SEC.____. FIBER-RICH FOOD CROP DIVERSIFICATION PILOT PROGRAM.

(a) FIBER-RICH FOOD CROP DIVERSIFICATION PILOT PROGRAM.—Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended—

1. by redesignating subsection (l) as subsection (m);
2. by striking “subsection (l)” each place it appears and inserting “subsection (m)”; and
3. in subsection (m) (as so redesignated)—
   (A) in paragraph (1)(D), by striking “$50,000,000” and inserting “$55,000,000”; and
   (B) in paragraph (3), by striking “Of the amounts made available to carry out this section—” and inserting “Of the amounts made available to carry out this section, $5 million shall be used to carry out subsection (l). Of the remaining amounts made available to carry out this section—”;
4. by inserting before subsection (m) (as so redesignated) the following:

“(l) FIBER-RICH FOOD CROP DIVERSIFICATION PILOT PROGRAM.—

“(1) PROGRAM.—Using funds made available under subsection (m), the Secretary shall, for the period of fiscal years [2019 through 2023], provide direct assistance to eligible agricultural producers for offsetting costs incurred in diversifying or transitioning a farm or ranch to a less environmentally intensive production system as determined by the Secretary.

“(2) ELIGIBLE PRODUCER.—In this subsection, the term “eligible producer” means any of the following:

“(A) Any small or mid-sized farmer or rancher that—
   “(i) commits to diversifying or transitioning their farm or ranch to a less environmentally intensive production system, as determined by the Secretary; or
   “(ii) already transitioned their farm or ranch to a less environmentally intensive production system within the past 5 years, as determined by the Secretary.

“(3) ELIGIBLE USES OF FUNDS.—

“(A) IN GENERAL.—The direct assistance provided to eligible producers under paragraph (1) may be used for offsetting the costs associated with diversifying and transitioning a farm or ranch, including—
   “(i) the planning, repair, rehabilitation, acquisition, or construction of a building or facility;
   “(ii) acquisition and repair of machinery and equipment;

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“(iii) organic certification costs; and
“(iv) other appropriate costs, as determined by the Secretary.
“(B) Limitation.—In carrying out this subsection, the Secretary shall
(i) ensure that direct assistance is limited to offsetting costs associated with
transitioning a farm or ranch, as determined by the Secretary; and
(ii) ensure the direct transition is to sustainable plant commodity, specialty crop,
or horticulture production using national conservation practice standards.”

“(4) Contracts and reporting.—
“(A) Relationship to other law.—The authority to carry out this section shall
be in addition to any other authority provided in this or any other Act.
“(B) Report.—The Secretary shall submit to the Committee on Agriculture of
the House of Representatives and the Committee on Agriculture, Nutrition, and
Forestry of the Senate an annual report that includes the following:
“(i) The number of recipients of funds made available under the program;
“(ii) The average funding amount per program recipient;
“(iii) A summary of the diversification and transition activities undertaken
by program recipients; and
“(iv) A summary of best practices, including lessons learned, in
administering the program.
“(C) Maximum term and amount of contract.—A contract entered into under
paragraph (1) shall be—
“(i) for a term of not longer than 3 years; and
“(ii) in an amount that is not more than $250,000 for each year of the
contract.
“(D) Regional balance.—To the maximum extent practicable, the Secretary
shall ensure the geographical diversity of eligible producers to which contracts are
entered into under paragraph (1).”