

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 737

Short Title: Local Food Market Expansion Act. (Public)

Sponsors: Representatives Gillespie, Penny, Dixon, and Ager (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 3, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO SUPPORT INCREASED ACCESS TO LOCAL FOOD MARKETS FOR NORTH
3 CAROLINA FARMERS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 106 of the General Statutes is amended by adding a new
6 Article to read:

7 "Article 70A.

8 "Local Market Access Assistance.

9 "**§ 106-835. Legislative findings and purpose.**

10 The General Assembly finds and declares that markets for local foods are an important
11 economic opportunity for North Carolina farmers and that it is in the best interest of the citizens
12 of North Carolina to expand those markets and build the resilience of the State's food supply.

13 "**§ 106-836. Definitions.**

14 The following definitions apply in this Article:

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

30 "**§ 106-837. GAP Expenses Cost Share Program.**

31 (a) Program Established. – The GAP Expenses Cost Share Program is established within
32 the Department to provide cost-sharing for GAP expenses.

33 (b) Duties of Department. – The Department shall administer the Program and shall
34 develop processes for soliciting and reviewing applications and for selecting farmers to
35 participate in the Program. The Department shall give priority for funding to socially



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1 disadvantaged farmers and ranchers and beginning farmers and ranchers, as those terms are
2 defined under federal law.

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

7 (1) No more than five thousand dollars (\$5,000) per year to a participating farmer.

8 (2) No more than ten thousand dollars (\$10,000) to a participating farmer over the
9 farmer's lifetime.

10 (3) No more than one applicant per farm per year is eligible for Program funding.

11 (4) Participating farmers must have an average annual adjusted gross income for
12 the previous two years that is at or below two hundred fifty thousand dollars
13 (\$250,000). The income limitation set forth in this subdivision shall not apply
14 to a participating farmer who derives at least seventy-five percent (75%) of
15 the participating farmer's adjusted gross income directly from farming.

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

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

24 (1) The number and size of farms awarded cost share funding and the amount of
25 funds disbursed under the GAP Expenses Cost Share Program and the GAP
26 Certification Cost Share Program.

27 (2) An assessment of the effectiveness of outreach efforts for the GAP Expenses
28 Cost Share Program and the GAP Certification Cost Share Program in
29 diversifying the pool of cost share recipients.

30 (3) An assessment of the effectiveness of programs funded by cost share awarded
31 under the GAP Expenses Cost Share Program and the GAP Certification Cost
32 Share Program.

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

35 **SECTION 2.** The sum of one million dollars (\$1,000,000) in nonrecurring funds for
36 the 2021-2022 fiscal year and one million dollars (\$1,000,000) in nonrecurring funds for the
37 2022-2023 fiscal year is appropriated from the General Fund to the Department of Agriculture
38 and Consumer Services:

39 (1) \$600,000 in nonrecurring funds for the 2021-2022 and 2022-2023 fiscal years
40 to the GAP Expenses Cost Share Program established in G.S. 106-837, as
41 enacted by Section 1 of this act.

42 (2) \$400,000 in nonrecurring funds for the 2021-2022 and 2022-2023 fiscal years
43 to the GAP Certification Cost Share Program.

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