

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

S

1

SENATE BILL 860

Short Title: Empower Small/Socially Disadvantaged Farmers. (Public)

Sponsors: Senators Smith and Batch (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 6, 2024

A BILL TO BE ENTITLED
AN ACT TO EMPOWER SMALL AND SOCIALLY DISADVANTAGED FARMERS IN
NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. Findings and Purpose. – The General Assembly finds that decades of systemic barriers and economic consolidation has led to the loss of millions of acres of land farmed by small and socially disadvantaged farmers and a significant drop in the number of farmers from socially disadvantaged groups. The General Assembly further finds that financial assistance through targeted grants can help address disparities and contribute to the long-term success of small and socially disadvantaged farmers. Recognizing the historical challenges faced by these farmers, the purpose of this act is to support the viability and sustainability of small and socially disadvantaged farmers in North Carolina by providing financial assistance to support these farmers and promote equity within the agricultural sector.

SECTION 2. Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 61B.

"Small and Socially Disadvantaged Farmers Grant Program.

§ 106-748. Definitions.

The following definitions apply in this Article:

- (1) Commissioner. – The Commissioner of Agriculture and Consumer Services.
- (2) Department. – The North Carolina Department of Agriculture and Consumer Services.
- (3) Eligible individual. – A resident of this State who meets all of the following criteria:
 - a. Is at least 21 years of age.
 - b. Is a small farmer or a socially disadvantaged farmer.
 - c. Had an annual income from farming operations for the preceding taxable year of at least one thousand dollars (\$1,000) or more.
- (4) Small farmer. – A farmer with a gross cash farm income of two hundred fifty thousand dollars (\$250,000) or less, as determined in a manner as the Department may specify.
- (5) Socially disadvantaged farmer. – A farmer who is a member of a socially disadvantaged group.
- (6) Socially disadvantaged group. – A group of people whose members have been subject to racial or ethnic prejudice because of their identity as a member of a group without regard to their individual qualities.



* S 8 6 0 - V - 1 *

1 **"§ 106-749. Small and Socially Disadvantaged Farmers Grant Program established.**

2 (a) Program Established. – The Small and Socially Disadvantaged Farmers Grant
3 Program (Program) is established within the North Carolina Department of Agriculture to
4 support current small and socially disadvantaged farmers and to encourage the continued
5 financial viability of those farmers in the field of agriculture. The Socially Disadvantaged Farmer
6 Restoration Fund (Fund) is established as a special revenue fund. The Fund shall consist of gifts,
7 grants, and donations from non-State entities and General Fund appropriations for the support of
8 the program established by this Article. The Fund shall be used for the provision of grants to
9 eligible individuals for essential inputs, equipment, and operational improvements to their
10 farming operations.

11 (b) Grants. – Grants from the Fund are subject to the following procedures and
12 restrictions:

13 (1) An eligible individual seeking a grant shall submit an application on a form
14 and in a manner approved by the Commissioner.

15 (2) The Commissioner may establish priorities for grants among all eligible
16 individuals based on criteria that include farm size, income levels, and lack of
17 ownership of land to ensure that grants are first provided to farmers most at
18 risk of failure due to historic systemic discrimination and lack of access to
19 capital and operational support.

20 (3) The Commissioner may establish tiered maximum grant amounts based on
21 financial hardship, demonstrated need, and other criteria the Department feels
22 will maximize the ability of the program to increase the viability and
23 sustainability of small and socially disadvantaged farmers.

24 (c) The Department shall establish an advisory committee to monitor the Program's
25 effectiveness and make recommendations for improvements.

26 (d) The Department shall adopt rules to carry out the provisions of this Article."

27 **SECTION 3. Funding. –** The sum of ten million dollars (\$10,000,000) in recurring
28 funds for the 2024-2025 fiscal year is appropriated from the General Fund to the Department of
29 Agriculture and Consumer Services, to be allocated to the Small and Socially Disadvantaged
30 Farmers Grant Program established in G.S. 106-749, as enacted by Section 2 of this act. The
31 Department may retain up to three percent (3%) of the funds appropriated by this section for
32 administrative costs related to the Program established by Article 61B of Chapter 106 of the
33 General Statutes, as enacted by Section 2 of this act.

34 **SECTION 4.** This act becomes effective July 1, 2024.