A BILL TO BE ENTITLED
AN ACT TO SUPPORT INCREASED ACCESS TO LOCAL FOOD MARKETS FOR NORTH CAROLINA FARMERS.
The General Assembly of North Carolina enacts:
SECTION 1. Chapter 106 of the General Statutes is amended by adding a new Article to read:
"Article 70A. Local Market Access Assistance.

§ 106-835. Legislative findings and purpose.
The General Assembly finds and declares that markets for local foods are an important economic opportunity for North Carolina farmers and that it is in the best interest of the citizens of North Carolina to expand those markets and build the resilience of the State's food supply.

The following definitions apply in this Article:
(1) Commissioner. – The Commissioner of the Department of Agriculture and Consumer Services.
(2) Department. – The Department of Agriculture and Consumer Services.
(3) Fund. – The GAP Expenses Cost Share Fund established by this Article.
(4) GAP. – Good Agricultural Practices, which are agricultural production and crop handling standards that reduce the risk of contaminating agricultural products with disease-causing microbes or other harmful materials.
(5) GAP Certification Cost Share Program. – A program operated by the Department to provide cost-sharing for third-party food safety audit expenses.
(6) GAP expenses. – Expenses incurred by farms in obtaining food safety certification and changes and upgrades to practices and equipment to improve food safety. The term does not include third-party audit expenses eligible for funding under the GAP Certification Cost Share Program.
(7) GAP Expenses Program or Program. – The GAP Expenses Cost Share Program established by this Article.

§ 106-837. GAP Expenses Cost Share Program.
(a) Program Established. – The GAP Expenses Cost Share Program is established within the Department to provide cost-sharing for GAP expenses.
(b) Duties of Department. – The Department shall administer the Program and shall develop processes for soliciting and reviewing applications and for selecting farmers to participate in the Program. The Department shall give priority for funding to socially
disadvantaged farmers and ranchers and beginning farmers and ranchers, as those terms are defined under federal law.

(c) Cost Share. – The Program shall provide no more than seventy-five percent (75%) of the average cost for each GAP expense, with the participating farmer providing twenty-five percent (25%) of the practice cost, which may include in-kind support of the project. The following limits apply to Program funding and eligibility:

1. No more than five thousand dollars ($5,000) per year to a participating farmer.
2. No more than ten thousand dollars ($10,000) to a participating farmer over the farmer’s lifetime.
3. No more than one applicant per farm per year is eligible for Program funding.
4. Participating farmers must have an average annual adjusted gross income for the previous two years that is at or below two hundred fifty thousand dollars ($250,000). The income limitation set forth in this subdivision shall not apply to a participating farmer who derives at least seventy-five percent (75%) of the participating farmer’s adjusted gross income directly from farming.

(d) Fund Established. – The GAP Expenses Cost Share Fund is established as a special fund in the Department to support the Program. The Fund is composed of appropriations from the General Assembly and other funding made available to the Department from federal government programs, the State, or other public and private sources.

(e) Report. – The Department shall report annually no later than September 1 to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on the activities of the Program and disbursements from the Fund during the previous fiscal year. The report shall include at least the following:

1. The number and size of farms awarded cost share funding and the amount of funds disbursed under the GAP Expenses Cost Share Program and the GAP Certification Cost Share Program.
2. An assessment of the effectiveness of outreach efforts for the GAP Expenses Cost Share Program and the GAP Certification Cost Share Program in diversifying the pool of cost share recipients.
3. An assessment of the effectiveness of programs funded by cost share awarded under the GAP Expenses Cost Share Program and the GAP Certification Cost Share Program.

(f) Rules. – The Department shall establish temporary and permanent rules to implement the Program.

SECTION 2. The sum of one million dollars ($1,000,000) in nonrecurring funds for the 2021-2022 fiscal year and one million dollars ($1,000,000) in nonrecurring funds for the 2022-2023 fiscal year is appropriated from the General Fund to the Department of Agriculture and Consumer Services:

1. $600,000 in nonrecurring funds for the 2021-2022 and 2022-2023 fiscal years to the GAP Expenses Cost Share Program established in G.S. 106-837, as enacted by Section 1 of this act.
2. $400,000 in nonrecurring funds for the 2021-2022 and 2022-2023 fiscal years to the GAP Certification Cost Share Program.

SECTION 3. Section 2 of this act becomes effective July 1, 2021. The remainder of this act is effective when it becomes law.