



Dear Friend:

I am pleased to share the following information on funding provided in the recently passed Agricultural Act of 2014 (The Farm Bill). Many of these programs are familiar to those of you who have an interest in urban agriculture, alternative food production, value-added food products, and local processing.

Please do not hesitate to contact Kobie Pruitt in my Washington D.C Office at Kobie.Pruitt@mail.house.gov or (202) 225-4146 or Jane Ruvolo in the District at Jane.Ruvolo@mail.house.gov or (419) 259-7500.

Sincerely,

MARCY KAPTUR
U.S. Representative

Federal Resources for Urban Agriculture and Local Foods Initiatives

Local, sustainable food production is an expanding sector of our economy. The 2014 Farm Bill advances important initiatives for urban and non-traditional agricultural producers. In addition, new programs have been created to promote better access to healthy and fresh foods, and to provide support for local food production, processing, and distribution enterprises.

USDA Agriculture Marketing Service

Farmers Market and Local Food Promotion Program: This program provides competitive grants to improve and expand farmers' markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities. There will also be additional funding within the program to help develop local food system infrastructure like food hubs, targeted at serving low-income populations. The bill provides \$150 million over 5 years through mandatory funds and up to an additional \$10 million authorized through appropriations.

Eligible Entities: Agricultural cooperatives, producer networks, producer associations, local governments, nonprofit corporations, public benefit corporations, economic development corporations, regional farmers' market authorities and tribal governments are among those eligible to apply.

More information: <http://www.ams.usda.gov/AMSV1.0/fmpp>

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Food and Agriculture Service Learning Program was given new authority in the farm bill to increase capacity for food, garden and nutrition education with-in host organizations, entities, or schools. The program was designed to complement the Farm to School program and foster community engagement through national service and volunteer opportunities to teach and engage children in urban and rural areas about agriculture, gardening, nutrition and cooking and facilitate connections with schools and local producers. This program authorizes \$25million through appropriations until funds are expended.

Specialty Crop Block Grants- provides States with funding for projects that benefit both producers and consumers of fruits, vegetables, tree nuts, and nursery crops, including a new set aside for multi-state projects which is re-allocated to States if unused. The bill provides \$375 million over 5 years in block grants to states.

Eligible Entities: The agency, commission, or department responsible for agriculture within any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands is eligible to apply directly to the U.S. Department of Agriculture for grant funds. Organizations or individuals interested in the SCBGP should contact their state department of agriculture for more information, since the state sets priorities for how to use block grants.

More information:

<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateN&rightNav1=SpecialtyCropBlockGrant0Program&topNav=&leftNav=CommodityAreas&page=SCBGP&resultType>

USDA Farm Service Agency

USDA Loan Pilot Authority: The USDA will now have the authority to create innovative pilot projects for its loan programs to target borrowers like local/regional food producers. This powerful new authority will allow the Secretary to increase access to credit for beginning farmers, organic food producers, and local/regional producers.

Farm Loan Programs: Youth Loans: For the first time, the USDA will be able to make small dollar loans to eligible youth outside of rural America. These changes will provide opportunities for hands-on education and experiences for urban youth interested in agriculture. Loans up to \$5000 are available and projects must be of modest size, educational, and initiated, developed and carried out by youths participating in an agriculture organization.

Eligible Entities: Kids between 10-26 participating in an agriculture organization such as 4-H, FFA or similar organization.

More information:

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=paca&topic=youth>

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Microloans: Microloans are direct farm operating loans with a shortened application process and reduced paperwork designed to meet the needs of smaller, non-traditional, and niche type operations. Apprentice and mentorship programs, non-farm business experience, and farm labor experience are acceptable alternative solutions for helping to meet farm experience and managerial requirements. The 2014 Farm Bill allowed for USDA to partner with lending intermediaries to find and loan to eligible borrowers, allowing qualified community development financial institutions to be a part of the outreach and lending.

Eligible Entities: Beginning farmers, niche and the small family farm operations

More information:

http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20130820_farln_en_microln.html

USDA National Institute of Food and Agriculture

Beginning Farmer and Rancher Development Program: Offers education, training, outreach and mentoring programs to enhance the sustainability of the next generation of farmers. The Agriculture Act of 2014 provides \$100 million over 5 years in mandatory funds to support these initiatives.

Eligible Entities: The recipient must be a collaborative, State, tribal, local, or regionally-based network or partnership of public or private entities, which may include: state cooperative extension service; community-based and nongovernmental organization; college or university (including institutions awarding associate degrees); or any other appropriate partner. Others may be eligible to apply.

More information: <http://www.nifa.usda.gov/fo/beginningfarmersandranchers.cfm>

Community Food Projects: This program provides grants to eligible nonprofit organizations to improve community access to food through the development of innovative projects such as school-to-garden programs, low income cooking classes, agricultural entrepreneurship training, gleaning efforts, and urban greenhouse initiatives. The bill provides \$9 million a year available in mandatory funding.

Eligible Entities: Public food program service providers, tribal organizations, or private nonprofit entities, including gleaners.

More information: <http://www.nifa.usda.gov/fo/communityfoodprojects.cfm>

Food Insecurity Nutrition Incentive Grants: There will be new funding for a national pilot to incentivize the purchase of fruits and vegetables at farmers markets by SNAP participants. It will be similar to the

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“Double-Up Food Bucks” program in Michigan. The bill provides \$100 million in mandatory funds over 5 years.

USDA Natural Resources Conservation Service

Environmental Quality Incentives Program (EQIP): EQIP provides financial and technical assistance to agricultural producers in order to address natural resource concerns and deliver environmental benefits such as improved water and air quality, conserved ground and surface water, reduced soil erosion and sedimentation or improved or created wildlife habitat. **Within the EQIP program there is an initiative called the Season High Tunnel Initiative that provides EQIP grants to build hoop houses. This is an important tool for urban agriculture**

Eligible Entities: Owners of land in agricultural or forest production or persons who are engaged in livestock, agricultural or forest production on eligible land and that have a natural resource concern on the land may participate in EQIP.

More information:

<http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/eqip/?cid=stelprdb1044009>

Conservation Innovation Grants: Conservation Innovation Grants (CIG) is a voluntary program intended to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production. Under CIG, Environmental Quality Incentives Program funds are used to award competitive grants to non-Federal governmental or nongovernmental organizations, Tribes, or individuals. CIG enables NRCS to work with other public and private entities to accelerate technology transfer and adoption of promising technologies and approaches to address some of the Nation's most pressing natural resource concerns. CIG will benefit agricultural producers by providing more options for environmental enhancement and compliance with Federal, State, and local regulations. This program was identified by the Department as a potential program to support urban agriculture but has not been used yet.

Eligible Entities: Under CIG, Environmental Quality Incentives Program funds are used to award competitive grants to non-Federal governmental or nongovernmental organizations, Tribes, or individuals.

More information:

<http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/cig/>

Conservation Stewardship Program: The Conservation Stewardship Program continues to address local prioritization of resource issues and promote increased conservation levels across entire agricultural operations. This promotes broader conservation implementation, which is the fundamental goal of the program. It also encourages continual learning, integration, and adoption of new and emerging

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conservation technologies. The bill directs the Secretary to ensure that organic and specialty crop producers participate and have access to the program. This program was identified by the Department as a potential program to support urban agriculture but has not been used yet.

Eligible Entities: Eligible lands include private and Tribal agricultural lands, cropland, grassland, pastureland, rangeland and nonindustrial private forest land. CSP is available to all producers, regardless of operation size or type of crops produced, in all 50 states, the District of Columbia and the Caribbean and Pacific Island areas.

More information:

<http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/csp/>

USDA Rural Development

Healthy Food Financing Initiative: This program provides funds to community development financial institutions to create revolving loan programs which will provide loans and grants to fresh healthy food retailers in order to overcome high costs of entry into underserved urban, suburban, and rural communities. The bill provides up to \$125 million through appropriations to be used on implementing the program.

Value Added Producer Grants: This program is designed to encourage independent producers of agricultural commodities to process their raw products into marketable goods, thereby increasing farm income. Grants may be used for planning activities, for working capital for marketing value-added agricultural products, and for farm-based renewable energy. These grants will retain priority for projects benefiting beginning farmers and ranchers. The bill provides \$63million over 5 years in mandatory funds and up to \$40million a year through appropriations. This program can be used if there are rural/urban linkages so for example if you produce a value-added product on a farm in a rural community you can still have a direct point of sale in an urban community.

Eligible Entities: Independent Producer, Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer-Based Business Venture. In areas with direct rural to urban linkages and marketing.

More information: http://www.rurdev.usda.gov/bcp_vapg.html

Business & Industry Loans: The purpose of this program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities by bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting community benefits. While this program has rural eligibility restrictions, it also maintains a 5% set aside for local and regional food system development in urban communities.

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Eligible Entities: A borrower may be a cooperative organization, corporation, partnership, or other legal entity organized and operated on a profit or nonprofit basis; an Indian tribe on a Federal or State reservation or other federally recognized tribal group; a public body; or an individual.

More information: http://www.rurdev.usda.gov/rbs/busp/b&i_gar.htm

Rural Energy for America Program: This program provides assistance to agricultural producers and rural businesses to complete a variety of projects. Offering both loan guarantees and grants, the REAP program helps eligible applicants install renewable energy systems such as solar panels or anaerobic digesters, make energy efficiency improvements such as installing irrigation pumps or replacing ventilation systems, and conduct energy audits and renewable energy development assistance.

If you are interested in pursuing a grant or loan guarantee for the Rural Energy for America Program, please submit a complete application to the address listed below at your earliest opportunity. The following individuals can assist in answering questions and providing application documents regarding this program.

Cindy Musshel, Business Program Assistant
614-255-2427

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Christie Hooks, Business Program Specialist
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