

109TH CONGRESS  
2D SESSION

# S. 3855

To provide emergency agricultural disaster assistance, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 6, 2006

Mr. CONRAD (for himself, Mr. COLEMAN, Mr. NELSON of Nebraska, Mr. TALENT, Mr. DORGAN, Mr. BAUCUS, Mr. SALAZAR, Mr. JOHNSON, Ms. CANTWELL, Mr. DURBIN, Mr. OBAMA, Mr. DAYTON, Mr. THUNE, Mrs. LINCOLN, and Mr. BURNS) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To provide emergency agricultural disaster assistance, and  
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Emergency Farm Relief Act of 2006”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. Definitions.

TITLE I—AGRICULTURAL PRODUCTION LOSSES

- Sec. 101. Crop disaster assistance.
- Sec. 102. Livestock assistance.
- Sec. 103. Flooded crop and grazing land.
- Sec. 104. Sugar beet disaster assistance.
- Sec. 105. Bovine tuberculosis herd indemnification.
- Sec. 106. Reduction in payments.

TITLE II—SUPPLEMENTAL NUTRITION AND AGRICULTURAL  
ECONOMIC DISASTER ASSISTANCE

- Sec. 121. Replenishment of Section 32.
- Sec. 122. Supplemental economic loss payments.
- Sec. 123. Small business economic loss grant program.

TITLE III—CONSERVATION

- Sec. 131. Emergency conservation program.
- Sec. 132. Emergency watershed protection program.

TITLE IV—FARM SERVICE AGENCY

- Sec. 141. Funding for additional personnel.

TITLE V—MISCELLANEOUS

- Sec. 151. Funding.
- Sec. 152. Regulations.

TITLE VI—EMERGENCY DESIGNATION

- Sec. 161. Emergency designation.

**1 SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) **ADDITIONAL COVERAGE.**—The term “addi-  
4 tional coverage” has the meaning given the term in  
5 section 502(b)(1) of the Federal Crop Insurance Act  
6 (7 U.S.C. 1502(b)(1)).

7 (2) **DISASTER COUNTY.**—The term “disaster  
8 county” means—

9 (A) a county included in the geographic  
10 area covered by a natural disaster declaration;  
11 and

1 (B) each county contiguous to a county de-  
2 scribed in subparagraph (A).

3 (3) HURRICANE-AFFECTED COUNTY.—The term  
4 “hurricane-affected county” means—

5 (A) a county included in the geographic  
6 area covered by a natural disaster declaration  
7 related to Hurricane Katrina, Hurricane Rita,  
8 Hurricane Wilma, or a related condition; and

9 (B) each county contiguous to a county de-  
10 scribed in subparagraph (A).

11 (4) INSURABLE COMMODITY.—The term “insur-  
12 able commodity” means an agricultural commodity  
13 (excluding livestock) for which the producers on a  
14 farm are eligible to obtain a policy or plan of insur-  
15 ance under the Federal Crop Insurance Act (7  
16 U.S.C. 1501 et seq.).

17 (5) LIVESTOCK.—The term “livestock” in-  
18 cludes—

19 (A) cattle (including dairy cattle);

20 (B) bison;

21 (C) sheep;

22 (D) swine; and

23 (E) other livestock, as determined by the  
24 Secretary.

1           (6) NATURAL DISASTER DECLARATION.—The  
 2 term “natural disaster declaration” means a natural  
 3 disaster declared by the Secretary during calendar  
 4 year 2005 or 2006 under section 321(a) of the Con-  
 5 solidated Farm and Rural Development Act (7  
 6 U.S.C. 1961(a)).

7           (7) NONINSURABLE COMMODITY.—The term  
 8 “noninsurable commodity” means a crop for which  
 9 the producers on a farm are eligible to obtain assist-  
 10 ance under section 196 of the Federal Agriculture  
 11 Improvement and Reform Act of 1996 (7 U.S.C.  
 12 7333).

13           (8) SECRETARY.—The term “Secretary” means  
 14 the Secretary of Agriculture.

## 15           **TITLE I—AGRICULTURAL** 16           **PRODUCTION LOSSES**

### 17   **SEC. 101. CROP DISASTER ASSISTANCE.**

18           (a) IN GENERAL.—The Secretary shall use such  
 19 sums as are necessary of funds of the Commodity Credit  
 20 Corporation to make emergency financial assistance au-  
 21 thorized under this section available to producers on a  
 22 farm that have incurred qualifying losses described in sub-  
 23 section (c).

24           (b) ADMINISTRATION.—

1           (1) IN GENERAL.—Except as provided in para-  
2           graph (2), the Secretary shall make assistance avail-  
3           able under this section in the same manner as pro-  
4           vided under section 815 of the Agriculture, Rural  
5           Development, Food and Drug Administration and  
6           Related Agencies Appropriations Act, 2001 (Public  
7           Law 106–387; 114 Stat. 1549A–55), including  
8           using the same loss thresholds for quantity and eco-  
9           nomic losses as were used in administering that sec-  
10          tion, except that the payment rate shall be 50 per-  
11          cent of the established price, instead of 65 percent.

12          (2) NONINSURED PRODUCERS.—For producers  
13          on a farm that were eligible to acquire crop insur-  
14          ance for the applicable production loss and failed to  
15          do so or failed to submit an application for the non-  
16          insured assistance program for the loss, the Sec-  
17          retary shall make assistance in accordance with  
18          paragraph (1), except that the payment rate shall be  
19          35 percent of the established price, instead of 50  
20          percent.

21          (c) QUALIFYING LOSSES.—Assistance under this sec-  
22          tion shall be made available to producers on farms, other  
23          than producers of sugar beets, that incurred qualifying  
24          quantity or quality losses for the 2005 or 2006 crop due  
25          to damaging weather or any related condition (including

1 losses due to crop diseases, insects, and delayed harvest),  
2 as determined by the Secretary.

3 (d) QUALITY LOSSES.—

4 (1) IN GENERAL.—In addition to any payment  
5 received under subsection (b), the Secretary shall  
6 use such sums as are necessary of funds of the Com-  
7 modity Credit Corporation to make payments to pro-  
8 ducers on a farm described in subsection (a) that in-  
9 curred a quality loss for the 2005 or 2006 crop, or  
10 both, of a commodity in an amount equal to the  
11 product obtained by multiplying—

12 (A) the payment quantity determined  
13 under paragraph (2);

14 (B)(i) in the case of an insurable com-  
15 modity, the coverage level elected by the insured  
16 under the policy or plan of insurance under the  
17 Federal Crop Insurance Act (7 U.S.C. 1501 et  
18 seq.); or

19 (ii) in the case of a noninsurable com-  
20 modity, the applicable coverage level for the  
21 payment quantity determined under paragraph  
22 (2); by

23 (C) 50 percent of the payment rate deter-  
24 mined under paragraph (3).

1           (2) PAYMENT QUANTITY.—For the purpose of  
2 paragraph (1)(A), the payment quantity for quality  
3 losses for a crop of a commodity on a farm shall  
4 equal the lesser of—

5           (A) the actual production of the crop af-  
6 fected by a quality loss of the commodity on the  
7 farm; or

8           (B)(i) in the case of an insurable com-  
9 modity, the actual production history for the  
10 commodity by the producers on the farm under  
11 the Federal Crop Insurance Act (7 U.S.C. 1501  
12 et seq.); or

13           (ii) in the case of a noninsurable com-  
14 modity, the established yield for the crop for  
15 the producers on the farm under section 196 of  
16 the Federal Agriculture Improvement and Re-  
17 form Act of 1996 (7 U.S.C. 7333).

18           (3) PAYMENT RATE.—

19           (A) IN GENERAL.—For the purpose of  
20 paragraph (1)(B), the payment rate for quality  
21 losses for a crop of a commodity on a farm  
22 shall be equal to the difference between (as de-  
23 termined by the applicable State committee of  
24 the Farm Service Agency)—

1 (i) the per unit market value that the  
2 units of the crop affected by the quality  
3 loss would have had if the crop had not  
4 suffered a quality loss; and

5 (ii) the per unit market value of the  
6 units of the crop affected by the quality  
7 loss.

8 (B) FACTORS.—In determining the pay-  
9 ment rate for quality losses for a crop of a com-  
10 modity on a farm, the applicable State com-  
11 mittee of the Farm Service Agency shall take  
12 into account—

13 (i) the average local market quality  
14 discounts that purchasers applied to the  
15 commodity during the first 2 months fol-  
16 lowing the normal harvest period for the  
17 commodity;

18 (ii) the loan rate and repayment rate  
19 established for the commodity under the  
20 marketing loan program established for the  
21 commodity under subtitle B of title I of  
22 the Farm Security and Rural Investment  
23 Act of 2002 (7 U.S.C. 7931 et seq.);



1 (iii) the market value of the com-  
2 modity if sold into a secondary market;  
3 and

4 (iv) other factors determined appro-  
5 priate by the committee.

6 (4) ELIGIBILITY.—

7 (A) IN GENERAL.—For producers on a  
8 farm to be eligible to obtain a payment for a  
9 quality loss for a crop under this subsection—

10 (i) the amount obtained by multi-  
11 plying the per unit loss determined under  
12 paragraph (1) by the number of units af-  
13 fected by the quality loss shall be reduced  
14 by the amount of any indemnification re-  
15 ceived by the producers on the farm for  
16 quality loss adjustment for the commodity  
17 under a policy or plan of insurance under  
18 the Federal Crop Insurance Act (7 U.S.C.  
19 1501 et seq.); and

20 (ii) the remainder shall be at least 25  
21 percent of the value that all affected pro-  
22 duction of the crop would have had if the  
23 crop had not suffered a quality loss.

24 (B) INELIGIBILITY.—If the amount of a  
25 quality loss payment for a commodity for the

1 producers on a farm determined under this  
2 paragraph is equal to or less than zero, the pro-  
3 ducers on the farm shall be ineligible for assist-  
4 ance for the commodity under this subsection.

5 (5) ELIGIBLE PRODUCTION.—The Secretary  
6 shall carry out this subsection in a fair and equitable  
7 manner for all eligible production, including the pro-  
8 duction of fruits and vegetables, other specialty  
9 crops, and field crops.

10 (e) TIMING.—

11 (1) IN GENERAL.—Subject to paragraph (2),  
12 the Secretary shall make payments to producers on  
13 a farm for a crop under this section not later than  
14 60 days after the date the producers on the farm  
15 submit to the Secretary a completed application for  
16 the payments.

17 (2) INTEREST.—If the Secretary does not make  
18 payments to the producers on a farm by the date de-  
19 scribed in paragraph (1), the Secretary shall pay to  
20 the producers on a farm interest on the payments at  
21 a rate equal to the current (as of the sign-up dead-  
22 line established by the Secretary) market yield on  
23 outstanding, marketable obligations of the United  
24 States with maturities of 30 years.

1 **SEC. 102. LIVESTOCK ASSISTANCE.**

2 (a) LIVESTOCK COMPENSATION PROGRAM.—

3 (1) USE OF COMMODITY CREDIT CORPORATION  
4 FUNDS.—Effective beginning on the date of enact-  
5 ment of this Act, the Secretary shall use funds of  
6 the Commodity Credit Corporation to carry out the  
7 2002 Livestock Compensation Program announced  
8 by the Secretary on October 10, 2002 (67 Fed. Reg.  
9 63070), to provide compensation for livestock losses  
10 during calendar years 2005 and 2006 for losses due  
11 to a disaster, as determined by the Secretary, except  
12 that the payment rate shall be 75 percent of the  
13 payment rate established for the 2002 Livestock  
14 Compensation Program.

15 (2) ELIGIBLE APPLICANTS.—In carrying out  
16 the program described in paragraph (1), the Sec-  
17 retary shall provide assistance to any applicant for  
18 livestock losses during calendar year 2005 or 2006,  
19 or both, that—

20 (A)(i) conducts a livestock operation that  
21 is located in a disaster county, including any  
22 applicant conducting a livestock operation with  
23 eligible livestock (within the meaning of the  
24 livestock assistance program under section  
25 101(b) of division B of Public Law 108–324  
26 (118 Stat. 1234)); or

1           (ii) produces an animal described in sec-  
2           tion 10806(a)(1) of the Farm Security and  
3           Rural Investment Act of 2002 (21 U.S.C.  
4           321d(a)(1));

5           (B) demonstrates to the Secretary that the  
6           applicant suffered a material loss of pasture or  
7           hay production, or experienced substantially in-  
8           creased feed costs, due to damaging weather or  
9           a related condition during the calendar year, as  
10          determined by the Secretary; and

11          (C) meets all other eligibility requirements  
12          established by the Secretary for the program.

13          (3) MITIGATION.—In determining the eligibility  
14          for or amount of payments for which a producer is  
15          eligible under the livestock compensation program,  
16          the Secretary shall not penalize a producer that  
17          takes actions (recognizing disaster conditions) that  
18          reduce the average number of livestock the producer  
19          owned for grazing during the production year for  
20          which assistance is being provided.

21          (b) LIVESTOCK INDEMNITY PAYMENTS.—

22               (1) IN GENERAL.—The Secretary shall use such  
23               sums as are necessary of funds of the Commodity  
24               Credit Corporation to make livestock indemnity pay-  
25               ments to producers on farms that have incurred live-

1 stock losses during calendar years 2005 and 2006  
2 for losses that occurred prior to the date of enact-  
3 ment of this Act (including wildfire disaster losses in  
4 the State of Texas and other States) due to a dis-  
5 aster, as determined by the Secretary, including  
6 losses due to hurricanes, floods, anthrax, and  
7 wildfires.

8 (2) PAYMENT RATES.—Indemnity payments to  
9 a producer on a farm under paragraph (1) shall be  
10 made at a rate of not less than 30 percent of the  
11 market value of the applicable livestock on the day  
12 before the date of death of the livestock, as deter-  
13 mined by the Secretary.

14 (c) EWE LAMB REPLACEMENT AND RETENTION.—

15 (1) IN GENERAL.—The Secretary shall use  
16 \$13,000,000 of funds of the Commodity Credit Cor-  
17 poration to make payments under the Ewe Lamb  
18 Replacement and Retention Payment Program  
19 under part 784 of title 7, Code of Federal Regula-  
20 tions (or a successor regulation) for each qualifying  
21 ewe lamb retained or purchased during the period  
22 beginning on January 1, 2006, and ending on De-  
23 cember 31, 2006.

24 (2) INELIGIBILITY FOR OTHER ASSISTANCE.—A  
25 producer that receives assistance under this sub-

1 section shall not be eligible to receive assistance  
2 under subsection (a).

3 **SEC. 103. FLOODED CROP AND GRAZING LAND.**

4 (a) IN GENERAL.—The Secretary shall compensate  
5 eligible owners of flooded crop and grazing land in—

6 (1) the Devils Lake basin; and

7 (2) the McHugh, Lake Laretta, and Rose Lake  
8 closed drainage areas of the State of North Dakota.

9 (b) ELIGIBILITY.—

10 (1) IN GENERAL.—To be eligible to receive  
11 compensation under this section, an owner shall own  
12 land described in subsection (a) that, during the 2  
13 crop years preceding receipt of compensation, was  
14 rendered incapable of use for the production of an  
15 agricultural commodity or for grazing purposes (in  
16 a manner consistent with the historical use of the  
17 land) as the result of flooding, as determined by the  
18 Secretary.

19 (2) INCLUSIONS.—Land described in paragraph

20 (1) shall include—

21 (A) land that has been flooded;

22 (B) land that has been rendered inaccess-  
23 sible due to flooding; and

24 (C) a reasonable buffer strip adjoining the  
25 flooded land, as determined by the Secretary.

1           (3) ADMINISTRATION.—The Secretary may es-  
2       tablish—

3                   (A) reasonable minimum acreage levels for  
4       individual parcels of land for which owners may  
5       receive compensation under this section; and

6                   (B) the location and area of adjoining  
7       flooded land for which owners may receive com-  
8       pensation under this section.

9       (c) SIGN-UP.—The Secretary shall establish a sign-  
10   up program for eligible owners to apply for compensation  
11   from the Secretary under this section.

12       (d) COMPENSATION PAYMENTS.—

13                   (1) IN GENERAL.—Subject to paragraphs (2)  
14   and (3), the rate of an annual compensation pay-  
15   ment under this section shall be equal to 90 percent  
16   of the average annual per acre rental payment rate  
17   (at the time of entry into the contract) for com-  
18   parable crop or grazing land that has not been flood-  
19   ed and remains in production in the county where  
20   the flooded land is located, as determined by the  
21   Secretary.

22                   (2) REDUCTION.—An annual compensation  
23   payment under this section shall be reduced by the  
24   amount of any conservation program rental pay-  
25   ments or Federal agricultural commodity program

1 payments received by the owner for the land during  
2 any crop year for which compensation is received  
3 under this section.

4 (3) EXCLUSION.—During any year in which an  
5 owner receives compensation for flooded land under  
6 this section, the owner shall not be eligible to par-  
7 ticipate in or receive benefits for the flooded land  
8 under—

9 (A) the Federal crop insurance program  
10 established under the Federal Crop Insurance  
11 Act (7 U.S.C. 1501 et seq.);

12 (B) the noninsured crop assistance pro-  
13 gram established under section 196 of the Fed-  
14 eral Agriculture Improvement and Reform Act  
15 of 1996 (7 U.S.C. 7333); or

16 (C) any Federal agricultural crop disaster  
17 assistance program.

18 (e) RELATIONSHIP TO AGRICULTURAL COMMODITY  
19 PROGRAMS.—The Secretary, by regulation, shall provide  
20 for the preservation of cropland base, allotment history,  
21 and payment yields applicable to land described in sub-  
22 section (a) that was rendered incapable of use for the pro-  
23 duction of an agricultural commodity or for grazing pur-  
24 poses as the result of flooding.

25 (f) USE OF LAND.—



1           (1) IN GENERAL.—An owner that receives com-  
2           pensation under this section for flooded land shall  
3           take such actions as are necessary to not degrade  
4           any wildlife habitat on the land that has naturally  
5           developed as a result of the flooding.

6           (2) RECREATIONAL ACTIVITIES.—To encourage  
7           owners that receive compensation for flooded land to  
8           allow public access to and use of the land for rec-  
9           reational activities, as determined by the Secretary,  
10          the Secretary may—

11                   (A) offer an eligible owner additional com-  
12                   pensation; and

13                   (B) provide compensation for additional  
14                   acreage under this section.

15          (g) FUNDING.—

16           (1) IN GENERAL.—The Secretary shall use  
17           \$6,000,000 of funds of the Commodity Credit Cor-  
18           poration to carry out this section.

19           (2) PRO-RATED PAYMENTS.—In a case in which  
20           the amount made available under paragraph (1) for  
21           a fiscal year is insufficient to compensate all eligible  
22           owners under this section, the Secretary shall pro-  
23           rate payments for that fiscal year on a per acre  
24           basis.

1 **SEC. 104. SUGAR BEET DISASTER ASSISTANCE.**

2 (a) IN GENERAL.—The Secretary shall use  
3 \$24,000,000 of funds of the Commodity Credit Corpora-  
4 tion to provide assistance to sugar beet producers that suf-  
5 fered production losses (including quality losses) for the  
6 2005 crop year.

7 (b) REQUIREMENT.—The Secretary shall make pay-  
8 ments under subsection (a) in the same manner as pay-  
9 ments were made under section 208 of the Agricultural  
10 Assistance Act of 2003 (Public Law 108–7; 117 Stat.  
11 544), including using the same indemnity benefits as were  
12 used in carrying out that section.

13 (c) HAWAII.—The Secretary shall use \$6,000,000 of  
14 funds of the Commodity Credit Corporation to assist sug-  
15 arcane growers in Hawaii by making a payment in that  
16 amount to an agricultural transportation cooperative in  
17 Hawaii, the members of which are eligible to obtain a loan  
18 under section 156(a) of the Federal Agriculture Improve-  
19 ment and Reform Act of 1996 (7 U.S.C. 7272(a)).

20 **SEC. 105. BOVINE TUBERCULOSIS HERD INDEMNIFICA-**  
21 **TION.**

22 The Secretary shall use \$2,000,000 of funds of the  
23 Commodity Credit Corporation to indemnify producers  
24 that suffered losses to herds of cattle due to bovine tuber-  
25 culosis during calendar year 2005.

1 **SEC. 106. REDUCTION IN PAYMENTS.**

2 The amount of any payment for which a producer is  
3 eligible under this title shall be reduced by any amount  
4 received by the producer for the same loss or any similar  
5 loss under—

6 (1) the Department of Defense, Emergency  
7 Supplemental Appropriations to Address Hurricanes  
8 in the Gulf of Mexico, and Pandemic Influenza Act,  
9 2006 (Public Law 109–148; 119 Stat. 2680);

10 (2) an agricultural disaster assistance provision  
11 contained in the announcement of the Secretary on  
12 January 26, 2006, or August 29, 2006;

13 (3) the Emergency Supplemental Appropria-  
14 tions Act for Defense, the Global War on Terror,  
15 and Hurricane Recovery, 2006 (Public Law 109-  
16 234; 120 Stat. 418); or

17 (4) the Livestock Assistance Grant Program  
18 announced by the Secretary on August 29, 2006.

19 **TITLE II—SUPPLEMENTAL NU-**  
20 **TRITION AND AGRICULTURAL**  
21 **ECONOMIC DISASTER ASSIST-**  
22 **ANCE**

23 **SEC. 121. REPLENISHMENT OF SECTION 32.**

24 (a) DEFINITION OF SPECIALTY CROP.—In this sec-  
25 tion:

1           (1) IN GENERAL.—The term “specialty crop”  
2 means any agricultural crop.

3           (2) EXCEPTION.—The term “specialty crop”  
4 does not include—

5                   (A) wheat;

6                   (B) feed grains;

7                   (C) oilseeds;

8                   (D) cotton;

9                   (E) rice;

10                  (F) peanuts; or

11                  (G) milk.

12           (b) BASE STATE GRANTS.—

13           (1) IN GENERAL.—The Secretary shall use  
14 \$25,000,000 of funds of the Commodity Credit Cor-  
15 poration to make grants to the several States to be  
16 used to support activities that promote agriculture.

17           (2) AMOUNTS.—The amount of the grants shall  
18 be \$500,000 to each of the several States.

19           (c) GRANTS FOR VALUE OF PRODUCTION.—The Sec-  
20 retary shall use \$74,500,000 of funds of the Commodity  
21 Credit Corporation to make a grant to each of the several  
22 States in an amount equal to the product obtained by mul-  
23 tiplying—

24                   (1) the share of the State of the total value of  
25 specialty crop and livestock of the United States for

1 the 2004 crop year, as determined by the Secretary;  
2 by

3 (2) \$74,500,000.

4 (d) SPECIAL CROP AND LIVESTOCK PRIORITY.—As  
5 a condition on the receipt of a grant under this section,  
6 a State shall agree to give priority to the support of spe-  
7 cialty crops and livestock in the use of the grant funds.

8 (e) USE OF FUNDS.—A State may use funds from  
9 a grant awarded under this section—

10 (1) to supplement State food bank programs or  
11 other nutrition assistance programs;

12 (2) to promote the purchase, sale, or consump-  
13 tion of agricultural products;

14 (3) to provide economic assistance to agricul-  
15 tural producers, giving a priority to the support of  
16 specialty crops and livestock; or

17 (4) for other purposes as determined by the  
18 Secretary.

19 **SEC. 122. SUPPLEMENTAL ECONOMIC LOSS PAYMENTS.**

20 (a) IN GENERAL.—Subject to subsection (b), the Sec-  
21 retary shall make a supplemental economic loss payment  
22 to—

23 (1) any producers on a farm that received a di-  
24 rect payment for crop year 2005 under title I of the

1 Farm Security and Rural Investment Act of 2002 (7  
2 U.S.C. 7901 et seq.); and

3 (2) any dairy producer that was eligible to re-  
4 ceive a payment during the 2005 calendar year  
5 under section 1502 of the Farm Security and Rural  
6 Investment Act of 2002 (7 U.S.C. 7982).

7 (b) AMOUNT.—

8 (1) COVERED COMMODITIES.—Subject to para-  
9 graph (3), the amount of a supplemental economic  
10 loss payment made to the producers on a farm  
11 under subsection (a)(1) shall be equal to the product  
12 obtained by multiplying—

13 (A) 30 percent of the direct payment rate  
14 in effect for the covered commodity of the pro-  
15 ducers on the farm;

16 (B) 85 percent of the base acres of the  
17 covered commodity of the producers on the  
18 farm; and

19 (C) the payment yield for each covered  
20 commodity of the producers on the farm.

21 (2) DAIRY PAYMENTS.—

22 (A) DISTRIBUTION.—Supplemental eco-  
23 nomic loss payments under subsection (a)(2)  
24 shall be distributed in a manner that is con-

1           sistent with section 1502 of the Farm and  
2           Rural Investment Act of 2002 (7 U.S.C. 7982).

3           (B) MAXIMUM AMOUNT.—Subject to para-  
4           graph (3), the total amount available for sup-  
5           plemental economic loss payments under sub-  
6           section (a)(2) shall not exceed \$147,000,000.

7           (3) LIMITATIONS.—

8           (A) IN GENERAL.—Subject to subpara-  
9           graph (B), the Secretary shall ensure that no  
10          person receives supplemental economic loss pay-  
11          ments under—

12           (i) subsection (a)(1) in excess of the  
13           per person limitations applicable to a per-  
14           son that receives payments described in  
15           subsection (a)(1); and

16           (ii) subsection (a)(2) in excess of the  
17           per dairy operation limitation applicable to  
18           producers on a dairy farm described in  
19           subsection (a)(2).

20          (B) ADMINISTRATION.—In carrying out  
21          subparagraph (A), the Secretary—

22           (i) shall establish separate limitations  
23           for supplemental economic loss payments  
24           received under this section; and

1 (ii) shall not include the supplemental  
2 economic loss payments in applying pay-  
3 ment limitations under section 1001 of the  
4 Food Security Act of 1985 (7 U.S.C.  
5 1001) for payments made pursuant to the  
6 underlying normal operation of the pro-  
7 gram described in subsection (a)(1) or sec-  
8 tion 1502 of the Farm and Rural Invest-  
9 ment Act of 2002 (7 U.S.C. 7982).

10 **SEC. 123. SMALL BUSINESS ECONOMIC LOSS GRANT PRO-**  
11 **GRAM.**

12 (a) DEFINITION OF QUALIFIED STATE.—In this sec-  
13 tion, the term “qualified State” means a State in which  
14 at least 50 percent of the counties of the State were de-  
15 clared to be primary agricultural disaster areas by the  
16 Secretary in at least 2 of crop years 2004, 2005, and  
17 2006.

18 (b) GRANTS TO QUALIFIED STATES.—

19 (1) IN GENERAL.—The Secretary shall use  
20 \$300,000,000 of funds of the Commodity Credit  
21 Corporation to make grants to State departments of  
22 agriculture or comparable State agencies in qualified  
23 States.

24 (2) AMOUNT.—



1           (A) IN GENERAL.—Subject to subpara-  
2 graph (B), the Secretary shall allocate grants  
3 among qualified States described in paragraph  
4 (1) based on the average value of agricultural  
5 sector production in the qualified State, deter-  
6 mined as a percentage of the gross domestic  
7 product of the qualified State.

8           (B) MINIMUM AMOUNT.—The minimum  
9 amount of a grant under this subsection shall  
10 be \$3,000,000.

11          (3) REQUIREMENT.—To be eligible to receive a  
12 grant under this subsection, a qualified State shall  
13 agree to carry out an expedited disaster assistance  
14 program to provide direct payments to qualified  
15 small businesses in accordance with subsection (c).

16          (c) DIRECT PAYMENTS TO QUALIFIED SMALL BUSI-  
17 NESSES.—

18           (1) IN GENERAL.—In carrying out an expedited  
19 disaster assistance program described in subsection  
20 (b)(3), a qualified State shall provide direct pay-  
21 ments to eligible small businesses in the qualified  
22 State that suffered material economic losses in at  
23 least 2 of crop years 2004, 2005, and 2006 as a di-  
24 rect result of weather-related agricultural losses to

1 the crop or livestock production sectors of the quali-  
2 fied State, as determined by the Secretary.

3 (2) ELIGIBILITY.—

4 (A) IN GENERAL.—To be eligible to receive  
5 a direct payment under paragraph (1), a small  
6 business shall—

7 (i) have less than \$5,000,000 in aver-  
8 age annual gross income from all business  
9 activities, at least 75 percent of which shall  
10 be directly related to production agri-  
11 culture or agriculture support industries,  
12 as determined by the Secretary;

13 (ii) verify the amount of economic loss  
14 attributable to weather-related agricultural  
15 losses using such documentation as the  
16 Secretary and the head of the qualified  
17 State agency may require;

18 (iii) have suffered losses attributable  
19 to weather-related agricultural disasters  
20 that equal at least 50 percent of the total  
21 economic loss of the small business for  
22 each year a grant is requested; and

23 (iv) demonstrate that the grant will  
24 materially improve the likelihood the busi-  
25 ness will—

- 1 (I) recover from the disaster; and  
2 (II) continue to service and sup-  
3 port production agriculture.

4 (3) REQUIREMENTS.—A direct payment to  
5 small business under this subsection shall—

6 (A) be limited to not more than 2 years of  
7 documented losses;

8 (B) be in an amount of not more than 75  
9 percent of the documented average economic  
10 loss attributable to weather-related agriculture  
11 disasters for each eligible year in the qualified  
12 State; and

13 (C) not exceed \$80,000 per grant per year.

14 (4) INSUFFICIENT FUNDING.—If the grant  
15 funds received by a qualified State agency under  
16 subsection (b) are insufficient to fund the direct  
17 payments of the qualified State agency under this  
18 subsection, the qualified State agency may apply a  
19 proportional reduction to all of the direct payments.

## 20 **TITLE III—CONSERVATION**

### 21 **SEC. 131. EMERGENCY CONSERVATION PROGRAM.**

22 The Secretary shall use an additional \$30,000,000 of  
23 funds of the Commodity Credit Corporation to carry out  
24 emergency measures identified by the Administrator of the  
25 Farm Service Agency as of the date of enactment of this

1 Act through the emergency conservation program estab-  
2 lished under title IV of the Agricultural Credit Act of 1978  
3 (16 U.S.C. 2201 et seq.).

4 **SEC. 132. EMERGENCY WATERSHED PROTECTION PRO-**  
5 **GRAM.**

6 The Secretary shall use an additional \$70,000,000 of  
7 funds of the Commodity Credit Corporation to carry out  
8 emergency measures identified by the Chief of the Natural  
9 Resources Conservation Service as of the date of enact-  
10 ment of this Act through the emergency watershed protec-  
11 tion program established under section 403 of the Agricul-  
12 tural Credit Act of 1978 (16 U.S.C. 2203).

13 **TITLE IV—FARM SERVICE**  
14 **AGENCY**

15 **SEC. 141. FUNDING FOR ADDITIONAL PERSONNEL.**

16 The Secretary shall use \$20,000,000 of funds of the  
17 Commodity Credit Corporation to hire additional County  
18 Farm Service Agency personnel—

19 (1) to expedite the implementation of, and de-  
20 livery under, the agricultural disaster and economic  
21 assistance programs under this Act; and

22 (2) as the Secretary determines to be necessary  
23 to carry out other agriculture and disaster assist-  
24 ance programs.

1           **TITLE V—MISCELLANEOUS**

2   **SEC. 151. FUNDING.**

3           The Secretary shall use the funds, facilities, and au-  
4   thorities of the Commodity Credit Corporation to carry  
5   out this Act, to remain available until expended.

6   **SEC. 152. REGULATIONS.**

7           (a) **IN GENERAL.**—The Secretary may promulgate  
8   such regulations as are necessary to implement this Act.

9           (b) **PROCEDURE.**—The promulgation of the regula-  
10   tions and administration of this Act shall be made without  
11   regard to—

12           (1) the notice and comment provisions of sec-  
13   tion 553 of title 5, United States Code;

14           (2) the Statement of Policy of the Secretary of  
15   Agriculture effective July 24, 1971 (36 Fed. Reg.  
16   13804), relating to notices of proposed rulemaking  
17   and public participation in rulemaking; and

18           (3) chapter 35 of title 44, United States Code  
19   (commonly known as the “Paperwork Reduction  
20   Act”).

21           (c) **CONGRESSIONAL REVIEW OF AGENCY RULE-**  
22   **MAKING.**—In carrying out this section, the Secretary shall  
23   use the authority provided under section 808 of title 5,  
24   United States Code.

1           **TITLE VI—EMERGENCY**  
2                           **DESIGNATION**

3 **SEC. 161. EMERGENCY DESIGNATION.**

4           The amounts provided under this Act are designated  
5 as an emergency requirement pursuant to section 402 of  
6 H. Con. Res. 95 (109th Congress).

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