

**AGRICULTURAL OPPORTUNITIES AND VALUE-ADDED
PARTNERSHIPS ACT**

_____ Sec. 4.
Sections 4 to 15 of this act shall be known and
may be cited as the Agricultural Opportunities and Value-Added
Partnerships Act. The act terminates on January 1, 2011.

_____ Sec. 5.
(1) The Legislature finds that:

_____ (a)
_____ There is
a serious economic crisis in the
agricultural and rural sectors of Nebraska's economy;

_____ (b)
There is a need in such sectors to develop strategies
and programs to create genuine economic opportunities that enable
people to improve their incomes, avoid poverty, build assets, and
develop their capacity to contribute to the betterment of their
communities;

_____ (c)
_____ Strong
communities enable local residents to be more
self-sufficient, which contributes to the overall strength and
well-being of Nebraska; and

_____ (d)
Adding value to agricultural products offers farmers
and ranchers the potential to obtain a larger share of food
dollars.

_____ (2) The
Legislature further finds that there is a need
to:

_____ (a)
Support self-employment and small-scale
entrepreneurship in both agricultural and nonagricultural
activities;

_____ (b)
Enhance income and opportunities for farming and
ranching operations to stem the decline in the number of such
operations;

_____ (c)
Develop strategies and programs to increase the
farming and ranching operations' share of the food-system profit;

_____ (d)
Build the capacity of farming and ranching operations
and small rural businesses to benefit from the development of
electronic commerce; and

_____ (e)
Strengthen value-added enterprises by promoting
strategic partnerships and networks through multigroup cooperation.

_____ Sec. 6.
For purposes of the Agricultural Opportunities
and Value-Added Partnerships Act:

_____ (1)
_____ Farming
or ranching operation means the active use,
management, and operation of real and personal property for the
production of crops or raising of livestock;

_____ (2)
_____ Project
means any agricultural or value-added

agricultural product activity in the areas specified in section 10
of this act designed to promote the purposes specified in section 7
of this act. _____ Project

does not mean, and grant funds shall not be
used for, any activity primarily designed to contribute to a single
business, enterprise, or individual or designed to subsidize an
existing farming or ranching operation; and

_____. (3)

Value-added means increasing the net worth of food or
nonfood agricultural products by processing, alternative production
and handling methods, collective marketing, or other innovative
practices.

_____. Sec. 7.

The purposes of the Agricultural Opportunities
and Value-Added Partnerships Act are to:

_____. (1) _____

Support _____ small _____
enterprise _____ formation
_____ in _____ the
agricultural sector of Nebraska's rural _____ economy,
including

innovative cooperative efforts for value-added enterprises;

_____. (2) _____

Support the development of agricultural communities
and economic opportunity through innovative partnerships among
farming and ranching operations, rural communities, and businesses
for the development of value-added agricultural products;

_____. (3)

Encourage collaboration between farming and ranching
operations and between farming and ranching operations and

communities, government, and businesses as well as between communities and regions;

_____.(4)_____

Strengthen the value-added production industry by promoting strategic partnerships and networks through multigroup cooperation for the creation of employment opportunities in the value-added agriculture industry;

_____.(5)_____

Enhance the income and opportunity for farming and ranching operations in Nebraska in order to stem the decline in their numbers;

_____.(6)_____

Increase the farming and ranching operations' share of the food-system profit; and

_____.(7)_____

Enhance opportunities for farming and _____ ranching operations to participate in electronic commerce and new and emerging markets that strengthen rural economic opportunities.

_____.Sec. 8.

(1) The Department of Agriculture and the Department of Economic Development shall establish a competitive grant process to provide grants for projects under the Agricultural Opportunities and Value-Added Partnerships Act to eligible entities. The Department of Economic Development shall administer the act. Grants may be made for up to seventy-five thousand dollars annually to eligible entities under section 9 of this act that directly address one or more of the purposes specified in section 7 of this act in the areas specified in section 10 of this act and which meet the requirements of this section and section 11

of this act.

_____.(2)

Priority for the awarding of grants within the parameters of this section shall be given to projects that make the greatest contribution in increasing the number and quality of self-employment opportunities for farming or ranching operations. Grants shall also be awarded to pilot cooperative efforts for the promotion of value-added products. Projects may be recommended for recognition by the Governor.

_____.(3) A

recipient of a grant shall not receive more than one grant in any one calendar year for the same project.

_____.(4)

Grants shall be awarded on a one-year basis but may 28 be renewed on an annual basis for no more than three years. The

Department of Agriculture and the Department _____ of
Economic

Development shall develop an annual performance review process and
a program for grant renewal of approved projects determined to have
continued necessary statewide application and success.

(5) Grant
funds shall not be used to replace other
funding for the administrative support of the recipient or the
administrative support of the project or for administrative costs
relating to the planning of the project or for any activity
primarily designed to contribute to a single business, enterprise,
or individual.

Sec. 9.
Eligible entities for grants under the
Agricultural Opportunities and Value-Added Partnerships Act include
communities, counties, agencies, educational institutions, economic
collaborative arrangements with other operations, entities, _____ or
organizations that meet the purposes specified in section 7 of this
act.

Sec. 10.
(1) Grants under the Agricultural Opportunities
and Value-Added Partnerships Act shall be used to support projects
in the following areas:

(a)
Research;

(b)
Education and training;

_____ (c)
Market development;

_____ (d)
Nonadministrative business _____ planning
assistance,
feasibility and market studies, capitalization plans, and technical
assistance;

_____ (e)
Development of cooperatives;

_____ (f)
Community and multicomunity initiatives;

_____ (g)
_____ Creation,
_____ retention, _____ and
transfer of value-added
agricultural business initiatives in rural communities;

_____ (h)
Efforts to obtain startup or working capital or other
capital expenditures necessary for the development of the project;

_____ (i)
_____ Community-based, _____ farmer-
owned, _____ or
rancher-owned
value-added initiatives; and

_____ (j) Other
activities that are deemed necessary to fulfill
the purposes specified in section 7 of this act.

_____ (2) Such
projects shall demonstrate the ability to

provide private new enterprise formation or expanded incomes and economic opportunities for existing enterprises.

Sec. 11.

To be eligible for a grant under the Agricultural Opportunities and Value-Added Partnerships Act, an applicant shall:

(1)

Document a matching amount in money or in-kind contributions or a combination of both equal to twenty-five percent of the grant funds requested;

(2)

Specify measurable goals and expected outcomes for the project for which the grant funds are requested; and

(3)

Specify an evaluation and impact assessment process or procedure for the project for which the grant funds are requested.

Sec.

12.If the Department of Economic Development determines the recipient of a grant has failed to fulfill the requirements of the grant, has used fraud to obtain or use the

grant funds, or has in any other way failed to comply with the Agricultural Opportunities and Value-Added Partnerships Act or the rules and regulations adopted and promulgated pursuant to the act, the recipient shall repay a portion or all of the grant funds awarded. A recipient of grant funds shall not utilize or divert grant funds to any purpose or expenditure not specified or contemplated in the application or terms of the award of the grant without the prior approval of the department. The department may use any appropriate civil and criminal remedies available to enforce this section.

_____ Sec. 13. __

The Department of Economic Development shall submit an annual report to the Governor and the Legislature on or before January 1 listing the recipients and grant amounts for grants made under the Agricultural Opportunities and Value-Added Partnerships Act in the previous year, the documented and measurable impacts of the grants, and an evaluation of the performance of the grant program based on the measurable goals and expected outcomes of the recipients of such grants. Copies of the program performance evaluation shall be made available through print and electronic media.

_____ Sec. 14. __

The Department of Agriculture and _____ the Department of Economic Development shall form a committee made up of staff from each agency to adopt and promulgate rules and regulations to carry out the Agricultural Opportunities and Value-Added Partnerships Act. Projects funded by grants under the act shall be coordinated with other organizations or institutions

working on similar projects in the state. The Department of
Economic Development shall be the agency responsible for carrying

out the act.

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Sec. 15.

The Agricultural Opportunities and Value-Added

Partnerships Cash Fund is created. The fund shall be used by the Department of Economic Development for grants awarded pursuant to the Agricultural Opportunities and Value-Added Partnerships Act. Money credited to the fund shall include any monetary gifts, grants, donations, proceeds from contracts for services, and reimbursement of expenses. The department shall seek money from sources such as, but not limited to, federal funds, commodity checkoff funds, private donations, and private grants. All such funds shall be credited to the Agricultural Opportunities and Value-Added Partnerships Cash Fund. No funds shall be received or accepted for the Agricultural Opportunities and Value-Added Partnerships Cash Fund that are designated for the purpose or the benefit of a single business, enterprise, or individual. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.