

HB599 INTRODUCED



1 HB599
2 KHS4JU5-1
3 By Representatives Hall, Daniels, Clarke, Lands, Drummond,
4 Jackson, Warren, Rafferty, Morris, Hendrix, Travis, Datcher,
5 Sellers, McCampbell, Moore (M), Bracy, Tillman, Lawrence,
6 Chestnut, Hassell, Ensler, McClammy, Hollis, Gray
7 RFD: Ways and Means General Fund
8 First Read: 10-Mar-26



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SYNOPSIS:

This bill would require the Department of Agriculture and Industries to establish a grant program for farmers, ranchers, and agriculture cooperatives for value chain infrastructure related expenses and to provide certain training to these persons.

This bill would authorize the department to provide matching funds to these persons for launching new sales, participating in farmers markets or procurement programs, and branding and marketing campaigns.

This bill would require the department to provide planning and construction grants to nonprofits, local governments, and cooperatives for regional food hubs, shared-use commercial kitchens, and distribution centers serving local producers.

This bill would also require the department to establish a revolving loan or loan guarantee fund for investment in value chain infrastructure.

A BILL
TO BE ENTITLED
AN ACT



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29 Relating to agriculture value chains; to require and
30 authorize the Department of Agriculture and Industries to
31 provide training to farmers, ranchers, and agriculture
32 cooperatives; to establish a value chain infrastructure grant
33 program for these persons; to provide matching funds to these
34 persons for new sales, participation in farmers markets or
35 procurement programs, and branding and marketing campaigns; to
36 provide planning and construction grants to certain entities
37 for regional food hubs, shared-use commercial kitchens, and
38 distribution centers serving local producers; and to establish
39 a loan fund for investment in value chain infrastructure.

40 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

41 Section 1. This act shall be known and may be cited as
42 the Farm-to-Market Value Chain Development Act.

43 Section 2. For purposes of this act, the following
44 terms have the following meanings:

45 (1) DEPARTMENT. The Department of Agriculture and
46 Industries.

47 (2) ELIGIBLE PRODUCER. A farmer, rancher, or
48 agricultural cooperative engaged in commercial food or fiber
49 production.

50 (3) VALUE CHAIN INFRASTRUCTURE. Includes cold storage,
51 aggregation facilities, processing equipment, packaging tools,
52 and transport assets.

53 Section 3. (a) Subject to the Legislature appropriating
54 funds for this purpose, the department shall establish and
55 administer a grant program for eligible producers for:

56 (1) Cold storage and refrigeration systems;



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57 (2) Small-scale value-added processing equipment; and
58 (3) Packing and washing stations.

59 (b) Grants may not exceed fifty thousand dollars
60 (\$50,000) per applicant and shall require at least a 25
61 percent cost share.

62 Section 4. (a) The department shall offer training and
63 assistance to eligible producers in:

64 (1) Business development and accounting;

65 (2) Regulatory compliance and food safety
66 certifications; and

67 (3) E-commerce and direct sales strategies.

68 (b) Services may be delivered through regional
69 extension offices or contracted providers.

70 Section 5. (a) Subject to the Legislature appropriating
71 funds for this purpose, the department may provide matching
72 funds to eligible producers for:

73 (1) Launching sales to new retail or wholesale
74 accounts;

75 (2) Participating in farmers markets or institutional
76 procurement programs; and

77 (3) Branding and marketing campaigns.

78 (b) Awards shall not exceed twenty five thousand
79 dollars (\$25,000) per project.

80 Section 6. (a) Subject to the Legislature appropriating
81 funds for this purpose, the department shall provide planning
82 and construction grants to nonprofits, local governments, and
83 cooperatives for:

84 (1) Regional food hubs;



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- 85 (2) Shared-use commercial kitchens; and
86 (3) Distribution centers serving local producers.

87 (b) Facilities shall serve at least five independent
88 producers and meet food safety requirements.

89 Section 7. (a) Subject to the Legislature appropriating
90 funds for this purpose, the department shall establish a
91 revolving loan or loan guarantee fund for capital investment
92 in value chain infrastructure.

93 (b) Loans shall have favorable terms and may support:

- 94 (1) Equipment purchases;
95 (2) Facility construction or retrofits; and
96 (3) Transport vehicle acquisition.

97 Section 8. This act shall become effective on July 1,
98 2027.