

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1997**

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**HOUSE BILL 1560**

Short Title: Small Family Farms Act.

(Public)

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Sponsors: Representatives Mitchell; Baker, Buchanan, Cansler, Culp, Davis, Hackney, Hiatt, Justus, Kiser, Owens, Sexton, Sherrill, Tolson, G. Wilson, and Wood.

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Referred to: Agriculture, if favorable, Appropriations.

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May 28, 1998

**A BILL TO BE ENTITLED**

**AN ACT TO PROVIDE ASSISTANCE FOR SMALL, FAMILY-OWNED FARMS THROUGH GRANTS AND LOANS.**

The General Assembly of North Carolina enacts:

Section 1. Legislative Findings. – The General Assembly recognizes the economic and environmental advantages in maintaining and promoting small tracts of land for agricultural production. Small-farm families are providing necessary food and fiber for North Carolina citizens. Small farms provide beautiful land and open spaces for the enjoyment of all North Carolina citizens. By using best management practices, farmers of small, family-owned farms are actively working to protect the environment. At the same time, they provide valuable products to our citizens and preserve a way of life important to our cultural heritage. The Department of Agriculture and Consumer Services should offer assistance for small, family-owned farms through grants and loans.

Section 2. (a) There is appropriated from the General Fund to the North Carolina Rural Rehabilitation Corporation within the Department of Agriculture and Consumer Services the sum of twelve million dollars (\$12,000,000) for the 1998-99 fiscal year to be used to make loans to those farmers of small, family-owned farms having financial difficulty as shown by their inability to obtain affordable conventional loans from other sources.

1 (b) Priority for loans from the funds appropriated under this section shall be  
2 extended for the following small, family-owned farms:

3 (1) Dairy farms with fewer than 300 dairy cows.

4 (2) Turkey farms that have lost contracts with integrators for reasons not  
5 related to having violated environmental laws or rules.

6 (3) Swine farms of fewer than 500 swine at any time.

7 (4) Peach or apple farms that have lost fifty percent (50%) or more of their  
8 fruit crop due to frost or freeze damage.

9 (c) The term of the loans under this section shall not exceed 20 years. These  
10 loans shall be provided in accordance with the lending requirements of the North  
11 Carolina Rural Rehabilitation Corporation pursuant to Article 2 of Chapter 137 of the  
12 General Statutes.

13 (d) The Department of Agriculture and Consumer Services shall adopt rules to  
14 implement this section.

15 Section 3. (a) There is appropriated from the General Fund to the Department  
16 of Agriculture and Consumer Services the sum of two million dollars (\$2,000,000) for  
17 the 1998-99 fiscal year to be used for grants to farmers of family-owned dairies for the  
18 purchase of equipment that is a component of an animal waste management system and  
19 that is used solely for the purpose of transporting, storing, or distributing animal waste.  
20 This equipment shall be limited to: pumps, spraying equipment, scrape blades, box  
21 blades, storage equipment, and any transport equipment, including tanks, spreaders, and  
22 applicators.

23 (b) No funds appropriated under this section shall be used to enlarge  
24 anaerobic lagoons or for the maintenance of anaerobic lagoons.

25 (c) The Department shall adopt rules that establish guidelines for disbursing  
26 the funds in a fair and equitable manner and any other rules needed to implement this  
27 section. Each recipient of grant funds under this section shall enter into a contract with  
28 the Department that contains provisions of the loan that are consistent with these  
29 guidelines. This contract shall provide for the enforcement of the terms of the contract.  
30 This contract shall provide that the recipient continue to operate at the current level of  
31 dairy production for a period of at least five years. This contract shall provide that if the  
32 recipient reduces the number of dairy cows or ceases operation in fewer than five years,  
33 the recipient shall repay the Department of Agriculture and Consumer Services a prorated  
34 share of the grant funds received by that recipient.

35 (d) Only dairies with fewer than 300 dairy cows that were in operation prior  
36 to January 1, 1998, are eligible for grants under this section.

37 Section 4. There is appropriated from the General Fund to the Department of  
38 Agriculture and Consumer Services the sum of two hundred fifty thousand dollars  
39 (\$250,000) for the 1998-99 fiscal year to be used as grants to local farmers markets for  
40 the purpose of promoting or selling farm products produced by local small, family-owned  
41 farms. The Department shall establish guidelines and procedures for disbursing these  
42 grants in a fair and equitable manner. The Department shall adopt any rules needed to  
43 implement this section.

1           Section 5. This act becomes effective July 1, 1998.