

116TH CONGRESS
2D SESSION

S. 4453

To protect the continuity of the food supply chain of the United States
in response to COVID–19, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2020

Ms. STABENOW (for herself, Ms. MURKOWSKI, Mr. LEAHY, Mr. CASSIDY, Mr. BROWN, Ms. KLOBUCHAR, Mr. BENNET, Mrs. GILLIBRAND, Mr. CASEY, Ms. SMITH, Mr. DURBIN, Mr. SCHUMER, Mr. BLUMENTHAL, Mr. WYDEN, and Mr. REED) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To protect the continuity of the food supply chain of the
United States in response to COVID–19, and for other
purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Food Supply Protec-
5 tion Act of 2020”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) COVID–19 EMERGENCY.—The term
2 “COVID–19 emergency” means the public health
3 emergency declared by the Secretary of Health and
4 Human Services under section 319 of the Public
5 Health Service Act (42 U.S.C. 247d) on January
6 31, 2020, with respect to COVID–19.

7 (2) DONATION PERIOD.—The term “donation
8 period” means the period—

9 (A) beginning on January 31, 2020; and

10 (B) ending on the later of—

11 (i) December 31, 2020; and

12 (ii) a date after December 31, 2020,

13 if there are remaining food surpluses relat-

14 ing to the COVID–19 emergency, as deter-

15 mined by the Secretary.

16 (3) SECRETARY.—The term “Secretary” means
17 the Secretary of Agriculture.

18 **SEC. 3. INFRASTRUCTURE GRANTS TO NONPROFIT FEED-**

19 **ING ORGANIZATIONS.**

20 (a) PURPOSES.—The purposes of this section are—

21 (1) to reduce food waste by supporting the dis-
22 tribution of perishable food that would otherwise go
23 to waste or be left unharvested;

24 (2) to provide food and meals to individuals in
25 need during the COVID–19 emergency;

1 (3) to improve the ability of food banks and
2 other nonprofit feeding organizations to process, re-
3 pack, store, or distribute perishable food in response
4 to the COVID–19 emergency; and

5 (4) to facilitate partnerships with local and re-
6 gional organizations to store, repack, prepare,
7 process, or distribute food and meals.

8 (b) DEFINITIONS.—In this section:

9 (1) ELIGIBLE ORGANIZATION.—The term “eligi-
10 ble organization” means an organization providing
11 free food or meals during the donation period, in-
12 cluding—

13 (A) a nonprofit organization, such as a
14 food bank, a school, and an emergency feeding
15 organization;

16 (B) a faith-based organization that distrib-
17 utes food or meals, and any other similar pro-
18 gram, as determined by the Secretary;

19 (C) a tribal organization that distributes
20 food or meals;

21 (D) a child or adult care center; and

22 (E) any other similar feeding entity, as de-
23 termined by the Secretary.

1 (2) SECRETARY.—The term “Secretary” means
2 the Secretary, acting through the Administrator of
3 the Food and Nutrition Service.

4 (3) TRIBAL ORGANIZATION.—The term “tribal
5 organization” has the meaning given the term in
6 section 4 of the Indian Self-Determination and Edu-
7 cation Assistance Act (25 U.S.C. 5304).

8 (c) REIMBURSEMENT FOR STORAGE AND DISTRIBUTION OF PERISHABLE COMMODITIES.—

10 (1) ESTABLISHMENT.—Not later than 15 days
11 after the date of enactment of this Act, the Sec-
12 retary shall establish a program under which the
13 Secretary shall reimburse costs incurred during the
14 donation period by an eligible organization for the
15 distribution and temporary storage of perishable
16 commodities, without regard to the source of those
17 commodities.

18 (2) REIMBURSEMENT RATE.—Under the pro-
19 gram established under paragraph (1), the Secretary
20 shall reimburse eligible organizations at—

21 (A) a rate of \$0.10 per pound of perishable
22 food stored and distributed during the donation
23 period; or

24 (B) such other appropriate rate, as deter-
25 mined by the Secretary.

1 (3) ADVANCE REIMBURSEMENT.—The Sec-
2 retary shall provide an advance reimbursement to an
3 eligible organization under paragraph (1) if the Sec-
4 retary approves a plan submitted by the eligible or-
5 ganization that—

6 (A) estimates the pounds of perishable
7 food expected to be distributed during the sub-
8 sequent 30 days; and

9 (B) demonstrates the ability of the eligible
10 organization to accomplish that distribution.

11 (4) FUNDING.—Of the funds of the Commodity
12 Credit Corporation, the Secretary shall use not more
13 than \$500,000,000 to carry out this subsection, of
14 which not more than 3 percent may be used for ad-
15 ministrative expenses.

16 (d) GRANTS FOR INFRASTRUCTURE, EQUIPMENT,
17 AND SUPPLIES.—

18 (1) ESTABLISHMENT.—Not later than 30 days
19 after the date of enactment of this Act, the Sec-
20 retary shall establish a program under which the
21 Secretary shall award grants to eligible organiza-
22 tions to improve, construct, rent, lease, or purchase
23 infrastructure, equipment, and supplies that support
24 the distribution of surplus perishable food or meals

1 prepared with that food and the purposes described
2 in subsection (a).

3 (2) APPLICATIONS.—

4 (A) IN GENERAL.—To be eligible to receive
5 a grant under paragraph (1), an eligible organi-
6 zation shall submit to the Secretary an applica-
7 tion at such time, in such manner, and con-
8 taining such information as the Secretary may
9 require, including the information described in
10 subparagraph (C).

11 (B) REVIEW AND SUBMISSION.—The Sec-
12 retary shall approve or deny an application re-
13 ceived under subparagraph (A)—

14 (i) not later than 30 days after the
15 date of receipt of the application; and

16 (ii) in the case of an application for a
17 grant amount of less than \$80,000 or an
18 application that may be reviewed quickly
19 otherwise, as determined by the Secretary,
20 in accordance with the timeline in a fast-
21 track review process established by the
22 Secretary for such applications.

23 (C) SELECTION CRITERIA.—In determining
24 whether to approve or deny an application of an
25 eligible organization under subparagraph (B),

1 the Secretary shall consider whether the eligible
2 organization—

3 (i) demonstrates an ability to use the
4 grant for the purposes described in para-
5 graph (1); and

6 (ii) to the extent practicable, will—

7 (I) use local and regional food
8 business and small and medium busi-
9 nesses to carry out activities under
10 the grant;

11 (II) accept perishable food that
12 would otherwise be wasted or
13 unharvested;

14 (III) develop innovative partner-
15 ships with institutions that have avail-
16 able, underutilized cold storage, food
17 preparation, or other existing re-
18 sources or facilities; and

19 (IV) make investments in infra-
20 structure or equipment that have
21 short- or long-term value, have mul-
22 tiple uses, and would improve pre-
23 paredness for future surges in dona-
24 tions of perishable foods.

1 (3) USE OF FUNDS.—Activities carried out by
2 eligible organizations using grant funds awarded
3 under paragraph (1) may include the following:

4 (A) Purchasing new or temporary pack-
5 aging materials and food labels.

6 (B) Converting industrial-sized products to
7 consumer-sized products.

8 (C) Purchasing, renting, or leasing storage
9 or preparation space, cold storage, equipment,
10 or vehicles, trailers, or transportation services.

11 (D) Purchasing test kits, disinfectant,
12 sanitation systems, or hand washing stations.

13 (E) Training relating to—

14 (i) equipment purchased, rented, or
15 leased with the grant funds; and

16 (ii) new procedures established by the
17 eligible organization that are supported by
18 the grant funds.

19 (F) Purchasing and decontaminating per-
20 sonal protective equipment.

21 (G) Purchasing equipment and supplies to
22 facilitate food or meal distribution.

23 (4) OWNERSHIP OF INFRASTRUCTURE, EQUIP-
24 MENT, AND SUPPLIES.—Any infrastructure, equip-

1 ment, or supplies purchased by an eligible organiza-
2 tion using a grant awarded under paragraph (1)—

3 (A) shall be required to support the pur-
4 poses of the grant but need not be exclusively
5 used for those purposes;

6 (B) shall not have Federal property track-
7 ing and inventory requirements applied beyond
8 the end of the grant term; and

9 (C) shall remain under the ownership of
10 the eligible organization for future use or pan-
11 demic or food crisis preparedness.

12 (5) PUBLIC GRANT ANNOUNCEMENTS.—Not
13 later than 10 days after the date on which a grant
14 is awarded under paragraph (1), the Secretary shall
15 publicly announce the grant on the website of the
16 Food and Nutrition Service, including a summary of
17 the activities funded by the grant and the projected
18 volume of food or meal distribution supported by the
19 grant.

20 (6) FUNDING.—Of the funds of the Commodity
21 Credit Corporation, the Secretary shall use not more
22 than \$500,000,000 to carry out this subsection, of
23 which not more than 3 percent may be used for ad-
24 ministrative expenses.

1 (e) OUTREACH.—The Secretary, in cooperation with
2 national and regional food security organizations, shall
3 conduct outreach to eligible organizations, including tribal
4 organizations, that serve underserved communities or have
5 minimal or no participation in Federal programs to ensure
6 that those organizations are informed of the programs es-
7 tablished under this section.

8 (f) DUPLICATION AND RELATION TO OTHER PRO-
9 GRAMS.—An eligible organization may not receive reim-
10 bursements, payments, or grants from Federal sources for
11 activities carried out under this section in an amount that
12 exceeds 100 percent of the costs incurred by the eligible
13 organization in carrying out those activities.

14 (g) ADDITIONAL FUNDING.—In addition to the funds
15 used under subsections (c)(4) and (d)(6), of the funds of
16 the Commodity Credit Corporation, the Secretary shall
17 use such sums as are necessary to carry out this section.

18 **SEC. 4. FOOD PURCHASE PARTNERSHIPS.**

19 (a) DEFINITIONS.—In this section:

20 (1) ELIGIBLE FEEDING ORGANIZATION.—

21 (A) IN GENERAL.—The term “eligible
22 feeding organization” means a public or private
23 nonprofit organization (including a tribal orga-
24 nization (as defined in section 4 of the Indian
25 Self-Determination and Education Assistance

1 Act (25 U.S.C. 5304))), or a restaurant or
2 distributor operating an emergency feeding or
3 food relief program, that distributes donated el-
4 igible food or meals prepared, at least in part,
5 from eligible food.

6 (B) INCLUSION.—The term “eligible feed-
7 ing organization” includes a department of ag-
8 riculture or other appropriate agency of a
9 State, or an Indian Tribe, that receives funding
10 under this section to distribute donated eligible
11 food or meals prepared, at least in part, from
12 eligible food.

13 (2) ELIGIBLE FOOD.—The term “eligible food”
14 means meat, poultry, eggs, fluid milk, dairy prod-
15 ucts, fruit, vegetables, seafood, and other unproc-
16 essed or minimally processed food that—

17 (A) is produced and processed in the
18 United States; and

19 (B) would otherwise be unharvested or sur-
20 plus if not donated.

21 (3) FOOD VALUE.—The term “food value”—

22 (A) means the typical wholesale value of
23 food being donated in a nonsurplus situation;
24 and

1 (B) may be adjusted to reflect the typical
2 premium associated with local food, organic
3 food, or other premiums.

4 (4) INDIAN TRIBE.—The term “Indian Tribe”
5 has the meaning given the term “Indian tribe” in
6 section 4 of the Indian Self-Determination and Edu-
7 cation Assistance Act (25 U.S.C. 5304).

8 (5) SECRETARY.—The term “Secretary” means
9 the Secretary, acting through the Administrator of
10 the Agricultural Marketing Service.

11 (6) STATE.—The term “State” means—

12 (A) each of the several States of the
13 United States;

14 (B) the District of Columbia;

15 (C) the Commonwealth of Puerto Rico;

16 (D) the United States Virgin Islands;

17 (E) Guam;

18 (F) American Samoa; and

19 (G) the Commonwealth of the Northern
20 Mariana Islands.

21 (b) ESTABLISHMENT; PURPOSES.—

22 (1) ESTABLISHMENT.—Not later than 15 days
23 after the date of enactment of this Act, the Sec-
24 retary shall establish—

1 (A) the State and Tribal surplus food pur-
2 chase program in accordance with subsection
3 (c); and

4 (B) the Federal surplus food reimburse-
5 ment program in accordance with subsection
6 (d).

7 (2) PURPOSES.—The purposes of the programs
8 established under paragraph (1) shall be—

9 (A) to facilitate the purchase and donation
10 of eligible food;

11 (B) to provide nutrition assistance to indi-
12 viduals facing food insecurity;

13 (C) to encourage the use of available infra-
14 structure and resources to respond to COVID-
15 19-related food supply chain disruptions; and

16 (D) to reduce food waste.

17 (c) STATE AND TRIBAL SURPLUS FOOD PURCHASE
18 PROGRAM.—

19 (1) IN GENERAL.—To advance the purposes de-
20 scribed in subsection (b)(2), the Secretary shall
21 carry out a State and Tribal surplus food purchase
22 program, under which the Secretary shall provide
23 funding to States and Indian Tribes to administer a
24 grant or other reimbursement program to purchase
25 surplus eligible food and distribute the food—

1 (A) to eligible feeding organizations (as de-
2 fined in subsection (a)(1)(A));

3 (B) through a department of agriculture or
4 other appropriate agency of a State described in
5 subsection (a)(1)(B) to individuals experiencing
6 food insecurity; or

7 (C) in the case of an Indian Tribe de-
8 scribed in subsection (a)(1)(B), directly to indi-
9 viduals experiencing food insecurity.

10 (2) INSTRUCTIONS.—Not later than 15 days
11 after the date of enactment of this Act, the Sec-
12 retary shall provide instructions for States and In-
13 dian Tribes seeking funding under this subsection.

14 (3) INITIAL APPLICATION.—

15 (A) IN GENERAL.—A State or Indian
16 Tribe seeking funding under this subsection
17 shall submit to the Secretary an initial applica-
18 tion that—

19 (i) designates the one or more lead
20 agencies of the State or Indian Tribe for
21 administering the grant or other reim-
22 bursement program; and

23 (ii) includes a plan for administering
24 the grant or other reimbursement program
25 in accordance with paragraph (4).

1 (B) JOINT APPLICATIONS.—Two or more
2 States, Indian Tribes, or combinations of States
3 and Indian Tribes—

4 (i) may jointly submit an initial appli-
5 cation under subparagraph (A); and

6 (ii) shall be eligible to receive a com-
7 bination of the amounts provided under
8 the initial allocation under paragraph (5).

9 (4) STATE OR TRIBAL PLAN.—The State or
10 Tribal plan described in paragraph (3)(A)(ii) shall
11 include descriptions of—

12 (A) how the lead agencies of a State or In-
13 dian Tribe, or a joint applicant under para-
14 graph (3)(B), will—

15 (i) facilitate connecting producers of
16 surplus eligible food with eligible feeding
17 organizations; or

18 (ii) make available to individuals in-
19 formation relating to how to access food or
20 meals provided through the program under
21 this subsection;

22 (B) mechanisms that eligible feeding orga-
23 nizations will use to distribute food and meals
24 under the program under this subsection;

1 (C) how the plan advances the purposes
2 described in subsection (b)(2); and

3 (D) how innovative partnerships with orga-
4 nizations serving at-risk populations or facilities
5 that have unused capacity due to the COVID-
6 19 emergency (including restaurants, hospi-
7 tality companies, schools, senior centers, after-
8 school programs, sports franchises or other en-
9 terprises, distributors, and other public or pri-
10 vate organizations) will be encouraged and sup-
11 ported under the plan.

12 (5) INITIAL ALLOCATION.—

13 (A) IN GENERAL.—Of the funds of the
14 Commodity Credit Corporation, the Secretary
15 shall distribute \$1,000,000,000 to States and
16 Indian Tribes under this subsection.

17 (B) MINIMUM ALLOCATION.—In distrib-
18 uting amounts under subparagraph (A), the
19 Secretary shall allocate not less than—

20 (i) \$5,000,000 for each State; and

21 (ii) \$200,000 for each Indian Tribe.

22 (C) FORMULA.—In allocating amounts
23 under subparagraph (B), subject to the limita-
24 tions described in that subparagraph, the Sec-
25 retary shall allocate—

1 (i) 50 percent based on—

2 (I) in the case of States, the for-
3 mula used to allocate among States
4 the commodities and funding available
5 under the emergency food assistance
6 program established under the Emer-
7 gency Food Assistance Act of 1983 (7
8 U.S.C. 7501 et seq.), using the most
9 current data available as of the date
10 of enactment of this Act; and

11 (II) in the case of Indian Tribes,
12 a formula determined by the Sec-
13 retary, in consultation with Indian
14 Tribes, that is based on poverty rates,
15 unemployment rates, and rates of par-
16 ticipation in Federal feeding pro-
17 grams; and

18 (ii) 50 percent based on the market
19 value of agricultural products (including
20 seafood) sold within each State or Tribal
21 area, including agricultural products (in-
22 cluding seafood) produced by the members
23 of each Indian Tribe or Tribal businesses
24 or enterprises, weighted such that $\frac{1}{4}$ of

1 the amount under this clause is based on
2 each of—

- 3 (I) dairy and eggs;
- 4 (II) meat, poultry, and seafood;
- 5 (III) vegetables; and
- 6 (IV) fruit.

7 (6) REALLOCATION AND ADDITIONAL FUND-
8 ING.—

9 (A) IN GENERAL.—The Secretary may—

10 (i) reallocate to States or Indian
11 Tribes described in subparagraph (B)
12 amounts initially allocated under this sub-
13 section to a State or Indian Tribe that—

14 (I) did not submit an application
15 under paragraph (3); or

16 (II) did not use the full amount
17 allocated to the State or Indian Tribe;
18 and

19 (ii) distribute such sums as are nec-
20 essary of the funds of the Commodity
21 Credit Corporation in addition to the
22 amount made available under paragraph
23 (5)(A) to States or Indian Tribes described
24 in subparagraph (B).

1 (B) ADDITIONAL FUNDING.—The Sec-
 2 retary shall distribute amounts reallocated or
 3 distributed under subparagraph (A) to States
 4 or Indian Tribes that—

5 (i) demonstrate additional need; or

6 (ii) have leveraged the amounts ini-
 7 tially allocated to the State or Indian Tribe
 8 to form innovative partnerships described
 9 in paragraph (4)(D).

10 (7) ADMINISTRATION.—

11 (A) ADMINISTRATIVE EXPENSES.—

12 (i) IN GENERAL.—Except as provided
 13 in clause (ii), a State or Indian Tribe re-
 14 ceiving funding under this subsection may
 15 not use more than 8 percent for adminis-
 16 trative expenses.

17 (ii) WAIVER.—The Secretary may
 18 waive the requirement under clause (i)
 19 with respect to an Indian Tribe that dem-
 20 onstrates that the administrative expenses
 21 of the Indian Tribe are greater than 8 per-
 22 cent of the amount of funding received
 23 under this subsection.

24 (B) NO DUPLICATION.—The combination
 25 of all purchases of eligible food or other reim-

1 bursements provided by a State or Indian Tribe
2 for eligible food through a program under this
3 subsection shall not exceed 100 percent of the
4 food value of the eligible food.

5 (d) FEDERAL SURPLUS FOOD REIMBURSEMENT
6 PROGRAM.—

7 (1) DEFINITIONS.—In this subsection:

8 (A) ELIGIBLE EXPENSES.—The term “eli-
9 gible expenses” means harvesting, processing,
10 packaging, cold storage prior to delivery to the
11 eligible feeding organization, meeting food safe-
12 ty requirements, repacking, meal preparation,
13 transportation, and related costs, as determined
14 by the Secretary.

15 (B) ELIGIBLE FOOD ORGANIZATION.—The
16 term “eligible food organization” means—

17 (i) a farming cooperative;

18 (ii) a farmers organization, food hub,
19 food distributor, majority-controlled pro-
20 ducer-based business venture (as defined in
21 section 210A(a) of the Agricultural Mar-
22 keting Act of 1946 (7 U.S.C. 1627c(a))),
23 or other food aggregator; and

24 (iii) a food or seafood processor.

1 (C) ELIGIBLE PARTNERSHIP.—The term
2 “eligible partnership” means a partnership be-
3 tween an eligible food organization and an eligi-
4 ble feeding organization (including any other
5 entity that provides necessary services for the
6 partnership that incurs eligible expenses) in
7 order to prevent food waste and distribute food
8 to individuals experiencing food insecurity.

9 (D) PARTICIPATING PARTNERSHIP.—The
10 term “participating partnership” means an eli-
11 gible partnership for which the Secretary has
12 approved a reimbursement and distribution plan
13 under paragraph (3)(B).

14 (2) PROGRAM.—The Secretary shall carry out a
15 Federal surplus food reimbursement program, under
16 which the Secretary shall reimburse participating
17 partnerships to facilitate the donation of surplus eli-
18 gible food in accordance with this subsection.

19 (3) REIMBURSEMENT AND DISTRIBUTION
20 PLANS.—

21 (A) IN GENERAL.—To be eligible to receive
22 a reimbursement under this subsection, an eligi-
23 ble partnership shall submit to the Secretary a
24 reimbursement and distribution plan that—

1 (i) describes the process that the eligi-
2 ble partnership will use to identify, obtain,
3 harvest, process, transport, temporarily
4 store, and distribute eligible food;

5 (ii) includes an estimate of the quan-
6 tity and types of eligible food that the eli-
7 gible partnership will purchase and donate;

8 (iii) describes the eligible expenses for
9 which the eligible partnership seeks to be
10 reimbursed; and

11 (iv) demonstrates experience to com-
12 ply with the requirements of this sub-
13 section.

14 (B) REVIEW AND APPROVAL.—On a rolling
15 basis, the Secretary shall—

16 (i) review reimbursement and distribu-
17 tion plans submitted under subparagraph
18 (A); and

19 (ii) determine whether to approve or
20 disapprove each of those reimbursement
21 and distribution plans.

22 (4) REIMBURSEMENT.—

23 (A) IN GENERAL.—On receipt of appro-
24 priate documentation under subparagraph (B),
25 the Secretary shall reimburse a participating

1 partnership or a member of a participating
2 partnership that has incurred eligible expenses
3 or donated eligible food on a regular basis for
4 qualified expenses described in paragraph (5).

5 (B) DOCUMENTATION.—

6 (i) IN GENERAL.—A participating
7 partnership shall submit to the Secretary
8 such documentation as the Secretary may
9 require to demonstrate the qualified ex-
10 penses described in paragraph (5).

11 (ii) VERIFICATION.—The Secretary
12 may verify the accuracy of documentation
13 submitted under clause (i) by spot checks
14 and audits.

15 (C) RETROACTIVE REIMBURSEMENT.—In
16 providing reimbursements under subparagraph
17 (A), the Secretary may provide reimbursements
18 for qualified expenses described in paragraph
19 (5)—

20 (i) incurred before the date on which
21 the reimbursement and distribution plan
22 for the applicable participating partnership
23 was approved by the Secretary; and

24 (ii) relating to purchases and dona-
25 tions made during the donation period.

1 (D) ADVANCE PAYMENT FOR ELIGIBLE EX-
2 PENSES.—The Secretary shall provide an ad-
3 vance payment on request of an eligible part-
4 nership in an amount equal to the lesser of—

5 (i) 30 percent of the estimated eligible
6 expenses of the eligible partnership during
7 the donation period; and

8 (ii) \$1,000,000.

9 (5) QUALIFIED EXPENSES.—

10 (A) IN GENERAL.—

11 (i) AMOUNT.—Subject to subpara-
12 graphs (B) and (C), the amount of a reim-
13 bursement under paragraph (4) shall be an
14 amount equal to the sum obtained by add-
15 ing—

16 (I) subject to clause (ii), the eli-
17 gible expenses of the eligible partner-
18 ship during the donation period; and

19 (II) the food value of eligible food
20 donated by the eligible partnership
21 during the donation period.

22 (ii) LIMITATION.—The amount of eli-
23 gible expenses described in clause (i)(I)
24 shall not exceed 25 percent of the food
25 value described in clause (i)(II).

1 (B) LIMITATION.—The amount of a reim-
2 bursement under paragraph (4)—

3 (i) shall not exceed the amount of eli-
4 gible expenses that an eligible partnership
5 incurred during the donation period; and

6 (ii) may be limited by the Secretary
7 based on prevailing or typical costs for
8 each type of eligible expense.

9 (C) NO DUPLICATION.—The combination
10 of all payments or grants provided from all
11 Federal sources to eligible partnership or mem-
12 bers of an eligible partnership to reimburse for
13 eligible expenses or food value shall not exceed
14 100 percent of the eligible expenses or food
15 value.

16 (6) CLEARINGHOUSE FOR AVAILABLE FOOD.—
17 To support the program under this subsection, the
18 Secretary shall establish a clearinghouse to collect
19 information from—

20 (A) eligible food organizations that have el-
21 igible food to donate; and

22 (B) local and regional eligible feeding orga-
23 nizations that have capacity to receive or dis-
24 tribute additional eligible food.

1 (e) RELATIONSHIP TO OTHER PROGRAM.—Notwith-
2 standing any other provision of law, funding provided
3 under this section may be used to meet matching funds
4 or cost share requirements for any other Federal program.

5 (f) PROHIBITION ON RESALE OF PRODUCTS.—

6 (1) IN GENERAL.—An eligible feeding organiza-
7 tion that receives eligible food donated under this
8 section may not sell the eligible food back into a
9 commercial market.

10 (2) PROHIBITION ON FUTURE PARTICIPA-
11 TION.—An eligible feeding organization that the Sec-
12 retary determines has violated paragraph (1) shall
13 not be eligible for any future participation in the
14 programs established under this section.

15 (g) ADMINISTRATION.—

16 (1) IN GENERAL.—The Secretary shall publicize
17 opportunities to participate in the programs estab-
18 lished under this section.

19 (2) ADMINISTRATIVE EXPENSES.—The Sec-
20 retary may use for administrative expenses not more
21 than 3 percent of the funds made available to carry
22 out this section.

23 (3) OUTREACH.—The Secretary shall ensure
24 that farmers and ranchers who are minorities,
25 women, young, or veterans, and any eligible feeding

1 organizations that serve those farmers and ranchers
2 or food insecure populations, are informed of oppor-
3 tunities through the programs under this section.

4 (h) REVIEWS.—The Secretary shall conduct appro-
5 priate reviews or audits to ensure the integrity of the pro-
6 grams established under this section.

7 (i) REPORTS.—

8 (1) STATE AND TRIBAL SURPLUS FOOD PUR-
9 CHASE PROGRAM.—Every 30 days, the Secretary
10 shall submit to the Committee on Agriculture, Nutri-
11 tion, and Forestry of the Senate and the Committee
12 on Agriculture of the House of Representatives a re-
13 port describing, with respect to the State and Tribal
14 surplus food purchase program under subsection

15 (c)—

16 (A) the funding made available to States
17 and Indian Tribes; and

18 (B) a summary of the reviews or audits
19 conducted by the Secretary under subsection
20 (h), including a description of—

21 (i) each review or audit conducted;

22 and

23 (ii) the findings of each review or
24 audit conducted.

1 (2) FEDERAL SURPLUS FOOD REIMBURSEMENT
2 PROGRAM.—Every 30 days, the Secretary shall sub-
3 mit to the Committee on Agriculture, Nutrition, and
4 Forestry of the Senate and the Committee on Agri-
5 culture of the House of Representatives a report de-
6 scribing, with respect to the Federal surplus food re-
7 imbursement program under subsection (d)—

8 (A) payments made under that program—

9 (i) by participating partnership (as
10 defined in subsection (d)(1)); and

11 (ii) by State; and

12 (B) a summary of the reviews or audits
13 conducted by the Secretary under subsection
14 (h), including a description of—

15 (i) each review or audit conducted;

16 and

17 (ii) the findings of each review or
18 audit conducted.

19 (j) FUNDING.—In addition to the funds made avail-
20 able under paragraphs (5)(A) and (6)(A)(ii) of subsection
21 (c), of the funds of the Commodity Credit Corporation,
22 the Secretary shall use such sums as are necessary to
23 carry out this section.

24 **SEC. 5. FOOD SUPPLY CHAIN GRANTS AND LOANS.**

25 (a) DEFINITIONS.—In this section:

1 (1) CUSTOM ESTABLISHMENT.—The term “cus-
2 tom establishment” means a very small or custom
3 establishment that is exempt from inspection re-
4 quirements under the Federal Meat Inspection Act
5 (21 U.S.C. 601 et seq.) pursuant to section 23 of
6 that Act (21 U.S.C. 623).

7 (2) ELIGIBLE ENTITY.—The term “eligible enti-
8 ty” means—

9 (A) a small or midsized food processor or
10 distributor (including a manufacturer, food hub,
11 custom establishment, seafood processing facil-
12 ity, seafood processing vessel, business coopera-
13 tive, and food service provider) with fewer than
14 1,500 employees;

15 (B) a sole proprietor food business;

16 (C) a producer, an agricultural producer
17 group, a producer cooperative, or a majority-
18 controlled producer-based business venture (as
19 defined in section 210A(a) of the Agricultural
20 Marketing Act of 1946 (7 U.S.C. 1627c(a)));

21 (D) a farmers market;

22 (E) a farm labor contractor or farm work-
23 er organization;

24 (F) a food or seafood processing facility, or
25 a seafood processing vessel, in a noncontiguous

1 State or territory of the United States that re-
2 lies on the mobilization of out-of-State or out-
3 of-territory employees; and

4 (G) such other similar entities, as deter-
5 mined by the Secretary.

6 (b) ESTABLISHMENT.—

7 (1) IN GENERAL.—The Secretary shall establish
8 a program to provide temporary assistance to eligi-
9 ble entities to address and respond to the COVID-
10 19 emergency within the food supply chain through
11 the provision of grants under subsection (d), direct
12 loans under subsection (e), and guaranteed loans in
13 accordance with subsection (f) to eligible entities in
14 accordance with this section.

15 (2) MULTIPLE FINANCING TOOLS.—An eligible
16 entity may receive not more than 1 grant, 1 direct
17 loan, and 1 guaranteed loan under this section.

18 (c) PURPOSE AND USES OF ASSISTANCE.—An eligi-
19 ble entity that receives a grant, direct loan, or guaranteed
20 loan under this section shall use the amounts received
21 under the grant, direct loan, or guaranteed loan for the
22 purpose of responding to the COVID-19 emergency by
23 building flexibility into the food supply chain and
24 incentivizing creative economic solutions to strengthen the
25 farm and seafood economies and agricultural and fishing

1 communities, protect workers, and minimize food waste
2 through any of the following uses:

3 (1) Retooling processing lines.

4 (2) Purchasing packaging materials and food
5 labels.

6 (3) Developing new food products to meet a
7 change in demand.

8 (4) Converting industrial-sized products to con-
9 sumer-sized products.

10 (5) Upgrading technology, software, and com-
11 puters.

12 (6) Purchasing or leasing temporary space or
13 holding pens, dry or cold storage, equipment, or
14 transportation services or equipment.

15 (7) Developing and disseminating educational
16 materials relating to COVID–19 protective meas-
17 ures.

18 (8) Purchasing test kits or equipment to screen
19 the body temperature of employees for the presence
20 of COVID–19, disinfectant, sanitation systems, or
21 hand washing stations.

22 (9) Purchasing and decontaminating personal
23 protective equipment.

24 (10) Providing other measures to protect work-
25 ers against, or aid in preventing the spread of,

1 COVID–19, including providing for worker transpor-
2 tation, housing, and childcare.

3 (11) In the case of a grant under subsection
4 (d), repaying—

5 (A) a direct loan made under subsection
6 (e); or

7 (B) a loan guaranteed in accordance with
8 subsection (f).

9 (d) GRANTS.—

10 (1) APPLICATIONS.—

11 (A) IN GENERAL.—An eligible entity desir-
12 ing to receive a grant under this subsection
13 shall submit to the Secretary an application in
14 accordance with an application process estab-
15 lished by the Secretary.

16 (B) SIMPLIFIED APPLICATION PROCESS.—
17 In establishing the application process under
18 subparagraph (A), the Secretary shall establish
19 a simplified, separate application process for eli-
20 gible entities requesting less than \$100,000 in
21 grants.

22 (2) REQUIREMENT.—Subject to paragraphs (3)
23 and (4), the Secretary shall provide grants under
24 this subsection in the order in which the Secretary

1 receives applications submitted in accordance with
2 paragraph (1).

3 (3) PRIORITY.—The Secretary shall give pri-
4 ority to applications submitted under paragraph (1)
5 that include, at least in part, the use of the grant
6 amount for purchases described in paragraphs (8)
7 and (9) of subsection (c).

8 (4) RESERVATION.—Of the amount made avail-
9 able for grants under this section, 10 percent shall
10 be reserved for grants provided to beginning, vet-
11 eran, or socially disadvantaged farmers, fishers,
12 ranchers, or businesses.

13 (5) MAXIMUM AMOUNT.—The amount of a
14 grant under this subsection shall be not more than
15 \$2,500,000.

16 (e) RAPID RESPONSE DIRECT LOANS.—

17 (1) APPLICATIONS.—An eligible entity desiring
18 to receive a direct loan under this subsection shall
19 submit to the Secretary an application in accordance
20 with an application process established by the Sec-
21 retary in accordance with this subsection.

22 (2) PROVISION OF AMOUNTS.—Subject to para-
23 graph (3), not later than 3 business days after the
24 date on which the Secretary receives an application
25 in accordance with paragraph (1), the Secretary

1 shall provide the amount under the applicable direct
2 loan to the applicable eligible entity.

3 (3) VERIFICATION; REQUIREMENTS.—

4 (A) VERIFICATION.—Before providing
5 amounts under paragraph (2), the Secretary
6 shall verify that the applicant is an eligible enti-
7 ty by accepting a self-certification from the ap-
8 plicant under penalty of perjury pursuant to
9 section 1746 of title 28, United States Code.

10 (B) BASIS OF APPROVAL.—The Secretary
11 may approve an applicant for a direct loan
12 under this subsection based solely on—

13 (i) the credit score of the applicant; or

14 (ii) the verification under subpara-
15 graph (A).

16 (C) UNDERWRITING REQUIREMENTS.—The
17 Secretary shall not require an applicant for a
18 direct loan under this subsection—

19 (i) to submit a tax return or a tax re-
20 turn transcript for approval; or

21 (ii) to provide collateral or a personal
22 guarantee.

23 (D) INTEREST RATE.—The interest rate
24 for a direct loan under this subsection shall be
25 2.375 percent.

1 (E) FEE WAIVER.—Any otherwise applica-
2 ble fees shall not be required for a direct loan
3 under this subsection.

4 (4) CERTAIN APPLICANTS.—To the extent prac-
5 ticable, notwithstanding paragraph (3)(B)(i), the
6 Secretary shall accept applicants with lower credit
7 scores, as necessary to ensure that eligible entities
8 that are socially disadvantaged, small businesses, or
9 located in underserved communities that have a high
10 poverty rate have an opportunity to receive a direct
11 loan under this subsection.

12 (5) MAXIMUM AMOUNT.—The amount of a di-
13 rect loan under this subsection shall be not more
14 than \$50,000.

15 (f) GUARANTEED LOANS.—

16 (1) IN GENERAL.—The Secretary may guar-
17 antee a loan under subsections (a)(2)(A) and (g) of
18 section 310B of the Consolidated Farm and Rural
19 Development Act (7 U.S.C. 1932) to an eligible enti-
20 ty that verifies that the amounts under the loan will
21 be used for—

22 (A) the purpose described in subsection
23 (c); and

24 (B) any of the uses described in para-
25 graphs (1) through (10) of that subsection.

1 (2) REQUIREMENTS.—Notwithstanding any
2 otherwise applicable requirements under subsections
3 (a)(2)(A) and (g) of section 310B of the Consoli-
4 dated Farm and Rural Development Act (7 U.S.C.
5 1932), the following provisions shall apply to guar-
6 anteed loans under this subsection:

7 (A) NONAPPLICABILITY OF RURAL RE-
8 QUIREMENTS.—The Secretary shall guarantee
9 loans under this subsection without regard to
10 any requirement under any other provision of
11 law that an eligible entity be located in, or
12 serve, a rural area.

13 (B) 1-TIME FEE.—Notwithstanding section
14 310B(g)(5) of the Consolidated Farm and
15 Rural Development Act (7 U.S.C. 1932(g)(5)),
16 the Secretary may assess a 1-time fee for a
17 guaranteed loan under this subsection in an
18 amount that does not exceed 1 percent of the
19 guaranteed principal portion of the loan.

20 (C) MAXIMUM AMOUNT.—The amount of a
21 loan guarantee under this subsection shall be
22 not more than—

23 (i) 100 percent of the amount of a
24 loan that is not more than \$5,000,000;
25 and

1 (ii) 90 percent of the amount of a
2 loan that is more than \$5,000,000 and not
3 more than \$25,000,000.

4 (D) LIMITATION.—The Secretary shall not
5 guarantee a loan under this subsection that is
6 more than \$25,000,000.

7 (E) INTEREST RATE.—The interest rate
8 for a loan guaranteed under this subsection
9 shall be not more than 4 percent.

10 (F) OTHER FEES.—Except as provided in
11 subparagraph (B), the Secretary shall waive
12 any otherwise applicable fees for a loan guaran-
13 teed under this subsection, including—

14 (i) an initial guarantee fee (other than
15 the fee described in subparagraph (B))
16 that is paid at the time the loan note guar-
17 antee is issued;

18 (ii) an annual renewal fee on the out-
19 standing balance of a loan guarantee; and

20 (iii) any customary borrower or lender
21 fees.

22 (G) WORKING CAPITAL LOANS.—In the
23 case of a guaranteed loan under this subsection
24 for the financing of working capital—

1 (i) the Secretary shall waive any oth-
2 erwise applicable collateral requirements;
3 and

4 (ii) the maximum term of the loan
5 shall be 10 years.

6 (H) UNDERWRITING REQUIREMENTS.—
7 The Secretary shall waive the following under-
8 writing requirements for loans guaranteed
9 under this subsection:

10 (i) Any required feasibility studies by
11 independent consultants.

12 (ii) Any requirements for applicants
13 to provide a tangible balance sheet equity
14 position of 10 percent or more for existing
15 businesses at loan closing or project com-
16 pletion.

17 (g) TECHNICAL ASSISTANCE GRANTS.—The Sec-
18 retary shall award competitive grants to land-grant col-
19 leges and universities, local offices of the Cooperative Ex-
20 tension System, State departments of agriculture, and
21 other technical service providers to provide to eligible enti-
22 ties technical assistance, rapid training, and outreach to
23 develop new food products or adjust business models to
24 respond to the COVID–19 emergency.

1 (h) EXPIRATION OF AUTHORITY.—The authority of
2 the Secretary to provide a grant, direct loan, or guaran-
3 teed loan under this section shall remain available until
4 the date on which the COVID–19 emergency is lifted.

5 (i) FUNDING.—

6 (1) IN GENERAL.—Of the funds of the Com-
7 modity Credit Corporation, the Secretary shall use
8 \$5,500,000,000 to carry out this section.

9 (2) GRANTS.—Of the amount made available
10 under paragraph (1), the Secretary shall use
11 \$2,000,000,000 to provide grants under subsection
12 (d).

13 (3) RAPID RESPONSE DIRECT LOANS.—Of the
14 amount made available under paragraph (1), the
15 Secretary shall use \$1,000,000,000 to provide direct
16 loans under subsection (e).

17 (4) GUARANTEED LOANS.—Of the amount
18 made available under paragraph (1), the Secretary
19 shall use \$2,500,000,000 to guarantee loans under
20 subsection (f).

21 (5) TECHNICAL ASSISTANCE GRANTS.—Of the
22 amount made available under paragraph (2), the
23 Secretary shall use 5 percent to carry out subsection
24 (g).

1 **SEC. 6. ADMINISTRATION.**

2 (a) **IN GENERAL.**—The administration of this Act,
3 including the promulgation of regulations to carry out this
4 Act, shall be without regard to—

5 (1) the notice and comment provisions of sec-
6 tion 553 of title 5, United States Code; and

7 (2) chapter 35 of title 44, United States Code.

8 (b) **AUTHORITIES.**—The authorities in this Act are
9 in addition to other authorities of, and amounts adminis-
10 tered by, the Secretary.

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