

1 **SENATE FLOOR VERSION**

2 February 8, 2021

3 SENATE BILL NO. 422

By: Simpson

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5
6 An Act relating to the Agriculture Enhancement and
7 Diversification Program; amending 2 O.S. 2011,
8 Sections 5-3.2, as last amended by Section 1, Chapter
9 123, O.S.L. 2015 and 5-3.4, as amended by Section 3,
10 Chapter 123, O.S.L. 2015 (2 O.S. Supp. 2020, Sections
11 5-3.2 and 5-3.4), which relate to the purpose and
12 categories of the program, and grants and loan
13 criteria; removing purpose; modifying and removing
14 categories; removing authorization for matching
15 funds; removing and modifying preferences and
16 exclusions; requiring nondisclosure pursuant to the
17 Oklahoma Open Records Act; removing authorization for
18 executive sessions by the Board under certain
19 circumstances; exempting certain advisory meeting
20 from the Oklahoma Open Meeting Act; updating
21 statutory language; and providing an effective date.

22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

23 SECTION 1. AMENDATORY 2 O.S. 2011, Section 5-3.2, as
24 last amended by Section 1, Chapter 123, O.S.L. 2015 (2 O.S. Supp.
2020, Section 5-3.2), is amended to read as follows:

25 Section 5-3.2. A. The State Board of Agriculture is hereby
26 authorized to establish and administer the Oklahoma Agriculture
27 Enhancement and Diversification Program.

28 B. The purpose of the Oklahoma Agriculture Enhancement and
29 Diversification Program is to promote and encourage the interests of

1 agriculture through the allocation of funds, by grant or loan, to
2 individuals, cooperatives and other agricultural entities to:

- 3 1. Develop new or expanded uses of agricultural products;
- 4 ~~2. Develop new or expanded benefits of agricultural events;~~
- 5 ~~3. Increase agricultural productivity;~~
- 6 ~~4.~~ 3. Provide added value to agricultural products or events;
- 7 ~~5.~~ 4. Benefit the agricultural producer; and
- 8 ~~6.~~ 5. Benefit the agricultural interests of ~~Oklahoma~~ this
9 state.

10 C. The Program shall consist of the following categories:

- 11 1. ~~Cooperative marketing~~ Value-added agriculture grants and
12 loans for entities or individuals ~~intending to work together~~ to
13 develop or establish production, processing or marketing of
14 agricultural products. The purpose of this category is to provide
15 funding for promoting productivity, providing added value to
16 agricultural products, stimulating and fostering agricultural
17 diversification and encouraging processing innovations;
- 18 2. ~~Marketing and utilization grants and loans to assist in the~~
19 ~~development or implementation of sound domestic or foreign marketing~~
20 ~~plans for Oklahoma agricultural products, by-products, or new and~~
21 ~~better uses for existing agricultural products through the financing~~
22 ~~of marketing feasibility studies, business plans, and test~~
23 ~~marketing;~~

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1 ~~3.~~ Farm diversification grants or loans for projects dealing
2 with the diversification of family farms or ranches to
3 nontraditional crops, livestock, agritourism, or on-farm, value-
4 added processing of agricultural commodities;

5 ~~4. Basic and applied~~ 3. Product development and research
6 grants and loans for agricultural business creation or expansion, or
7 research which will likely lead to a marketable agricultural product
8 through the focusing of research efforts on uses and processing of
9 Oklahoma agricultural products and by-products, ~~including but not~~
10 limited to:

- 11 a. focused research which enhances the value of an
- 12 agricultural product or by-product,
- 13 b. feasibility studies, and
- 14 c. product development and test marketing costs, ~~and~~
- 15 ~~d. projects that are driven by an entrepreneur or the~~
- 16 ~~industry;~~ and

17 ~~5. Agricultural event~~ 4. Veteran or young farmer grants or
18 loans for veterans and young farmers that are engaged or will be
19 engaged in expansion or creation of ~~events that benefit and further~~
20 ~~the public interest in agriculture~~ an agricultural business.

21 D. The State Board of Agriculture shall promulgate rules
22 governing the Oklahoma Agriculture Enhancement and Diversification
23 Program.

1 SECTION 2. AMENDATORY 2 O.S. 2011, Section 5-3.4, as
2 amended by Section 3, Chapter 123, O.S.L. 2015 (2 O.S. Supp. 2020,
3 Section 5-3.4), is amended to read as follows:

4 Section 5-3.4. A. The Oklahoma Department of Agriculture,
5 Food, and Forestry shall require eligible applicants to submit
6 information, forms and reports as are necessary to properly and
7 efficiently administer the Oklahoma Agriculture Enhancement and
8 Diversification Program.

9 B. Persons may apply to the Department for grant or loan funds
10 in accordance with rules promulgated by the State Board of
11 Agriculture. Applications for grant or loan funds shall be approved
12 or denied by the Department in accordance with criteria promulgated
13 by the State Board of Agriculture pursuant to the Oklahoma
14 Agriculture Enhancement and Diversification Program.

15 ~~C. The State Board of Agriculture may also allocate monies from~~
16 ~~the fund to eligible applicants on a matching basis.~~

17 ~~D.~~ Grant or loan funds may be made available to eligible
18 applicants pursuant to evaluation by the Department based on the
19 following criteria:

- 20 1. Preference may be given to the applicants whose:
 - 21 a. industrial and nonfood production processes utilize
 - 22 agricultural products,
 - 23 b. food, feed and fiber products and uses are innovative
 - 24 and add to the value of agricultural products,

- 1 c. applications demonstrate a high probability of job
2 creation and return-on-investment,
- 3 d. proposals feature research that is innovative as well
4 as commercially plausible,
- 5 e. proposals demonstrate a high probability of rapid
6 commercialization,
- 7 f. projects demonstrate a shared commitment for funding
8 from other private or public sources or from the
9 applicant,
- 10 g. proposals center efforts on nonurban locales,
- 11 h. principals are individuals, a group of individuals, an
12 individual on behalf of a group, or corporations which
13 meet the criteria set forth in Section 951 of Title 18
14 of the Oklahoma Statutes, to market a product or
15 formulate or implement a marketing plan for
16 agricultural products which have not been marketed
17 through existing marketing cooperatives produced or
18 processed in this state,
- 19 i. proposals contain the potential to create additional
20 income for the farm unit, and
- 21 j. proposals provide for new and innovative plans for
22 marketing the product, ~~and~~
- 23 ~~k. proposals for agricultural events benefit the entire~~
24 ~~state or a large geographic region of the state; and~~

1 2. Consideration shall not be given to applications for:

2 a. research or marketing plans which do not clearly meet
3 the stated objectives of the Oklahoma Agriculture
4 Enhancement and Diversification Act,

5 b. proposals which are aimed solely at business expansion
6 or creation without regard to agricultural products
7 utilization, or

8 c. research or marketing plans that cannot reasonably be
9 expected to result in a viable commercial application,
10 or that are or have been duplicated by other research
11 efforts, ~~or~~

12 ~~d. proposals for agricultural events that do not result~~
13 ~~in expansion of the event or encourage additional~~
14 ~~public interest in the event.~~

15 ~~E.~~ D. 1. Any information submitted to or compiled by the
16 Department with respect to the marketing plans, financial
17 statements, trade secrets, research concepts, methods or products,
18 or any other proprietary information of persons, firms,
19 associations, partnerships, agencies, corporations, institutions of
20 higher education, nonprofit research institutions or other entities
21 pursuant to the Oklahoma Agriculture Enhancement and Diversification
22 Program shall not be disclosed pursuant to the Oklahoma Open Records
23 Act or in public hearings and shall be kept confidential, except to
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1 the extent that the person or entity which provided such information
2 or which is the subject of such information consents to disclosure.

3 2. ~~Executive sessions may be held to discuss such materials if~~
4 ~~deemed necessary by the Board~~ In the event an independent advisory
5 group of reviewers are used to analyze and make recommendations for
6 projects for approval by the Board, any meetings of such advisory
7 groups shall be exempt from the Oklahoma Open Meeting Act.

8 SECTION 3. This act shall become effective November 1, 2021.

9 COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE AND WILDLIFE
10 February 8, 2021 - DO PASS

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