

118TH CONGRESS
1ST SESSION

H. R. 5763

To establish as a permanent program the organic market development grant program of the Department of Agriculture.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2023

Ms. KUSTER (for herself, Ms. PINGREE, Ms. SALINAS, and Mr. PANETTA) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To establish as a permanent program the organic market development grant program of the Department of Agriculture.

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. ORGANIC MARKET DEVELOPMENT GRANT PRO-**
4 **GRAM.**

5 (a) DEFINITIONS.—In this section:

6 (1) CERTIFIED ORGANIC PRODUCT.—The term
7 “certified organic product” means an agricultural
8 product (as defined in section 2103 of the Organic
9 Foods Production Act of 1990 (7 U.S.C. 6502))

1 that is organically produced (as defined in that sec-
2 tion).

3 (2) ELIGIBLE ENTITY.—

4 (A) IN GENERAL.—The term “eligible enti-
5 ty” means an entity described in subparagraph

6 (B) that—

7 (i) is owned and operated within—

8 (I) a State;

9 (II) the District of Columbia;

10 (III) the Commonwealth of Puer-
11 to Rico;

12 (IV) the United States Virgin Is-
13 lands;

14 (V) Guam;

15 (VI) American Samoa;

16 (VII) the Commonwealth of the
17 Northern Mariana Islands; or

18 (VIII) the jurisdiction of a Tribal
19 government; and

20 (ii)(I) is certified in accordance with
21 subpart E of part 205 of title 7, Code of
22 Federal Regulations (as in effect on the
23 date of enactment of this Act / or suc-
24 cessor regulations); or

25 (II) is in transition to certification.

1 (B) ENTITIES DESCRIBED.—An entity re-
2 ferred to in subparagraph (A) is—

3 (i) a producer, producer cooperative,
4 or other commercial entity that produces
5 or handles certified organic products;

6 (ii) a nonprofit corporation;

7 (iii) a trade association;

8 (iv) a public benefit corporation;

9 (v) a philanthropic organization;

10 (vi) a unit of Tribal, State, territorial,
11 or local government; or

12 (vii) such other entity as the Sec-
13 retary may designate.

14 (C) EXCLUSION.—The term “eligible enti-
15 ty” does not include an entity described in sub-
16 paragraph (B) the operations of which are sus-
17 pended or revoked under section 205.662 of
18 title 7, Code of Federal Regulations (as in ef-
19 fect on the date of enactment of this Act / or
20 successor regulations).

21 (3) SECRETARY.—The term “Secretary” means
22 the Secretary of Agriculture.

23 (4) TRANSITION TO CERTIFICATION.—The term
24 “transition to certification”, with respect to an eligi-
25 ble entity, means the period of time during which

1 the crops or livestock of the eligible entity, as appli-
2 cable, are managed in accordance with the require-
3 ments of the National Organic Program before being
4 granted organic certification, which may include—

5 (A) the management of cropland organi-
6 cally for not less than 3 years;

7 (B) the management of slaughter of live-
8 stock organically from the last third of gesta-
9 tion;

10 (C) the management of dairy animals or-
11 ganically for not less than 1 year;

12 (D) the management of poultry organically
13 from the second day of life; and

14 (E) such other conditions as the Secretary
15 may require.

16 (b) ESTABLISHMENT AND PURPOSE.—The Secretary,
17 acting through the Administrator of the Agricultural Mar-
18 keting Service, shall establish a program, to be known as
19 the “Organic Market Development Grant Program”,
20 that—

21 (1) increases the capacity of the domestic or-
22 ganic product supply chain for producers, handlers,
23 suppliers, and processors of certified organic prod-
24 ucts;

1 (2) modernizes manufacturing, tracking, stor-
2 age, and information technology systems specific to
3 the purposes described in this subsection, such as
4 process control or organic product ingredient track-
5 ing systems;

6 (3) improves the capacity of eligible entities to
7 comply with applicable regulatory requirements or
8 quality standards required to access markets, such
9 as requirements and standards relating to food safe-
10 ty and organic product certification;

11 (4) expands capacity for storage, processing,
12 aggregation, and distribution of certified organic
13 products to create more and better markets for pro-
14 ducers of certified organic products;

15 (5) facilitates market development for domesti-
16 cally produced certified organic products;

17 (6) provides for the conduct of feasibility stud-
18 ies and market viability assessments to inform or-
19 ganic transition strategies and opportunities;

20 (7) ameliorates barriers to entry to organic
21 product certification for historically underserved en-
22 tities;

23 (8) supports market and promotional activities
24 that help build commercial markets for certified or-
25 ganic products in the United States; and

1 (9) provides technical assistance and outreach
2 to program stakeholders and participants.

3 (c) GRANTS.—For each fiscal year for which amounts
4 are made available to carry out this section under sub-
5 section (k), the Secretary shall provide grants to support
6 eligible entities in conducting activities in accordance with
7 the purposes of the program described in subsection (b).

8 (d) APPLICATIONS.—

9 (1) IN GENERAL.—To be eligible to receive a
10 grant under this section, an eligible entity shall sub-
11 mit to the Secretary an application at such time, in
12 such manner, and containing such information as
13 the Secretary may require.

14 (2) SIMPLIFIED PROCESS.—The Secretary shall
15 implement a simplified application and award proc-
16 ess under this section for use by any eligible entity
17 seeking to carry out an equipment-only project.

18 (3) BENEFITS.—

19 (A) IN GENERAL.—Except as provided in
20 subparagraph (B), an application submitted
21 under this subsection shall include a description
22 of the direct or indirect producer or food busi-
23 ness benefits intended by the eligible entity to
24 result from the proposed project within a rea-

1 sonable period of time after the receipt of a
2 grant under this section.

3 (B) EXCEPTION.—Subparagraph (A) shall
4 not apply to any feasibility study or market via-
5 bility assessment conducted pursuant to this
6 section.

7 (4) CRITERIA.—The Secretary shall establish
8 such criteria for the evaluation and funding of pro-
9 posed projects under this section as the Secretary
10 determines to be appropriate.

11 (5) COMPETITIVE PROCESS.—The Secretary—

12 (A) shall conduct a competitive process to
13 select applications submitted under this sub-
14 section;

15 (B) may assess and rank applications with
16 similar purposes as a group; and

17 (C) before accepting any application under
18 this subsection, shall publish the criteria to be
19 used in evaluating the applications.

20 (e) PROJECT TYPES.—An eligible entity may use
21 amounts received under this section to carry out, in ac-
22 cordance with such goals and deadlines for completion as
23 the Secretary may establish, the following types of
24 projects:

1 (1) Market development and promotion of cer-
2 tified organic products.

3 (2) Certified organic product storage (including
4 cold storage), aggregation, processing, and distribu-
5 tion capacity expansion.

6 (3) Equipment-only.

7 (f) TERM.—Unless otherwise determined by the Sec-
8 retary, a grant provided under this section shall have a
9 term of not longer than 3 years.

10 (g) MAXIMUM AMOUNT.—

11 (1) IN GENERAL.—The amount of a grant pro-
12 vided under this section for a project described in
13 paragraph (1) or (2) of subsection (e) shall be not
14 more than \$3,000,000.

15 (2) SIMPLIFIED EQUIPMENT-ONLY PROJECTS.—
16 The amount of a grant provided under this section
17 for a project described in subsection (e)(3) shall be
18 not more than \$100,000.

19 (h) MATCHING FUNDS.—

20 (1) IN GENERAL.—An eligible entity that re-
21 ceives a grant under this section to carry out a
22 project described in paragraph (1) or (2) of sub-
23 section (e) shall provide a non-Federal share equal
24 to not less than 50 percent of the cost of the project.

1 (2) SIMPLIFIED EQUIPMENT-ONLY PROJECTS.—

2 An eligible entity that receives a grant under this
3 section to carry out a project described in subsection
4 (e)(3) shall not be required to contribute a non-Fed-
5 eral share to the cost of the project.

6 (i) INAPPLICABILITY OF PRIOR LIMITATIONS.—

7 (1) QUANTITY.—The Secretary may provide a
8 grant under this section to more than 1 eligible enti-
9 ty, as the Secretary determines to be appropriate.

10 (2) CONSTRUCTION AND STRUCTURAL
11 CHANGES.—A grant provided under this section may
12 be used by an eligible entity for—

13 (A) new construction; or

14 (B) any structural modification to an exist-
15 ing building or facility resulting in—

16 (i) an expansion in the square footage
17 of the building or facility; or

18 (ii) a change to the floor, the founda-
19 tion, or an exterior or load-bearing wall of
20 the building or facility.

21 (j) TECHNICAL ASSISTANCE.—The Secretary may
22 provide to eligible entities technical assistance under this
23 section, directly or through a cooperative agreement.

24 (k) FUNDING.—

1 (1) MANDATORY FUNDING.—Of the funds of
2 the Commodity Credit Corporation, the Secretary
3 shall use to carry out this section \$75,000,000 for
4 fiscal year 2024 and each fiscal year thereafter, to
5 remain available until expended.

6 (2) AUTHORIZATION OF APPROPRIATIONS.—
7 There is authorized to be appropriated to carry out
8 this section \$25,000,000 for fiscal year 2024 and
9 each fiscal year thereafter, to remain available until
10 expended.

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