

Healthy Food Enterprise Development (HFED) Program

Current Request (07/12/07): For House and Senate markup, we are asking that the **Healthy Food Enterprise Development Program be authorized** to meet the urgent need for local and regional supply of healthy food to emerging and underserved markets for healthy local food across the country.

Background

To be developed within the existing Business and Industries Loan and Loan Guarantee program (aka "B&I") in Rural Development at USDA because the B&I program has mandatory funding, has unused funds of about \$9 million annually, and already has many good features like the loan guarantees and eligible entities. However, the B&I program is generally limited to benefiting "rural areas" of less than 50,000 people. We are working to develop a waiver to this limitation for this program. While not a grant program, we are trying to allow grants for technical assistance in developing feasibility studies which are packaged in successful loans.

HFED components

- Purpose: The Secretary shall make or guarantee loans to cooperatives, businesses, and other for-profit and not-for-profit entities to establish and to facilitate the development of enterprises that process, distribute, aggregate, store, and market locally and regionally produced agricultural products.
- \$2.5 million loan or guarantee maximum
- Only 1 loan or guarantee at a time per entity
- Coordinates program with the head of the Market Services Branch at USDA (the people who run the Farmers Market Promotion Program)
- Definition of "locally and regionally" produced food, meaning that that products have been shipped a total distance less than 1/3 of the current average distance of all food produced for consumption within the United States and that information is conveyed to end-use consumers regarding the product origin, production practices, or other valuable information.
- The existing B&I program has 30 year pay-offs for real estate loans, 15 for equipment, 7 for capital.

Next Steps

- **Senate** – Sherrod Brown (OH) is negotiating this program with Harkin's Ag. Committee staff to include this in the Chairman's mark. This version includes 3 distinct features from the House version:
 - a priority for "underserved communities" (meaning communities with limited access to affordable, healthy foods, including but not limited to fresh fruits and vegetables, or socially disadvantaged communities)
 - a provision for "non-rural" projects, and
 - A Center for the Sale of Locally Grown Products, discretionary funding at \$1million annually, to be coordinated by the Market Services Branch of USDA and a non-profit of their choosing, like ATTRA.
- **House** – Representative Gillibrand (NY – Hudson Valley) is planning on offering an amendment in Full Committee on the no-cost essentials of the HFED program, with the details (above) to be addressed by the Senate.