SECOND REGULAR SESSION

SENATE BILL NO. 958

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS HOLSMAN, CURLS, CHAPPELLE-NADAL, SCHUPP, NASHEED, WALSH AND SIFTON.

Read 1st time January 21, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4960S.02I

AN ACT

To repeal sections 262.960, 262.962, and 348.407, RSMo, and to enact in lieu thereof three new sections relating to the farm-to-table program.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 262.960, 262.962, and 348.407, RSMo, are repealed

- 2 and three new sections enacted in lieu thereof, to be known as sections 262.960,
- 3 262.962, and 348.407, to read as follows:
- 262.960. 1. This section shall be known and may be cited as the
- 2 "[Farm-to-School] Farm-to-Table Act".
- 3 2. There is hereby created within the department of agriculture the
- 4 "[Farm-to-School] Farm-to-Table Program" to connect Missouri farmers and
- 5 [schools] institutions in order to provide [schools] institutions with locally
- 6 grown agricultural products for inclusion in [school] meals and snacks and to
- 7 strengthen local farming economies. The department shall establish
- 8 parameters for program goals, which shall include, but not be limited
- 9 to, participating institutions purchasing at least ten percent of their
- 10 food products locally by December 31, 2019. The department shall
- 11 designate an employee to administer and monitor the [farm-to-school] farm-to-
- 12 **table** program and to serve as liaison between Missouri farmers and [schools]
- 13 institutions.
- 14 3. The following agencies shall make staff available to the Missouri
- 15 [farm-to-school] farm-to-table program for the purpose of providing professional
- 16 consultation and staff support to assist the implementation of this section:
- 17 (1) The department of health and senior services;

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18 (2) The department of elementary and secondary education; [and]

- 19 (3) The office of administration; and
- 20 (4) The department of corrections.
- 4. The duties of the department employee coordinating the [farm-to-school] farm-to-table program shall include, but not be limited to:
- 23 (1) Establishing and maintaining a website database to allow farmers and [schools] institutions to connect whereby farmers can enter the locally grown agricultural products they produce along with pricing information, the times such products are available, and where they are willing to distribute such products;
- 27 (2) Providing leadership at the state level to encourage [schools] 28 institutions to procure and use locally grown agricultural products;
- 29 (3) Conducting workshops and training sessions and providing technical 30 assistance to [school] **institution** food service directors, personnel, farmers, and 31 produce distributors and processors regarding the [farm-to-school] **farm-to-table** 32 program; and
- 33 (4) Seeking grants, private donations, or other funding sources to support the [farm-to-school] farm-to-table program.
- 262.962. 1. As used in this section, section 262.960, and subsection 5 of 2 section 348.407, the following terms shall mean:
- 3 (1) "Institutions", facilities including, but not limited to, schools, 4 correctional facilities, hospitals, nursing homes, and military bases;
 - (2) "Locally grown agricultural products", food or fiber produced or processed by a small agribusiness or small farm;
- [(2)] (3) "Schools", includes any school in this state that maintains a food 8 service program under the United States Department of Agriculture and 9 administered by the school;
- [(3)] (4) "Small agribusiness", a qualifying agribusiness as defined in section 348.400, and located in Missouri with gross annual sales of less than five million dollars;
- [(4)] (5) "Small farm", a family-owned farm or family farm corporation as defined in section 350.010, and located in Missouri with less than two hundred fifty thousand dollars in gross sales per year.
- 2. There is hereby created a taskforce under the AgriMissouri marketing program established in section 261.230, which shall be known as the "[Farm-to-School] Farm-to-Table Taskforce". The taskforce shall be made up of at least one representative from each of the following [agencies]: the

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20 University of Missouri extension service, the department of agriculture, the department of corrections, the department of health and senior 21services, the department of elementary and secondary education, [and] the office 23 of administration, and a representative from one of the military bases in the state. In addition, the director of the department of agriculture shall 24 appoint [two persons] one person actively engaged in the practice of small 25agribusiness. In addition, the [director of the department of elementary and 26 27 secondary commissioner of education shall appoint [two persons] one person from [schools] a school within the state who [direct] directs a food service 28 program. The director of the department of corrections shall appoint 29 one person employed as a correctional facility food service 30 director. The director of the department of health and senior services 32shall appoint one person employed as a hospital or nursing home food 33 service director. One representative for the department of agriculture shall serve as the chairperson for the taskforce and shall coordinate the taskforce 34 meetings. The taskforce shall hold at least two meetings, but may hold more as it deems necessary to fulfill its requirements under this section. Staff of the department of agriculture may provide administrative assistance to the taskforce 37 if such assistance is required. 38

- 39 3. The mission of the taskforce is to provide recommendations for 40 strategies that:
- 41 (1) Allow [schools] institutions to more easily incorporate locally grown 42 agricultural products into their cafeteria offerings, salad bars, and vending 43 machines; and
 - (2) Allow [schools] **institutions** to work with food service providers to ensure greater use of locally grown agricultural products by developing standardized language for food service contracts.
- 4. In fulfilling its mission under this section, the taskforce shall review various food service contracts of [schools] institutions within the state to identify standardized language that could be included in such contracts to allow [schools] institutions to more easily procure and use locally grown agricultural products.
- 52 5. The taskforce shall prepare a report containing its findings and recommendations and shall deliver such report to the governor, the general assembly, and to the director of each [agency] entity represented on the taskforce [by no later than December 31, 2015] no later than December

- 56 thirty-first of each year.
- 6. In conducting its work, the taskforce may hold public meetings at which
- 58 it may invite testimony from experts, or it may solicit information from any party
- 59 it deems may have information relevant to its duties under this section.
- [7. This section shall expire on December 31, 2015.]
 - 348.407. 1. The authority shall develop and implement agricultural products utilization grants as provided in this section.
- 3 2. The authority may reject any application for grants pursuant to this 4 section.
- 5 3. The authority shall make grants, and may make loans or guaranteed
- 6 loans from the grant fund to persons for the creation, development and operation,
- 7 for up to three years from the time of application approval, of rural agricultural
- 8 businesses whose projects add value to agricultural products and aid the economy
- 9 of a rural community.
- 4. The authority may make loan guarantees to qualified agribusinesses
- 11 for agricultural business development loans for businesses that aid in the
- 12 economy of a rural community and support production agriculture or add value
- 13 to agricultural products by providing necessary products and services for
- 14 production or processing.
- 15 5. The authority may make grants, loans, or loan guarantees to Missouri
- 16 businesses to access resources for accessing and processing locally grown
- 17 agricultural products for use in [schools] institutions, as defined in section
- 18 **262.962**, within the state.
- 19 6. The authority may, upon the provision of a fee by the requesting person
- 20 in an amount to be determined by the authority, provide for a feasibility study of
- 21 the person's rural agricultural business concept.
- 22 7. Upon a determination by the authority that such concept is feasible and
- 23 upon the provision of a fee by the requesting person, in an amount to be
- 24 determined by the authority, the authority may then provide for a marketing
- 25 study. Such marketing study shall be designed to determine whether such
- 26 concept may be operated profitably.
- 27 8. Upon a determination by the authority that the concept may be
- 28 operated profitably, the authority may provide for legal assistance to set up the
- 29 business. Such legal assistance shall include, but not be limited to, providing
- 30 advice and assistance on the form of business entity, the availability of tax credits
- 31 and other assistance for which the business may qualify as well as helping the

- 32 person apply for such assistance.
- 9. The authority may provide or facilitate loans or guaranteed loans for the business including, but not limited to, loans from the United States Department of Agriculture Rural Development Program, subject to
- 36 availability. Such financial assistance may only be provided to feasible projects,
- 37 and for an amount that is the least amount necessary to cause the project to
- 38 occur, as determined by the authority. The authority may structure the financial
- 39 assistance in a way that facilitates the project, but also provides for a
- 40 compensatory return on investment or loan payment to the authority, based on
- 41 the risk of the project.
- 42 10. The authority may provide for consulting services in the building of 43 the physical facilities of the business.
- 11. The authority may provide for consulting services in the operation of the business.
- 46 12. The authority may provide for such services through employees of the state or by contracting with private entities.
- 48 13. The authority may consider the following in making the decision:
- 49 (1) The applicant's commitment to the project through the applicant's risk;
- 50 (2) Community involvement and support;
- 51 (3) The phase the project is in on an annual basis;
- 52 (4) The leaders and consultants chosen to direct the project;
- 53 (5) The amount needed for the project to achieve the bankable stage; and
- 54 (6) The project's planning for long-term success through feasibility 55 studies, marketing plans, and business plans.
- 56 14. The department of agriculture, the department of natural resources,
- 57 the department of economic development and the University of Missouri may
- 58 provide such assistance as is necessary for the implementation and operation of
- 59 this section. The authority may consult with other state and federal agencies as
- 60 is necessary.
- 61 15. The authority may charge fees for the provision of any service 62 pursuant to this section.
- 63 16. The authority may adopt rules to implement the provisions of this 64 section.
- 17. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 348.005 to 348.180 shall become effective only if it complies with and is subject to all of the

68 provisions of chapter 536 and, if applicable, section 536.028. All rulemaking 69 authority delegated prior to August 28, 1999, is of no force and effect and repealed. Nothing in this section shall be interpreted to repeal or affect the 70 71validity of any rule filed or adopted prior to August 28, 1999, if it fully complied with all applicable provisions of law. This section and chapter 536 are 72 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking 75 76 authority and any rule proposed or adopted after August 28, 1999, shall be invalid and void. 77notticial

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