needed to facilitate such direct marketing, determining feasible locations for additional facilities for such direct marketing, and preparing and disseminating practical information on the establishment and operation of such direct marketing; and

(3) providing technical assistance for the purpose of aiding interested individuals or groups in the establishment of arrangements for direct marketing from farmers to consumers.

(b) **DEVELOPMENT OF FARMERS' MARKETS.**—The Secretary shall—

(1) work with the Governor of a State, and a State agency designated by the Governor, to develop programs to train managers of farmers' markets;

(2) develop opportunities to share information among managers of farmers' markets;

(3) establish a program to train cooperative extension service employees in the development of direct marketing techniques; and

(4) work with producers to develop farmers' markets.

(c) In the implementation of this section, the Secretary shall take into account consumer preferences and needs which may bear

upon the establishment and operation of arrangements for direct marketing from farmers to consumers.

SEC. 6. [7 U.S.C. 3005] FARMERS' MARKET PROMOTION PROGRAM.

(a) **ESTABLISHMENT.**—The Secretary shall carry out a program, to be known as the “Farmers’ Market Promotion Program” (referred to in this section as the “Program”), to make grants to eligible entities for projects to establish, expand, and promote farmers’ markets and to promote direct producer-to-consumer marketing.

(b) **PROGRAM PURPOSES.**—

(1) **IN GENERAL.**—The purposes of the Program are—

(A) to increase domestic consumption of agricultural commodities by improving and expanding, or assisting in the improvement and expansion of, domestic farmers’ markets, roadside stands, community-supported agriculture programs, agri-tourism activities, and other direct producer-to-consumer market opportunities; and

(B) to develop, or aid in the development of, new farmers’ markets, roadside stands, community-supported agriculture programs, agri-tourism activities, and other direct producer-to-consumer marketing opportunities.

(2) **LIMITATIONS.**—An eligible entity may not use a grant or other assistance provided under the Program for the purchase, construction, or rehabilitation of a building or structure.

(c) **ELIGIBLE ENTITIES.**—An entity shall be eligible to receive a grant under the Program if the entity is—

(1) an agricultural cooperative or a producer network or association;

(2) a local government;

(3) a nonprofit corporation;

(4) a public benefit corporation;

(5) an economic development corporation;

(6) a regional farmers’ market authority; or

(7) such other entity as the Secretary may designate.

(d) **CRITERIA AND GUIDELINES.**—The Secretary shall establish criteria and guidelines for the submission, evaluation, and funding of proposed projects under the Program.

(e) **FUNDING.**—

(1) **FISCAL YEARS 2008 THROUGH 2012.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

(A) \$3,000,000 for fiscal year 2008;

(B) \$5,000,000 for each of fiscal years 2009 through 2010; and

(C) \$10,000,000 for each of fiscal years 2011 and 2012.

(2) **FISCAL YEAR 2013.**—There is authorized to be appropriated to carry out this section \$10,000,000 for fiscal year 2013.

(3) **USE OF FUNDS.**—Not less than 10 percent of the funds used to carry out this section in a fiscal year under paragraph (1) or (2) shall be used to support the use of electronic benefits transfers for Federal nutrition programs at farmers’ markets.

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(4) INTERDEPARTMENTAL COORDINATION.—In carrying out this subsection, the Secretary shall ensure coordination between the various agencies to the maximum extent practicable.

(5) LIMITATION.—Funds described in paragraph (3)—

(A) may not be used for the ongoing cost of carrying out any project; and

(B) shall only be provided to eligible entities that demonstrate a plan to continue to provide EBT card access at 1 or more farmers' markets following the receipt of the grant.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. [7 U.S.C. 3006] (a) For purposes of carrying out section 4, there are authorized to be appropriated such sums as are necessary.

(b) For purposes of carrying out the provisions of section 5, there is authorized to be appropriated \$1,500,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978.

EMERGENCY HAY PROGRAM

SEC. 8. [Omitted-Obsolete]

1 **SEC. 10002. REPEAL OF GRANT PROGRAM TO IMPROVE**
2 **MOVEMENT OF SPECIALTY CROPS.**

3 Effective October 1, 2013, section 10403 of the Food,
4 Conservation, and Energy Act of 2008 (7 U.S.C. 1622e)
5 is repealed.

6 **SEC. 10003. FARMERS' MARKET AND LOCAL FOOD PRO-**
7 **MOTION PROGRAM.**

8 Section 6 of the Farmer-to-Consumer Direct Mar-
9 keting Act of 1976 (7 U.S.C. 3005) is amended—

10 (1) in the section heading, by inserting “**AND**
11 **LOCAL FOOD**” after “**FARMERS' MARKET**”;

12 (2) in subsection (a)—

13 (A) by inserting “and Local Food” after
14 “Farmers' Market”;

15 (B) by striking “farmers' markets and to
16 promote”; and

17 (C) by striking the period and inserting
18 “and assist in the development of local food
19 business enterprises.”;

20 (3) by striking subsection (b) and inserting the
21 following:

22 “(b) **PROGRAM PURPOSES.**—The purposes of the
23 Program are to increase domestic consumption of and ac-
24 cess to locally and regionally produced agricultural prod-
25 ucts, and to develop new market opportunities for farm
26 and ranch operations serving local markets, by developing,

1 improving, expanding, and providing outreach, training,
2 and technical assistance to, or assisting in the develop-
3 ment, improvement and expansion of—

4 “(1) domestic farmers’ markets, roadside
5 stands, community-supported agriculture programs,
6 agritourism activities, and other direct producer-to-
7 consumer market opportunities; and

8 “(2) local and regional food business enter-
9 prises (including those that are not direct producer-
10 to-consumer markets) that process, distribute, ag-
11 gregate, or store locally or regionally produced food
12 products.”;

13 (4) in subsection (c)(1)—

14 (A) by inserting “or other agricultural
15 business entity” after “cooperative”; and

16 (B) by inserting “, including a community
17 supported agriculture network or association”
18 after “association”;

19 (5) by redesignating subsection (e) as sub-
20 section (g);

21 (6) by inserting after subsection (d) the fol-
22 lowing:

23 “(e) PRIORITIES.—In providing grants under the
24 Program, priority shall be given to applications that in-

1 clude projects that benefit underserved communities, in-
2 cluding communities that—

3 “(1) are located in areas of concentrated pov-
4 erty with limited access to fresh locally or regionally
5 grown foods; and

6 “(2) have not received benefits from the Pro-
7 gram in the recent past.

8 “(f) FUNDS REQUIREMENTS FOR ELIGIBLE ENTI-
9 TIES.—

10 “(1) MATCHING FUNDS.—An entity receiving a
11 grant under this section for a project to carry out
12 a purpose described in subsection (b)(2) shall pro-
13 vide matching funds in the form of cash or an in-
14 kind contribution in an amount equal to 25 percent
15 of the total cost of the project.

16 “(2) LIMITATION ON USE OF FUNDS.—An eligi-
17 ble entity may not use a grant or other assistance
18 provided under this section for the purchase, con-
19 struction, or rehabilitation of a building or struc-
20 ture.”; and

21 (7) in subsection (g) (as redesignated by para-
22 graph (5))—

23 (A) in paragraph (1)—

1 (i) in the paragraph heading, by strik-
2 ing “FISCAL YEARS 2008 THROUGH 2012”
3 and inserting “MANDATORY FUNDING”;

4 (ii) in subparagraph (B), by striking
5 “and” at the end;

6 (iii) in subparagraph (C), by striking
7 the period at the end and inserting “;
8 and”; and

9 (iv) by adding at the end the fol-
10 lowing:

11 “(D) \$30,000,000 for each of fiscal years
12 2014 through 2018.”;

13 (B) by striking paragraphs (3) and (5);

14 (C) by redesignating paragraph (4) as
15 paragraph (6); and

16 (D) by inserting after paragraph (2) the
17 following:

18 “(3) AUTHORIZATION OF APPROPRIATIONS.—

19 There is authorized to be appropriated to carry out
20 this section \$10,000,000 for each of fiscal years
21 2014 through 2018.

22 “(4) USE OF FUNDS.—Of the funds made avail-
23 able to carry out this section for a fiscal year—

1 “(A) 50 percent of the funds shall be used
2 for the purposes described in subsection (b)(1);
3 and

4 “(B) 50 percent of the funds shall be used
5 for the purposes described in subsection (b)(2).

6 “(5) LIMITATION ON ADMINISTRATIVE EX-
7 PENSES.—Not more than 4 percent of the total
8 amount made available to carry out this section for
9 a fiscal year may be used for administrative ex-
10 penses.”.

11 **SEC. 10004. ORGANIC AGRICULTURE.**

12 (a) ORGANIC PRODUCTION AND MARKET DATA INI-
13 TIATIVES.—Section 7407 of the Farm Security and Rural
14 Investment Act of 2002 (7 U.S.C. 5925c) is amended—

15 (1) in subsection (c)—

16 (A) in the matter preceding paragraph (1),
17 by inserting “and annually thereafter” after
18 “this subsection”;

19 (B) in paragraph (1), by striking “and” at
20 the end;

21 (C) by redesignating paragraph (2) as
22 paragraph (3); and

23 (D) by inserting after paragraph (1) the
24 following: