

## CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

Section was enacted as part of the Food Security Act of 1985, and not as part of the Agricultural Marketing Act of 1946 which comprises this chapter.

## AMENDMENTS

2008—Subsec. (c)(2)(C)(ii)(II). Pub. L. 110-246, § 14215(1), inserted “, except that the numerical list containing social security or taxpayer identification numbers may be encrypted for security purposes if the Secretary of State provides a method by which an effective search of the encrypted numbers may be conducted to determine whether the farm product at issue is subject to 1 or more liens” after “such debtors”.

Subsec. (c)(2)(E). Pub. L. 110-246, § 14215(2), substituted “subparagraph (C)” for “paragraph (C)”, inserted “except that—” after “an interest”, and added cls. (i) and (ii) before semicolon at end.

2004—Subsec. (c)(2)(C)(ii)(II), (4)(C)(iii). Pub. L. 108-447, § 776(1)(A), (B), inserted “, or other approved unique identifier,” after “social security number” and “identification number”.

Subsec. (c)(5). Pub. L. 108-447, § 776(1)(C), added par. (5) defining “approved unique identifier” at end of subsec. (c).

Subsecs. (e)(1)(A)(ii)(III), (g)(2)(A)(ii)(III). Pub. L. 108-447, § 776(2), (3), inserted “, or other approved unique identifier,” after “social security number” and “identification number”.

2002—Subsec. (c)(4)(B). Pub. L. 107-171, § 10604(a)(1), substituted “signed, authorized, or otherwise authenticated by the debtor,” for “signed”.

Subsec. (c)(4)(C). Pub. L. 107-171, § 10604(a)(2), (6), redesignated subpar. (D) as (C) and struck out former subpar. (C) which read as follows: “other than in the case of an electronically reproduced copy of the statement, is signed by the debtor;”.

Subsec. (c)(4)(D). Pub. L. 107-171, § 10604(a)(6), redesignated subpar. (E) as (D). Former subpar. (D) redesignated (C).

Subsec. (c)(4)(D)(iii). Pub. L. 107-171, § 10604(a)(3)(A), inserted “and” after semicolon at end.

Subsec. (c)(4)(D)(iv). Pub. L. 107-171, § 10604(a)(3)(B), substituted “applicable, and the name of each county or parish in which the farm products are produced or located;” for “applicable; and a reasonable description of the property, including county or parish in which the property is located;”.

Subsec. (c)(4)(E). Pub. L. 107-171, § 10604(a)(6), redesignated subpar. (F) as (E). Former subpar. (E) redesignated (D).

Pub. L. 107-171, § 10604(a)(4), substituted “signed, authorized, or otherwise authenticated by the debtor” for “signed”.

Subsec. (c)(4)(F). Pub. L. 107-171, § 10604(a)(6), redesignated subpar. (G) as (F). Former subpar. (F) redesignated (E).

Subsec. (c)(4)(G). Pub. L. 107-171, § 10604(a)(6), redesignated subpar. (H) as (G). Former subpar. (G) redesignated (F).

Pub. L. 107-171, § 10604(a)(5), substituted “notice signed, authorized, or otherwise authenticated” for “notice signed”.

Subsec. (c)(4)(H), (I). Pub. L. 107-171, § 10604(a)(6), redesignated subpar. (I) as (H). Former subpar. (H) redesignated (G).

Subsec. (e)(1)(A)(ii)(III). Pub. L. 107-171, § 10604(b)(1)(A), inserted “and” after semicolon at end.

Subsec. (e)(1)(A)(ii)(IV). Pub. L. 107-171, § 10604(b)(1)(B), substituted “crop year, and the name of each county or parish in which the farm products are produced or located;” for “crop year, county or parish, and a reasonable description of the property; and”.

Subsec. (e)(1)(A)(iii). Pub. L. 107-171, § 10604(b)(2), substituted “similarly signed, authorized, or otherwise authenticated” for “similarly signed”.

Subsec. (e)(1)(A)(iv). Pub. L. 107-171, § 10604(b)(3), substituted “notice signed, authorized, or otherwise authenticated” for “notice signed”.

Subsec. (e)(1)(A)(v). Pub. L. 107-171, § 10604(b)(4), inserted “contains” before “any payment”.

Subsec. (e)(3)(A). Pub. L. 107-171, § 10604(b)(5)(A), substituted “subsection” for “subparagraph”.

Subsec. (e)(3)(B). Pub. L. 107-171, § 10604(b)(5)(B), substituted a period for “; and” at end.

Subsec. (g)(2)(A)(ii)(III). Pub. L. 107-171, § 10604(c)(1)(A), inserted “and” after semicolon at end.

Subsec. (g)(2)(A)(ii)(IV). Pub. L. 107-171, § 10604(c)(1)(B), substituted “crop year, and the name of each county or parish in which the farm products are produced or located;” for “crop year, county or parish, and a reasonable description of the property, etc.; and”.

Subsec. (g)(2)(A)(iii). Pub. L. 107-171, § 10604(c)(2), substituted “similarly signed, authorized, or otherwise authenticated” for “similarly signed”.

Subsec. (g)(2)(A)(iv). Pub. L. 107-171, § 10604(c)(3), substituted “notice signed, authorized, or otherwise authenticated” for “notice signed”.

Subsec. (g)(2)(A)(v). Pub. L. 107-171, § 10604(c)(4), inserted “contains” before “any payment”.

1996—Subsec. (c)(4)(A). Pub. L. 104-127, § 662(1), substituted “of the statement, or, in the case of a State which (under the applicable State law provisions of the Uniform Commercial Code) allows the electronic filing of financing statements without the signature of the debtor, is an electronically reproduced copy of the statement” for “thereof”.

Subsec. (c)(4)(B), (C). Pub. L. 104-127, § 662(2), inserted “other than in the case of an electronically reproduced copy of the statement,” before “is”.

## EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

## TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

**§ 1632. Repealed. Pub. L. 107-171, title VII, § 7303, May 13, 2002, 116 Stat. 455**

Section, Pub. L. 99-198, title XIV, § 1436, Dec. 23, 1985, 99 Stat. 1558, related to market expansion research.

**§ 1632a. Value-added agricultural product market development grants****(a) Definitions**

In this section:

**(1) Beginning farmer or rancher**

The term “beginning farmer or rancher” has the meaning given the term in section 1991(a) of this title.

**(2) Family farm**

The term “family farm” has the meaning given the term in section 761.2 of title 7, Code of Federal Regulations (as in effect on December 30, 2007).

**(3) Mid-tier value chain**

The term “mid-tier value chain” means local and regional supply networks that link independent producers with businesses and cooperatives that market value-added agricultural products in a manner that—

(A) targets and strengthens the profitability and competitiveness of small and me-

dium-sized farms and ranches that are structured as a family farm; and

(B) obtains agreement from an eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture that is engaged in the value chain on a marketing strategy.

**(4) Socially disadvantaged farmer or rancher**

The term “socially disadvantaged farmer or rancher” has the meaning given the term in section 2003(e) of this title.

**(5) Value-added agricultural product**

The term “value-added agricultural product” means any agricultural commodity or product that—

(A)(i) has undergone a change in physical state;

(ii) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary;

(iii) is physically segregated in a manner that results in the enhancement of the value of the agricultural commodity or product;

(iv) is a source of farm- or ranch-based renewable energy, including E-85 fuel; or

(v) is aggregated and marketed as a locally-produced agricultural food product; and

(B) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced, marketed, or segregated—

(i) the customer base for the agricultural commodity or product is expanded; and

(ii) a greater portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity or product is available to the producer of the commodity or product.

**(b) Grant program**

**(1) In general**

From amounts made available under paragraph (7), the Secretary shall award competitive grants—

(A) to an eligible independent producer (as determined by the Secretary) of a value-added agricultural product to assist the producer—

(i) in developing a business plan for viable marketing opportunities for the value-added agricultural product; or

(ii) in developing strategies that are intended to create marketing opportunities for the producer; and

(B) to an eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture (as determined by the Secretary) to assist the entity—

(i) in developing a business plan for viable marketing opportunities in emerging markets for a value-added agricultural product; or

(ii) in developing strategies that are intended to create marketing opportunities in emerging markets for the value-added agricultural product.

**(2) Amount of grant**

**(A) In general**

The total amount provided under this subsection to a grant recipient shall not exceed \$500,000.

**(B) Majority-controlled producer-based business ventures**

The amount of grants provided to majority-controlled producer-based business ventures under paragraph (1)(B) for a fiscal year may not exceed 10 percent of the amount of funds that are used to make grants for the fiscal year under this subsection.

**(3) Grantee strategies**

A grantee under paragraph (1) shall use the grant—

(A) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added agricultural product; or

(B) to provide capital to establish alliances or business ventures that allow the producer of the value-added agricultural product to better compete in domestic or international markets.

**(4) Term**

A grant under this subsection shall have a term that does not exceed 3 years.

**(5) Simplified application**

The Secretary shall offer a simplified application form and process for project proposals requesting less than \$50,000.

**(6) Priority**

**(A) Eligible independent producers of value-added agricultural products**

In awarding grants under paragraph (1)(A), the Secretary shall give priority to—

(i) operators of small- and medium-sized farms and ranches that are structured as family farms;

(ii) beginning farmers or ranchers;

(iii) socially disadvantaged farmers or ranchers; and

(iv) veteran farmers or ranchers (as defined in section 2279(e) of this title).

**(B) Eligible agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business venture**

In awarding grants under paragraph (1)(B), the Secretary shall give priority to projects (including farmer or rancher cooperative projects) that best contribute to creating or increasing marketing opportunities for operators, farmers, and ranchers described in subparagraph (A).

**(7) Funding**

**(A) Mandatory funding**

On February 7, 2014, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection \$63,000,000, to remain available until expended.

**(B) Discretionary funding**

There is authorized to be appropriated to carry out this subsection \$40,000,000 for each of fiscal years 2008 through 2018.

**(C) Reservation of funds for projects to benefit beginning farmers or ranchers, socially disadvantaged farmers or ranchers, and mid-tier value chains**

**(i) In general**

The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this paragraph to fund projects that benefit beginning farmers or ranchers or socially disadvantaged farmers or ranchers.

**(ii) Mid-tier value chains**

The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this paragraph to fund applications of eligible entities described in paragraph (1) that propose to develop mid-tier value chains.

**(iii) Unobligated amounts**

Any amounts in the reserves for a fiscal year established under clauses (i) and (ii) that are not obligated by June 30 of the fiscal year shall be available to the Secretary to make grants under this subsection to eligible entities in any State, as determined by the Secretary.

**(c) Agricultural Marketing Resource Center pilot project**

**(1) Establishment**

Notwithstanding the limitation on grants in subsection (b)(2), the Secretary shall not use more than 5 percent of the funds made available under subsection (b) to establish a pilot project (to be known as the “Agricultural Marketing Resource Center”) at an eligible institution described in paragraph (2) that will—

(A) develop a resource center with electronic capabilities to coordinate and provide to independent producers and processors (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities information regarding research, business, legal, financial, or logistical assistance; and

(B) develop a strategy to establish a nationwide market information and coordination system.

**(2) Eligible institution**

To be eligible to receive funding to establish the Agricultural Marketing Resource Center, an applicant shall demonstrate to the Secretary—

(A) the capacity and technical expertise to provide the services described in paragraph (1)(A);

(B) an established plan outlining support of the applicant in the agricultural community; and

(C) the availability of resources (in cash or in kind) of definite value to sustain the Center following establishment.

**(d) Matching funds**

A recipient of funds under subsection (a) or (b) shall contribute an amount of non-Federal funds that is at least equal to the amount of Federal funds received.

**(e) Limitation**

Funds provided under this section may not be used for—

(1) planning, repair, rehabilitation, acquisition, or construction of a building or facility (including a processing facility); or

(2) the purchase, rental, or installation of fixed equipment.

(Pub. L. 106–224, title II, §231, June 20, 2000, 114 Stat. 409; Pub. L. 107–171, title VI, §6401(a), May 13, 2002, 116 Stat. 424; Pub. L. 110–234, title VI, §6202, May 22, 2008, 122 Stat. 1206; Pub. L. 110–246, §4(a), title VI, §6202, June 18, 2008, 122 Stat. 1664, 1967; Pub. L. 113–79, title VI, §6203, Feb. 7, 2014, 128 Stat. 857.)

CODIFICATION

Pub. L. 110–234 and Pub. L. 110–246 made identical amendments to this section. The amendments by Pub. L. 110–234 were repealed by section 4(a) of Pub. L. 110–246.

Section was enacted as part of the Agricultural Risk Protection Act of 2000, and not as part of the Agricultural Marketing Act of 1946 which comprises this chapter.

Section was formerly set out as a note under section 1621 of this title.

AMENDMENTS

2014—Subsec. (b)(6). Pub. L. 113–79, §6203(1), added par. (6) and struck out former par. (6). Prior to amendment, text read as follows: “In awarding grants under this subsection, the Secretary shall give priority to projects that contribute to increasing opportunities for—

“(A) beginning farmers or ranchers;

“(B) socially disadvantaged farmers or ranchers; and

“(C) operators of small- and medium-sized farms and ranches that are structured as a family farm.”

Subsec. (b)(7)(A). Pub. L. 113–79, §6203(2)(A), substituted “On February 14, 2014,” for “On October 1, 2008,” and “\$63,000,000” for “\$15,000,000”.

Subsec. (b)(7)(B). Pub. L. 113–79, §6203(2)(B), substituted “2018” for “2012”.

2008—Subsec. (a). Pub. L. 110–246, §6202(a), added subsec. (a) and struck out former subsec. (a) which defined “value-added agricultural product”.

Subsec. (b)(1). Pub. L. 110–246, §6202(b)(1), substituted “paragraph (7)” for “paragraph (4)” in introductory provisions.

Subsec. (b)(4) to (7). Pub. L. 110–246, §6202(b)(2), added pars. (4) to (7) and struck out former par. (4). Prior to amendment, text read as follows: “Not later than 30 days after May 13, 2002, on October 1, 2002, and on each October 1 thereafter through October 1, 2006, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection \$40,000,000, to remain available until expended.”

2002—Subsecs. (a), (b). Pub. L. 107–171, §6401(a)(2), added subsecs. (a) and (b) and struck out former subsec. (a) which related to establishment of grant program, maximum amount per grant recipient, and producer strategies. Former subsec. (b) redesignated (c).

Subsec. (c). Pub. L. 107–171, §6401(a)(1), (3), redesignated subsec. (b) as (c) and, in par. (1), substituted “subsection (b)(2)” for “subsection (a)(2)”, “5 percent” for “\$5,000,000”, and “subsection (b)” for “subsection (a)” in introductory provisions. Former subsec. (c) redesignated (d).

Subsec. (d). Pub. L. 107–171, §6401(a)(4), which directed amendment of subsec. (d) by substituting “subsections (b) and (c)” for “subsections (a) and (b)”, could not be executed because that phrase does not appear.

Pub. L. 107–171, §6401(a)(1), redesignated subsec. (c) as (d). Former subsec. (d) redesignated (e).

Subsec. (e). Pub. L. 107–171, §6401(a)(1), redesignated subsec. (d) as (e).

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110–234 by Pub. L. 110–246 effective May 22, 2008, the

date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-171, title VI, §6401(b), May 13, 2002, 116 Stat. 426, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) [amending this section] apply beginning on October 1, 2002.

“(2) FUNDING.—Funds made available under section 231(b)(4)(A)(i) [probably should be 231(b)(4)] of the Agricultural Risk Protection Act of 2000 [7 U.S.C. 1632a(b)(4)] (as amended by subsection (a)(2)) shall be made available not later than 30 days after the date of enactment of this Act [May 13, 2002].”

**§ 1632b. Agriculture Innovation Center Demonstration Program**

**(a) Purpose**

The purpose of this section is to direct the Secretary of Agriculture to establish a demonstration program under which agricultural producers are provided—

- (1) technical assistance, consisting of engineering services, applied research, scale production, and similar services, to enable the agricultural producers to establish businesses to produce value-added agricultural commodities or products;
- (2) assistance in marketing, market development, and business planning; and
- (3) organizational, outreach, and development assistance to increase the viability, growth, and sustainability of businesses that produce value-added agricultural commodities or products.

**(b) Definitions**

In this section:

**(1) Program**

The term “Program” means the Agriculture Innovation Center Demonstration Program established under subsection (c).

**(2) Secretary**

The term “Secretary” means the Secretary of Agriculture.

**(c) Establishment of Program**

The Secretary shall establish a demonstration program, to be known as the “Agriculture Innovation Center Demonstration Program” under which the Secretary shall—

- (1) make grants to assist eligible entities in establishing Agriculture Innovation Centers to enable agricultural producers to obtain the assistance described in subsection (a); and
- (2) provide assistance to eligible entities in establishing Agriculture Innovation Centers through the research and technical services of the Department of Agriculture.

**(d) Eligibility requirements**

**(1) In general**

An entity shall be eligible for a grant and assistance described in subsection (c) to establish an Agriculture Innovation Center if—

- (A) the entity—
  - (i) has provided services similar to the services described in subsection (a); or
  - (ii) demonstrates the capability of providing such services;

(B) the application of the entity for the grant and assistance includes a plan, in accordance with regulations promulgated by the Secretary, that outlines—

- (i) the support for the entity in the agricultural community;
- (ii) the technical and other expertise of the entity; and
- (iii) the goals of the entity for increasing and improving the ability of local agricultural producers to develop markets and processes for value-added agricultural commodities or products;

(C) the entity demonstrates that adequate resources (in cash or in kind) are available, or have been committed to be made available, to the entity, to increase and improve the ability of local agricultural producers to develop markets and processes for value-added agricultural commodities or products; and

(D) the Agriculture Innovation Center of the entity has a board of directors established in accordance with paragraph (2).

**(2) Board of directors**

Each Agriculture Innovation Center of an eligible entity shall have a board of directors composed of representatives of each of the following groups:

- (A) The 2 general agricultural organizations with the greatest number of members in the State in which the eligible entity is located.
- (B) The department of agriculture, or similar State department or agency, of the State in which the eligible entity is located.
- (C) Entities representing the 4 highest grossing commodities produced in the State, determined on the basis of annual gross cash sales.

**(e) Grants and assistance**

**(1) In general**

Subject to subsection (i), under the Program, the Secretary shall make, on a competitive basis, annual grants to eligible entities.

**(2) Maximum amount of grants**

A grant under paragraph (1) shall be in an amount that does not exceed the lesser of—

- (A) \$1,000,000; or
- (B) twice the dollar amount of the resources (in cash or in kind) that the eligible entity demonstrates are available, or have been committed to be made available, to the eligible entity in accordance with subsection (d)(1)(C).

**(3) Maximum number of grants**

**(A) First fiscal year of Program**

In the first fiscal year of the Program, the Secretary shall make grants to not more than 5 eligible entities.

**(B) Second fiscal year of Program**

In the second fiscal year of the Program, the Secretary may make grants to—

- (i) the eligible entities to which grants were made under subparagraph (A); and
- (ii) not more than 10 additional eligible entities.