

Union Calendar No. 164

110TH CONGRESS
1ST SESSION

H. R. 2419

[Report No. 110–256, Part I]

To provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2007

Mr. PETERSON of Minnesota introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JULY 23, 2007

Reported from the Committee on Agriculture with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

JULY 23, 2007

Committee on Foreign Affairs discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on May 22, 2007]

A BILL

To provide for the continuation of agricultural programs through fiscal year 2012, 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,*

1 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

2 (a) *SHORT TITLE.*—*This Act may be cited as the*
 3 *“Farm, Nutrition, and Bioenergy Act of 2007”.*

4 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 5 *this Act is as follows:*

Sec. 1. Short title and table of contents.

TITLE I—COMMODITY PROGRAMS

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Subtitle A—Direct Payments and Counter-Cyclical Payments

Sec. 1101. Adjustments to base acres.

Sec. 1102. Availability of direct payments.

Sec. 1103. Availability of counter-cyclical payments.

Sec. 1104. Availability of revenue-based counter-cyclical payments.

Sec. 1105. Producer agreement required as condition of provision of direct pay-
ments and counter-cyclical payments.

Sec. 1106. Planting flexibility.

Sec. 1107. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 1201. Availability of nonrecourse marketing assistance loans for loan com-
modities.

Sec. 1202. Loan rates for nonrecourse marketing assistance loans.

Sec. 1203. Term of loans.

Sec. 1204. Repayment of loans.

Sec. 1205. Loan deficiency payments.

Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.

Sec. 1207. Special marketing loan provisions for upland cotton.

Sec. 1208. Special competitive provisions for extra long staple cotton.

Sec. 1209. Availability of recourse loans for high moisture feed grains and seed
cotton.

Sec. 1210. Deadline for repayment of marketing assistance loan for peanuts.

Sec. 1211. Commodity quality incentive payments for healthy oilseeds.

Subtitle C—Sugar

Sec. 1301. Sugar program.

Sec. 1302. United States membership in the international sugar organization.

Sec. 1303. Flexible marketing allotments for sugar.

Subtitle D—Dairy-Related Provisions

Sec. 1401. Dairy product price support program.

Sec. 1402. Dairy forward pricing program.

Sec. 1403. Dairy export incentive program.

Sec. 1404. Revision of Federal marketing order amendment procedures.

Sec. 1405. Dairy indemnity program.

Sec. 1406. Extension of milk income loss contract program.

- Sec. 1407. Dairy promotion and research program.*
Sec. 1408. Report on Department of Agriculture reporting procedures for nonfat dry milk.
Sec. 1409. Federal Milk Marketing Order Review Commission.

Subtitle E—Administration

- Sec. 1501. Administration generally.*
Sec. 1502. Suspension of permanent price support authority.
Sec. 1503. Payment Limitations.
Sec. 1504. Adjusted gross income limitation.
Sec. 1505. Adjustments of loans.
Sec. 1506. Personal liability of producers for deficiencies.
Sec. 1507. Extension of existing administrative authority regarding loans.
Sec. 1508. Assignment of payments.
Sec. 1509. Tracking of benefits.
Sec. 1510. Upland cotton storage payments.
Sec. 1511. Government publication of cotton price forecasts.

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Sec. 2102. Wetlands reserve program.
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Sec. 2106. Regional water enhancement program.
Sec. 2107. Grassroots source water protection program.
Sec. 2108. Conservation of private grazing land.
Sec. 2109. Great Lakes basin program for soil erosion and sediment control.
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- Sec. 2408. Establishment of State technical committees and their responsibilities.*
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- Sec. 11005. Reimbursement of research and development costs related to new crop insurance products.*

- Sec. 11006. Research and development contracts for organic production coverage improvements.*
- Sec. 11007. Targeting risk management education for beginning farmers and ranchers and certain other farmers and ranchers.*
- Sec. 11008. Crop insurance ineligibility related to crop production on noncrop-land.*
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- Sec. 11301. Designation of separate cotton-producing States under Cotton Research and Promotion Act.*
- Sec. 11302. Cotton classification services.*
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Sec. 11309. Grants to reduce production of methamphetamines from anhydrous ammonia.

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Sec. 1508. Assignment of payments.

Sec. 1509. Tracking of benefits.

Sec. 1510. Upland cotton storage payments.

Sec. 1511. Government publication of cotton price forecasts.

1 SEC. 1001. DEFINITIONS.

2 *In this title:*

3 (1) AGRICULTURAL ACT OF 1949.—*The term “Ag-*
**4 ricultural Act of 1949” means the Agricultural Act of
51949 (7 U.S.C. 1421 et seq.), as in effect prior to the
6suspensions under section 171 of the Federal Agri-
7culture Improvement and Reform Act of 1996 (7
8U.S.C. 7301), section 1602(b) of the Farm Security
9and Rural Investment Act of 2002 (7 U.S.C.
107992(b)), and section 1502(b) of this Act.**

11 (2) BASE ACRES.—*The term “base acres”, with*
12respect to a covered commodity on a farm, means the
13number of acres established under sections 1101 and
141302 of the Farm Security and Rural Investment Act
15of 2002 (7 U.S.C. 7911, 7952), as in effect on the day
16before the date of the enactment of this Act, subject to
17any adjustment under section 1101 of this Act.

1 (3) *COMPARABLE UNITED STATES QUALITY.*—

2 *The term “Comparable United States Quality”, with*
3 *respect to upland cotton, means upland cotton classi-*
4 *fied as Middling (M) 1³/₃₂-inch cotton with a*
5 *micronaire of 3.7 to 4.2, strength 30 grams per tex,*
6 *and uniformity of 83.*

7 (4) *COUNTER-CYCLICAL PAYMENT.*—*The term*
8 *“counter-cyclical payment” means a payment made*
9 *to producers on a farm under section 1103 or 1104.*

10 (5) *COVERED COMMODITY.*—*The term “covered*
11 *commodity” means wheat, corn, grain sorghum, bar-*
12 *ley, oats, upland cotton, rice, soybeans, peanuts, and*
13 *other oilseeds.*

14 (6) *DIRECT PAYMENT.*—*The term “direct pay-*
15 *ment” means a payment made to producers on a*
16 *farm under section 1102.*

17 (7) *EFFECTIVE PRICE.*—*The term “effective*
18 *price”, with respect to a covered commodity for a*
19 *crop year, means the price calculated by the Secretary*
20 *under section 1103 to determine whether counter-cy-*
21 *clical payments are required to be made for that crop*
22 *year under that section.*

23 (8) *EXTRA LONG STAPLE COTTON.*—*The term*
24 *“extra long staple cotton” means cotton that—*

1 (A) is produced from pure strain varieties
2 of the *Barbadense* species or any hybrid of the
3 species, or other similar types of extra long sta-
4 ple cotton, designated by the Secretary, having
5 characteristics needed for various end uses for
6 which United States upland cotton is not suit-
7 able and grown in irrigated cotton-growing re-
8 gions of the United States designated by the Sec-
9 retary or other areas designated by the Secretary
10 as suitable for the production of the varieties or
11 types; and

12 (B) is ginned on a roller-type gin or, if au-
13 thorized by the Secretary, ginned on another
14 type gin for experimental purposes.

15 (9) *FAR EAST PRICE*.—The term “Far East
16 price” means the Friday through Thursday average
17 price quotation for the three lowest-priced growths of
18 upland cotton, as quoted for Middling (M) $1\frac{3}{32}$ -inch
19 cotton, delivered C/F Far East.

20 (10) *LOAN COMMODITY*.—The term “loan com-
21 modity” means wheat, corn, grain sorghum, feed bar-
22 ley, malt barley, oats, upland cotton, extra long staple
23 cotton, long grain rice, medium grain rice, short
24 grain rice, soybeans, peanuts, other oilseeds, wool, mo-
25 hair, honey, dry peas, lentils, and small chickpeas.

1 (11) *OTHER OILSEED.*—*The term “other oilseed”*
2 *means a crop of sunflower seed, rapeseed, canola, saf-*
3 *flower, flaxseed, mustard seed, crambe, sesame seed,*
4 *or, if designated by the Secretary, another oilseed.*

5 (12) *PAYMENT ACRES.*—*The term “payment*
6 *acres”, with respect to a covered commodity on a*
7 *farm, means 85 percent of the base acres for the cov-*
8 *ered commodity, on which direct payments and*
9 *counter-cyclical payments are made.*

10 (13) *PAYMENT YIELD.*—*The term “payment*
11 *yield” means the yield established for direct payments*
12 *and counter-cyclical payments under section 1102 or*
13 *1302 of the Farm Security and Rural Investment Act*
14 *of 2002 (7 U.S.C. 7912; 7952), as in effect on the day*
15 *before the date of the enactment of this Act, for a farm*
16 *for a covered commodity.*

17 (14) *PRODUCER.*—

18 (A) *IN GENERAL.*—*The term “producer”*
19 *means an owner, operator, landlord, tenant, or*
20 *sharecropper that shares in the risk of producing*
21 *a crop and is entitled to share in the crop avail-*
22 *able for marketing from the farm, or would have*
23 *shared had the crop been produced.*

1 (B) *HYBRID SEED.*—*In determining wheth-*
 2 *er a grower of hybrid seed is a producer, the Sec-*
 3 *retary shall—*

4 (i) *not take into consideration the ex-*
 5 *istence of a hybrid seed contract; and*

6 (ii) *ensure that program requirements*
 7 *do not adversely affect the ability of the*
 8 *grower to receive a payment under this*
 9 *title.*

10 (15) *SECRETARY.*—*The term “Secretary” means*
 11 *the Secretary of Agriculture.*

12 (16) *STATE.*—*The term “State” means each of*
 13 *the several States of the United States, the District of*
 14 *Columbia, the Commonwealth of Puerto Rico, and*
 15 *any other territory or possession of the United States.*

16 (17) *TARGET PRICE.*—*The term “target price”*
 17 *means the price per bushel (or other appropriate unit*
 18 *in the case of upland cotton, rice, peanuts, and other*
 19 *oilseeds) of a covered commodity used to determine*
 20 *the payment rate for counter-cyclical payments under*
 21 *section 1103.*

22 (18) *UNITED STATES.*—*The term “United*
 23 *States”, when used in a geographical sense, means all*
 24 *of the States.*

1 (19) *UNITED STATES PREMIUM FACTOR.*—*The*
 2 *term “United States Premium Factor” means the*
 3 *percentage by which the difference in the United*
 4 *States loan schedule premiums for Strict Middling*
 5 *(SM) 1¹/₈-inch cotton and for M 1³/₃₂-inch exceeds the*
 6 *difference in the applicable premiums for comparable*
 7 *international qualities delivered C/F Far East.*

8 ***Subtitle A—Direct Payments and***
 9 ***Counter-Cyclical Payments***

10 ***SEC. 1101. ADJUSTMENTS TO BASE ACRES.***

11 *(a) TREATMENT OF CONSERVATION RESERVE CON-*
 12 *TRACT ACREAGE.—*

13 *(1) IN GENERAL.*—*The Secretary shall provide*
 14 *for an adjustment, as appropriate, in the base acres*
 15 *for covered commodities for a farm whenever either of*
 16 *the following circumstances occurs:*

17 *(A) A conservation reserve contract entered*
 18 *into under section 1231 of the Food Security Act*
 19 *of 1985 (16 U.S.C. 3831) with respect to the*
 20 *farm expires or is voluntarily terminated.*

21 *(B) Cropland is released from coverage*
 22 *under a conservation reserve contract by the Sec-*
 23 *retary.*

24 *(2) SPECIAL PAYMENT RULES.*—*For the crop*
 25 *year in which a base acres adjustment under para-*

1 *graph (1) is first made, the owner of the farm shall*
 2 *elect to receive either direct payments and counter-cy-*
 3 *clical payments with respect to the acreage added to*
 4 *the farm under this subsection or a prorated payment*
 5 *under the conservation reserve contract, but not both.*

6 *(b) PREVENTION OF EXCESS BASE ACRES.—*

7 *(1) REQUIRED REDUCTION.—If the sum of the*
 8 *base acres for a farm, together with the acreage de-*
 9 *scribed in paragraph (2), exceeds the actual cropland*
 10 *acreage of the farm, the Secretary shall reduce the*
 11 *base acres for 1 or more covered commodities for the*
 12 *farm so that the sum of the base acres and acreage*
 13 *described in paragraph (2) does not exceed the actual*
 14 *cropland acreage of the farm.*

15 *(2) OTHER ACREAGE.—For purposes of para-*
 16 *graph (1), the Secretary shall include the following:*

17 *(A) Any acreage on the farm enrolled in the*
 18 *conservation reserve program or wetlands reserve*
 19 *program under chapter 1 of subtitle D of title*
 20 *XII of the Food Security Act of 1985 (16 U.S.C.*
 21 *3830 et seq.).*

22 *(B) Any other acreage on the farm enrolled*
 23 *in a conservation program for which payments*
 24 *are made in exchange for not producing an agri-*
 25 *cultural commodity on the acreage.*

1 (3) *SELECTION OF ACRES.*—*The Secretary shall*
 2 *give the owner of the farm the opportunity to select*
 3 *the base acres against which the reduction required by*
 4 *paragraph (1) will be made.*

5 (4) *EXCEPTION FOR DOUBLE-CROPPED ACRE-*
 6 *AGE.*—*In applying paragraph (1), the Secretary shall*
 7 *make an exception in the case of double cropping, as*
 8 *determined by the Secretary.*

9 (c) *PERMANENT REDUCTION IN BASE ACRES.*—

10 (1) *IN GENERAL.*—*The owner of a farm may re-*
 11 *duce, at any time, the base acres for any covered com-*
 12 *modity for the farm.*

13 (2) *ADMINISTRATION.*—*The reduction shall be*
 14 *permanent and made in the manner prescribed by the*
 15 *Secretary.*

16 **SEC. 1102. AVAILABILITY OF DIRECT PAYMENTS.**

17 (a) *PAYMENT REQUIRED.*—*For each of the 2008*
 18 *through 2012 crop years of each covered commodity, the*
 19 *Secretary shall make direct payments to producers on farms*
 20 *for which payment yields and base acres are established.*

21 (b) *PAYMENT RATE.*—*The payment rates used to make*
 22 *direct payments with respect to covered commodities for a*
 23 *crop year are as follows:*

24 (1) *Wheat, \$0.52 per bushel.*

25 (2) *Corn, \$0.28 per bushel.*

1 (3) *Grain sorghum, \$0.35 per bushel.*

2 (4) *Barley, \$0.24 per bushel.*

3 (5) *Oats, \$0.024 per bushel.*

4 (6) *Upland cotton, \$0.0667 per pound.*

5 (7) *Rice, \$2.35 per hundredweight.*

6 (8) *Soybeans, \$0.44 per bushel.*

7 (9) *Other oilseeds, \$0.0080 per pound.*

8 (10) *Peanuts, \$36.00 per ton.*

9 (c) *PAYMENT AMOUNT.—The amount of the direct pay-*
 10 *ment to be paid to the producers on a farm for a covered*
 11 *commodity for a crop year shall be equal to the product*
 12 *of the following:*

13 (1) *The payment rate specified in subsection (b).*

14 (2) *The payment acres of the covered commodity*
 15 *on the farm.*

16 (3) *The payment yield for the covered commodity*
 17 *for the farm.*

18 (d) *TIME FOR PAYMENT.—*

19 (1) *IN GENERAL.—In the case of each of the 2008*
 20 *through 2012 crop years, the Secretary may not make*
 21 *direct payments before October 1 of the calendar year*
 22 *in which the crop of the covered commodity is har-*
 23 *vested.*

24 (2) *ADVANCE PAYMENTS.—*

1 (A) *OPTION.*—*At the option of the producers*
 2 *on a farm, up to 22 percent of the direct pay-*
 3 *ment for a covered commodity for any of the*
 4 *2008 through 2011 crop years shall be paid to*
 5 *the producers in advance.*

6 (B) *MONTH.*—

7 (i) *SELECTION.*—*The producers shall*
 8 *select the month within which the advance*
 9 *payment for a crop year will be made.*

10 (ii) *OPTIONS.*—*The month selected*
 11 *may be any month during the period begin-*
 12 *ning on December 1 of the calendar year be-*
 13 *fore the calendar year in which the crop of*
 14 *the covered commodity is harvested through*
 15 *the month within which the direct payment*
 16 *would otherwise be made.*

17 (iii) *CHANGE.*—*The producers may*
 18 *change the selected month for a subsequent*
 19 *advance payment by providing advance no-*
 20 *tice to the Secretary.*

21 (3) *REPAYMENT OF ADVANCE PAYMENTS.*—*If a*
 22 *producer on a farm that receives an advance direct*
 23 *payment for a crop year ceases to be a producer on*
 24 *that farm, or the extent to which the producer shares*
 25 *in the risk of producing a crop changes, before the*

1 *date the remainder of the direct payment is made, the*
 2 *producer shall be responsible for repaying the Sec-*
 3 *retary the applicable amount of the advance payment,*
 4 *as determined by the Secretary.*

5 *(e) PROHIBITION ON DE MINIMIS PAYMENTS.—If the*
 6 *total direct payment to be paid to a producer on a farm*
 7 *for all covered commodities is less than \$25.00, the Sec-*
 8 *retary shall not tender the direct payment to the producer.*

9 **SEC. 1103. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
 10 **MENTS.**

11 *(a) PAYMENT REQUIRED.—For each of the 2008*
 12 *through 2012 crop years for each covered commodity, the*
 13 *Secretary shall make counter-cyclical payments to pro-*
 14 *ducers on farms for which payment yields and base acres*
 15 *are established with respect to the covered commodity if the*
 16 *Secretary determines that the effective price for the covered*
 17 *commodity is less than the target price for the covered com-*
 18 *modity.*

19 *(b) EFFECTIVE PRICE.—For purposes of subsection*
 20 *(a), the effective price for a covered commodity is equal to*
 21 *the sum of the following:*

22 *(1) The higher of the following:*

23 *(A) The national average market price re-*
 24 *ceived by producers during the 12-month mar-*

1 *keting year for the covered commodity, as deter-*
 2 *mined by the Secretary.*

3 *(B) The national average loan rate for a*
 4 *marketing assistance loan for the covered com-*
 5 *modity in effect for the applicable period under*
 6 *subtitle B, except that, for the purpose of calcu-*
 7 *lating counter-cyclical payments under this sec-*
 8 *tion for rice and barley, the Secretary shall es-*
 9 *tablish national average all rice and all barley*
 10 *loan rates.*

11 *(2) The payment rate in effect for the covered*
 12 *commodity under section 1102 for the purpose of*
 13 *making direct payments with respect to the covered*
 14 *commodity.*

15 *(c) TARGET PRICE.—For purposes of subsection (a),*
 16 *the target prices for covered commodities shall be as follows:*

- 17 *(1) Wheat, \$4.15 per bushel.*
- 18 *(2) Corn, \$2.63 per bushel.*
- 19 *(3) Grain sorghum, \$2.57 per bushel.*
- 20 *(4) Barley, \$2.73 per bushel.*
- 21 *(5) Oats, \$1.50 per bushel.*
- 22 *(6) Upland cotton, \$0.70 per pound.*
- 23 *(7) Rice, \$10.50 per hundredweight.*
- 24 *(8) Soybeans, \$6.10 per bushel.*
- 25 *(9) Other oilseeds, \$0.1150 per pound.*

1 (10) *Peanuts, \$495.00 per ton.*

2 (d) *PAYMENT RATE.*—*The payment rate used to make*
 3 *counter-cyclical payments with respect to a covered com-*
 4 *modity for a crop year shall be equal to the difference be-*
 5 *tween—*

6 (1) *the target price for the covered commodity;*
 7 *and*

8 (2) *the effective price determined under sub-*
 9 *section (b) for the covered commodity.*

10 (e) *PAYMENT AMOUNT.*—*If counter-cyclical payments*
 11 *are required to be paid under this section for any of the*
 12 *2008 through 2012 crop years of a covered commodity, the*
 13 *amount of the counter-cyclical payment to be paid to the*
 14 *producers on a farm for that crop year shall be equal to*
 15 *the product of the following:*

16 (1) *The payment rate specified in subsection (d).*

17 (2) *The payment acres of the covered commodity*
 18 *on the farm.*

19 (3) *The payment yield for the covered commodity*
 20 *for the farm.*

21 (f) *TIME FOR PAYMENTS.*—

22 (1) *GENERAL RULE.*—*If the Secretary deter-*
 23 *mines under subsection (a) that counter-cyclical pay-*
 24 *ments are required to be made under this section for*
 25 *the crop of a covered commodity, the Secretary shall*

1 *make the counter-cyclical payments for the crop as*
 2 *soon as practicable after the end of the 12-month*
 3 *marketing year for the covered commodity.*

4 (2) *AVAILABILITY OF PARTIAL PAYMENTS.—If,*
 5 *before the end of the 12-month marketing year for a*
 6 *covered commodity, the Secretary estimates that*
 7 *counter-cyclical payments will be required for the*
 8 *crop of the covered commodity, the Secretary shall*
 9 *give producers on a farm the option to receive partial*
 10 *payments of the counter-cyclical payment projected to*
 11 *be made for that crop of the covered commodity.*

12 (3) *TIME FOR PARTIAL PAYMENTS FOR 2008*
 13 *THROUGH 2010 CROP YEARS.—If the Secretary is re-*
 14 *quired to make partial payments available under*
 15 *paragraph (2) for a covered commodity for any of the*
 16 *2008 through 2010 crop years—*

17 (A) *the first partial payment shall be made*
 18 *after completion of the first 6 months of the mar-*
 19 *keting year for the covered commodity; and*

20 (B) *the final partial payment shall be made*
 21 *as soon as practicable after the end of the 12-*
 22 *month marketing year for the covered com-*
 23 *modity.*

24 (4) *AMOUNT OF PARTIAL PAYMENTS.—*

1 (A) *FIRST PARTIAL PAYMENT.*—For each of
 2 the 2008 through 2010 crop years, the first par-
 3 tial payment under paragraph (3) to the pro-
 4 ducers on a farm may not exceed 40 percent of
 5 the projected counter-cyclical payment for the
 6 covered commodity for the crop year, as deter-
 7 mined by the Secretary.

8 (B) *FINAL PAYMENT.*—The final payment
 9 for each of the 2008 through 2010 crop years
 10 shall be equal to the difference between—

11 (i) the actual counter-cyclical payment
 12 to be made to the producers for the covered
 13 commodity for that crop year; and

14 (ii) the amount of the partial payment
 15 made to the producers under subparagraph
 16 (A).

17 (5) *REPAYMENT.*—The producers on a farm that
 18 receive a partial payment under this subsection for a
 19 crop year shall repay to the Secretary the amount, if
 20 any, by which the total of the partial payments exceed
 21 the actual counter-cyclical payment to be made for
 22 the covered commodity for that crop year.

23 (g) *PROHIBITION ON DE MINIMIS PAYMENTS.*—If the
 24 total counter-cyclical payment to be paid to a producer on
 25 a farm for all covered commodities is less than \$25.00, the

1 *Secretary shall not tender the counter-cyclical payment to*
 2 *the producer.*

3 **SEC. 1104. AVAILABILITY OF REVENUE-BASED COUNTER-CY-**
 4 **CLICAL PAYMENTS.**

5 *(a) AVAILABILITY AND ELECTION OF ALTERNATIVE*
 6 *APPROACH.—*

7 *(1) AVAILABILITY OF REVENUE-BASED COUNTER-*
 8 *CYCLICAL PAYMENTS.—As an alternative to receiving*
 9 *counter-cyclical payments under section 1103 with re-*
 10 *spect to each covered commodity on a farm, the Sec-*
 11 *retary shall give the producers on the farm an oppor-*
 12 *tunity to elect to instead receive revenue-based*
 13 *counter-cyclical payments under this section for the*
 14 *2008 through 2012 crop years.*

15 *(2) SINGLE ELECTION; TIME FOR ELECTION.—As*
 16 *soon as practicable after the date of enactment of this*
 17 *Act, the Secretary shall provide notice to producers*
 18 *regarding their opportunity to make the election de-*
 19 *scribed in paragraph (1). The notice shall include the*
 20 *following:*

21 *(A) Notice that the opportunity of the pro-*
 22 *ducers on a farm to make the election is being*
 23 *provided only once.*

24 *(B) Information regarding the manner in*
 25 *which the election must be made and the time*

1 *periods and manner in which notice of the elec-*
2 *tion must be submitted to the Secretary.*

3 (3) *ELECTION DEADLINE.*—*Within the time pe-*
4 *riod and in the manner prescribed pursuant to para-*
5 *graph (2), the producers on a farm shall submit to the*
6 *Secretary notice of the election made under para-*
7 *graph (1).*

8 (4) *EFFECT OF FAILURE TO MAKE ELECTION.*—
9 *If the producers on a farm fail to make the election*
10 *under paragraph (1) or fail to timely notify the Sec-*
11 *retary of the election made, as required by paragraph*
12 *(3), the producers shall be deemed to have made the*
13 *election to receive counter-cyclical payments under*
14 *section 1103 for all covered commodities on the farm.*

15 (b) *PAYMENT REQUIRED.*—*In the case of producers on*
16 *a farm who make the election under subsection (a) to receive*
17 *revenue-based counter-cyclical payments, the Secretary*
18 *shall make revenue-based counter-cyclical payments to such*
19 *producers with respect to a covered commodity on the farm,*
20 *if the Secretary determines that the national actual revenue*
21 *per acre for the covered commodity is less than the national*
22 *target revenue per acre for the covered commodity, as deter-*
23 *mined pursuant to this section.*

24 (c) *NATIONAL ACTUAL REVENUE PER ACRE.*—*For*
25 *each covered commodity for each of the 2008 through 2012*

1 *crop years, the Secretary shall establish a national actual*
 2 *revenue per acre by multiplying the national average yield*
 3 *for the given year by the higher of—*

4 *(1) the national average market price received by*
 5 *producers of the covered commodity during the 12-*
 6 *month marketing year established by the Secretary; or*

7 *(2) the loan rate for the covered commodity*
 8 *under section 1202, except that, for the purpose of cal-*
 9 *culating national actual revenue per acre for rice and*
 10 *barley, the Secretary shall establish national average*
 11 *all rice and all barley loan rates.*

12 *(d) NATIONAL TARGET REVENUE PER ACRE.—The na-*
 13 *tional target revenue per acre shall be, on a per acre basis,*
 14 *as follows:*

- 15 *(1) Wheat, \$149.92.*
- 16 *(2) Corn, \$344.12.*
- 17 *(3) Grain Sorghum, \$131.28.*
- 18 *(4) Barley, \$153.30.*
- 19 *(5) Oats, \$92.10*
- 20 *(6) Upland cotton, \$496.93.*
- 21 *(7) Rice, \$548.06.*
- 22 *(8) Soybeans, \$231.87.*
- 23 *(9) Other oilseeds, \$129.18.*
- 24 *(10) Peanuts, \$683.83.*

1 (e) *NATIONAL PAYMENT YIELD.*—*The national pay-*
 2 *ment yield shall be as follows:*

3 (1) *Wheat, 36.1 bushels per acre.*

4 (2) *Corn, 114.4 bushels per acre.*

5 (3) *Grain Sorghum, 58.2 bushels per acre.*

6 (4) *Barley, 48.6 bushels per acre.*

7 (5) *Oats, 49.8 bushels per acre.*

8 (6) *Upland cotton, 634 pounds per acre.*

9 (7) *Rice, 51.28 hundredweight per acre.*

10 (8) *Soybeans, 34.1 bushels per acre.*

11 (9) *Other oilseeds, 1167.6 pounds per acre.*

12 (10) *Peanuts, 1.496 tons per acre.*

13 (f) *NATIONAL PAYMENT RATE.*—*The national pay-*
 14 *ment rate used to make revenue-based counter-cyclical pay-*
 15 *ments for a crop year shall be the result of—*

16 (1) *the difference between the national target rev-*
 17 *enue per acre for the covered commodity and the na-*
 18 *tional actual revenue per acre for the covered com-*
 19 *modity; divided by*

20 (2) *the national payment yield for the covered*
 21 *commodity.*

22 (g) *PAYMENT AMOUNT.*—*If revenue-based counter-cy-*
 23 *clical payments are required to be paid for any of the 2008*
 24 *through 2012 crop years of a covered commodity, the*
 25 *amount of the counter-cyclical payment to be paid to the*

1 *producers on a farm for that crop year for the covered com-*
 2 *modity shall be equal to the product of—*

3 *(1) the national payment rate for the covered*
 4 *commodity;*

5 *(2) the payment acres of the covered commodity*
 6 *on the farm; and*

7 *(3) the payment yield for counter-cyclical pay-*
 8 *ments for the covered commodity.*

9 *(h) TIME FOR PAYMENTS.—*

10 *(1) GENERAL RULE.—If the Secretary deter-*
 11 *mines that revenue-based counter-cyclical payments*
 12 *are required to be made under this section for the*
 13 *crop of a covered commodity, the Secretary shall*
 14 *make the counter-cyclical payments for the crop as*
 15 *soon as practicable after the end of the 12-month*
 16 *marketing year for the covered commodity.*

17 *(2) AVAILABILITY OF PARTIAL PAYMENTS.—If,*
 18 *before the end of the 12-month marketing year for a*
 19 *covered commodity, the Secretary estimates that rev-*
 20 *enue-based counter-cyclical payments will be required*
 21 *for the crop of the covered commodity, the Secretary*
 22 *shall give producers on a farm the option to receive*
 23 *partial payments of the revenue-based counter-cyclical*
 24 *payments projected to be made for that crop of the*
 25 *covered commodity.*

1 (3) *TIME FOR PARTIAL PAYMENTS FOR 2008*
 2 *THROUGH 2010 CROP YEARS.—If the Secretary is re-*
 3 *quired to make partial payments available under*
 4 *paragraph (2) for a covered commodity for any of the*
 5 *2008 through 2010 crop years—*

6 (A) *the first partial payment shall be made*
 7 *after completion of the first 6 months of the mar-*
 8 *keting year for the covered commodity; and*

9 (B) *the final partial payment shall be made*
 10 *as soon as practicable after the end of the 12-*
 11 *month marketing year for the covered com-*
 12 *modity.*

13 (4) *AMOUNT OF PARTIAL PAYMENTS.—*

14 (A) *FIRST PARTIAL PAYMENT.—For each of*
 15 *the 2008 through 2010 crop years, the first par-*
 16 *tial payment under paragraph (3) to the pro-*
 17 *ducers on a farm may not exceed 40 percent of*
 18 *the projected revenue-based counter-cyclical pay-*
 19 *ment for the covered commodity for the crop*
 20 *year, as determined by the Secretary.*

21 (B) *FINAL PAYMENT.—The final payment*
 22 *for each of the 2008 through 2010 crop years*
 23 *shall be equal to the difference between—*

24 (i) *the actual revenue-based counter-cy-*
 25 *clical payments to be made to the producers*

1 *for the covered commodity for that crop*
 2 *year; and*

3 *(ii) the amount of the partial payment*
 4 *made to the producers on a farm under sub-*
 5 *paragraph (A) for that crop year.*

6 (5) *REPAYMENT.*—*Producers on a farm that re-*
 7 *ceive a partial payment under this subsection for a*
 8 *crop year shall repay to the Secretary the amount, if*
 9 *any, by which the total of the partial payments exceed*
 10 *the actual revenue-based counter-cyclical payments to*
 11 *be made for the covered commodity for that crop year.*

12 (i) *PROHIBITION ON DE MINIMIS PAYMENTS.*—*If the*
 13 *total revenue-based counter-cyclical payment to be paid to*
 14 *a producer on a farm for all covered commodities is less*
 15 *than \$25.00, the Secretary shall not tender the revenue-*
 16 *based counter-cyclical payment to the producer.*

17 **SEC. 1105. PRODUCER AGREEMENT REQUIRED AS CONDI-**
 18 **TION OF PROVISION OF DIRECT PAYMENTS**
 19 **AND COUNTER-CYCLICAL PAYMENTS.**

20 (a) *COMPLIANCE WITH CERTAIN REQUIREMENTS.*—

21 (1) *REQUIREMENTS.*—*Before the producers on a*
 22 *farm may receive direct payments or counter-cyclical*
 23 *payments with respect to the farm, the producers shall*
 24 *agree, during the crop year for which the payments*
 25 *are made and in exchange for the payments—*

1 (A) to comply with applicable conservation
2 requirements under subtitle B of title XII of the
3 Food Security Act of 1985 (16 U.S.C. 3811 et
4 seq.);

5 (B) to comply with applicable wetland pro-
6 tection requirements under subtitle C of title XII
7 of that Act (16 U.S.C. 3821 et seq.);

8 (C) to comply with the planting flexibility
9 requirements of section 1106;

10 (D) to use the land on the farm, in a quan-
11 tity equal to the attributable base acres for the
12 farm for an agricultural or conserving use, and
13 not for a nonagricultural commercial or indus-
14 trial use, as determined by the Secretary; and

15 (E) to effectively control noxious weeds and
16 otherwise maintain the land in accordance with
17 sound agricultural practices, as determined by
18 the Secretary.

19 (2) COMPLIANCE.—The Secretary may issue such
20 rules as the Secretary considers necessary to ensure
21 producer compliance with the requirements of para-
22 graph (1).

23 (3) MODIFICATION.—At the request of the trans-
24 feree or owner, the Secretary may modify the require-
25 ments of this subsection if the modifications are con-

1 *sistent with the objectives of this subsection, as deter-*
 2 *mined by the Secretary.*

3 *(b) TRANSFER OR CHANGE OF INTEREST IN FARM.—*

4 *(1) TERMINATION.—*

5 *(A) IN GENERAL.—Except as provided in*
 6 *paragraph (2), a transfer of (or change in) the*
 7 *interest of the producers on a farm in base acres*
 8 *for which direct payments or counter-cyclical*
 9 *payments are made shall result in the termi-*
 10 *nation of the payments with respect to the base*
 11 *acres, unless the transferee or owner of the acre-*
 12 *age agrees to assume all obligations under sub-*
 13 *section (a).*

14 *(B) EFFECTIVE DATE.—The termination*
 15 *shall take effect on the date determined by the*
 16 *Secretary.*

17 *(2) EXCEPTION.—If a producer entitled to a di-*
 18 *rect payment or counter-cyclical payment dies, be-*
 19 *comes incompetent, or is otherwise unable to receive*
 20 *the payment, the Secretary shall make the payment,*
 21 *in accordance with rules issued by the Secretary.*

22 *(c) ACREAGE REPORTS.—As a condition on the receipt*
 23 *of any benefits under this subtitle or subtitle B, the Sec-*
 24 *retary shall require producers on a farm to submit to the*

1 *Secretary annual acreage reports with respect to all crop-*
 2 *land on the farm.*

3 (d) *TENANTS AND SHARECROPPERS.*—*In carrying out*
 4 *this subtitle, the Secretary shall provide adequate safe-*
 5 *guards to protect the interests of tenants and sharecroppers.*

6 (e) *SHARING OF PAYMENTS.*—*The Secretary shall pro-*
 7 *vide for the sharing of direct payments and counter-cyclical*
 8 *payments among the producers on a farm on a fair and*
 9 *equitable basis.*

10 **SEC. 1106. PLANTING FLEXIBILITY.**

11 (a) *PERMITTED CROPS.*—*Subject to subsection (b),*
 12 *any commodity or crop may be planted on base acres on*
 13 *a farm.*

14 (b) *LIMITATIONS REGARDING CERTAIN COMMOD-*
 15 *ITIES.*—

16 (1) *GENERAL LIMITATION.*—*The planting of an*
 17 *agricultural commodity specified in paragraph (3)*
 18 *shall be prohibited on base acres unless the com-*
 19 *modity, if planted, is destroyed before harvest.*

20 (2) *TREATMENT OF TREES AND OTHER*
 21 *PERENNIALS.*—*The planting of an agricultural com-*
 22 *modity specified in paragraph (3) that is produced*
 23 *on a tree or other perennial plant shall be prohibited*
 24 *on base acres.*

1 (3) *COVERED AGRICULTURAL COMMODITIES.*—
 2 *Paragraphs (1) and (2) apply to the following agri-*
 3 *cultural commodities:*

4 (A) *Fruits.*

5 (B) *Vegetables (other than lentils, mung*
 6 *beans, and dry peas).*

7 (C) *Wild rice.*

8 (c) *EXCEPTIONS.*—*Paragraphs (1) and (2) of sub-*
 9 *section (b) shall not limit the planting of an agricultural*
 10 *commodity specified in paragraph (3) of that subsection—*

11 (1) *in any region in which there is a history of*
 12 *double-cropping of covered commodities with agricul-*
 13 *tural commodities specified in subsection (b)(3), as*
 14 *determined by the Secretary, in which case the dou-*
 15 *ble-cropping shall be permitted;*

16 (2) *on a farm that the Secretary determines has*
 17 *a history of planting agricultural commodities speci-*
 18 *fied in subsection (b)(3) on base acres, except that di-*
 19 *rect payments and counter-cyclical payments shall be*
 20 *reduced by an acre for each acre planted to such an*
 21 *agricultural commodity; or*

22 (3) *by the producers on a farm that the Sec-*
 23 *retary determines has an established planting history*
 24 *of a specific agricultural commodity specified in sub-*
 25 *section (b)(3), except that—*

1 (A) the quantity planted may not exceed the
 2 average annual planting history of such agricul-
 3 tural commodity by the producers on the farm in
 4 the 1991 through 1995 or 1998 through 2001
 5 crop years (excluding any crop year in which no
 6 plantings were made), as determined by the Sec-
 7 retary; and

8 (B) direct payments and counter-cyclical
 9 payments shall be reduced by an acre for each
 10 acre planted to such agricultural commodity.

11 (d) *PLANTING TRANSFERABILITY PILOT PROJECT.*—

12 (1) *PILOT PROJECT AUTHORIZED.*—In addition
 13 to the exceptions provided in subsection (c), the Sec-
 14 retary shall carry out a pilot project in the State of
 15 Indiana under which paragraphs (1) and (2) of sub-
 16 section (b) shall not limit the planting of tomatoes
 17 grown for processing on up to 10,000 base acres dur-
 18 ing each of the 2008 through 2012 crop years.

19 (2) *CONTRACT AND MANAGEMENT REQUIRE-*
 20 *MENTS.*— To be eligible for selection to participate in
 21 the pilot project, a producer must—

22 (A) have a contract to grow tomatoes for
 23 processing; and

24 (B) agree to produce the tomatoes as part of
 25 a program of crop rotation on the farm to

1 *achieve agronomic and pest and disease manage-*
 2 *ment benefits.*

3 (3) *TEMPORARY REDUCTION IN BASE ACRES.—*

4 *The base acres on a farm for a crop year shall be re-*
 5 *duced by an acre for each acre planted to tomatoes*
 6 *under the pilot program.*

7 (4) *DURATION OF REDUCTIONS.—The reduction*
 8 *in the base acres of a farm for a crop year under*
 9 *paragraph (3) shall expire at the end of the crop year,*
 10 *unless the producers on the farm elect to continue to*
 11 *participate in the pilot project for the subsequent crop*
 12 *year.*

13 (5) *RECALCULATION OF BASE ACRES.—If the*
 14 *Secretary recalculates base acres for a farm while the*
 15 *farm is included in the pilot project, the planting and*
 16 *production of tomatoes under the pilot project shall be*
 17 *considered to be the same as the planting, prevented*
 18 *planting, or production of a covered commodity.*
 19 *Nothing in this paragraph provides authority for the*
 20 *Secretary to recalculate base acres for a farm.*

21 **SEC. 1107. PERIOD OF EFFECTIVENESS.**

22 *This subtitle shall be effective beginning with the 2008*
 23 *crop year of each covered commodity through the 2012 crop*
 24 *year.*

1 ***Subtitle B—Marketing Assistance***
 2 ***Loans and Loan Deficiency Pay-***
 3 ***ments***

4 ***SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING***
 5 ***ASSISTANCE LOANS FOR LOAN COMMOD-***
 6 ***ITIES.***

7 *(a) NONRECOURSE LOANS AVAILABLE.—*

8 *(1) AVAILABILITY.—For each of the 2008 through*
 9 *2012 crops of each loan commodity, the Secretary*
 10 *shall make available to producers on a farm non-*
 11 *recourse marketing assistance loans for loan commod-*
 12 *ities produced on the farm.*

13 *(2) TERMS AND CONDITIONS.—The marketing as-*
 14 *sistance loans shall be made under terms and condi-*
 15 *tions that are prescribed by the Secretary and at the*
 16 *loan rate established under section 1202 for the loan*
 17 *commodity.*

18 *(b) ELIGIBLE PRODUCTION.—The producers on a farm*
 19 *shall be eligible for a marketing assistance loan under sub-*
 20 *section (a) for any quantity of a loan commodity produced*
 21 *on the farm.*

22 *(c) TREATMENT OF CERTAIN COMMINGLED COMMOD-*
 23 *ITIES.—In carrying out this subtitle, the Secretary shall*
 24 *make loans to producers on a farm that would be eligible*
 25 *to obtain a marketing assistance loan, but for the fact the*

1 *loan commodity owned by the producers on the farm com-*
 2 *mingled with loan commodities of other producers in facili-*
 3 *ties unlicensed for the storage of agricultural commodities*
 4 *by the Secretary or a State licensing authority, if the pro-*
 5 *ducers obtaining the loan agree to immediately redeem the*
 6 *loan collateral in accordance with section 166 of the Federal*
 7 *Agriculture Improvement and Reform Act of 1996 (7 U.S.C.*
 8 *7286).*

9 (d) *COMPLIANCE WITH CONSERVATION AND WET-*
 10 *LANDS REQUIREMENTS.*—*As a condition of the receipt of*
 11 *a marketing assistance loan under subsection (a), the pro-*
 12 *ducer shall comply with applicable conservation require-*
 13 *ments under subtitle B of title XII of the Food Security*
 14 *Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland*
 15 *protection requirements under subtitle C of title XII of the*
 16 *Act (16 U.S.C. 3821 et seq.) during the term of the loan.*

17 (e) *PEANUT-RELATED LOAN PROVISIONS.*—

18 (1) *OPTIONS FOR OBTAINING LOANS.*—*A mar-*
 19 *keting assistance loan for peanuts under this section*
 20 *and loan deficiency payments for peanuts under sec-*
 21 *tion 1205 may be obtained at option of the producers*
 22 *on a farm through—*

23 (A) *a designated marketing association or*
 24 *marketing cooperative of producers that is ap-*
 25 *proved by the Secretary; or*

1 (B) the Farm Service Agency.

2 (2) *STORAGE OF LOAN PEANUTS.*—As a condi-
 3 tion on the Secretary's approval of an individual or
 4 entity to provide storage for peanuts for which a mar-
 5 keting assistance loan is made under this section, the
 6 individual or entity shall agree—

7 (A) to provide such storage on a non-
 8 discriminatory basis; and

9 (B) to comply with such additional require-
 10 ments as the Secretary considers appropriate to
 11 accomplish the purposes of this section and pro-
 12 mote fairness in the administration of the bene-
 13 fits of this section.

14 (3) *MARKETING.*—A marketing association or co-
 15 operative may market peanuts for which a loan is
 16 made under this section in any manner that conforms
 17 to consumer needs, including the separation of pea-
 18 nuts by type and quality.

19 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**
 20 **ASSISTANCE LOANS.**

21 (a) *LOAN RATES.*—The loan rate for a marketing as-
 22 sistance loan under section 1201 for a loan commodity shall
 23 be equal to the following:

24 (1) *In the case of wheat, \$2.94 per bushel.*

25 (2) *In the case of corn, \$1.95 per bushel.*

1 (3) *In the case of grain sorghum, \$1.95 per bush-*
2 *el.*

3 (4) *In the case of malt barley, \$2.50 per bushel.*

4 (5) *In the case of feed barley, \$1.90 per bushel.*

5 (6) *In the case of oats, \$1.46 per bushel.*

6 (7) *In the case of the base quality of upland cot-*
7 *ton, \$0.52 per pound.*

8 (8) *In the case of extra long staple cotton,*
9 *\$0.7977 per pound.*

10 (9) *In the case of long grain rice, \$6.50 per hun-*
11 *dredweight.*

12 (10) *In the case of medium grain rice and short*
13 *grain rice, \$6.50 per hundredweight.*

14 (11) *In the case of soybeans, \$5.00 per bushel.*

15 (12) *In the case of other oilseeds, \$0.1070 per*
16 *pound for each of the following kinds of oilseeds:*

17 (A) *Sunflower seed.*

18 (B) *Rapeseed.*

19 (C) *Canola.*

20 (D) *Safflower.*

21 (E) *Flaxseed.*

22 (F) *Mustard seed.*

23 (G) *Crambe.*

24 (H) *Sesame seed.*

1 (I) *Other oilseeds designated by the Sec-*
 2 *retary.*

3 (13) *In the case of dry peas, \$5.40 per hundred-*
 4 *weight.*

5 (14) *In the case of lentils, \$11.28 per hundred-*
 6 *weight.*

7 (15) *In the case of small chickpeas, \$8.54 per*
 8 *hundredweight.*

9 (16) *In the case of peanuts, \$355.00 per ton.*

10 (17) *In the case of graded wool, \$1.10 per pound.*

11 (18) *In the case of nongraded wool, \$0.40 per*
 12 *pound.*

13 (19) *In the case of honey, \$0.60 per pound.*

14 (20) *In the case of mohair, \$4.20 per pound.*

15 (b) *SINGLE COUNTY LOAN RATE FOR OTHER OIL-*
 16 *SEEDS.—The Secretary shall establish a single loan rate in*
 17 *each county for each kind of other oilseeds described in sub-*
 18 *section (a)(12).*

19 (c) *SPECIAL RULES FOR CORN AND GRAIN SOR-*
 20 *GHUM.—*

21 (1) *SINGLE COUNTY AND NATIONAL AVERAGE*
 22 *LOAN RATE.—The Secretary shall—*

23 (A) *establish a single county loan rate for*
 24 *corn and grain sorghum in each county;*

1 (B) establish a single national average loan
2 rate for corn and grain sorghum; and

3 (C) determine each county loan rate and the
4 national average loan rate for corn and grain
5 sorghum and any and all other program loan
6 rates applicable to corn and grain sorghum from
7 a data set that includes prices for both commod-
8 ities.

9 (2) ADMINISTRATION.—With respect to corn and
10 grain sorghum, the Secretary—

11 (A) shall administer the applicable loan,
12 marketing loan, counter-cyclical payment, and
13 related programs from a single loan rate for corn
14 and grain sorghum that is identical in each in-
15 dividual county;

16 (B) shall provide that any adjustment in
17 the loan rate for location shall be determined
18 and applied on the basis of the combined data
19 set such that any transportation adjustment
20 shall be the same for corn and grain sorghum in
21 each individual county; and

22 (C) may provide for adjustments for grade,
23 type, and quality as appropriate for the corn or
24 grain sorghum involved in each specific trans-
25 action.

1 **SEC. 1203. TERM OF LOANS.**

2 (a) *TERM OF LOAN.*—*In the case of each loan com-*
 3 *modity, a marketing assistance loan under section 1201*
 4 *shall have a term of 9 months beginning on the first day*
 5 *of the first month after the month in which the loan is*
 6 *made.*

7 (b) *EXTENSIONS PROHIBITED.*—*The Secretary may*
 8 *not extend the term of a marketing assistance loan for any*
 9 *loan commodity.*

10 **SEC. 1204. REPAYMENT OF LOANS.**

11 (a) *GENERAL RULE.*—*The Secretary shall permit the*
 12 *producers on a farm to repay a marketing assistance loan*
 13 *under section 1201 for a loan commodity (other than up-*
 14 *land cotton, long grain rice, medium grain rice, short grain*
 15 *rice, extra long staple cotton, and confectionery and each*
 16 *other kind of sunflower seed (other than oil sunflower seed))*
 17 *at the lesser of the following:*

18 (1) *The loan rate established for the commodity*
 19 *under section 1202, plus interest (determined in ac-*
 20 *cordance with section 163 of the Federal Agriculture*
 21 *Improvement and Reform Act of 1996 (7 U.S.C.*
 22 *7283)).*

23 (2) *A rate that the Secretary determines will—*
 24 *(A) minimize potential loan forfeitures;*
 25 *(B) minimize the accumulation of stocks of*
 26 *the commodity by the Federal Government;*

1 (C) minimize the cost incurred by the Fed-
2 eral Government in storing the commodity;

3 (D) allow the commodity produced in the
4 United States to be marketed freely and competi-
5 tively, both domestically and internationally;
6 and

7 (E) minimize discrepancies in marketing
8 loan benefits across State boundaries and across
9 county boundaries, if applicable.

10 (b) *REPAYMENT RATES FOR UPLAND COTTON AND*
11 *RICE.*—*The Secretary shall permit producers to repay a*
12 *marketing assistance loan under section 1201 for upland*
13 *cotton, long grain rice, medium grain rice, and short grain*
14 *rice at a rate that is the lesser of—*

15 (1) *the loan rate established for the commodity*
16 *under section 1202, plus interest (determined in ac-*
17 *cordance with section 163 of the Federal Agriculture*
18 *Improvement and Reform Act of 1996 (7 U.S.C.*
19 *7283)); or*

20 (2) *the prevailing world market price for the*
21 *commodity (adjusted to United States quality and lo-*
22 *cation), as determined by the Secretary.*

23 (c) *REPAYMENT RATES FOR EXTRA LONG STAPLE*
24 *COTTON.*—*Repayment of a marketing assistance loan for*
25 *extra long staple cotton shall be at the loan rate established*

1 *for the commodity under section 1202, plus interest (deter-*
 2 *mined in accordance with section 163 of the Federal Agri-*
 3 *culture Improvement and Reform Act of 1996 (7 U.S.C.*
 4 *7283)).*

5 *(d) PREVAILING WORLD MARKET PRICE.—For pur-*
 6 *poses of this section and section 1207, the Secretary shall*
 7 *prescribe by regulation—*

8 *(1) a formula to determine the prevailing world*
 9 *market price for upland cotton, which shall be based*
 10 *on the Far East price of upland cotton;*

11 *(2) a formula to determine the prevailing world*
 12 *market price for—*

13 *(A) long grain rice; and*

14 *(B) medium and short grain rice;*

15 *(3) a mechanism by which the Secretary will an-*
 16 *nounce periodically the prevailing world market price*
 17 *for upland cotton, long grain rice, and medium and*
 18 *short grain rice; and*

19 *(4) a mechanism by which the Secretary will*
 20 *make the adjustments, required by subsection (e), to*
 21 *the prevailing world market price for upland cotton,*
 22 *long grain rice, and medium and short grain rice.*

23 *(e) ADJUSTMENT OF PREVAILING WORLD MARKET*
 24 *PRICE FOR UPLAND COTTON AND RICE.—*

1 (1) *RICE*.—*The prevailing world market price*
 2 *for long grain, medium grain, and short grain rice*
 3 *determined in subsection (d) shall be adjusted to*
 4 *United States quality and location.*

5 (2) *COTTON*.—*The prevailing world market price*
 6 *for upland cotton, determined in subsection (d) shall*
 7 *be—*

8 (A) *adjusted to United States quality and*
 9 *location, with such quality adjustment to in-*
 10 *clude—*

11 (i) *any existing United States loan*
 12 *schedule premiums for Comparable United*
 13 *States Quality; and*

14 (ii) *a reduction equal to any United*
 15 *States Premium Factor to upland cotton of*
 16 *a quality higher than Middling (M) 1³/₃₂-*
 17 *inch; and*

18 (B) *adjusted to take into account average*
 19 *costs to market the commodity, including average*
 20 *transportation costs, as determined by the Sec-*
 21 *retary.*

22 (f) *ADDITIONAL ADJUSTMENT AUTHORITY REGARDING*
 23 *PREVAILING WORLD MARKET PRICE FOR UPLAND COT-*
 24 *TON.—*

1 (1) *IN GENERAL.*—During the period beginning
2 on the date of the enactment of this Act through July
3 31, 2013, the Secretary may further adjust the pre-
4 vailing world market price for upland cotton (ad-
5 justed under subsection (d)) if the Secretary deter-
6 mines such adjustment necessary—

7 (A) to minimize potential loan forfeitures;

8 (B) to minimize the accumulation of stocks
9 of the commodity by the Federal Government;

10 (C) to allow the commodity produced in the
11 United States to be marketed freely and competi-
12 tively, both domestically and internationally;

13 (D) to ensure that United States cotton is
14 competitive in world markets; and

15 (E) to ensure an appropriate transition be-
16 tween current-crop and forward-crop price
17 quotations, except that the Secretary may use
18 forward-crop price quotations prior to July 31 of
19 the current marketing year only if there are less
20 than three current-crop price quotations and
21 only if such forward-crop price quotation is the
22 lowest such quotation available.

23 (2) *GUIDELINES FOR ADDITIONAL ADJUST-*
24 *MENT.*—In further adjusting the prevailing world
25 market price for upland cotton under this subsection,

1 *the Secretary shall establish a mechanism for deter-*
 2 *mining and announcing such adjustments in order to*
 3 *avoid undue disruption in the United States market.*

4 *(g) REPAYMENT RATES FOR CONFECTIONERY AND*
 5 *OTHER KINDS OF SUNFLOWER SEEDS.—The Secretary*
 6 *shall permit the producers on a farm to repay a marketing*
 7 *assistance loan under section 1201 for confectionery and*
 8 *each other kind of sunflower seed (other than oil sunflower*
 9 *seed) at a rate that is the lesser of—*

10 *(1) the loan rate established for the commodity*
 11 *under section 1202, plus interest (determined in ac-*
 12 *cordance with section 163 of the Federal Agriculture*
 13 *Improvement and Reform Act of 1996 (7 U.S.C.*
 14 *7283)); or*

15 *(2) the repayment rate established for oil sun-*
 16 *flower seed.*

17 *(h) QUALITY GRADES FOR DRY PEAS, LENTILS, AND*
 18 *SMALL CHICKPEAS.—The loan repayment rate for dry*
 19 *peas, lentils, and small chickpeas shall be based on the qual-*
 20 *ity grades for the applicable commodity.*

21 **SEC. 1205. LOAN DEFICIENCY PAYMENTS.**

22 *(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—*

23 *(1) IN GENERAL.—Except as provided in sub-*
 24 *section (d), the Secretary may make loan deficiency*
 25 *payments available to producers on a farm that, al-*

1 *though eligible to obtain a marketing assistance loan*
 2 *under section 1201 with respect to a loan commodity,*
 3 *agree to forgo obtaining the loan for the commodity*
 4 *in return for loan deficiency payments under this sec-*
 5 *tion.*

6 (2) *UNSHORN PELTS, HAY, AND SILAGE.—*

7 (A) *MARKETING ASSISTANCE LOANS.—Sub-*
 8 *ject to subparagraph (B), nongraded wool in the*
 9 *form of unshorn pelts and hay and silage derived*
 10 *from a loan commodity are not eligible for a*
 11 *marketing assistance loan under section 1201.*

12 (B) *LOAN DEFICIENCY PAYMENT.—Effective*
 13 *for the 2008 through 2012 crop years, the Sec-*
 14 *retary may make loan deficiency payments*
 15 *available under this section to producers on a*
 16 *farm that produce unshorn pelts or hay and si-*
 17 *lage derived from a loan commodity.*

18 (b) *COMPUTATION.—A loan deficiency payment for a*
 19 *loan commodity or commodity referred to in subsection*
 20 *(a)(2) shall be computed by multiplying—*

21 (1) *the payment rate determined under sub-*
 22 *section (c) for the commodity; by*

23 (2) *the quantity of the commodity produced by*
 24 *the eligible producers, excluding any quantity for*

1 *which the producers obtain a marketing assistance*
 2 *loan under section 1201.*

3 *(c) PAYMENT RATE.—*

4 *(1) IN GENERAL.—In the case of a loan com-*
 5 *modity, the payment rate shall be the amount by*
 6 *which—*

7 *(A) the loan rate established under section*
 8 *1202 for the loan commodity; exceeds*

9 *(B) the rate at which a marketing assist-*
 10 *ance loan for the loan commodity may be repaid*
 11 *under section 1204.*

12 *(2) UNSHORN PELTS.—In the case of unshorn*
 13 *pelts, the payment rate shall be the amount by*
 14 *which—*

15 *(A) the loan rate established under section*
 16 *1202 for ungraded wool; exceeds*

17 *(B) the rate at which a marketing assist-*
 18 *ance loan for ungraded wool may be repaid*
 19 *under section 1204.*

20 *(3) HAY AND SILAGE.—In the case of hay or si-*
 21 *lage derived from a loan commodity, the payment*
 22 *rate shall be the amount by which—*

23 *(A) the loan rate established under section*
 24 *1202 for the loan commodity from which the hay*
 25 *or silage is derived; exceeds*

1 (B) the rate at which a marketing assist-
 2 ance loan for the loan commodity may be repaid
 3 under section 1204.

4 (d) *EXCEPTION FOR EXTRA LONG STAPLE COTTON.*—
 5 This section shall not apply with respect to extra long staple
 6 cotton.

7 (e) *EFFECTIVE DATE FOR PAYMENT RATE DETER-*
 8 MINATION.—The Secretary shall determine the amount of
 9 the loan deficiency payment to be made under this section
 10 to the producers on a farm with respect to a quantity of
 11 a loan commodity or commodity referred to in subsection
 12 (a)(2) using the payment rate in effect under subsection (c)
 13 as of the date the producers request the payment.

14 **SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**
 15 **MENTS FOR GRAZED ACREAGE.**

16 (a) *ELIGIBLE PRODUCERS.*—

17 (1) *IN GENERAL.*—Effective for the 2008 through
 18 2012 crop years, in the case of a producer that would
 19 be eligible for a loan deficiency payment under sec-
 20 tion 1205 for wheat, barley, or oats, but that elects to
 21 use acreage planted to the wheat, barley, or oats for
 22 the grazing of livestock, the Secretary shall make a
 23 payment to the producer under this section if the pro-
 24 ducer enters into an agreement with the Secretary to

1 *forgo any other harvesting of the wheat, barley, or*
 2 *oats on that acreage.*

3 (2) *GRAZING OF TRITICALE ACREAGE.—Effective*
 4 *for the 2008 through 2012 crop years, with respect to*
 5 *a producer on a farm that uses acreage planted to*
 6 *triticale for the grazing of livestock, the Secretary*
 7 *shall make a payment to the producer under this sec-*
 8 *tion if the producer enters into an agreement with the*
 9 *Secretary to forgo any other harvesting of triticale on*
 10 *that acreage.*

11 (b) *PAYMENT AMOUNT.—*

12 (1) *IN GENERAL.—The amount of a payment*
 13 *made under this section to a producer on a farm de-*
 14 *scribed in subsection (a)(1) shall be equal to the*
 15 *amount determined by multiplying—*

16 (A) *the loan deficiency payment rate deter-*
 17 *mined under section 1205(c) in effect, as of the*
 18 *date of the agreement, for the county in which*
 19 *the farm is located; by*

20 (B) *the payment quantity determined by*
 21 *multiplying—*

22 (i) *the quantity of the grazed acreage*
 23 *on the farm with respect to which the pro-*
 24 *ducer elects to forgo harvesting of wheat,*
 25 *barley, or oats; and*

1 (ii) the payment yield in effect for the
 2 calculation of direct payments under sub-
 3 title A with respect to that loan commodity
 4 on the farm or, in the case of a farm with-
 5 out a payment yield for that loan com-
 6 modity, an appropriate yield established by
 7 the Secretary in a manner consistent with
 8 section 1102 of the Farm Security and
 9 Rural Investment Act of 2002 (7 U.S.C.
 10 7912).

11 (2) *GRAZING OF TRITICALE ACREAGE.*—The
 12 amount of a payment made under this section to a
 13 producer on a farm described in subsection (a)(2)
 14 shall be equal to the amount determined by multi-
 15 plying—

16 (A) the loan deficiency payment rate deter-
 17 mined under section 1205(c) in effect for wheat,
 18 as of the date of the agreement, for the county in
 19 which the farm is located; by

20 (B) the payment quantity determined by
 21 multiplying—

22 (i) the quantity of the grazed acreage
 23 on the farm with respect to which the pro-
 24 ducer elects to forgo harvesting of triticale;
 25 and

(ii) *the payment yield in effect for the calculation of direct payments under subtitle A with respect to wheat on the farm or, in the case of a farm without a payment yield for wheat, an appropriate yield established by the Secretary in a manner consistent with section 1102 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7912).*

(c) *TIME, MANNER, AND AVAILABILITY OF PAYMENT.—*

(1) *TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 1205.*

(2) *AVAILABILITY.—*

(A) *IN GENERAL.—The Secretary shall establish an availability period for the payments authorized by this section.*

(B) *CERTAIN COMMODITIES.—In the case of wheat, barley, and oats, the availability period shall be consistent with the availability period for the commodity established by the Secretary for marketing assistance loans authorized by this subtitle.*

1 (d) *PROHIBITION ON CROP INSURANCE INDEMNITY OR*
 2 *NONINSURED CROP ASSISTANCE.*—A 2008 through 2012
 3 crop of wheat, barley, oats, or triticale planted on acreage
 4 that a producer elects, in the agreement required by sub-
 5 section (a), to use for the grazing of livestock in lieu of any
 6 other harvesting of the crop shall not be eligible for an in-
 7 demnity under the Federal Crop Insurance Act (7 U.S.C.
 8 1501 et seq.) or noninsured crop assistance under section
 9 196 of the Federal Agriculture Improvement and Reform
 10 Act of 1996 (7 U.S.C. 7333).

11 **SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR UP-**
 12 **LAND COTTON.**

13 (a) *SPECIAL IMPORT QUOTA.*—

14 (1) *DEFINITION OF SPECIAL IMPORT QUOTA.*—In
 15 this subsection, the term “special import quota”
 16 means a quantity of imports that is not subject to the
 17 over-quota tariff rate of a tariff-rate quota.

18 (2) *ESTABLISHMENT.*—

19 (A) *IN GENERAL.*—The President shall
 20 carry out an import quota program during the
 21 period beginning on the date of the enactment of
 22 this Act through July 31, 2013, as provided in
 23 this subsection.

24 (B) *PROGRAM REQUIREMENTS.*—Whenever
 25 the Secretary determines and announces that for

1 *any consecutive 4-week period, the Friday*
2 *through Thursday average price quotation for the*
3 *lowest-priced United States growth, as quoted for*
4 *Middling (M) 1³/₃₂-inch cotton, delivered C/F*
5 *Far East, exceeds the Far East price there shall*
6 *immediately be in effect a special import quota.*

7 (3) *QUANTITY.—The quota shall be equal to 1*
8 *week's consumption of upland cotton by domestic*
9 *mills at the seasonally adjusted average rate of the*
10 *most recent 3 months for which data are available.*

11 (4) *APPLICATION.—The quota shall apply to up-*
12 *land cotton purchased not later than 90 days after the*
13 *date of the Secretary's announcement under para-*
14 *graph (1) and entered into the United States not later*
15 *than 180 days after that date.*

16 (5) *OVERLAP.—A special quota period may be*
17 *established that overlaps any existing quota period if*
18 *required by paragraph (2), except that a special*
19 *quota period may not be established under this sub-*
20 *section if a quota period has been established under*
21 *subsection (b).*

22 (6) *PREFERENTIAL TARIFF TREATMENT.—The*
23 *quantity under a special import quota shall be con-*
24 *sidered to be an in-quota quantity for purposes of—*

1 (A) section 213(d) of the Caribbean Basin
2 Economic Recovery Act (19 U.S.C. 2703(d));

3 (B) section 204 of the Andean Trade Pref-
4 erence Act (19 U.S.C. 3203);

5 (C) section 503(d) of the Trade Act of 1974
6 (19 U.S.C. 2463(d)); and

7 (D) General Note 3(a)(iv) to the Har-
8 monized Tariff Schedule.

9 (7) *LIMITATION.*—The quantity of cotton entered
10 into the United States during any marketing year
11 under the special import quota established under this
12 subsection may not exceed the equivalent of 10 week’s
13 consumption of upland cotton by domestic mills at
14 the seasonally adjusted average rate of the 3 months
15 immediately preceding the first special import quota
16 established in any marketing year.

17 (b) *LIMITED GLOBAL IMPORT QUOTA FOR UPLAND*
18 *COTTON.*—

19 (1) *DEFINITIONS.*—In this subsection:

20 (A) *SUPPLY.*—The term “supply” means,
21 using the latest official data of the Bureau of the
22 Census, the Department of Agriculture, and the
23 Department of the Treasury—

24 (i) the carry-over of upland cotton at
25 the beginning of the marketing year (ad-

1 *justed to 480-pound bales) in which the*
 2 *quota is established;*

3 *(ii) production of the current crop; and*

4 *(iii) imports to the latest date avail-*
 5 *able during the marketing year.*

6 *(B) DEMAND.—The term “demand”*
 7 *means—*

8 *(i) the average seasonally adjusted an-*
 9 *nual rate of domestic mill consumption dur-*
 10 *ing the most recent 3 months for which data*
 11 *are available; and*

12 *(ii) the larger of—*

13 *(I) average exports of upland cot-*
 14 *ton during the preceding 6 marketing*
 15 *years; or*

16 *(II) cumulative exports of upland*
 17 *cotton plus outstanding export sales for*
 18 *the marketing year in which the quota*
 19 *is established.*

20 *(C) LIMITED GLOBAL IMPORT QUOTA.—The*
 21 *term “limited global import quota” means a*
 22 *quantity of imports that is not subject to the*
 23 *over-quota tariff rate of a tariff-rate quota.*

24 *(2) PROGRAM.—The President shall carry out an*
 25 *import quota program that provides that whenever*

1 *the Secretary determines and announces that the av-*
2 *erage price of the base quality of upland cotton, as de-*
3 *termined by the Secretary, in the designated spot*
4 *markets for a month exceeded 130 percent of the aver-*
5 *age price of the quality of cotton in the markets for*
6 *the preceding 36 months, notwithstanding any other*
7 *provision of law, there shall immediately be in effect*
8 *a limited global import quota subject to the following*
9 *conditions:*

10 (A) *QUANTITY.—The quantity of the quota*
11 *shall be equal to 21 days of domestic mill con-*
12 *sumption of upland cotton at the seasonally ad-*
13 *justed average rate of the most recent 3 months*
14 *for which data are available.*

15 (B) *QUANTITY IF PRIOR QUOTA.—If a quota*
16 *has been established under this subsection during*
17 *the preceding 12 months, the quantity of the*
18 *quota next established under this subsection shall*
19 *be the smaller of 21 days of domestic mill con-*
20 *sumption calculated under subparagraph (A) or*
21 *the quantity required to increase the supply to*
22 *130 percent of the demand.*

23 (C) *PREFERENTIAL TARIFF TREATMENT.—*
24 *The quantity under a limited global import*

1 *quota shall be considered to be an in-quota quan-*
 2 *tity for purposes of—*

3 *(i) section 213(d) of the Caribbean*
 4 *Basin Economic Recovery Act (19 U.S.C.*
 5 *2703(d));*

6 *(ii) section 204 of the Andean Trade*
 7 *Preference Act (19 U.S.C. 3203);*

8 *(iii) section 503(d) of the Trade Act of*
 9 *1974 (19 U.S.C. 2463(d)); and*

10 *(iv) General Note 3(a)(iv) to the Har-*
 11 *monized Tariff Schedule.*

12 *(D) QUOTA ENTRY PERIOD.—When a quota*
 13 *is established under this subsection, cotton may*
 14 *be entered under the quota during the 90-day pe-*
 15 *riod beginning on the date the quota is estab-*
 16 *lished by the Secretary.*

17 *(3) NO OVERLAP.—Notwithstanding paragraph*
 18 *(2), a quota period may not be established that over-*
 19 *laps an existing quota period or a special quota pe-*
 20 *riod established under subsection (a).*

21 *(c) ECONOMIC ADJUSTMENT ASSISTANCE TO USERS*
 22 *OF UPLAND COTTON.—*

23 *(1) ISSUANCE OF MARKETING CERTIFICATES OR*
 24 *CASH PAYMENTS.—During the period beginning on*
 25 *the date of the enactment of this Act through July 31,*

1 2013, the Secretary shall issue, on a monthly basis,
2 marketing certificates or cash payments, at the option
3 of the recipient, to domestic users of upland cotton for
4 all documented use of upland cotton during the pre-
5 vious monthly period regardless of the origin of the
6 upland cotton.

7 (2) *VALUE OF CERTIFICATES OR PAYMENTS.*—

8 *The value of the marketing certificates or cash pay-*
9 *ments shall be 4 cents per pound.*

10 (3) *ALLOWABLE PURPOSES.*—*Economic adjust-*

11 *ment assistance under this subsection shall be made*
12 *available only to domestic users of upland cotton that*
13 *certify that such funds shall be used only for acquisi-*
14 *tion, construction, installation, modernization, devel-*
15 *opment, conversion, or expansion of land, plant,*
16 *buildings, equipment, facilities, or machinery.*

17 (4) *REVIEW OR AUDIT.*—*The Secretary may con-*

18 *duct such review or audit of the records of a domestic*
19 *user under this subsection as determined necessary to*
20 *carry out the provisions of this subsection.*

21 (5) *IMPROPER USE OF ASSISTANCE.*—*If the Sec-*

22 *retary determines, after a review or audit of the*
23 *records of the domestic user, that economic adjustment*
24 *assistance under this subsection was not used for the*
25 *purposes specified in paragraph (3), the domestic user*

1 *shall be liable to repay such assistance to the Sec-*
 2 *retary, plus interest, as determined by the Secretary,*
 3 *and shall be ineligible to participate in the program*
 4 *established by this subsection for a period of 12*
 5 *months following the determination of the Secretary.*

6 **SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
 7 **LONG STAPLE COTTON.**

8 (a) *COMPETITIVENESS PROGRAM.*—*Notwithstanding*
 9 *any other provision of law, during the period beginning on*
 10 *the date of the enactment of this Act through July 31, 2013,*
 11 *the Secretary shall carry out a program—*

12 (1) *to maintain and expand the domestic use of*
 13 *extra long staple cotton produced in the United*
 14 *States;*

15 (2) *to increase exports of extra long staple cotton*
 16 *produced in the United States; and*

17 (3) *to ensure that extra long staple cotton pro-*
 18 *duced in the United States remains competitive in*
 19 *world markets.*

20 (b) *PAYMENTS UNDER PROGRAM; TRIGGER.*—*Under*
 21 *the program, the Secretary shall make payments available*
 22 *under this section whenever—*

23 (1) *for a consecutive 4-week period, the world*
 24 *market price for the lowest priced competing growth*
 25 *of extra long staple cotton (adjusted to United States*

1 *quality and location and for other factors affecting*
2 *the competitiveness of such cotton), as determined by*
3 *the Secretary, is below the prevailing United States*
4 *price for a competing growth of extra long staple cot-*
5 *ton; and*

6 *(2) the lowest priced competing growth of extra*
7 *long staple cotton (adjusted to United States quality*
8 *and location and for other factors affecting the com-*
9 *petitiveness of such cotton), as determined by the Sec-*
10 *retary, is less than 134 percent of the loan rate for*
11 *extra long staple cotton.*

12 *(c) ELIGIBLE RECIPIENTS.—The Secretary shall make*
13 *payments available under this section to domestic users of*
14 *extra long staple cotton produced in the United States and*
15 *exporters of extra long staple cotton produced in the United*
16 *States that enter into an agreement with the Commodity*
17 *Credit Corporation to participate in the program under*
18 *this section.*

19 *(d) PAYMENT AMOUNT.—Payments under this section*
20 *shall be based on the amount of the difference in the prices*
21 *referred to in subsection (b)(1) during the fourth week of*
22 *the consecutive 4-week period multiplied by the amount of*
23 *documented purchases by domestic users and sales for ex-*
24 *port by exporters made in the week following such a con-*
25 *secutive 4-week period.*

1 (e) *FORM OF PAYMENT.*—*Payments under this section*
 2 *shall be made through the issuance of cash or marketing*
 3 *certificates, at the option of eligible recipients of the pay-*
 4 *ments.*

5 **SEC. 1209. AVAILABILITY OF RECOURSE LOANS FOR HIGH**
 6 **MOISTURE FEED GRAINS AND SEED COTTON.**

7 (a) *HIGH MOISTURE FEED GRAINS.*—

8 (1) *DEFINITION OF HIGH MOISTURE STATE.*—*In*
 9 *this subsection, the term “high moisture state” means*
 10 *corn or grain sorghum having a moisture content in*
 11 *excess of Commodity Credit Corporation standards*
 12 *for marketing assistance loans made by the Secretary*
 13 *under section 1201.*

14 (2) *RECOURSE LOANS AVAILABLE.*—*For each of*
 15 *the 2008 through 2012 crops of corn and grain sor-*
 16 *ghum, the Secretary shall make available recourse*
 17 *loans, as determined by the Secretary, to producers on*
 18 *a farm that—*

19 (A) *normally harvest all or a portion of*
 20 *their crop of corn or grain sorghum in a high*
 21 *moisture state;*

22 (B) *present—*

23 (i) *certified scale tickets from an in-*
 24 *spected, certified commercial scale, includ-*
 25 *ing a licensed warehouse, feedlot, feed mill,*

1 *distillery, or other similar entity approved*
 2 *by the Secretary, pursuant to regulations*
 3 *issued by the Secretary; or*

4 *(ii) field or other physical measure-*
 5 *ments of the standing or stored crop in re-*
 6 *gions of the United States, as determined by*
 7 *the Secretary, that do not have certified*
 8 *commercial scales from which certified scale*
 9 *tickets may be obtained within reasonable*
 10 *proximity of harvest operation;*

11 *(C) certify that they were the owners of the*
 12 *feed grain at the time of delivery to, and that the*
 13 *quantity to be placed under loan under this sub-*
 14 *section was in fact harvested on the farm and de-*
 15 *livered to, a feedlot, feed mill, or commercial or*
 16 *on-farm high-moisture storage facility, or to a*
 17 *facility maintained by the users of corn and*
 18 *grain sorghum in a high moisture state; and*

19 *(D) comply with deadlines established by*
 20 *the Secretary for harvesting the corn or grain*
 21 *sorghum and submit applications for loans*
 22 *under this subsection within deadlines estab-*
 23 *lished by the Secretary.*

24 (3) *ELIGIBILITY OF ACQUIRED FEED GRAINS.—*

25 *A loan under this subsection shall be made on a*

1 *quantity of corn or grain sorghum of the same crop*
 2 *acquired by the producer equivalent to a quantity de-*
 3 *termined by multiplying—*

4 *(A) the acreage of the corn or grain sor-*
 5 *ghum in a high moisture state harvested on the*
 6 *producer's farm; by*

7 *(B) the lower of the farm program payment*
 8 *yield used to make counter-cyclical payments*
 9 *under subtitle A or the actual yield on a field,*
 10 *as determined by the Secretary, that is similar*
 11 *to the field from which the corn or grain sor-*
 12 *ghum was obtained.*

13 *(b) RECOURSE LOANS AVAILABLE FOR SEED COT-*
 14 *TON.—For each of the 2008 through 2012 crops of upland*
 15 *cotton and extra long staple cotton, the Secretary shall make*
 16 *available recourse seed cotton loans, as determined by the*
 17 *Secretary, on any production.*

18 *(c) REPAYMENT RATES.—Repayment of a recourse*
 19 *loan made under this section shall be at the loan rate estab-*
 20 *lished for the commodity by the Secretary, plus interest (de-*
 21 *termined in accordance with section 163 of the Federal Ag-*
 22 *riculture Improvement and Reform Act of 1996 (7 U.S.C.*
 23 *7283)).*

1 **SEC. 1210. DEADLINE FOR REPAYMENT OF MARKETING AS-**
 2 **SISTANCE LOAN FOR PEANUTS.**

3 (a) *JUNE 30 REDEMPTION DEADLINE.*—Notwith-
 4 standing any other provision of law, a marketing assistance
 5 loan for peanuts may not be redeemed after June 30 of the
 6 year subsequent to the year in which the peanuts were har-
 7 vested.

8 (b) *EFFECT OF FAILURE TO REDEEM.*—A marketing
 9 assistance loan for peanuts that is not redeemed before the
 10 deadline imposed by subsection (a) shall be deemed to be
 11 forfeited to the Commodity Credit Corporation.

12 **SEC. 1211. COMMODITY QUALITY INCENTIVE PAYMENTS**
 13 **FOR HEALTHY OILSEEDS.**

14 (a) *INCENTIVE PAYMENTS REQUIRED.*—Subject to the
 15 availability of funds for this purpose, the Secretary shall
 16 provide commodity quality incentive payments during the
 17 2009 through 2013 crop years for the production of oilseeds
 18 with specialized traits that enhance human health, as deter-
 19 mined by the Secretary.

20 (b) *COVERED OILSEEDS.*—The Secretary shall make
 21 payments under this section only for the production of an
 22 oilseed that has, as determined by the Secretary—

23 (1) *been demonstrated to reduce or eliminate the*
 24 *need to partially hydrogenate the oil derived from the*
 25 *oilseed for use in human consumption; and*

1 (2) *1 or more traits for which compelling im-*
 2 *pediments to commercialization have been identified.*

3 (c) *REQUEST FOR PROPOSALS.—*

4 (1) *ISSUANCE.—If funds are available to carry*
 5 *out this section for a crop year, the Secretary shall*
 6 *issue a request for proposals for payments under this*
 7 *section.*

8 (2) *MULTIYEAR PROPOSALS.—An entity may*
 9 *submit a multiyear proposal for payments under this*
 10 *section.*

11 (3) *CONTENT OF PROPOSALS.—A proposal for*
 12 *payments under this section shall include a descrip-*
 13 *tion of—*

14 (A) *each trait of the oilseed described in*
 15 *subsection (b)(2) and the value of the trait as a*
 16 *matter of public policy;*

17 (B) *the projected market size and value of*
 18 *the trait;*

19 (C) *the projected impact of the proposal*
 20 *on—*

21 (i) *the future price of loan commod-*
 22 *ities; and*

23 (ii) *if appropriate, on Federal Govern-*
 24 *ment farm program outlays to support loan*
 25 *commodities;*

1 (D) a range for the amount of total per
2 bushel premiums to be paid to producers;

3 (E) a per bushel amount of incentive pay-
4 ments requested for each year under this section
5 that—

6 (i) does not exceed $\frac{1}{3}$ of the total pre-
7 mium offered for any year; and

8 (ii) declines over time;

9 (F) the period of time, of not to exceed 4
10 years, during which incentive payments are to be
11 provided to producers; and

12 (G) the targeted total quantity of produc-
13 tion and estimated acres needed to produce the
14 targeted quantity for each year under this sec-
15 tion.

16 (d) *CONTRACTS FOR PRODUCTION.*—

17 (1) *IN GENERAL.*—The Secretary shall approve
18 successful proposals submitted under subsection (c) on
19 a timely basis so as to allow successful applicants to
20 offer production contracts to producers beginning in
21 advance of the spring planting season for the 2009
22 crop year.

23 (2) *MULTIYEAR CONTRACTS.*—A successful appli-
24 cant may enter into a multiyear contract with—

25 (A) a specific group of producers; or

1 (B) *various groups of producers.*

2 (3) *TIMING OF PAYMENTS.—The Secretary shall*
 3 *make payments under this section after the Secretary*
 4 *receives documentation that the total premium offered*
 5 *for crops produced under a contract (including the*
 6 *amount of incentive payments) has been made to cov-*
 7 *ered producers.*

8 (e) *ADMINISTRATION.—If funding provided for a crop*
 9 *year is not fully allocated under the initial request for pro-*
 10 *posals under subsection (c), the Secretary shall issue addi-*
 11 *tional requests for proposals for subsequent years under this*
 12 *section.*

13 (f) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 14 *authorized to be appropriated such sums as are necessary*
 15 *to carry out this section for each of fiscal years 2009*
 16 *through 2013.*

17 ***Subtitle C—Sugar***

18 ***SEC. 1301. SUGAR PROGRAM.***

19 (a) *IN GENERAL.—Section 156 of the Federal Agri-*
 20 *culture Improvement and Reform Act of 1996 (7 U.S.C.*
 21 *7272) is amended to read as follows:*

22 ***“SEC. 156. SUGAR PROGRAM.***

23 ***“(a) SUGARCANE.—The Secretary shall make loans for***
 24 ***raw cane sugar available to processors of domestically***

1 *grown sugarcane at a rate equal to 18.5 cents per pound*
 2 *for each of the 2008 through 2012 crop years.*

3 “(b) *SUGAR BEETS.*—*The Secretary shall make loans*
 4 *for refined beet sugar available to processors of domestically*
 5 *grown sugar beets at a rate equal to 23.5 cents per pound*
 6 *for each of the 2008 through 2012 crop years.*

7 “(c) *TERM OF LOANS.*—

8 “(1) *IN GENERAL.*—*A loan under this section*
 9 *during any fiscal year shall be made available not*
 10 *earlier than the beginning of the fiscal year and shall*
 11 *mature at the earlier of—*

12 “(A) *the end of the 9-month period begin-*
 13 *ning on the first day of the first month after the*
 14 *month in which the loan is made; or*

15 “(B) *the end of the fiscal year in which the*
 16 *loan is made.*

17 “(2) *SUPPLEMENTAL LOANS.*—*In the case of a*
 18 *loan made under this section in the last 3 months of*
 19 *a fiscal year, the processor may repledge the sugar as*
 20 *collateral for a second loan in the subsequent fiscal*
 21 *year, except that the second loan shall—*

22 “(A) *be made at the loan rate in effect at*
 23 *the time the first loan was made; and*

24 “(B) *mature in 9 months less the quantity*
 25 *of time that the first loan was in effect.*

1 “(d) *LOAN TYPE; PROCESSOR ASSURANCES.*—

2 “(1) *NONRECOURSE LOANS.*—*The Secretary shall*
 3 *carry out this section through the use of nonrecourse*
 4 *loans.*

5 “(2) *PROCESSOR ASSURANCES.*—

6 “(A) *IN GENERAL.*—*The Secretary shall ob-*
 7 *tain from each processor that receives a loan*
 8 *under this section such assurances as the Sec-*
 9 *retary considers adequate to ensure that the*
 10 *processor will provide payments to producers*
 11 *that are proportional to the value of the loan re-*
 12 *ceived by the processor for the sugar beets and*
 13 *sugarcane delivered by producers to the proc-*
 14 *essor.*

15 “(B) *MINIMUM PAYMENTS.*—

16 “(i) *IN GENERAL.*—*Subject to clause*
 17 *(ii), the Secretary may establish appro-*
 18 *priate minimum payments for purposes of*
 19 *this paragraph.*

20 “(ii) *LIMITATION.*—*In the case of*
 21 *sugar beets, the minimum payment estab-*
 22 *lished under clause (i) shall not exceed the*
 23 *rate of payment provided for under the ap-*
 24 *plicable contract between a sugar beet pro-*
 25 *ducer and a sugar beet processor.*

1 “(3) *ADMINISTRATION.*—*The Secretary may not*
 2 *impose or enforce any prenotification requirement, or*
 3 *similar administrative requirement not otherwise in*
 4 *effect on May 13, 2002, that has the effect of pre-*
 5 *venting a processor from electing to forfeit the loan*
 6 *collateral (of an acceptable grade and quality) on the*
 7 *maturity of the loan.*

8 “(e) *LOANS FOR IN-PROCESS SUGAR.*—

9 “(1) *DEFINITION OF IN-PROCESS SUGARS AND*
 10 *SYRUPS.*—*In this subsection, the term ‘in-process sug-*
 11 *ars and syrups’ does not include raw sugar, liquid*
 12 *sugar, invert sugar, invert syrup, or other finished*
 13 *product that is otherwise eligible for a loan under*
 14 *subsection (a) or (b).*

15 “(2) *AVAILABILITY.*—*The Secretary shall make*
 16 *nonrecourse loans available to processors of a crop of*
 17 *domestically grown sugarcane and sugar beets for in-*
 18 *process sugars and syrups derived from the crop.*

19 “(3) *LOAN RATE.*—*The loan rate shall be equal*
 20 *to 80 percent of the loan rate applicable to raw cane*
 21 *sugar or refined beet sugar, as determined by the Sec-*
 22 *retary on the basis of the source material for the in-*
 23 *process sugars and syrups.*

24 “(4) *FURTHER PROCESSING ON FORFEITURE.*—

1 “(A) *IN GENERAL.*—As a condition of the
 2 *forfeiture of in-process sugars and syrups serving*
 3 *as collateral for a loan under paragraph (2), the*
 4 *processor shall, within such reasonable time pe-*
 5 *riod as the Secretary may prescribe and at no*
 6 *cost to the Commodity Credit Corporation, con-*
 7 *vert the in-process sugars and syrups into raw*
 8 *cane sugar or refined beet sugar of acceptable*
 9 *grade and quality for sugars eligible for loans*
 10 *under subsection (a) or (b).*

11 “(B) *TRANSFER TO CORPORATION.*—Once
 12 *the in-process sugars and syrups are fully proc-*
 13 *essed into raw cane sugar or refined beet sugar,*
 14 *the processor shall transfer the sugar to the Com-*
 15 *modity Credit Corporation.*

16 “(C) *PAYMENT TO PROCESSOR.*—On trans-
 17 *fer of the sugar, the Secretary shall make a pay-*
 18 *ment to the processor in an amount equal to the*
 19 *amount obtained by multiplying—*

20 “(i) *the difference between—*

21 “(I) *the loan rate for raw cane*
 22 *sugar or refined beet sugar, as appro-*
 23 *priate; and*

24 “(II) *the loan rate the processor*
 25 *received under paragraph (3); by*

1 “(ii) the quantity of sugar transferred
2 to the Secretary.

3 “(5) LOAN CONVERSION.—If the processor does
4 not forfeit the collateral as described in paragraph
5 (4), but instead further processes the in-process sugars
6 and syrups into raw cane sugar or refined beet sugar
7 and repays the loan on the in-process sugars and syr-
8 ups, the processor may obtain a loan under subsection
9 (a) or (b) for the raw cane sugar or refined beet
10 sugar, as appropriate.

11 “(6) TERM OF LOAN.—The term of a loan made
12 under this subsection for a quantity of in-process sug-
13 ars and syrups, when combined with the term of a
14 loan made with respect to the raw cane sugar or re-
15 fined beet sugar derived from the in-process sugars
16 and syrups, may not exceed 9 months, consistent with
17 subsection (c).

18 “(f) AVOIDING FORFEITURES; CORPORATION INVEN-
19 TORY DISPOSITION.—

20 “(1) IN GENERAL.—Subject to subsection (d)(3),
21 to the maximum extent practicable, the Secretary
22 shall operate the program established under this sec-
23 tion at no cost to the Federal Government by avoid-
24 ing the forfeiture of sugar to the Commodity Credit
25 Corporation.

1 “(2) *INVENTORY DISPOSITION.*—

2 “(A) *IN GENERAL.*—*To carry out para-*
3 *graph (1), the Commodity Credit Corporation*
4 *may accept bids to obtain raw cane sugar or re-*
5 *fined beet sugar in the inventory of the Com-*
6 *modity Credit Corporation from (or otherwise*
7 *make available such commodities, on appro-*
8 *priate terms and conditions, to) processors of*
9 *sugarcane and processors of sugar beets (acting*
10 *in conjunction with the producers of the suga-*
11 *cane or sugar beets processed by the processors)*
12 *in return for the reduction of production of raw*
13 *cane sugar or refined beet sugar, as appropriate.*

14 “(B) *BIOENERGY FEEDSTOCK.*—*If a reduc-*
15 *tion in the quantity of production accepted*
16 *under subparagraph (A) involves sugar beets or*
17 *sugarcane that has already been planted, the*
18 *sugar beets or sugarcane so planted may not be*
19 *used for any commercial purpose other than as*
20 *a bioenergy feedstock.*

21 “(C) *ADDITIONAL AUTHORITY.*—*The author-*
22 *ity provided under this paragraph is in addition*
23 *to any authority of the Commodity Credit Cor-*
24 *poration under any other law.*

25 “(g) *INFORMATION REPORTING.*—

1 “(1) *DUTY OF PROCESSORS AND REFINERS TO*
2 *REPORT.*—A sugarcane processor, cane sugar refiner,
3 and sugar beet processor shall furnish the Secretary,
4 on a monthly basis, such information as the Secretary
5 may require to administer sugar programs, including
6 the quantity of purchases of sugarcane, sugar beets,
7 and sugar, and production, importation, distribution,
8 and stock levels of sugar.

9 “(2) *DUTY OF PRODUCERS TO REPORT.*—

10 “(A) *PROPORTIONATE SHARE STATES.*—As
11 a condition of a loan made to a processor for the
12 benefit of a producer, the Secretary shall require
13 each producer of sugarcane located in a State
14 (other than the Commonwealth of Puerto Rico)
15 in which there are in excess of 250 producers of
16 sugarcane to report, in the manner prescribed by
17 the Secretary, the sugarcane yields and acres
18 planted to sugarcane of the producer.

19 “(B) *OTHER STATES.*—The Secretary may
20 require each producer of sugarcane or sugar beets
21 not covered by subparagraph (A) to report, in a
22 manner prescribed by the Secretary, the yields
23 of, and acres planted to, sugarcane or sugar
24 beets, respectively, of the producer.

25 “(3) *DUTY OF IMPORTERS TO REPORT.*—

1 “(A) *IN GENERAL.*—*Except as provided in*
 2 *subparagraph (B), the Secretary shall require an*
 3 *importer of sugars, syrups, or molasses to be*
 4 *used for human consumption or to be used for*
 5 *the extraction of sugar for human consumption*
 6 *to report, in the manner prescribed by the Sec-*
 7 *retary, the quantities of the products imported*
 8 *by the importer and the sugar content or equiva-*
 9 *lent of the products.*

10 “(B) *TARIFF-RATE QUOTAS.*—*Subpara-*
 11 *graph (A) shall not apply to sugars, syrups, or*
 12 *molasses that are within the quantities of tariff-*
 13 *rate quotas that are subject to the lower rate of*
 14 *duties.*

15 “(4) *COLLECTION OF INFORMATION ON MEX-*
 16 *ICO.*—

17 “(A) *COLLECTION.*—*The Secretary shall col-*
 18 *lect—*

19 “(i) *information on the production,*
 20 *consumption, stocks and trade of sugar in*
 21 *Mexico, including United States exports of*
 22 *sugar to Mexico; and*

23 “(ii) *publicly available information on*
 24 *Mexican production, consumption, and*
 25 *trade of high fructose corn syrups, including*

1 *United States exports of high fructose corn*
2 *syrups to Mexico.*

3 “(B) *PUBLICATION.*—*The data collected*
4 *under subparagraph (A) shall be published in*
5 *each edition of the World Agricultural Supply*
6 *and Demand Estimates.*

7 “(5) *PENALTY.*—*Any person willfully failing or*
8 *refusing to furnish the information required to be re-*
9 *ported by paragraph (1), (2), or (3), or furnishing*
10 *willfully false information, shall be subject to a civil*
11 *penalty of not more than \$10,000 for each such viola-*
12 *tion.*

13 “(6) *MONTHLY REPORTS.*—*Taking into consider-*
14 *ation the information received under this subsection,*
15 *the Secretary shall publish on a monthly basis com-*
16 *posite data on production, imports, distribution, and*
17 *stock levels of sugar.*

18 “(h) *SUBSTITUTION OF REFINED SUGAR.*—*For pur-*
19 *poses of Additional U.S. Note 6 to chapter 17 of the Har-*
20 *monized Tariff Schedule of the United States and the reex-*
21 *port programs and polyhydric alcohol program adminis-*
22 *tered by the Secretary, all refined sugars (whether derived*
23 *from sugar beets or sugarcane) produced by cane sugar re-*
24 *fineries and beet sugar processors shall be fully substitutable*

1 *for the export of sugar and sugar-containing products under*
 2 *those programs.*

3 “(i) *EFFECTIVE PERIOD.*—*This section shall be effec-*
 4 *tive only for the 2008 through 2012 crops of sugar beets*
 5 *and sugarcane.”.*

6 (b) *TRANSITION.*—*The Secretary of Agriculture shall*
 7 *make loans for raw cane sugar and refined beet sugar avail-*
 8 *able for the 2007 crop year on the terms and conditions*
 9 *provided in section 156 of the Federal Agriculture Improve-*
 10 *ment and Reform Act of 1996 (7 U.S.C. 7272), as in effect*
 11 *on the day before the date of the enactment of this Act.*

12 **SEC. 1302. UNITED STATES MEMBERSHIP IN THE INTER-**
 13 **NATIONAL SUGAR ORGANIZATION.**

14 *The Secretary of Agriculture shall work with the Sec-*
 15 *retary of State to restore United States membership in the*
 16 *International Sugar Organization within one year after the*
 17 *date of enactment of this Act.*

18 **SEC. 1303. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.**

19 (a) *DEFINITION OF HUMAN CONSUMPTION.*—*Section*
 20 *359a of the Agricultural Adjustment Act of 1938 (7 U.S.C.*
 21 *1359aa) is amended—*

22 (1) *by redesignating paragraphs (1) through (4)*
 23 *as paragraphs (2) through (5), respectively; and*

24 (2) *by inserting before paragraph (2), as so re-*
 25 *designated, the following new paragraph (1):*

1 “(1) *HUMAN CONSUMPTION.*—*The term ‘human*
 2 *consumption’, when used in the context of a reference*
 3 *to sugar (whether in the form of sugar, in-process*
 4 *sugar, syrup, molasses, or in some other form) for*
 5 *human consumption, includes sugar for use in human*
 6 *food, beverages, or similar products.’.*”

7 (b) *SUGAR ALLOTMENTS.*—*Section 359b of the Agri-*
 8 *cultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is*
 9 *amended to read as follows:*

10 **“SEC. 359b. FLEXIBLE MARKETING ALLOTMENTS FOR**
 11 **SUGAR.**

12 “(a) *SUGAR ESTIMATES.*—

13 “(1) *IN GENERAL.*—*Not later than August 1 be-*
 14 *fore the beginning of each of the 2008 through 2012*
 15 *crop years for sugarcane and sugar beets, the Sec-*
 16 *retary shall estimate—*

17 “(A) *the quantity of sugar that will be sub-*
 18 *ject to human consumption in the United States*
 19 *during the crop year;*

20 “(B) *the quantity of sugar that would pro-*
 21 *vide for reasonable carryover stocks;*

22 “(C) *the quantity of sugar that will be*
 23 *available from carry-in stocks for human con-*
 24 *sumption in the United States during the crop*
 25 *year;*

1 “(D) the quantity of sugar that will be
2 available from the domestic processing of sugar-
3 cane, sugar beets, and in-process beet sugar; and

4 “(E) the quantity of sugars, syrups, and
5 molasses that will be imported for human con-
6 sumption or to be used for the extraction of
7 sugar for human consumption in the United
8 States during the crop year, whether such arti-
9 cles are under a tariff-rate quota or are in excess
10 or outside of a tariff-rate quota.

11 “(2) *EXCLUSION.*—The estimates under this sub-
12 section shall not apply to sugar imported for the pro-
13 duction of polyhydric alcohol or to any sugar refined
14 and reexported in refined form or in products con-
15 taining sugar.

16 “(3) *REESTIMATES.*—The Secretary shall make
17 reestimates of sugar consumption, stocks, production,
18 and imports for a crop year as necessary, but no later
19 than the beginning of each of the second through
20 fourth quarters of the crop year.

21 “(b) *SUGAR ALLOTMENTS.*—

22 “(1) *ESTABLISHMENT.*—By the beginning of
23 each crop year, the Secretary shall establish for that
24 crop year appropriate allotments under section 359c
25 for the marketing by processors of sugar processed

1 *from sugar cane or sugar beets or in-process beet*
2 *sugar (whether such sugar beets or in-process beet*
3 *sugar was produced domestically or imported) at a*
4 *level sufficient to maintain raw and refined sugar*
5 *prices above forfeiture levels so that there will be no*
6 *forfeitures of sugar to the Commodity Credit Corpora-*
7 *tion under the loan program for sugar established*
8 *under section 156 of the Federal Agriculture Improve-*
9 *ment and Reform Act of 1996 (7 U.S.C. 7272).*

10 “(2) *MINIMUM.*—*The level of allotments estab-*
11 *lished under paragraph (1) may not be less than 85*
12 *percent of the estimated quantity of sugar for domes-*
13 *tic human consumption for the crop year.*

14 “(3) *PRODUCTS.*—*The Secretary may include*
15 *sugar products, whose majority content is sucrose, in*
16 *the allotments established under paragraph (1) if the*
17 *Secretary determines that the inclusion of such sugar*
18 *products is appropriate for controlling the supply of*
19 *sugar for human consumption.*

20 “(c) *COVERAGE OF ALLOTMENTS.*—

21 “(1) *IN GENERAL.*—*The marketing allotments*
22 *provided for in this part shall apply to the marketing*
23 *by processors of sugar intended for domestic human*
24 *consumption that has been processed from sugar cane*
25 *or sugar beets or in-process beet sugar (whether such*

1 *sugar beets or in-process beet sugar was produced do-*
2 *mestically or imported).*

3 “(2) *EXCEPTIONS.*—*Consistent with the adminis-*
4 *tration of marketing allotments during crop years*
5 *2002 through 2007, the marketing allotments shall not*
6 *apply to sugar sold—*

7 “(A) *to facilitate the exportation of such*
8 *sugar to a foreign country, except that such ex-*
9 *ports of sugar shall not be eligible to receive cred-*
10 *its under re-export programs for refined sugar or*
11 *sugar containing products administered by the*
12 *Secretary;*

13 “(B) *to enable another processor to fulfill an*
14 *allocation established for such other processor, ex-*
15 *cept that such sales must be made before May 1*
16 *and must be reported to the Secretary; or*

17 “(C) *for uses other than domestic human*
18 *consumption.*

19 “(d) *PROHIBITIONS.*—

20 “(1) *IN GENERAL.*—*During any crop year or*
21 *portion thereof for which marketing allotments have*
22 *been established, no processor of sugar beets or sugar-*
23 *cane shall market for domestic human consumption a*
24 *quantity of sugar in excess of the allocation estab-*
25 *lished for such processor, except to enable another*

1 processor to fulfill an allocation established for such
2 other processor or to facilitate the exportation of such
3 sugar.

4 “(2) *CIVIL PENALTY.*—Any processor who know-
5 ingly violates paragraph (1) shall be liable to the
6 Commodity Credit Corporation for a civil penalty in
7 an amount equal to 3 times the United States market
8 value, at the time of the commission of the violation,
9 of that quantity of sugar involved in the violation.

10 “(3) *DEFINITION OF MARKET.*—For purposes of
11 this part, the term ‘market’ shall mean to sell or oth-
12 erwise dispose of in commerce in the United States,
13 including—

14 “(A) the forfeiture of sugar under the loan
15 program for sugar under section 156 of the Fed-
16 eral Agriculture Improvement and Reform Act of
17 1996 (7 U.S.C. 7272) and such forfeited sugar
18 shall be deemed to have been marketed during the
19 crop year in which the loan was made;

20 “(B) with respect to any integrated proc-
21 essor and refiner, the movement of raw cane
22 sugar into the refining process; and

23 “(C) the sale of sugar for the production of
24 ethanol or other bioenergy product, if such eth-
25 anol or bioenergy product is the subject of a pay-

1 *ment under the feedstock flexibility program for*
 2 *bioenergy producers.”.*

3 (c) *ESTABLISHMENT.*—*Section 359c of the Agricul-*
 4 *tural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amend-*
 5 *ed—*

6 (1) *by striking subsection (b) and inserting the*
 7 *following new subsection:*

8 “(b) *OVERALL ALLOTMENT QUANTITY.*—

9 “(1) *IN GENERAL.*—*The Secretary shall establish*
 10 *the overall quantity of sugar to be allotted for the*
 11 *crop year (in this part referred to as the ‘overall al-*
 12 *lotment quantity’)* *at a level sufficient to maintain*
 13 *raw and refined sugar prices above forfeiture levels to*
 14 *avoid the forfeiture of sugar to the Commodity Credit*
 15 *Corporation.*

16 “(2) *MINIMUM.*—*The overall allotment quantity*
 17 *established under paragraph (1) may not be less than*
 18 *85 percent of the estimated quantity of sugar for do-*
 19 *mestic human consumption for the crop year.*

20 “(3) *ADJUSTMENT.*—*Subject to paragraphs (1)*
 21 *and (2), the Secretary shall adjust the overall allot-*
 22 *ment quantity—*

23 “(A) *to maintain raw and refined sugar*
 24 *prices above forfeiture levels to avoid the for-*

1 *feiture of sugar to the Commodity Credit Cor-*
 2 *poration; and*

3 *“(B) to maintain adequate supplies of raw*
 4 *and refined sugar in the domestic market.”;*

5 *(2) in subsection (d)(2), by inserting before the*
 6 *period the following: “or in-process beet sugar”;*

7 *(3) in subsection (g)(1), by inserting at the end*
 8 *the following new sentence: “However, the overall al-*
 9 *lotment quantity may not be reduced to a quantity*
 10 *less than 85 percent of the estimated quantity of*
 11 *sugar for domestic human consumption for the crop*
 12 *year.”; and*

13 *(4) by striking subsection (h).*

14 *(d) ALLOCATION OF MARKETING ALLOTMENTS.—Sec-*
 15 *tion 359d(b) of the Agricultural Adjustment Act of 1938 (7*
 16 *U.S.C. 1359dd(b)) is amended—*

17 *(1) in paragraph (1)(F), by striking “Except as*
 18 *otherwise provided in section 359f(c)(8), if” and in-*
 19 *serting “If”; and*

20 *(2) in paragraph (2), by striking subparagraphs*
 21 *(H) and (I) and inserting the following new subpara-*
 22 *graph:*

23 *“(H) NEW ENTRANTS STARTING PRODUC-*
 24 *TION, REOPENING, OR ACQUIRING AN EXISTING*
 25 *FACTORY WITH PRODUCTION HISTORY.—*

1 “(i) *ALLOCATION FOR A NEW ENTRANT*
2 *THAT HAS CONSTRUCTED A NEW FACTORY*
3 *OR REOPENED A FACTORY THAT WAS NOT*
4 *OPERATING SINCE BEFORE 1998.—If a New*
5 *Entrant constructs a new sugar beet proc-*
6 *essing factory, or acquires and reopens a*
7 *sugar beet processing factory that last proc-*
8 *essed sugar beets prior to the 1998 crop*
9 *year and there is no allocation currently as-*
10 *sociated with the factory, the Secretary*
11 *shall—*

12 “(I) *assign an allocation for beet*
13 *sugar to the New Entrant that pro-*
14 *vides a fair and equitable distribution*
15 *of the allocations for beet sugar in*
16 *order to enable the New Entrant to*
17 *achieve a factory utilization rate com-*
18 *parable to the factory utilization rates*
19 *of other similarly situated processors;*
20 *and*

21 “(II) *reduce the allocations for*
22 *beet sugar of all other processors on a*
23 *pro rata basis to reflect the allocation*
24 *to the New Entrant.*

1 “(ii) *ALLOCATION FOR A NEW ENTRANT*
2 *THAT HAS ACQUIRED AN EXISTING FACTORY*
3 *WITH A PRODUCTION HISTORY.*—*If a New*
4 *Entrant acquires an existing factory that*
5 *has processed sugar beets from the 1998 or*
6 *later crop years and has a production his-*
7 *tory, then, upon the mutual agreement of*
8 *the New Entrant and the company cur-*
9 *rently holding the allocation associated with*
10 *the factory, the Secretary shall transfer to*
11 *the New Entrant a portion of allocation of*
12 *the current allocation holder to reflect the*
13 *historical contribution of the production of*
14 *the acquired factory to the total allocation*
15 *of the current allocation holder. In the ab-*
16 *sence of mutual agreement, the new entrant*
17 *shall be ineligible for a beet sugar alloca-*
18 *tion.*

19 “(iii) *APPEALS.*—*Any decision made*
20 *under this subsection may be appealed to*
21 *the Secretary pursuant to section 359i.*

22 “(iv) *DEFINITION.*—*In this subpara-*
23 *graph, the term ‘New Entrant’ means an*
24 *individual, corporation, or other entity that*
25 *does not have an allocation of the beet sugar*

1 *allotment under this part, is not affiliated*
2 *with any other individual, corporation, or*
3 *entity that has an allocation of beet sugar*
4 *under this part (known as a ‘third party’),*
5 *and will process sugar beets produced by*
6 *sugar beet growers under contract with the*
7 *New Entrant for the production of sugar at*
8 *the new or re-opened factory that is the*
9 *basis for the New Entrant allocation.*

10 *“(v) AFFILIATION.—For purposes of*
11 *this subparagraph, a New Entrant and a*
12 *third party shall be deemed to be ‘affiliated’*
13 *if—*

14 *“(I) the third party has an own-*
15 *ership interest in the New Entrant;*

16 *“(II) the New Entrant and the*
17 *third party have owners in common;*

18 *“(III) the third party has the*
19 *ability to exercise control over the New*
20 *Entrant by organizational rights, con-*
21 *tractual rights, or any other means;*

22 *“(IV) the third party has a con-*
23 *tractual relationship with the New En-*
24 *trant by which the New Entrant will*

1 *make use of the facilities or assets of*
 2 *such third party; or*

3 “(V) any other similar cir-
 4 cumstance exists by which the Sec-
 5 retary determines that the New En-
 6 trant and the third party are affili-
 7 ated.”.

8 (e) *REASSIGNMENT OF DEFICITS.*—Section 359e(b) of
 9 the *Agricultural Adjustment Act of 1938* (7 U.S.C.
 10 1359ee(b)) is amended in both paragraphs (1)(D) and
 11 (2)(C) by inserting “of raw cane sugar” after “imports”.

12 (f) *PROVISIONS APPLICABLE TO PRODUCERS.*—Section
 13 359f(c) of the *Agricultural Adjustment Act of 1938* (7
 14 U.S.C. 1359ff(c)) is amended—

15 (1) in paragraph (2), by striking “quantity of
 16 sugarcane” and inserting “quantity of sugar pro-
 17 duced from sugarcane”;

18 (2) in paragraph (5)(C), by inserting “for
 19 sugar” before “in excess of the farm’s proportionate
 20 share”;

21 (3) in paragraph (7), by striking “amount of
 22 sugarcane” and inserting “amount of sugar from sug-
 23 arcane”; and

24 (4) by striking paragraph (8) and inserting the
 25 following new paragraph:

1 “(8) *SEED DEFINITION.*—*In this subsection, the*
 2 *term ‘seed’ includes only varieties of seed dedicated to*
 3 *the production of sugarcane from which is produced*
 4 *sugar for human consumption, and excludes seed of*
 5 *high-fiber cane varieties dedicated to other uses, as de-*
 6 *termined by the Secretary.’.*”

7 (g) *SPECIAL RULES.*—*Section 359g of the Agricultural*
 8 *Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—*
 9 *(1) by striking subsection (a) and inserting the*
 10 *following new subsection:*

11 “(a) *TRANSFER OF ACREAGE BASE HISTORY.*—

12 “(1) *TRANSFER AUTHORIZED.*—*For the purpose*
 13 *of establishing proportionate shares for sugarcane*
 14 *farms under section 359f(c), the Secretary, on appli-*
 15 *cation of any producer, with the written consent of all*
 16 *owners of a farm, may transfer the acreage base his-*
 17 *tory of the farm to any other parcels of land of the*
 18 *applicant.*”

19 “(2) *CONVERTED ACREAGE BASE.*—

20 “(A) *IN GENERAL.*—*Sugarcane base acreage*
 21 *established under section 359f(c) that has been or*
 22 *is converted to non-agricultural use on or after*
 23 *May 13, 2002, may be transferred to other land*
 24 *suitable for the production of sugarcane that can*

1 *be delivered to a processor in a proportionate*
2 *share State in accordance with this paragraph.*

3 “(B) *NOTIFICATION.*—*Not later than 90*
4 *days after the date of the enactment of the Farm,*
5 *Nutrition, and Bioenergy Act of 2007, or the*
6 *subsequent conversion of sugarcane base acreage*
7 *to a non-agricultural use, the Secretary, acting*
8 *through the Farm Service Agency, shall notify*
9 *the affected landowner (or landowners) of the*
10 *transferability of the applicable sugarcane base*
11 *acreage.*

12 “(C) *INITIAL TRANSFER PERIOD.*—*The*
13 *owner of the base attributable to the acreage at*
14 *the time of the conversion shall be afforded 90*
15 *days from the date of the receipt of the notifica-*
16 *tion under subparagraph (B) to transfer the base*
17 *to one or more farms owned by the owner.*

18 “(D) *GROWER OF RECORD.*—*If the transfer*
19 *under subparagraph (C) cannot be accomplished*
20 *within the time period prescribed in such sub-*
21 *paragraph, then the grower of record with regard*
22 *to the base acreage on the date on which the*
23 *acreage was converted to non-agricultural use*
24 *shall be so notified, and shall be afforded 90 days*
25 *from the date of the receipt of such notification*

1 to transfer the base to one or more farms oper-
2 ated by the grower.

3 “(E) *POOL DISTRIBUTION.*—If the transfers
4 under subparagraphs (B) and (C) cannot be ac-
5 complished within the time periods prescribed
6 therein, then the county committee for the appli-
7 cable parish shall place the acreage base in a
8 pool for possible assignment to other farms. After
9 providing reasonable notice to farm owners, op-
10 erators, and growers of record in the parish, the
11 county committee shall accept requests from own-
12 ers, operators, and growers of record in the par-
13 ish. The county committee shall assign the base
14 to other farms in the parish that are eligible and
15 capable of accepting such base, based on a ran-
16 dom drawing from among the requests received
17 from owners, operators, and growers of record
18 with eligible farms.

19 “(F) *STATEWIDE REALLOCATION.*—Any
20 base remaining unassigned after the processes in
21 subparagraphs (A) through (E) shall be made
22 available to the State committee for allocation
23 among the remaining county committees in the
24 State representing parishes with farms eligible
25 for assignment of the base. The remaining base

1 *shall be reallocated to requesting county commit-*
 2 *tees based on a random drawing. Any county*
 3 *committee receiving base under this subpara-*
 4 *graph shall allocate the base to eligible farms*
 5 *using the process described in subparagraph (E).*

6 *“(G) STATUS OF REASSIGNED BASE.—Once*
 7 *reassigned pursuant to this paragraph, the acre-*
 8 *age base shall remain on the farm, and will be*
 9 *subject to the transfer provisions of paragraph*
 10 *(1).”;*

11 *(2) by striking subsection (d) and inserting the*
 12 *following new subsection:*

13 *“(d) TRANSFERS OF MILL ALLOCATIONS.—*

14 *“(1) TRANSFER AUTHORIZED.—A producer in a*
 15 *proportionate share State, upon written consent from*
 16 *all affected crop-share owners (or the representative of*
 17 *the crop-share owners) of a farm may deliver sugar-*
 18 *cane to another processing company if the additional*
 19 *delivery, when combined with such other processing*
 20 *company’s existing deliveries, does not exceed the*
 21 *processing capacity of the company.*

22 *“(2) ALLOCATION ADJUSTMENT.—Notwith-*
 23 *standing section 359d, the Secretary shall adjust the*
 24 *allocations of each of such processing companies af-*

1 *fected by a transfer under paragraph (1) to reflect the*
 2 *change in deliveries, based on—*

3 *“(A) the number of acres of sugarcane base*
 4 *being transferred; and*

5 *“(B) the pro-rata amount of allocation at*
 6 *the processing company holding the applicable*
 7 *allocation that equals the grower’s contribution*
 8 *to the processing company’s allocation for the*
 9 *sugarcane base acres being transferred.”.*

10 *(h) APPEALS.—Section 359i of the Agricultural Ad-*
 11 *justment Act of 1938 (7 U.S.C. 1359ii) is amended—*

12 *(1) in subsection (a), by inserting “or 359g(d)”*
 13 *after “359f”; and*

14 *(2) by striking subsection (c).*

15 *(i) ADMINISTRATION OF TARIFF RATE QUOTAS.—The*
 16 *Agricultural Adjustment Act of 1938 is amended by striking*
 17 *section 359k (7 U.S.C. 1359kk) and inserting the following*
 18 *new section:*

19 **“SEC. 359k. ADMINISTRATION OF TARIFF RATE QUOTAS.**

20 *“(a) ESTABLISHMENT.—Notwithstanding any other*
 21 *provision of law, at the beginning of the quota year, the*
 22 *Secretary shall establish the tariff-rate quotas for raw cane*
 23 *sugar and refined sugars at the minimum necessary to com-*
 24 *ply with obligations under international trade agreements*

1 *that have been approved by the Congress. This subsection*
2 *shall not apply to specialty sugar.*

3 “(b) *ADJUSTMENT.*—

4 “(1) *BEFORE APRIL 1.*—

5 “(A) *INITIAL ADJUSTMENT REQUIRED.*—*Be-*
6 *fore April 1 of a fiscal year, in the event that*
7 *there is an emergency shortage of sugar in the*
8 *United States market that is caused by war,*
9 *floods, hurricanes, or other natural disaster, or*
10 *other similar event, the Secretary shall take ac-*
11 *tion to increase supply as provided under sec-*
12 *tions 359c(b)(2) and 359e(b), including an in-*
13 *crease in the tariff-rate quota for raw cane sugar*
14 *to accommodate the reassignment to imports.*

15 “(B) *ADDITIONAL ADJUSTMENT.*—*If, after*
16 *adjustment under subparagraph (A), there is*
17 *still a shortage of sugar in the United States*
18 *market, and marketings of domestic sugar have*
19 *been maximized, the Secretary may increase the*
20 *tariff-rate quota for refined sugars sufficient to*
21 *accommodate the supply increase, if such further*
22 *increase will not threaten to result in the for-*
23 *feiture of sugar pledged as collateral for a loan*
24 *under section 156 of the Federal Agriculture Im-*

1 *provement and Reform Act of 1996 (7 U.S.C.*
 2 *7272).*

3 “(2) *ON OR AFTER APRIL 1.*—

4 “(A) *INITIAL ADJUSTMENT AUTHORIZED.*—
 5 *On or after April 1 of a fiscal year, the Sec-*
 6 *retary may take action to increase supply as*
 7 *provided under sections 359c(b)(2) and 359e(b),*
 8 *including an increase in the tariff-rate quota for*
 9 *raw cane sugar to accommodate the reassign-*
 10 *ment to imports.*

11 “(B) *ADDITIONAL ADJUSTMENT.*—*If, after*
 12 *adjustment under subparagraph (A), there is*
 13 *still a shortage of sugar in the United States*
 14 *market, and marketings of domestic sugar have*
 15 *been maximized, the Secretary may increase the*
 16 *tariff-rate quota for raw cane sugar if such fur-*
 17 *ther increase will not threaten to result in the*
 18 *forfeiture of sugar pledged as collateral for a*
 19 *loan under section 156 of the Federal Agriculture*
 20 *Improvement and Reform Act of 1996 (7 U.S.C.*
 21 *7272).*

22 “(c) *ORDERLY SHIPPING PATTERNS FOR MAJOR SUP-*
 23 *PLIERS.*—

24 “(1) *IN GENERAL.*—*The Secretary of Agriculture*
 25 *shall establish orderly shipping patterns for major*

1 suppliers of sugar to the United States under the tar-
 2 iff rate quotas in accordance with this subsection.

3 “(2) *VERY LARGE MAJOR SUPPLIERS.*—If a
 4 country holds quota allocations of at least 100,000
 5 metric tons of sugar, the Secretary shall allow the
 6 country to export up to 25 percent of the country’s
 7 quota allocation to the United States in each calendar
 8 quarter. Sugar permitted to enter into the United
 9 States in a calendar quarter, but not actually entered
 10 in that quarter, may be entered into the United
 11 States at any time during the remainder of the fiscal
 12 year.

13 “(3) *LARGE MAJOR SUPPLIERS.*—For countries
 14 holding quota allocations of more than 45,000 metric
 15 tons of sugar, but less than 100,000 metric tons of
 16 sugar, the Secretary shall require that the country
 17 may ship not more than 50 percent of the country’s
 18 quota sugar to the United States in the first six
 19 months of the year.”.

20 “(j) *EFFECTIVE DATE.*—The Agricultural Adjustment
 21 Act of 1938 is amended by inserting after section 359k (7
 22 U.S.C. 1359kk) the following new section:

23 **“SEC. 359l. EFFECTIVE PERIOD.**

24 *“This part shall be effective only for the 2008 through*
 25 *2012 crop years for sugar.”.*

1 (k) *TRANSITION.*—*The Secretary of Agriculture shall*
 2 *administer flexible marketing allotments for sugar for the*
 3 *2007 crop year for sugar on the terms and conditions pro-*
 4 *vided in part VII of title III of the Agricultural Adjustment*
 5 *Act of 1938, as in effect on the day before the date of the*
 6 *enactment of this Act.*

7 ***Subtitle D—Dairy-Related*** 8 ***Provisions***

9 ***SEC. 1401. DAIRY PRODUCT PRICE SUPPORT PROGRAM.***

10 (a) *SUPPORT ACTIVITIES.*—*During the period begin-*
 11 *ning on January 1, 2008, through December 31, 2012, the*
 12 *Secretary of Agriculture shall support the price of cheddar*
 13 *cheese, butter, and nonfat dry milk through the purchase*
 14 *of such products made from milk produced in the United*
 15 *States.*

16 (b) *PURCHASE PRICE.*—*To carry out subsection (a)*
 17 *during the period specified in such subsection, the Secretary*
 18 *shall purchase—*

19 (1) *cheddar cheese in blocks at not less than*
 20 *\$1.13 per pound;*

21 (2) *cheddar cheese in barrels at not less than*
 22 *\$1.10 per pound;*

23 (3) *butter at not less than \$1.05 per pound; and*

24 (4) *nonfat dry milk at not less than \$0.80 per*
 25 *pound.*

1 (c) *TEMPORARY PRICE ADJUSTMENT TO AVOID EX-*
2 *CESS INVENTORIES.*—

3 (1) *ADJUSTMENTS AUTHORIZED.*—*The Secretary*
4 *may adjust the minimum purchase prices established*
5 *under subsection (b) only as permitted under this sub-*
6 *section.*

7 (2) *CHEESE INVENTORIES IN EXCESS OF 200 MIL-*
8 *LION POUNDS.*—*If net removals for a period of 12*
9 *consecutive months exceed 200 million pounds of*
10 *cheese, but do not exceed 400 million pounds, the Sec-*
11 *retary may reduce the purchase prices under para-*
12 *graphs (1) and (2) of subsection (b) during the imme-*
13 *diately following month by not more than 10 cents*
14 *per pound.*

15 (3) *CHEESE INVENTORIES IN EXCESS OF 400 MIL-*
16 *LION POUNDS.*—*If net removals for a period of 12*
17 *consecutive months exceed 400 million pounds of*
18 *cheese, the Secretary may reduce the purchase prices*
19 *under paragraphs (1) and (2) of subsection (b) dur-*
20 *ing the immediately following month by not more*
21 *than 20 cents per pound.*

22 (4) *BUTTER INVENTORIES IN EXCESS OF 450 MIL-*
23 *LION POUNDS.*—*If net removals for a period of 12*
24 *consecutive months exceed 450 million pounds of but-*
25 *ter, but do not exceed 650 million pounds, the Sec-*

1 *retary may reduce the purchase price under sub-*
2 *section (b)(3) during the immediately following*
3 *month by not more than 10 cents per pound.*

4 *(5) BUTTER INVENTORIES IN EXCESS OF 650 MIL-*
5 *LION POUNDS.—If net removals for a period of 12*
6 *consecutive months exceed 650 million pounds of but-*
7 *ter, the Secretary may reduce the purchase price*
8 *under subsection (b)(3) during the immediately fol-*
9 *lowing month by not more than 20 cents per pound.*

10 *(6) NONFAT DRY MILK INVENTORIES IN EXCESS*
11 *OF 600 MILLION POUNDS.—If net removals for a pe-*
12 *riod of 12 consecutive months exceed 600 million*
13 *pounds of nonfat dry milk, but do not exceed 800 mil-*
14 *lion pounds, the Secretary may reduce the purchase*
15 *price under subsection (b)(4) during the immediately*
16 *following month by not more than 5 cents per pound.*

17 *(7) NONFAT DRY MILK INVENTORIES IN EXCESS*
18 *OF 800 MILLION POUNDS.—If net removals for a pe-*
19 *riod of 12 consecutive months exceed 800 million*
20 *pounds of nonfat dry milk, the Secretary may reduce*
21 *the purchase price under subsection (b)(4) during the*
22 *immediately following month by not more than 10*
23 *cents per pound.*

24 *(d) UNIFORM PURCHASE PRICE.—The prices that the*
25 *Secretary pays for cheese, butter, or nonfat dry milk, respec-*

1 tively, under subsection (a) shall be uniform for all regions
2 of the United States.

3 (e) *SALES FROM INVENTORIES.*—In the case of each
4 commodity specified in subsection (b) that is available for
5 unrestricted use in inventories of the Commodity Credit
6 Corporation, the Secretary may sell the commodity at the
7 market prices prevailing for that commodity at the time
8 of sale, except that the sale price may not be less than 110
9 percent of the minimum purchase price specified in sub-
10 section (b) for that commodity.

11 (f) *NET REMOVALS DEFINED.*—In this section, the
12 term “net removals” means—

13 (1) the sum of the quantity of a product de-
14 scribed in subsection (a) purchased by the Commodity
15 Credit Corporation under this section and the quan-
16 tity of such product exported under section 153 of the
17 Food Security Act of 1985 (15 U.S.C. 713a–14); less

18 (2) the amount of such product sold for unre-
19 stricted use by the Commodity Credit Corporation.

20 (g) *COMMODITY CREDIT CORPORATION.*—The Sec-
21 retary shall use the funds of the Commodity Credit Corpora-
22 tion to carry out this section.

23 **SEC. 1402. DAIRY FORWARD PRICING PROGRAM.**

24 (a) *PROGRAM REQUIRED.*—The Secretary of Agri-
25 culture shall establish a program under which milk pro-

1 *ducers and cooperative associations of producers are author-*
 2 *ized to voluntarily enter into forward price contracts with*
 3 *milk handlers.*

4 (b) *MINIMUM MILK PRICE REQUIREMENTS.—Pay-*
 5 *ments made by milk handlers to milk producers and cooper-*
 6 *ative associations of producers, and prices received by milk*
 7 *producers and cooperative associations, in accordance with*
 8 *the terms of a forward price contract authorized by sub-*
 9 *section (a), shall be deemed to satisfy —*

10 (1) *all uniform and minimum milk price re-*
 11 *quirements of paragraphs (B) and (F) of subsection*
 12 *(5) of section 8c of the Agricultural Adjustment Act*
 13 *(7 U.S.C. 627), reenacted with amendments by the*
 14 *Agricultural Marketing Agreement Act of 1937; and*

15 (2) *the total payment requirement of paragraph*
 16 *(C) of such subsection.*

17 (c) *MILK COVERED BY PROGRAM.—*

18 (1) *COVERED MILK.—The program shall apply*
 19 *only with respect to the marketing of federally regu-*
 20 *lated milk that—*

21 (A) *is not classified as Class I milk or oth-*
 22 *erwise intended for fluid use; and*

23 (B) *is in the current of interstate or foreign*
 24 *commerce or directly burdens, obstructs, or af-*

1 *fects interstate or foreign commerce in federally*
2 *regulated milk.*

3 (2) *RELATION TO CLASS I MILK.—To assist milk*
4 *handlers in complying with the limitation in para-*
5 *graph (1)(A) without having to segregate or otherwise*
6 *individually track the source and disposition of milk,*
7 *a milk handler may allocate milk receipts from pro-*
8 *ducers, cooperatives, and other sources that are not*
9 *subject to a forward contract to satisfy the handler's*
10 *obligations with regard to Class I milk usage.*

11 (d) *VOLUNTARY PROGRAM.—A milk handler may not*
12 *require participation in a forward pricing contract as a*
13 *condition of the handler receiving milk from a producer or*
14 *cooperative association of producers, and such producer or*
15 *cooperative association may continue to have their milk*
16 *priced under the order's minimum payment provisions. The*
17 *Secretary shall investigate complaints made by producers*
18 *or cooperative associations of coercion by handlers to enter*
19 *into forward contracts, and if the Secretary finds evidence*
20 *of such coercion, the Secretary shall take appropriate ac-*
21 *tion.*

22 (e) *DURATION.—No forward price contract may be en-*
23 *tered into under this program after September 30, 2012,*
24 *and no forward contract entered into under the program*
25 *may extend beyond September 30, 2015.*

1 **SEC. 1403. DAIRY EXPORT INCENTIVE PROGRAM.**

2 (a) *EXTENSION*.—Subsection (a) of section 153 of the
3 *Food Security Act of 1985* (15 U.S.C. 713a–14) is amended
4 by striking “2007” and inserting “2012”.

5 (b) *COMPLIANCE WITH TRADE AGREEMENTS*.—Sec-
6 tion 153 of the *Food Security Act of 1985* (15 U.S.C. 713a–
7 14) is amended—

8 (1) in subsection (c), by striking paragraph (3)
9 and inserting the following new paragraph:

10 “(3) the maximum volume of dairy product ex-
11 ports allowable consistent with the obligations of the
12 United States under the Uruguay Round Agreements
13 approved under section 101 of the Uruguay Round
14 Agreements Act (19 U.S.C. 3511) is exported under
15 the program each year (minus the volume sold under
16 section 1163 of this Act (Public Law 99–198; 7
17 U.S.C. 1731 note) during that year), except to the ex-
18 tent that the export of such a volume under the pro-
19 gram would, in the judgment of the Secretary, exceed
20 the limitations on the value set forth in subsection (f);
21 and”; and.

22 (2) in subsection (f), by striking paragraph (1)
23 and inserting the following new paragraph:

24 “(1) *FUNDS AND COMMODITIES*.—Except as pro-
25 vided in paragraph (2), the Commodity Credit Cor-
26 poration shall in each year use money and commod-

1 *ities for the program under this section in the max-*
 2 *imum amount consistent with the obligations of the*
 3 *United States under the Uruguay Round Agreements*
 4 *approved under section 101 of the Uruguay Round*
 5 *Agreements Act (19 U.S.C. 3511), minus the amount*
 6 *expended under section 1163 of this Act (Public Law*
 7 *99–198; 7 U.S.C. 1731 note) during that year.”.*

8 **SEC. 1404. REVISION OF FEDERAL MARKETING ORDER**
 9 **AMENDMENT PROCEDURES.**

10 *Subsection (17) of section 8c of the Agricultural Ad-*
 11 *justment Act (7 U.S.C. 608c), reenacted with amendments*
 12 *by the Agricultural Marketing Agreement Act of 1937, is*
 13 *amended to read as follows:*

14 “(17) *PROVISIONS APPLICABLE TO AMENDMENTS.—*

15 “(A) *APPLICABILITY TO AMENDMENTS.—The*
 16 *provisions of this section and section 8d, applicable to*
 17 *orders shall be applicable to amendments to orders.*

18 “(B) *ADVANCE NOTICE OF HEARING.—Notice of*
 19 *a hearing upon a proposed amendment to any order*
 20 *issued pursuant to this section shall be given not less*
 21 *than 3 days before the date fixed for the hearing, and*
 22 *such notice shall be deemed to be due notice of the*
 23 *hearing.*

24 “(C) *PROMPT RESPONSE TO REQUESTS FOR*
 25 *AMENDMENT HEARINGS.—Not more than 30 days*

1 *after receipt of a written request for an amendment*
2 *hearing regarding a milk marketing order, the Sec-*
3 *retary shall—*

4 *“(i) issue a denial of the request; or*

5 *“(ii) issue notice of the hearing, which shall*
6 *begin no more than 60 days, and conclude no*
7 *more than 90 days, after receipt of the request.*

8 *“(D) SUBMISSION AND USE OF EVIDENCE.—The*
9 *proponents of any amendment proposed to be made to*
10 *a milk marketing order shall file with the Secretary*
11 *all testimony and other evidence in support of the*
12 *amendment, in written form, at least 7 business days*
13 *before the date fixed for the hearing. The Secretary*
14 *shall make such written testimony and other evidence*
15 *available to interested members of the public. Subject*
16 *to any evidentiary objections and cross examination*
17 *of submitting witness, the written testimony and evi-*
18 *dence shall be entered into evidence without being*
19 *read at the hearing.*

20 *“(E) ISSUANCE OF DECISION.—The Secretary*
21 *shall issue a recommended decision on a proposed*
22 *amendment to a milk marketing order not later than*
23 *90 days after the date set by the Administrative Law*
24 *Judge for the submission of post-hearing proposed*
25 *findings and conclusions and written arguments or*

1 *briefs. The final decision shall be issued not later than*
 2 *60 days after the date on which the recommended de-*
 3 *cision was issued.*

4 “(F) *AVOIDING DUPLICATION.*—*The Secretary*
 5 *shall not be required to call a hearing on any amend-*
 6 *ment proposed to be made to a milk marketing order*
 7 *in response to an application for a hearing on such*
 8 *proposed amendment if the application requesting the*
 9 *hearing is received by the Secretary within 90 days*
 10 *after the date on which the Secretary has announced*
 11 *the decision on a previously proposed amendment to*
 12 *that order and the two proposed amendments are es-*
 13 *entially the same.”.*

14 **SEC. 1405. DAIRY INDEMNITY PROGRAM.**

15 *Section 3 of Public Law 90–484 (7 U.S.C. 450l) is*
 16 *amended by striking “2007” and inserting “2012”.*

17 **SEC. 1406. EXTENSION OF MILK INCOME LOSS CONTRACT**
 18 **PROGRAM.**

19 *Section 1502(c)(3)(B) of the Farm Security and Rural*
 20 *Investment Act of 2002 (7 U.S.C. 7982(c)(3)(B)), as amend-*
 21 *ed by section 9006(a) of the U.S. Troop Readiness, Veterans’*
 22 *Care, Katrina Recovery, and Iraq Accountability Appro-*
 23 *priations Act, 2007 (Public Law 110–28, 121 Stat. 217),*
 24 *is amended by striking “2007” and inserting “2012”.*

1 **SEC. 1407. DAIRY PROMOTION AND RESEARCH PROGRAM.**

2 (a) *EXTENSION OF PROMOTION AUTHORITY.*—Section
3 113(e)(2) of the Dairy Production Stabilization Act of 1983
4 (7 U.S.C. 4504(e)(2)) is amended by striking “2007” and
5 inserting “2012”.

6 (b) *DEFINITION OF UNITED STATES FOR PROMOTION*
7 *PROGRAM.*—Section 111 of the Dairy Production Stabiliza-
8 tion Act of 1983 (7 U.S.C. 4502) is amended—

9 (1) by striking subsection (l) and inserting the
10 following new subsection:

11 “(l) the term ‘United States’, when used in a geo-
12 graphical sense, means all of the States, the District of Co-
13 lumbia, and the Commonwealth of Puerto Rico;”;

14 (2) in subsection (m), by striking “(as defined in
15 subsection (l))”.

16 (c) *DEFINITION OF UNITED STATES FOR RESEARCH*
17 *PROGRAM.*—Section 130 of the Dairy Production Stabiliza-
18 tion Act of 1983 (7 U.S.C. 4531)) is amended by striking
19 paragraph (12) and inserting the following new paragraph:

20 “(12) the term ‘United States’, when used in a
21 geographical sense, means all of the States, the Dis-
22 trict of Columbia, and the Commonwealth of Puerto
23 Rico.”.

1 **SEC. 1408. REPORT ON DEPARTMENT OF AGRICULTURE RE-**
2 **PORTING PROCEDURES FOR NONFAT DRY**
3 **MILK.**

4 *Not later than 90 days after the date of the enactment*
5 *of this Act, the Secretary of Agriculture shall submit to Con-*
6 *gress a report regarding Department of Agriculture report-*
7 *ing procedures for nonfat dry milk and the impact of these*
8 *procedures on Federal milk marketing order minimum*
9 *prices during the period beginning on July 1, 2006, and*
10 *ending on the date of the enactment of this Act.*

11 **SEC. 1409. FEDERAL MILK MARKETING ORDER REVIEW COM-**
12 **MISSION.**

13 *(a) ESTABLISHMENT.—Subject to the availability of*
14 *appropriations to carry out this section, the Secretary of*
15 *Agriculture shall establish a commission to be known as the*
16 *“Federal Milk Marketing Order Review Commission”, in*
17 *this section referred to as the “commission”, which shall*
18 *conduct a comprehensive review and evaluation of—*

19 *(1) the current Federal milk marketing order*
20 *system; and*

21 *(2) non-Federal milk marketing order systems.*

22 *(b) ELEMENTS OF REVIEW AND EVALUATION.—As*
23 *part of the review and evaluation under subsection (a), the*
24 *commission shall consider legislative and regulatory options*
25 *for—*

1 (1) *ensuring that the competitiveness of dairy*
2 *products with other competing products in the mar-*
3 *ketplace is preserved and enhanced;*

4 (2) *enhancing the competitiveness of American*
5 *dairy producers in world markets;*

6 (3) *increasing the responsiveness of the Federal*
7 *milk marketing order system to market forces;*

8 (4) *streamlining and expediting the process by*
9 *which amendments to Federal milk market orders are*
10 *adopted;*

11 (5) *simplifying the Federal milk marketing order*
12 *system;*

13 (6) *evaluating whether the Federal milk mar-*
14 *keting order system, established during the Great De-*
15 *pression, continues to serve the interests of the public,*
16 *dairy processors, and dairy farmers;*

17 (7) *evaluating whether Federal milk marketing*
18 *orders are operating in a manner to minimize costs*
19 *to taxpayers and consumers; and*

20 (8) *evaluating the nutritional composition of*
21 *milk, including the potential benefits and costs of ad-*
22 *justing the milk content standards.*

23 (c) *MEMBERSHIP.—*

24 (1) *COMPOSITION.—The commission shall consist*
25 *of 16 members.*

1 (2) *MEMBERS.*—As soon as practicable after the
2 date on which funds are first made available to carry
3 out this section, commission members shall be ap-
4 pointed as follows:

5 (A) *Two members appointed by the Chair-*
6 *man of the Committee on Agriculture of the*
7 *House of Representatives, in consultation with*
8 *the ranking member of the Committee on Agri-*
9 *culture of the House of Representatives.*

10 (B) *Two members appointed by the Chair-*
11 *man of the Committee on Agriculture, Nutrition,*
12 *and Forestry of the Senate, in consultation with*
13 *the ranking member of the Committee on Agri-*
14 *culture, Nutrition and Forestry of the Senate.*

15 (C) *Fourteen members appointed by the*
16 *Secretary of Agriculture.*

17 (3) *SPECIAL APPOINTMENT REQUIREMENTS.*—*In*
18 *the case of the members to be appointed under para-*
19 *graph (2)(E), the Secretary shall comply with the fol-*
20 *lowing requirements:*

21 (A) *At least one member shall represent a*
22 *national consumer organization.*

23 (B) *At least four members shall represent*
24 *land-grant universities or ASCARR institution*
25 *with accredited dairy economic programs, with*

1 *two of these members being experts in the field*
2 *of economics.*

3 *(C) At least one member shall represent the*
4 *food and beverage retail sector.*

5 *(D) Four dairy producer and four dairy*
6 *processors, appointed so as to balance geo-*
7 *graphical distribution of milk production and*
8 *dairy processing, reflect all segments of dairy*
9 *processing, and represent all regions of the*
10 *United States equitably, including States that*
11 *operate outside of a Federal milk marketing*
12 *order.*

13 *(4) CHAIR.—The commission shall elect one of*
14 *its appointed members to serve as chairperson for the*
15 *duration of the commission's proceedings.*

16 *(5) VACANCY.—Any vacancy occurring before the*
17 *termination of the commission shall be filled in the*
18 *same manner as the original appointment.*

19 *(6) COMPENSATION.—Members of the commission*
20 *shall serve without compensation, but shall be reim-*
21 *bursed by the Secretary of Agriculture from existing*
22 *budget authority for necessary and reasonable ex-*
23 *penses incurred in the performance of the duties of the*
24 *commission.*

1 (d) *REPORT.*—Not later than two years after the date
2 of the first meeting of the commission, the commission shall
3 submit to the Secretary of Agriculture and Congress a re-
4 port setting forth the results of the review and evaluation
5 conducted under this section, including such recommenda-
6 tions regarding the legislative and regulatory options con-
7 sidered under subsection (b) as the commission considers
8 to be appropriate. The report findings shall reflect, to the
9 extent practicable, a consensus opinion of the commission
10 members, but the report may include majority and minor-
11 ity findings regarding those matters for which consensus
12 was not reached.

13 (e) *ADVISORY NATURE.*—The commission is wholly ad-
14 visory in nature, and the recommendations of the commis-
15 sion are non-binding.

16 (f) *NO EFFECT ON EXISTING PROGRAMS.*—The Sec-
17 retary shall not allow the existence of the commission to
18 impede, delay, or otherwise affect any decision making
19 process of the Department of Agriculture, including any
20 rulemaking procedures planned, proposed, or near comple-
21 tion.

22 (g) *ADMINISTRATIVE ASSISTANCE.*—The Secretary
23 shall provide administrative support to the commission,
24 and expend such funds as necessary from existing budget
25 authority to carry out this responsibility.

1 (h) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
 2 *authorized to be appropriated such sums as are necessary*
 3 *to carry out this section.*

4 (i) *TERMINATION.*—*The commission shall terminate*
 5 *immediately after submission of the report under subsection*
 6 *(d).*

7 ***Subtitle E—Administration***

8 ***SEC. 1501. ADMINISTRATION GENERALLY.***

9 (a) *USE OF COMMODITY CREDIT CORPORATION.*—*The*
 10 *Secretary shall use the funds, facilities, and authorities of*
 11 *the Commodity Credit Corporation to carry out this title.*

12 (b) *DETERMINATIONS BY SECRETARY.*—*A determina-*
 13 *tion made by the Secretary under this title shall be final*
 14 *and conclusive.*

15 (c) *REGULATIONS.*—

16 (1) *IN GENERAL.*—*Not later than 90 days after*
 17 *the date of the enactment of this Act, the Secretary*
 18 *and the Commodity Credit Corporation, as appro-*
 19 *priate, shall promulgate such regulations as are nec-*
 20 *essary to implement this title.*

21 (2) *PROCEDURE.*—*The promulgation of the regu-*
 22 *lations and administration of this title shall be made*
 23 *without regard to—*

1 (A) chapter 35 of title 44, United States
2 Code (commonly known as the “Paperwork Re-
3 duction Act”);

4 (B) the Statement of Policy of the Secretary
5 of Agriculture effective July 24, 1971 (36 Fed.
6 Reg. 13804), relating to notices of proposed rule-
7 making and public participation in rulemaking;
8 and

9 (C) the notice and comment provisions of
10 section 553 of title 5, United States Code.

11 (3) CONGRESSIONAL REVIEW OF AGENCY RULE-
12 MAKING.—In carrying out this subsection, the Sec-
13 retary shall use the authority provided under section
14 808 of title 5, United States Code.

15 (d) ADJUSTMENT AUTHORITY RELATED TO TRADE
16 AGREEMENTS COMPLIANCE.—

17 (1) REQUIRED DETERMINATION; ADJUSTMENT.—
18 If the Secretary determines that expenditures under
19 subtitles A through E that are subject to the total al-
20 lowable domestic support levels under the Uruguay
21 Round Agreements (as defined in section 2 of the
22 Uruguay Round Agreements Act (19 U.S.C. 3501)),
23 as in effect on the date of enactment of this Act, will
24 exceed such allowable levels for any applicable report-
25 ing period, the Secretary shall, to the maximum ex-

1 *tent practicable, make adjustments in the amount of*
 2 *such expenditures during that period to ensure that*
 3 *such expenditures do not exceed such allowable levels.*

4 (2) *CONGRESSIONAL NOTIFICATION.—Before*
 5 *making any adjustment under paragraph (1), the*
 6 *Secretary shall submit to the Committee on Agri-*
 7 *culture of the House of Representatives or the Com-*
 8 *mittee on Agriculture, Nutrition, and Forestry of the*
 9 *Senate a report describing the determination made*
 10 *under that paragraph and the extent of the adjust-*
 11 *ment to be made.*

12 **SEC. 1502. SUSPENSION OF PERMANENT PRICE SUPPORT**
 13 **AUTHORITY.**

14 (a) *AGRICULTURAL ADJUSTMENT ACT OF 1938.—The*
 15 *following provisions of the Agricultural Adjustment Act of*
 16 *1938 shall not be applicable to the 2008 through 2012 crops*
 17 *of covered commodities, peanuts, and sugar and shall not*
 18 *be applicable to milk during the period beginning on the*
 19 *date of enactment of this Act through December 31, 2012:*

20 (1) *Parts II through V of subtitle B of title III*
 21 *(7 U.S.C. 1326 et seq.).*

22 (2) *In the case of upland cotton, section 377 (7*
 23 *U.S.C. 1377).*

24 (3) *Subtitle D of title III (7 U.S.C. 1379a et*
 25 *seq.).*

1 (4) *Title IV (7 U.S.C. 1401 et seq.).*

2 (b) *AGRICULTURAL ACT OF 1949.—The following pro-*
 3 *visions of the Agricultural Act of 1949 shall not be applica-*
 4 *ble to the 2008 through 2012 crops of covered commodities,*
 5 *peanuts, and sugar and shall not be applicable to milk dur-*
 6 *ing the period beginning on the date of enactment of this*
 7 *Act and through December 31, 2012:*

8 (1) *Section 101 (7 U.S.C. 1441).*

9 (2) *Section 103(a) (7 U.S.C. 1444(a)).*

10 (3) *Section 105 (7 U.S.C. 1444b).*

11 (4) *Section 107 (7 U.S.C. 1445a).*

12 (5) *Section 110 (7 U.S.C. 1445e).*

13 (6) *Section 112 (7 U.S.C. 1445g).*

14 (7) *Section 115 (7 U.S.C. 1445k).*

15 (8) *Section 201 (7 U.S.C. 1446).*

16 (9) *Title III (7 U.S.C. 1447 et seq.).*

17 (10) *Title IV (7 U.S.C. 1421 et seq.), other than*
 18 *sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and*
 19 *1431).*

20 (11) *Title V (7 U.S.C. 1461 et seq.).*

21 (12) *Title VI (7 U.S.C. 1471 et seq.).*

22 (c) *SUSPENSION OF CERTAIN QUOTA PROVISIONS.—*
 23 *The joint resolution entitled “A joint resolution relating to*
 24 *corn and wheat marketing quotas under the Agricultural*
 25 *Adjustment Act of 1938, as amended”, approved May 26,*

1 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to
 2 the crops of wheat planted for harvest in the calendar years
 3 2008 through 2012.

4 **SEC. 1503. PAYMENT LIMITATIONS.**

5 (a) *EXTENSION AND REVISION OF LIMITATIONS.*—

6 (1) *EXTENSION.*—Sections 1001 and 1001C(a) of
 7 the Food Security Act of 1985 (7 U.S.C. 1308, 1308–
 8 3(a)) are amended by striking “Farm Security and
 9 Rural Investment Act of 2002” each place it appears
 10 (other than in subsection (d)(1) of section 1001 of
 11 such Act) and inserting “Farm, Nutrition, and Bio-
 12 energy Act of 2007”.

13 (2) *COMBINATION OF LIMITS.*—Section 1001 of
 14 the Food Security Act of 1985 (7 U.S.C. 1308) is
 15 amended by striking subsections (b) and (c) and in-
 16 serting the following new subsections:

17 “(b) *LIMITATION ON DIRECT AND COUNTER-CYCLICAL*
 18 *PAYMENTS FOR COVERED COMMODITIES (OTHER THAN*
 19 *PEANUTS).*—

20 “(1) *DIRECT PAYMENTS.*—The total amount of
 21 direct payments received, directly or indirectly, by a
 22 person or any legal entity (except a joint venture or
 23 a general partnership) in any crop year under sub-
 24 title A of title I of the Farm, Nutrition, and Bio-

1 *energy Act of 2007 for 1 or more covered commodities*
2 *(except for peanuts) may not exceed \$60,000.*

3 “(2) *COUNTER-CYCLICAL PAYMENTS.—The total*
4 *amount of counter-cyclical payments received, directly*
5 *or indirectly, by a person or any legal entity (except*
6 *a joint venture or a general partnership in any crop*
7 *year under subtitle A of title I of the Farm, Nutri-*
8 *tion, and Bioenergy Act of 2007 for one or more cov-*
9 *ered commodities (except for peanuts) may not exceed*
10 *\$65,000.*

11 “(c) *LIMITATION ON DIRECT AND COUNTER-CYCLICAL*
12 *PAYMENTS FOR PEANUTS.—*

13 “(1) *DIRECT PAYMENTS.—The total amount of*
14 *direct payments received, directly or indirectly, by a*
15 *person or any legal entity (except a joint venture or*
16 *a general partnership) in any crop year under sub-*
17 *title A of title I of the Farm, Nutrition, and Bio-*
18 *energy Act of 2007 for peanuts may not exceed*
19 *\$60,000.*

20 “(2) *COUNTER-CYCLICAL PAYMENTS.—The total*
21 *amount of counter-cyclical payments received, directly*
22 *or indirectly, by a person or any legal entity (except*
23 *a joint venture or a general partnership in any crop*
24 *year under subtitle A of title I of the Farm, Nutri-*

1 *tion, and Bioenergy Act of 2007 for peanuts may not*
 2 *exceed \$65,000.”.*

3 *(b) DIRECT CONTRIBUTION.—Section 1001 of the Food*
 4 *Security Act of 1985 (7 U.S.C. 1308) is amended—*

5 *(1) in subsection (a)—*

6 *(A) by redesignating paragraphs (2) and*
 7 *(3) as paragraphs (4) and (5), respectively; and*

8 *(B) by inserting after paragraph (1) the fol-*
 9 *lowing new paragraphs:*

10 *“(2) LEGAL ENTITY.—The term ‘legal entity’*
 11 *means an entity that is created under Federal or*
 12 *State law and that—*

13 *“(A) owns land or an agricultural com-*
 14 *modity; or*

15 *“(B) produces an agricultural commodity.*

16 *“(3) PERSON.—The term ‘person’ means a nat-*
 17 *ural person, and does not include a legal entity.”;*

18 *(2) by striking subsections (d) through (e) and*
 19 *inserting the following new subsections:*

20 *“(d) CONTRIBUTION OF PAYMENTS.—*

21 *“(1) IN GENERAL.—In implementing subsections*
 22 *(b) and (c), the Secretary shall issue such regulations*
 23 *as are necessary to ensure that the total amount of*
 24 *payments are attributed to a person by taking into*
 25 *account the direct and indirect ownership interests of*

1 *the person in a legal entity that is eligible to receive*
2 *such payments.*

3 “(2) *PAYMENTS TO A PERSON.—Every payment*
4 *made directly to a person shall be combined with the*
5 *person’s pro rata interest in payments received by a*
6 *legal entity in which the person has a direct or indi-*
7 *rect ownership interest.*

8 “(3) *PAYMENTS TO A LEGAL ENTITY.—*

9 “(A) *IN GENERAL.—Every payment made*
10 *to a legal entity shall be attributed to those per-*
11 *sons who have a direct or indirect ownership in-*
12 *terest in the legal entity.*

13 “(B) *ATTRIBUTION OF PAYMENTS.—*

14 “(i) *PAYMENT LIMITS.—Except as pro-*
15 *vided in clause (ii), payments made to a*
16 *legal entity shall not exceed the amounts*
17 *specified in subsections (b) and (c).*

18 “(ii) *EXCEPTION.—Payments made to*
19 *a joint venture or a general partnership*
20 *shall not exceed, for each payment specified*
21 *in subsections (b) and (c), the amount de-*
22 *termined by multiplying the maximum*
23 *payment amount specified in subsections*
24 *(b) and (c) by the number of persons and*
25 *legal entities (other than joint ventures and*

1 *general partnerships) that comprise the*
 2 *ownership of the joint venture or general*
 3 *partnership.*

4 “(4) *FOUR LEVELS OF ATTRIBUTION FOR EM-*
 5 *BEDDED ENTITIES.—*

6 “(A) *IN GENERAL.—Attribution of pay-*
 7 *ments made to legal entities shall be traced*
 8 *through four levels of ownership in entities.*

9 “(B) *FIRST LEVEL.—Any payments made*
 10 *to a legal entity (a first-tier entity) that is*
 11 *owned in whole or in part by a person shall be*
 12 *attributed to the person in an amount that rep-*
 13 *resents the direct ownership in the first-tier enti-*
 14 *ty by the person.*

15 “(C) *SECOND LEVEL.—Any payments made*
 16 *to a first-tier entity that is owned in whole or*
 17 *in part by another legal entity (a second-tier en-*
 18 *tity) shall be attributed to the second-tier entity*
 19 *in proportion to the second-tier entity’s owner-*
 20 *ship in the first-tier entity. If the second-tier en-*
 21 *tity is owned in whole or in part by a person,*
 22 *the amount of the payment made to the first-tier*
 23 *entity shall be attributed to the person in the*
 24 *amount that represents the indirect ownership in*
 25 *the first-tier entity by the person.*

1 “(D) *THIRD AND FOURTH LEVELS.*—The
2 *Secretary shall attribute payments at the third*
3 *and fourth tiers of ownership in the same man-*
4 *ner as specified in subparagraph (C) unless the*
5 *fourth-tier of ownership is that of a fourth-tier*
6 *entity and not that of a person, in which case*
7 *the Secretary shall reduce the amount of the pay-*
8 *ment to be made to the first-tier entity in the*
9 *amount that represents the indirect ownership in*
10 *the first-tier entity by the fourth-tier entity.*

11 “(e) *SPECIAL RULES.*—

12 “(1) *MINOR CHILDREN.*—*Payments received by a*
13 *child under the age of 18 shall be attributed to the*
14 *child’s parents, except that the Secretary shall issue*
15 *regulations which provide the conditions under which*
16 *payments received by a child under the age of 18 will*
17 *not be attributed to the child’s parents.*

18 “(2) *MARKETING COOPERATIVES.*—*Subsections*
19 *(b) and (c) shall not apply to a cooperative associa-*
20 *tion of producers with respect to commodities pro-*
21 *duced by its members which are marketed by such as-*
22 *sociation on behalf of its members but shall apply to*
23 *such producers as persons.*

24 “(3) *TRUSTS AND ESTATES.*—

1 “(A) *IN GENERAL.*—With respect to irrev-
2 ocable trusts and estates, the Secretary shall ad-
3 minister the provisions of this subtitle in such
4 manner as the Secretary determines will ensure
5 that fair and equitable treatment of the bene-
6 ficiaries of such trusts and estates.

7 “(B) *IRREVOCABLE TRUST.*—In order for a
8 trust to be considered an irrevocable trust, the
9 terms of the trust agreement must not allow for
10 modification or termination of the trust by the
11 grantor, allow for the grantor to have any future,
12 contingent, or remainder interest in the corpus
13 of the trust, or provide for the transfer of the cor-
14 pus of the trust to the remainder beneficiary in
15 less than 20 years from the date the trust is es-
16 tablished except in cases where the transfer is
17 contingent on the remainder beneficiary achiev-
18 ing at least the age of majority or is contingent
19 on the death of the grantor or income bene-
20 ficiary.

21 “(C) *REVOCABLE TRUST.*—A revocable trust
22 shall be considered to be the same person as the
23 grantor of the trust.

24 “(4) *CASH RENT TENANTS.*—

1 “(A) *DEFINITION.*—*In this paragraph, the*
 2 *term ‘cash rent tenant’ means a person or legal*
 3 *entity that rents land—*

4 “(i) *for cash; or*

5 “(ii) *for a crop share guaranteed as to*
 6 *the amount of the commodity to be paid in*
 7 *rent.*

8 “(B) *RESTRICTION.*—*A cash rent tenant*
 9 *who makes a significant contribution of active*
 10 *personal management, but not of personal labor,*
 11 *with respect to a farming operation is eligible to*
 12 *receive a payment described in subsection (b)*
 13 *only if the tenant makes a significant contribu-*
 14 *tion of equipment used in the farming operation.*

15 “(5) *FEDERAL AGENCIES.*—

16 “(A) *IN GENERAL.*—*Federal agencies shall*
 17 *not be eligible to receive any payment described*
 18 *in subsection (b) or (c).*

19 “(B) *RENTS LAND.*—*A person or legal enti-*
 20 *ty that rents land owned by a Federal agency*
 21 *may receive such payments.*

22 “(6) *STATE AND LOCAL GOVERNMENTS.*—

23 “(A) *GOVERNMENTS INELIGIBLE.*—

24 “(i) *IN GENERAL.*—*Except as provided*
 25 *in subparagraphs (B) and (C), State and*

1 *local governments and political subdivisions*
2 *and agencies of such governments, shall not*
3 *be eligible to receive payments described in*
4 *subsections (b) and (c).*

5 “(ii) *TENANTS.*—*A person or legal en-*
6 *tity that rents land owned by a State or*
7 *local government or a political subdivision*
8 *or agency of such government, may receive*
9 *payments described in subsections (b) and*
10 *(c) if they otherwise meet all applicable cri-*
11 *teria.*

12 “(B) *EXCEPTION.*—

13 “(i) *IN GENERAL.*—*Within the limita-*
14 *tion described in clause (ii), a State and the*
15 *political subdivisions and agencies of such*
16 *governments, may receive payments de-*
17 *scribed in subsections (b) and (c), if the*
18 *State or a political subdivision or agency of*
19 *such government—*

20 “(I) *is the producer of all crops*
21 *produced on a farm; and*

22 “(II) *the proceeds from the crop*
23 *production are used to maintain a*
24 *public school.*

1 “(ii) *LIMITATION.*—For each State, the
 2 total amount of payments described in sub-
 3 sections (b) and (c) that are received collec-
 4 tively by the State and all political subdivi-
 5 sions or agencies of such governments shall
 6 not exceed the amounts that one legal entity
 7 may receive in one year as specified in sub-
 8 sections (b) and (c).

9 “(C) *SHARE LEASES.*—A State and the po-
 10 litical subdivisions and agencies of such govern-
 11 ments may, without regard to the provisions of
 12 subparagraph (B), receive payments described in
 13 subsections (b) and (c) if—

14 “(i) the payments are received with re-
 15 spect to land that is share leased to a pri-
 16 vate party;

17 “(ii) the lease was in effect on the date
 18 of enactment of the Farm, Nutrition, and
 19 Bioenergy Act of 2007; and

20 “(iii) the land is used to maintain a
 21 public school.

22 “(7) *CHANGES IN FARMING OPERATIONS.*—In the
 23 administration of this subtitle, the Secretary may not
 24 approve any change in a farming operation that oth-
 25 erwise will increase the number of persons to which

1 *the limitations under this section are applied unless*
 2 *the Secretary determines that the change is bona fide*
 3 *and substantive. The addition of a family member to*
 4 *a farming operation under the criteria set out in sec-*
 5 *tion 1001A shall be considered a bona fide and sub-*
 6 *stantive change in the farming operation.*

7 “(8) *DENIAL OF PROGRAM BENEFITS.*—

8 “(A) *TWO YEAR DENIAL OF PAYMENT.*—A
 9 *person or legal entity shall be ineligible to re-*
 10 *ceive payments specified in subsections (b) and*
 11 *(c) for that year, and the succeeding crop year,*
 12 *in which the Secretary determines that the per-*
 13 *son or entity engaged in an activity in which the*
 14 *primary purpose of the activity was to avoid the*
 15 *application of the provisions of this subtitle to*
 16 *the person, legal entity or any other person or*
 17 *legal entity.*

18 “(B) *EXTENDED INELIGIBILITY.*—If the
 19 *Secretary determines that a person or legal enti-*
 20 *ty, for their benefit or the benefit of any other*
 21 *person or legal entity, has knowingly engaged in,*
 22 *or aided in the creation of fraudulent documents,*
 23 *failed to disclose material information relevant*
 24 *to the administration of this subtitle requested by*
 25 *the Secretary, or committed other equally serious*

1 *actions as identified in regulations issued by the*
2 *Secretary, the Secretary may for a period not to*
3 *exceed five crop years deny the issuance of pay-*
4 *ments to the person or legal entity.*

5 *“(C) PRO RATA DENIAL.—Payments other-*
6 *wise owed to a person or legal entity covered by*
7 *subparagraphs (A) or (B) shall be denied in a*
8 *pro rata manner based upon the ownership in-*
9 *terest of the person or legal entity in a farm, and*
10 *payments otherwise payable to the person or*
11 *legal entity who is a cash rent tenant on a farm*
12 *owned or under the control of such person or*
13 *legal entity shall be denied.*

14 *“(9) DEATH OF OWNER.—In the event of a*
15 *transfer of any ownership interest in land or a com-*
16 *modity as the result of the death of a program partic-*
17 *ipant, the new owner of such land or commodity*
18 *may, if such person is otherwise eligible to participate*
19 *in the applicable program, succeed to the prior own-*
20 *er’s contract and receive payments subject to this sec-*
21 *tion without regard to the amount of payments re-*
22 *ceived by the new owner. Payments made pursuant to*
23 *this subsection shall not exceed the amount to which*
24 *the previous owner was entitled to receive under the*

1 *terms of the contract at the time of the death of the*
 2 *prior owner.”.*

3 (c) *REPEAL OF THREE-ENTITY RULE.—Section 1001A*
 4 *of the Food Security Act of 1985 (7 U.S.C. 1308–1) is*
 5 *amended—*

6 (1) *in the section heading, by striking “**PRE-***
 7 ***VENTION OF CREATION OF ENTITIES TO QUAL-***
 8 ***IFY AS SEPARATE PERSONS”** and inserting “**NOTI-***
 9 ***FICATION OF INTERESTS”**; and*

10 (2) *by striking subsection (a) and inserting the*
 11 *following new subsection:*

12 “(a) *NOTIFICATION OF INTERESTS.—To facilitate ad-*
 13 *ministration of sections 1001 and this section, each entity*
 14 *or person receiving payments described in subsections (b)*
 15 *and (c) of section 1001 as a separate person shall provide*
 16 *to the Secretary of Agriculture, at such times and in such*
 17 *manner as prescribed by the Secretary, the name and social*
 18 *security number of each individual, or the name and tax-*
 19 *payer identification number of each entity, that holds or*
 20 *acquires an ownership interest in such separate person and*
 21 *shall provide such information regarding each entity in*
 22 *which such separate person holds an ownership interest.”.*

23 (d) *AMENDMENT FOR CONSISTENCY.—Section 1001A*
 24 *of the Food Security Act of 1985 (7 U.S.C. 1308–1) is*

1 *amended by striking subsection (b) and inserting the fol-*
2 *lowing new subsections:*

3 “(b) *ACTIVELY ENGAGED.*—

4 “(1) *IN GENERAL.*—*To be eligible to receive a*
5 *payment described in subsection (b) and (c) of section*
6 *1001, a person or legal entity must be actively en-*
7 *gaged in farming as provided in this subsection or*
8 *subsection (c).*

9 “(2) *CLASSES ACTIVELY ENGAGED.*—*Except as*
10 *provided in subsections (c) and (d)—*

11 “(A) *a person, including a person partici-*
12 *parting in a farming operation as a partner in*
13 *a general partnership, a participant in a joint*
14 *venture, a grantor of a revocable trust, or a par-*
15 *ticipant in a similar entity as determined by the*
16 *secretary, shall be considered to be actively en-*
17 *gaged in farming with respect to a farm oper-*
18 *ation if—*

19 “(i) *the person makes a significant*
20 *contribution (based on the total value of the*
21 *farming operation) to the farming oper-*
22 *ation of—*

23 “(I) *capital, equipment, or land;*
24 *and*

1 “(II) personal labor or active per-
2 sonal management;

3 “(ii) the person’s share of the profits or
4 losses from the farming operation is com-
5 mensurate with the contributions of the per-
6 son to the farming operation; and

7 “(iii) the contributions of the person
8 are at risk;

9 “(B) a legal entity that is a corporation,
10 joint stock company, association, limited part-
11 nership, charitable organization, or other similar
12 entity determined by the Secretary, including
13 any such entity participating in the farming op-
14 eration as a partner in a general partnership, a
15 participant in a joint venture, a grantor of a
16 revocable trust, or as a participant in a similar
17 entity as determined by the Secretary shall be
18 considered as actively engaged in farming with
19 respect to a farming operation if—

20 “(i) the entity separately makes a sig-
21 nificant contribution (based on the total
22 value of the farming operation) of capital,
23 equipment, or land;

24 “(ii) the stockholders or members col-
25 lectively make a significant contribution of

1 *personal labor or active personal manage-*
2 *ment to the operation; and*

3 “(iii) *the standards provided in clauses*
4 *(ii) and (iii) of paragraph (A), as applied*
5 *to the entity, are met by the entity;*

6 “(C) *if a legal entity that is a general part-*
7 *nership, joint venture, or similar entity, as de-*
8 *termined by the Secretary, separately makes a*
9 *significant contribution (based on the total value*
10 *of the farming operation involved) of capital,*
11 *equipment, or land, and the standards provided*
12 *in clauses (ii) and (iii) of paragraph (A), as ap-*
13 *plied to the entity, are met by the entity, the*
14 *partners or members making a significant con-*
15 *tribution of personal labor or active personal*
16 *management shall be considered to be actively*
17 *engaged in farming with respect to the farming*
18 *operation involved; and*

19 “(D) *in making determinations under this*
20 *subsection regarding equipment and personal*
21 *labor, the Secretary shall take into consideration*
22 *the equipment and personal labor normally and*
23 *customarily provided by farm operators in the*
24 *area involved to produce program crops.*

25 “(c) *SPECIAL CLASSES ACTIVELY ENGAGED.—*

1 “(1) *LANDOWNER*.—A person or legal entity that
2 is a landowner contributing the owned land to a
3 farming operation shall be considered to be actively
4 engaged in farming with respect to the farming oper-
5 ation if the landowner receives rent or income for
6 such use of the land based on the land’s production
7 or the operation’s operating results, and the person or
8 legal entity meets the standard provided in clauses
9 (ii) and (iii) of subsection (b)(2)(A).

10 “(2) *ADULT FAMILY MEMBER*.—With respect to a
11 farming operation when a majority of the partici-
12 pants are family members, an adult family member
13 shall be considered to be actively engaged in farming
14 with respect to the farming operation if the person—

15 “(A) makes a significant contribution,
16 based on the total value of the farming operation,
17 of active personal management or personal labor;
18 and

19 “(B) such contribution meets the standards
20 provided in clauses (ii) and (iii) of subsection
21 (b)(2)(A).

22 “(3) *SHARECROPPER*.—A sharecropper who
23 makes a significant contribution of personal labor to
24 a farming operation shall be considered to be actively
25 engaged in farming with respect to the farming oper-

1 *ation if such contribution meets the standards pro-*
 2 *vided in clauses (ii) and (iii) of subsection (b)(2)(A).*

3 *“(4) GROWERS OF HYBRID SEED.—In deter-*
 4 *mining whether a person or legal entity growing hy-*
 5 *brid seed under contract shall be considered to be ac-*
 6 *tively engaged in farming, the Secretary shall not*
 7 *take into consideration the existence of a hybrid seed*
 8 *contract.*

9 *“(5) CUSTOM FARMING SERVICES.—A person or*
 10 *legal entity receiving custom farming services will be*
 11 *considered separately eligible for payment limitation*
 12 *purposes if such person or legal entity is actively en-*
 13 *gaged in farming based on subsection (b)(2) or para-*
 14 *graphs (1) through (5) of this subsection. No other*
 15 *rules with respect to custom farming shall apply in*
 16 *making a determination under this section.*

17 *“(6) SPOUSE.—Where one spouse is determined*
 18 *to be actively engaged, the other spouse shall be deter-*
 19 *mined to have met the requirements of subclause (II)*
 20 *of subsection (b)(2)(A)(i) of this section.*

21 *“(d) CLASSES NOT ACTIVELY ENGAGED.—*

22 *“(1) CASH RENT LANDLORD.—A landlord con-*
 23 *tributing land to a farming operation shall not be*
 24 *considered to be actively engaged in farming with re-*
 25 *spect to the farming operation if the landlord receives*

1 *cash rent, or a crop share guaranteed as to the*
 2 *amount of the commodity to be paid in rent, for such*
 3 *use of the land.*

4 “(2) *OTHER PERSONS.*—Any other person deter-
 5 *mined by the Secretary as failing to meet the stand-*
 6 *ards set out in subsections (b)(2) and (c) shall not be*
 7 *considered to be actively engaged in farming with re-*
 8 *spect to a farming operation.”.*

9 *(e) TRANSITION.*—Section 1001 of the Food Security
 10 *Act of 1985 (7 U.S.C. 1308), as in effect on the day before*
 11 *the date of the enactment of this Act, shall continue to apply*
 12 *with respect to the 2007 crop of any covered commodity.*

13 **SEC. 1504. ADJUSTED GROSS INCOME LIMITATION.**

14 *(a) EXTENSION OF ADJUSTED GROSS INCOME LIMITA-*
 15 *TION.*—Section 1001D of the Food Security Act of 1985 (7
 16 *U.S.C. 1308–3a) is amended—*

17 *(1) in subsection (b)(2), by striking “Farm Secu-*
 18 *rity and Rural Investment Act of 2002” each place it*
 19 *appears and inserting “Farm, Nutrition, and Bio-*
 20 *energy Act of 2007”; and*

21 *(2) in subsection (e), by striking “2007” and in-*
 22 *serting “2012”.*

23 *(b) MODIFICATION OF LIMITATION.*—Section 1001D(b)
 24 *of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is*
 25 *amended—*

1 (1) *by striking paragraph (1) and inserting the*
2 *following new paragraph:*

3 “(1) *CAPS.—*

4 “(A) *UPPER LIMIT.—Notwithstanding any*
5 *other provision of law, an individual or entity*
6 *shall not be eligible to receive any benefit de-*
7 *scribed in paragraph (2) during a crop year if*
8 *the average adjusted gross income of the indi-*
9 *vidual or entity exceeds \$1,000,000.*

10 “(B) *PRODUCER EXEMPTION.—Notwith-*
11 *standing any other provision of law, an indi-*
12 *vidual or entity shall not be eligible to receive*
13 *any benefit described in paragraph (2) during a*
14 *crop year if the average adjusted gross income of*
15 *the individual or entity exceeds \$500,000, unless*
16 *not less than 66.66 percent of the average ad-*
17 *justed gross income of the individual or entity is*
18 *derived from farming, ranching, or forestry oper-*
19 *ations, as determined by the Secretary.”;*

20 (2) *in paragraph (2)(A), by striking “or C”;* and

21 (3) *by adding at the end the following new para-*
22 *graph:*

23 “(3) *INCOME DERIVED FROM FARMING, RANCH-*
24 *ING OR FORESTRY OPERATIONS.—In determining*
25 *what portion of the average adjusted gross income of*

1 *an individual or entity is derived from farming,*
 2 *ranching, or forestry operations, the Secretary shall*
 3 *include income derived from the following:*

4 *“(A) The production of crops, livestock, or*
 5 *unfinished raw forestry products.*

6 *“(B) The sale, including the sale of ease-*
 7 *ments and development rights, of farm, ranch, or*
 8 *forestry land or water rights.*

9 *“(C) The sale, but not as a dealer, of equip-*
 10 *ment purchased to conduct farm, ranch, or for-*
 11 *estry operations when the equipment is otherwise*
 12 *subject to depreciation expense.*

13 *“(D) The rental of land used for farming,*
 14 *ranching, or forestry operations.*

15 *“(E) The provision of production inputs*
 16 *and services to farmers, ranchers, and foresters.*

17 *“(F) The processing, storing, and trans-*
 18 *porting of farm, ranch, and forestry commod-*
 19 *ities.*

20 *“(G) The sale of land that has been used for*
 21 *agriculture.”.*

22 **SEC. 1505. ADJUSTMENTS OF LOANS.**

23 *Section 162 of the Federal Agriculture Improvement*
 24 *and Reform Act of 1996 (7 U.S.C. 7282) is amended—*

1 (1) in subsection (a), by inserting “(except for
2 cotton and long grain, medium grain, and short
3 grain rice)” after “commodity”;

4 (2) in subsection (b), by striking “Farm Security
5 and Rural Investment Act of 2002” and inserting
6 “Farm, Nutrition, and Bioenergy Act of 2007”; and

7 (3) by adding at the end the following new sub-
8 sections:

9 “(d) *ADJUSTMENT IN LOAN RATE FOR COTTON.*—

10 “(1) *ADJUSTMENT AUTHORITY.*—The Secretary
11 may make appropriate adjustments in the loan rate
12 for cotton for differences in quality factors.

13 “(2) *REVISIONS TO QUALITY ADJUSTMENTS FOR*
14 *UPLAND COTTON.*—

15 “(A) *REVISION.*—Within 180 days after the
16 date of the enactment of the Farm, Nutrition,
17 and Bioenergy Act of 2007, the Secretary, after
18 consultation with the private sector as provided
19 in paragraph (3), shall implement revisions in
20 the administration of the marketing assistance
21 loan program for upland cotton to more accu-
22 rately and efficiently reflect market values for
23 upland cotton.

1 “(B) *MANDATORY REVISIONS.*—*The revisions required under subparagraph (A) shall include the following:*

2 “(i) *The elimination or adjustment of*
3 *warehouse location differentials to reflect*
4 *market conditions.*

5 “(ii) *The establishment of differentials*
6 *for the various quality factors and staple*
7 *lengths of cotton based on a three-year,*
8 *weighted moving average of the weighted*
9 *designated spot market regions as deter-*
10 *mined by regional production.*

11 “(iii) *The elimination of any artificial*
12 *split in the premium or discount between*
13 *upland cotton with a 32 or 33 staple length*
14 *due to micronaire;*

15 “(iv) *A mechanism to ensure that no*
16 *premium or discount is established that ex-*
17 *ceeds the premium or discount associated*
18 *with a leaf grade that is one better than the*
19 *applicable color grade.*

20 “(C) *DISCRETIONARY REVISIONS.*—*The revisions under subparagraph (A) may include, at a*
21 *minimum, the following:*

1 “(i) *The use of non-spot market price*
2 *data, in addition to spot market price data,*
3 *that would enhance the accuracy of the*
4 *price information used in determining qual-*
5 *ity adjustments under this subsection.*

6 “(ii) *Adjustments in the premiums or*
7 *discounts associated with upland cotton*
8 *with a staple length of 33 or above due to*
9 *micronaire with the goal of eliminating any*
10 *unnecessary artificial splits in the calcula-*
11 *tions of such premiums or discounts.*

12 “(iii) *Such other adjustments deter-*
13 *mined appropriate by the Secretary, after*
14 *consultations conducted in accordance with*
15 *paragraph (3).*

16 “(3) *CONSULTATION WITH PRIVATE SECTOR.—*

17 “(A) *PRIOR TO REVISION.—Prior to imple-*
18 *menting any revisions to the administration of*
19 *the marketing assistance loan program for up-*
20 *land cotton, the Secretary should endeavor to*
21 *consult with an existing private sector committee*
22 *whose membership includes representatives of the*
23 *production, ginning, warehousing, cooperative,*
24 *and merchandising segments of the United States*

1 *cotton industry and that has developed rec-*
2 *ommendations concerning such revisions.*

3 “(B) *UPON REVIEW.—The Secretary shall*
4 *also consult with the committee referred to in*
5 *subparagraph (A) when conducting a review of*
6 *adjustments in the operation of the loan program*
7 *as provided in paragraph (4).*

8 “(C) *INAPPLICABILITY OF FEDERAL ADVI-*
9 *SORY COMMITTEE ACT.—The Federal Advisory*
10 *Committee Act (5 U.S.C. App.) shall not apply*
11 *to consultations under this paragraph with the*
12 *committee referred to in subparagraph (A).*

13 “(4) *REVIEW OF ADJUSTMENTS.—The Secretary*
14 *may review the operation of the upland cotton quality*
15 *adjustments implemented pursuant to this subsection*
16 *and may make further revisions to the administration*
17 *of the loan program, by either revoking or revising the*
18 *actions taken pursuant to paragraph (2)(B) or by re-*
19 *voking or revising any actions taken or authorized to*
20 *be taken under paragraph (2)(B).*

21 “(5) *ADJUSTMENTS IN EFFECT PRIOR TO REVI-*
22 *SION.—The quality differences (premiums and dis-*
23 *counts for quality factors) applicable to the upland*
24 *cotton loan program (prior to any revisions in ac-*

1 cordance with this subsection) shall be established by
 2 the Secretary by giving equal weight—

3 “(A) to loan differences for the preceding
 4 crop; and

5 “(B) to market differences for such crop in
 6 the designated United States spot markets.

7 “(e) *RICE LIMITATION*.—With respect to long grain
 8 rice and medium and short grain rice, the Secretary shall
 9 not make adjustments in the loan rates for such commod-
 10 ities, except for differences in grade and quality (including
 11 milling yields).”.

12 **SEC. 1506. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**
 13

14 Section 164 of the Federal Agriculture Improvement
 15 and Reform Act of 1996 (7 U.S.C. 7284) is amended by
 16 striking “Farm Security and Rural Investment Act of
 17 2002” each place it appears and inserting “Farm, Nutri-
 18 tion, and Bioenergy Act of 2007”.

19 **SEC. 1507. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**
 20

21 Section 166 of the Federal Agriculture Improvement
 22 and Reform Act of 1996 (7 U.S.C. 7286) is amended in
 23 subsections (a) and (c)(1) by striking “subtitle B and C
 24 of title I of the Farm Security and Rural Investment Act
 25 of 2002” each place it appears and inserting “subtitle B

1 of title I of the Farm, Nutrition, and Bioenergy Act of
2 2007”.

3 **SEC. 1508. ASSIGNMENT OF PAYMENTS.**

4 (a) *IN GENERAL.*—The provisions of section 8(g) of the
5 Soil Conservation and Domestic Allotment Act (16 U.S.C.
6 590h(g)), relating to assignment of payments, shall apply
7 to payments made under the authority of this title.

8 (b) *NOTICE.*—The producer making the assignment, or
9 the assignee, shall provide the Secretary with notice, in such
10 manner as the Secretary may require, of any assignment
11 made under this section.

12 **SEC. 1509. TRACKING OF BENEFITS.**

13 As soon as practicable after the date of enactment of
14 this Act, the Secretary shall track the benefits provided, di-
15 rectly or indirectly, to individuals and entities under titles
16 I and II and the amendments made by those titles.

17 **SEC. 1510. UPLAND COTTON STORAGE PAYMENTS.**

18 Beginning with the 2012 crop of upland cotton, the
19 Secretary may not use the funds of the Commodity Credit
20 Corporation to pay storage, handling, and other costs asso-
21 ciated with the storage of upland cotton for which a mar-
22 keting assistance loan is made under section 1201.

1 **SEC. 1511. GOVERNMENT PUBLICATION OF COTTON PRICE**

2 **FORECASTS.**

3 *Section 15 of the Agricultural Marketing Act (12*
 4 *U.S.C. 1141j) is amended by striking subsection (d).*

5 **TITLE II—CONSERVATION**

Subtitle A—Conservation Programs of the Food Security Act of 1985

Sec. 2101. Conservation reserve program.
Sec. 2102. Wetlands reserve program.
Sec. 2103. Conservation security program.
Sec. 2104. Grassland reserve program.
Sec. 2105. Environmental quality incentives program.
Sec. 2106. Regional water enhancement program.
Sec. 2107. Grassroots source water protection program.
Sec. 2108. Conservation of private grazing land.
Sec. 2109. Great Lakes basin program for soil erosion and sediment control.
Sec. 2110. Farm and ranchland protection program.
Sec. 2111. Farm viability program.
Sec. 2112. Wildlife habitat incentive program.

Subtitle B—Conservation Programs Under Other Laws

Sec. 2201. Agricultural management assistance program.
Sec. 2202. Resource Conservation and Development Program.
Sec. 2203. Small watershed rehabilitation program.

Subtitle C—Additional Conservation Programs

Sec. 2301. Chesapeake Bay program for nutrient reduction and sediment control.
Sec. 2302. Voluntary public access and habitat incentive program.

Subtitle D—Administration and Funding

Sec. 2401. Funding of conservation programs under Food Security Act of 1985.
Sec. 2402. Improved provision of technical assistance under conservation programs.
Sec. 2403. Cooperative conservation partnership initiative.
Sec. 2404. Regional equity and flexibility.
Sec. 2405. Administrative requirements for conservation programs.
Sec. 2406. Annual report on participation by specialty crop producers in conservation programs.
Sec. 2407. Promotion of market-based approaches to conservation.
Sec. 2408. Establishment of State technical committees and their responsibilities.
Sec. 2409. Payment limitations.

Subtitle E—Miscellaneous Provisions

Sec. 2501. Inclusion of income from affiliated packing and handling operations as income derived from farming for application of adjusted gross income limitation on eligibility for conservation programs.

Sec. 2502. Encouragement of voluntary sustainability practices guidelines.

Sec. 2503. Farmland resource information.

1 ***Subtitle A—Conservation Programs***
 2 ***of the Food Security Act of 1985***

3 ***SEC. 2101. CONSERVATION RESERVE PROGRAM.***

4 (a) *AUTHORIZATION AND ELIGIBLE LAND.*—*Section*
 5 *1231 of the Food Security Act of 1985 (16 U.S.C. 3831)*
 6 *is amended—*

7 (1) *in subsection (a)—*

8 (A) *by striking “2007” and inserting*
 9 *“2012”; and*

10 (B) *by inserting before the period the fol-*
 11 *lowing: “and to address issues raised by State,*
 12 *regional, and national conservation initiatives”;*
 13 *and*

14 (2) *in subsection (b)—*

15 (A) *in paragraph (1)(B)—*

16 (i) *by striking “the Farm Security and*
 17 *Rural Investment Act of 2002” and insert-*
 18 *ing “the Farm, Nutrition, and Bioenergy*
 19 *Act of 2007”; and*

20 (ii) *by striking the period at the end*
 21 *and inserting a semicolon; and*

22 (B) *in paragraph (4), by striking the semi-*
 23 *colon at the end of subparagraph (E) and insert-*
 24 *ing “; or”.*

1 (b) *MAXIMUM ENROLLMENT*.—Section 1231(d) of the
 2 *Food Security Act of 1985* (16 U.S.C. 3831(d)) is amended
 3 by striking “2007” and inserting “2012”.

4 (c) *CONSERVATION PRIORITY AREAS*.—Section 1231(f)
 5 of the *Food Security Act of 1985* (16 U.S.C. 3831(f)) is
 6 amended by striking “the Chesapeake Bay Region (Pennsyl-
 7 vania, Maryland, and Virginia)” and inserting “the Chesa-
 8 peake Bay Region”.

9 (d) *TREATMENT OF MULTI-YEAR GRASSES AND LEG-*
 10 *UMES*.—Subsection (g) of section 1231 of the *Food Security*
 11 *Act of 1985* (16 U.S.C. 3831) is amended to read as follows:

12 “(g) *MULTI-YEAR GRASSES AND LEGUMES*.—

13 “(1) *IN GENERAL*.—For purposes of this sub-
 14 chapter, alfalfa and other multi-year grasses and leg-
 15 umes in a rotation practice, approved by the Sec-
 16 retary, shall be considered agricultural commodities.

17 “(2) *CROPPING HISTORY*.—Alfalfa, when grown
 18 as part of a rotation practice, as determined by the
 19 Secretary, is an agricultural commodity subject to the
 20 cropping history criteria under subsection (b)(1)(B)
 21 for the purpose of determining whether highly erodible
 22 cropland has been planted or considered planted for
 23 4 of the 6 years referred to in such subsection.”.

24 (e) *PILOT PROGRAM FOR ENROLLMENT OF WETLAND*
 25 *AND BUFFER ACREAGE IN CONSERVATION RESERVE*.—Sec-

1 *tion 1231(h)(1)(A) of the Food Security Act of 1985 (16*
 2 *U.S.C. 3831(h)(1)(A)) is amended by striking “2007” and*
 3 *inserting “2012”.*

4 (f) *MANAGED HAYING AND GRAZING.—Section*
 5 *1232(a)(7) of the Food Security Act of 1985 (16 U.S.C.*
 6 *3832(a)(7)) is amended—*

7 (1) *in subparagraph (A)—*

8 (A) *by inserting “and prescribed grazing for*
 9 *the control of invasive species” after “biomass”;*
 10 *and*

11 (B) *by striking “and” at the end of the sub-*
 12 *paragraph;*

13 (2) *by redesignating subparagraph (B) as sub-*
 14 *paragraph (D); and*

15 (3) *by inserting after subparagraph (A) the fol-*
 16 *lowing new subparagraph:*

17 “(B) *managed grazing during the year, ex-*
 18 *cept that in permitting such grazing, the Sec-*
 19 *retary shall—*

20 “(i) *reduce the rental payment other-*
 21 *wise payable under the contract by a per-*
 22 *centage determined by the Secretary to be*
 23 *appropriate; and*

24 “(ii) *require a management plan, in-*
 25 *cluding a grazing rate, approved by the*

1 *Secretary that is consistent with section*
2 *1231(a);*

3 “(C) dryland crop production and grazing
4 practices on acreage enrolled into the conserva-
5 tion reserve enhancement program announced on
6 May 27, 1998 (63 Fed. Reg. 28965) where the
7 conservation reserve enhancement program is
8 initiated to address declining groundwater or
9 surface water resources and water quality issues
10 associated with declining groundwater or surface
11 water resources and the conservation reserve en-
12 hancement contract requires the owner or oper-
13 ator to retire a water right, except that in per-
14 mitting dryland crop production and grazing,
15 the Secretary shall—

16 “(i) develop an appropriate working
17 lands conservation plan that implements
18 conservation practices suitable to the region
19 to address soil conservation, water quality,
20 wildlife habitat, or other environmental
21 benefits;

22 “(ii) apply the provisions of section
23 11005 of the Farm, Nutrition, and Bio-
24 energy Act of 2007 in determining the eligi-
25 bility for crop insurance of dryland crop

1 *production and grazing activities allowed*
2 *under a conservation reserve enhancement*
3 *contract for the purposes of this section,*
4 *dryland crop production and grazing ac-*
5 *tivities allowed under a conservation reserve*
6 *enhancement contract shall be considered*
7 *‘noncropland’ in applying the provisions of*
8 *section 11005 of the Farm, Nutrition, and*
9 *Bioenergy Act of 2007;*

10 *“(iii) reduce the rental payment other-*
11 *wise payable under the contract by an*
12 *amount commensurate with the economic*
13 *value of the crop production or grazing ac-*
14 *tivity, while still leaving sufficient financial*
15 *incentives for the owner or operator to par-*
16 *ticipate in the conservation reserve enhance-*
17 *ment; and*

18 *“(iv) at the request of a State that has*
19 *previously entered into a conservation re-*
20 *serve enhancement program agreement, re-*
21 *negotiate the agreement to allow for the*
22 *dryland crop production and grazing in ac-*
23 *cordance with this section; and”.*

1 (g) *RENTAL RATES.*—Section 1234(c) of the Food Se-
 2 curity Act of 1985 (16 U.S.C. 3834(c)) is amended by add-
 3 ing at the end the following new paragraph:

4 “(5) *COUNTY AVERAGE MARKET DRY-LAND AND*
 5 *IRRIGATED CASH RENTAL RATES.*—

6 “(A) *ANNUAL ESTIMATES.*—Beginning not
 7 later than one year after the date of the enact-
 8 ment of the Farm, Nutrition, and Bioenergy Act
 9 of 2007, the National Agricultural Statistics
 10 Service shall conduct an annual survey of per
 11 acre estimates of county average market dry-land
 12 and irrigated cash rental rates for cropland and
 13 pastureland in all counties or equivalent sub-
 14 divisions within each State with 20,000 acres or
 15 more of cropland and pastureland.

16 “(B) *PUBLIC AVAILABILITY OF ESTI-*
 17 *MATES.*— The estimates derived as a result of the
 18 annual survey conducted under subparagraph
 19 (A) shall be maintained on a website of the De-
 20 partment of Agriculture for use by the general
 21 public.

22 “(C) *FUNDING.*—Funds to conduct the an-
 23 nual survey required by subparagraph (A) shall
 24 come from funds made available for the conserva-
 25 tion reserve program under this subchapter.”.

1 (h) *CONSERVATION RESERVE PROGRAM TRANSITION*
 2 *INCENTIVES.*—*Section 1235 of the Food Security Act of*
 3 *1985 (16 U.S.C. 3835) is amended—*

4 (1) *in subsection (c)(1)(B)—*

5 (A) *in clause (ii), by striking “or” at the*
 6 *end;*

7 (B) *by redesignating clause (iii) as clause*
 8 *(iv); and*

9 (C) *by inserting after clause (ii) the fol-*
 10 *lowing new clause:*

11 “(iii) *to facilitate a transition of land*
 12 *subject to the contract from a retired or re-*
 13 *tiring owner or operator to a beginning*
 14 *farmer or rancher, socially disadvantaged*
 15 *farmer or rancher, or limited resource farm-*
 16 *er or rancher for the purpose of returning*
 17 *some or all of the land into production*
 18 *using sustainable grazing or crop produc-*
 19 *tion methods; or”;* *and*

20 (2) *by adding at the end the following new sub-*
 21 *section:*

22 “(f) *TRANSITION OPTION FOR CERTAIN FARMERS OR*
 23 *RANCHERS.*—

24 “(1) *DUTIES OF THE SECRETARY.*—*In the case*
 25 *of a contract modification approved in order to facili-*

1 *tate the transfer of land subject to a contract from a*
2 *retired or retiring owner or operator under subsection*
3 *(c)(1)(B)(iii) to a beginning farmer or rancher, so-*
4 *cially disadvantaged farmer or rancher, or limited re-*
5 *source farmer or rancher (in this subsection referred*
6 *to as a ‘covered farmer or rancher’) the Secretary*
7 *shall—*

8 *“(A) beginning on the date that is 1 year*
9 *before the date of termination of the contract—*

10 *“(i) allow the covered farmer or ranch-*
11 *er, in conjunction with the retired or retir-*
12 *ing owner or operator, to make conservation*
13 *and land improvements; and*

14 *“(ii) allow the covered farmer or*
15 *rancher, at the election of the covered farm-*
16 *er or rancher, to begin the certification*
17 *process under the Organic Foods Production*
18 *Act of 1990 (7 U.S.C. 6501 et seq.);*

19 *“(B) beginning on the date of termination*
20 *of the contract, require the retired or retiring*
21 *owner or operator to sell or lease (under a long-*
22 *term lease or a lease with an option to purchase)*
23 *to the covered farmer or rancher the land subject*
24 *to the contract for production purposes;*

1 “(C) require the covered farmer or rancher
2 to develop and implement a comprehensive con-
3 servation plan that meets such sustainability cri-
4 teria as the Secretary may establish;

5 “(D) provide to the covered farmer or
6 rancher an opportunity to enroll in the conserva-
7 tion security program or the environmental
8 quality incentives program by not later than the
9 date on which the farmer or rancher takes pos-
10 session of the land through ownership or lease;
11 and

12 “(E) continue to make annual payments to
13 the retired or retiring owner or operator for not
14 more than an additional 2 years after the date
15 of termination of the contract, if the retired or
16 retiring owner or operator is not a family mem-
17 ber (as defined in section 1001A(b)(3)(B) of this
18 Act) of the covered farmer or rancher.

19 “(2) REENROLLMENT.—The Secretary shall pro-
20 vide to a beginning farmer or rancher, socially dis-
21 advantaged farmer or rancher, or limited resource
22 farmer or rancher described in paragraph (1) the op-
23 tion to reenroll any applicable partial field conserva-
24 tion practice that is—

1 “(A) eligible for enrollment under the con-
 2 tinuous signup requirement of section
 3 1231(h)(4)(B); and

4 “(B) part of an approved comprehensive
 5 conservation plan.”.

6 (i) *EARLY TERMINATION*.—Section 1235(e)(1) of the
 7 Food Security Act of 1985 (16 U.S.C. 3835(e)(1)) is amend-
 8 ed by striking “before January 1, 1995,”.

9 **SEC. 2102. WETLANDS RESERVE PROGRAM.**

10 (a) *ESTABLISHMENT AND PURPOSE*.—Subsection (a)
 11 of section 1237 of the Food Security Act of 1985 (16 U.S.C.
 12 3837) is amended to read as follows:

13 “(a) *ESTABLISHMENT AND PURPOSES*.—

14 “(1) *ESTABLISHMENT*.—The Secretary shall es-
 15 tablish a wetlands reserve program to assist owners of
 16 eligible lands in restoring and protecting wetlands.

17 “(2) *PURPOSES*.—The purposes of the wetlands
 18 reserve program are—

19 “(A) to restore, to create, to protect, or to
 20 enhance wetlands on lands that are eligible
 21 under subsections (c) and (d); and

22 “(B) to authorize the Secretary, at the sole
 23 discretion of the Secretary, to purchase flood-
 24 plain easements.”.

1 (b) *MAXIMUM ENROLLMENT*.—Section 1237(b) of the
2 *Food Security Act of 1985* (16 U.S.C. 3837(b)) is amend-
3 ed—

4 (1) by striking paragraph (1) and inserting the
5 following new paragraph:

6 “(1) *MAXIMUM ENROLLMENT*.—The total number
7 of acres enrolled in the wetlands reserve program shall
8 not exceed 3,605,000 acres.”; and

9 (2) by adding at the end the following new para-
10 graphs:

11 “(3) *ANNUAL ENROLLMENT GOAL*.—Of the total
12 number of acres authorized by paragraph (1), to the
13 maximum extent practicable, the Secretary shall en-
14 roll 250,000 acres in each fiscal year.

15 “(4) *FLOOD-PLAIN EASEMENTS*.—Of the acres to
16 be enrolled each fiscal year, not more than 10,000
17 acres may be enrolled using flood-plain easements.”.

18 (c) *ELIGIBLE LANDS*.—Subsection (c) of section 1237
19 of the *Food Security Act of 1985* (16 U.S.C. 3837) is
20 amended to read as follows:

21 “(c) *ELIGIBILITY*.—For purposes of enrolling land into
22 the wetland reserve program established under this sub-
23 chapter during the 2008 through 2012 fiscal years, land
24 shall be eligible to be placed into such reserve if the Sec-
25 retary determines that—

1 “(1) *in the case of wetlands—*

2 “(A) *the land maximizes wetland values*
3 *and functions and wildlife benefits;*

4 “(B) *the land is farmed wetland or con-*
5 *verted wetland, together with adjacent lands that*
6 *are functionally dependent on such wetlands, ex-*
7 *cept that converted wetlands where the conver-*
8 *sion was not commenced prior to December 23,*
9 *1985, shall not be eligible to be enrolled in the*
10 *program under this section;*

11 “(C) *the likelihood of the successful restora-*
12 *tion of such land, and the resultant wetland val-*
13 *ues, merit inclusion of the land into the program*
14 *taking into consideration the cost of such restora-*
15 *tion; and*

16 “(D) *the land consists of riparian areas, in-*
17 *cluding areas that link wetlands that are pro-*
18 *ected by easements or some other device or cir-*
19 *cumstance that achieves the same purpose as an*
20 *easement; or*

21 “(2) *in the case of flood-plain lands—*

22 “(A) *the flood-plain land has been damaged*
23 *by flooding at least once within the previous cal-*
24 *endar year, or has been subject to flood damage*
25 *at least twice within the previous 10 years; or*

1 “(B) the enrollment of other land within the
 2 flood plain would contribute to the restoration of
 3 the flood storage and flow or erosion control.”.

4 (d) *INELIGIBLE LANDS*.—Subsection (e) of section
 5 1237 of the Food Security Act of 1985 (16 U.S.C. 3837)
 6 is amended to read as follows:

7 “(e) *INELIGIBLE LAND*.—The Secretary may not ac-
 8 quire easements on—

9 “(1) in the case of wetlands—

10 “(A) land that contains timber stands es-
 11 tablished under the conservation reserve under
 12 subchapter B; or

13 “(B) pasture land established to trees under
 14 the conservation reserve under subchapter B; or

15 “(2) in the case of flood-plain lands—

16 “(A) land on which implementation of res-
 17 toration practices would not be productive; or

18 “(B) land that is subject to an existing ease-
 19 ment or deed restriction, and the easement or
 20 deed provides sufficient protection or restoration
 21 of the flood plain’s functions and values, as de-
 22 termined by the Secretary.”.

23 (e) *EASEMENTS AND AGREEMENTS*.—Section 1237A of
 24 the Food Security Act of 1985 (16 U.S.C. 3837a) is amend-
 25 ed—

1 (1) in subsection (a)(2), by inserting “if applica-
2 ble,” after “(2)”;

3 (2) in subsection (b)—

4 (A) in the matter before paragraph (1), by
5 inserting “or flood-plain land” after “values of
6 wetland”;

7 (B) in paragraph (1)(B), by inserting “or
8 flood-plain land” after “wetland”; and

9 (C) in paragraph (3), by inserting “or
10 flood-plain lands” after “wetlands”;

11 (3) in subsection (f)—

12 (A) by striking “Compensation for” in the
13 first sentence and inserting the following:

14 “(1) COMPENSATION PROVIDED; AMOUNT.—Com-
15 pensation for”; and

16 (B) by adding at the end the following new
17 paragraph:

18 “(2) METHOD FOR DETERMINATION OF FAIR
19 MARKET VALUE.—The Secretary shall determine the
20 fair market value of land under paragraph (1) based
21 on the option specified in subparagraph (A), (B), (C),
22 or (D) that results in the lowest amount of compensa-
23 tion to be paid by the Secretary:

24 “(A) A percentage of the fair market value
25 based on the Uniform Standards for Professional

1 *Appraisals Procedures, as determined by the Sec-*
 2 *retary.*

3 “(B) *A percentage of the market value deter-*
 4 *mined by an area wide market survey.*

5 “(C) *A geographic cap, prescribed in regu-*
 6 *lations issued by the Secretary.*

7 “(D) *The offer made by the owner of the*
 8 *land.”; and*

9 *(4) by adding at the end the following new sub-*
 10 *section:*

11 “(h) *ACCEPTANCE OF CONTRIBUTIONS.—The Sec-*
 12 *retary may accept and use contributions of non-Federal*
 13 *funds to administer the program under this subchapter.”.*

14 “(f) *DUTIES OF THE SECRETARY.—Section 1237C of*
 15 *the Flood Security Act of 1985 (16 U.S.C. 3837c) is amend-*
 16 *ed—*

17 *(1) in subsection (a)(1)—*

18 *(A) by inserting “including necessary*
 19 *maintenance activities,” after “values,”; and*

20 *(B) by inserting “or flood plains land”*
 21 *after “wetland”; and*

22 *(2) by striking subsection (c) and inserting the*
 23 *following new subsection:*

24 “(c) *RANKING OF OFFERS.—*

1 “(1) *IN GENERAL.*—When evaluating offers from
2 landowners, the Secretary may consider—

3 “(A) *the conservation benefits of obtaining*
4 *an easement or other interest in the land;*

5 “(B) *the cost-effectiveness of each easement*
6 *or other interest in eligible land, so as to maxi-*
7 *mize the environmental benefits per dollar ex-*
8 *pended; and*

9 “(C) *whether the landowner or another per-*
10 *son is offering to contribute financially to the*
11 *cost of the easement or other interest in the land*
12 *to leverage Federal funds.*

13 “(2) *CONSERVATION BENEFITS.*—In determining
14 the acceptability of easement offers, the Secretary may
15 take into consideration—

16 “(A) *in the case of wetlands—*

17 “(i) *the extent to which the purposes of*
18 *the easement program would be achieved on*
19 *the land;*

20 “(ii) *the productivity of the land; and*

21 “(iii) *the on-farm and off-farm envi-*
22 *ronmental threats if the land is used for the*
23 *production of agricultural commodities; and*

24 “(B) *in the case of flood-plain lands—*

1 “(i) the extent to which the purposes of
2 the easement program would be achieved on
3 the land;

4 “(ii) whether the land has been repeat-
5 edly flooded over the last ten years;

6 “(iii) the extent to which an easement
7 on the flood-plain land would contribute to
8 the restoration or management of land in
9 the area surrounding the flood-plain land;
10 and

11 “(iv) other factors, as determined by
12 the Secretary.”.

13 (g) WETLANDS RESERVE ENHANCEMENT.—Section
14 1237D(c) of the Food Security Act of 1985 (16 U.S.C.
15 3837d(c)) is amended by striking paragraph (4) and insert-
16 ing the following new paragraph:

17 “(4) WETLANDS RESERVE ENHANCEMENT.—

18 “(A) IN GENERAL.—The provisions of this
19 subchapter that limit payments to any person,
20 and section 1305(d) of the Agricultural Rec-
21 onciliation Act of 1987 (Public Law 100–203; 7
22 U.S.C. 1308 note), shall not apply to payments
23 received by a State, political subdivision, or
24 agency thereof in connection with agreements en-
25 tered into under a special wetlands reserve en-

3 “(B) AGREEMENTS.—The Secretary may
4 enter into agreements with States (including po-
5 litical subdivisions and agencies of States) re-
6 garding payments described in subparagraph
7 (A) that the Secretary determines will advance
8 the purposes of this subchapter.”.

9 (h) *AUTHORIZATION.*—*The Food Security Act of 1985*
10 *is amended by inserting after section 1237F (16 U.S.C.*
11 *3837f) the following new section:*

13 *“This subchapter is authorized to be carried out for*
14 *the 2008 through 2012 fiscal years.”.*

(a) *ESTABLISHMENT OF NEW CONSERVATION SECURITY PROGRAM THROUGH 2017.*—Subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

20 ***“Subchapter A—Conservation Security***
21 ***Program***

23 *“In this subchapter:*

24 “(1) BEGINNING FARMER OR RANCHER.—The
25 term ‘beginning farmer or rancher’ has the meaning

1 *given the term under section 343(a) of the Consoli-*
2 *dated Farm and Rural Development Act (7 U.S.C.*
3 *1991(a)).*

4 “(2) *CONSERVATION PLAN.*—*The term ‘conserva-*
5 *tion plan’ means a plan that—*

6 “(A) *identifies resources of concern, inven-*
7 *tories resources, and establishes benchmark data*
8 *and stewardship enhancement objectives;*

9 “(B) *describes improvements that will en-*
10 *able the producer to meet and exceed the steward-*
11 *ship threshold for all applicable resources of con-*
12 *cern; and*

13 “(C) *contains a schedule and evaluation*
14 *plan for the planning, installing, maintaining,*
15 *and managing new conservation practices, ac-*
16 *tivities, and management measures and main-*
17 *taining, managing, and improving existing con-*
18 *servation practices, activities, and management*
19 *measures.*

20 “(3) *CONSERVATION PRACTICE.*—*The term ‘con-*
21 *servation practice’ means a site-specific land manage-*
22 *ment practice or activity, or a supporting structural*
23 *practice, that is part of an implemented management*
24 *system designed to address a priority resource of con-*
25 *cern.*

1 “(4) *CONSERVATION SECURITY CONTRACT.*—*The*
 2 *term ‘conservation security contract’ means a con-*
 3 *tract entered into under this subchapter.*

4 “(5) *CONSERVATION SECURITY PROGRAM.*—*The*
 5 *term ‘conservation security program’ means the pro-*
 6 *gram established under section 1238A(a).*

7 “(6) *MANAGEMENT INTENSITY.*— *The term*
 8 *‘management intensity’ means the degree, scope, and*
 9 *comprehensiveness of conservation practices, activi-*
 10 *ties, or management measures taken by a producer to*
 11 *address a priority resource of concern to a level ex-*
 12 *ceeding the stewardship threshold.*

13 “(7) *NONDEGRADATION STANDARD.*—*The term*
 14 *‘nondegradation standard’ means the level of natural*
 15 *resource conservation and environmental management*
 16 *measures required to improve and sustain the status*
 17 *and condition of natural and environmental resources*
 18 *to a level that, as determined by the Secretary—*

19 “(A) *prevents impairment of soil, water,*
 20 *and air quality and the quality of fish and wild-*
 21 *life habitat; and*

22 “(B) *sustains the long-term productivity of*
 23 *agricultural resources.*

24 “(8) *PRIORITY RESOURCE OF CONCERN.*—*The*
 25 *term ‘priority resource of concern’ means a resource*

1 of concern identified by the Secretary, consistent with
 2 the requirements of section 1238C(a), that must be
 3 addressed by participants in the conservation security
 4 program in a particular watershed or other area
 5 within that State.

6 “(9) *PRODUCER*.—The term ‘producer’ means an
 7 owner, operator, landlord, tenant, or sharecropper
 8 that—

9 “(A) shares in the risk of producing any
 10 crop or livestock; and

11 “(B) is entitled to share in the crop or live-
 12 stock available for marketing from a farm (or
 13 would have shared had the crop or livestock been
 14 produced).

15 “(10) *RESOURCE-SPECIFIC INDEX*.—The term
 16 ‘resource-specific index’ means an index of manage-
 17 ment intensity or other similar index, developed by
 18 the Secretary, that estimates the expected level of re-
 19 source and environmental outcomes of the conserva-
 20 tion practices, activities, and management measures
 21 employed by a producer.

22 “(11) *SOCIALLY DISADVANTAGED FARMER OR*
 23 *RANCHER*.—The term ‘socially disadvantaged farmer
 24 or rancher’ has the meaning given the term under sec-

1 *tion 355(e) of the Consolidated Farm and Rural De-*
 2 *velopment Act (7 U.S.C. 2003(e)).*

3 “(12) *STRUCTURAL PRACTICE.*—*The term ‘struc-*
 4 *tural practice’ means a site-specific, constructed con-*
 5 *servation practice that is integrated with and essen-*
 6 *tial to the successful implementation of the system of*
 7 *land management practices and activities that are the*
 8 *basis of a conservation security contract.*

9 **“SEC. 1238A. CONSERVATION SECURITY PROGRAM.**

10 “(a) *ESTABLISHMENT AND PURPOSE.*—*The Secretary*
 11 *shall establish, and for each of fiscal years 2012 through*
 12 *2017, carry out a conservation security program to assist*
 13 *producers in improving environmental quality by address-*
 14 *ing priority resources of concern in a comprehensive man-*
 15 *ner.*

16 “(b) *ELIGIBLE PRODUCERS.*—*To be eligible to partici-*
 17 *pate in the conservation security program, a producer*
 18 *shall—*

19 “(1) *demonstrate that the producer is addressing*
 20 *at least one priority resource of concern to a min-*
 21 *imum level of management intensity determined by*
 22 *the Secretary; and*

23 “(2) *develop and submit to the Secretary, and*
 24 *obtain the approval of the Secretary of, a conserva-*
 25 *tion offer.*

1 “(c) *ELIGIBLE LAND*.—

2 “(1) *IN GENERAL*.—*Except as provided in para-*
3 *graph (2), private agricultural land (including crop-*
4 *land, grassland, prairie land, improved pasture land,*
5 *forest land and rangeland) and land under the juris-*
6 *diction of an Indian tribe (as defined by the Sec-*
7 *retary) shall be eligible for enrollment in the con-*
8 *servation security program.*

9 “(2) *EXCLUSIONS*.—

10 “(A) *LAND ENROLLED IN OTHER CONSERVA-*
11 *TION PROGRAMS*.—*Except as provided in sub-*
12 *section (f)(3)(A), the following lands are not eli-*
13 *gible for enrollment in the conservation security*
14 *program:*

15 “(i) *Lands enrolled in the conservation*
16 *reserve program under subchapter B of*
17 *chapter 1.*

18 “(ii) *Land enrolled in the wetlands re-*
19 *serve program established under subchapter*
20 *C of chapter 1.*

21 “(iii) *Land enrolled in the grassland*
22 *reserve program established under sub-*
23 *chapter C of chapter 2.*

24 “(B) *CONVERSION TO CROPLAND*.—*Land*
25 *used for crop production after October 1, 2011,*

1 *that had not been planted, considered to be*
 2 *planted, or devoted to crop production for at*
 3 *least 4 of the 6 years preceding that date (except*
 4 *for land enrolled in the conservation reserve pro-*
 5 *gram or that has been maintained using long-*
 6 *term crop rotation practices, as determined by*
 7 *the Secretary) shall not be the basis for any pay-*
 8 *ment under the conservation security program.*

9 “(d) *ECONOMIC USES.*—*With respect to eligible land*
 10 *covered by a conservation security contract, the Secretary*
 11 *shall permit economic uses of the land that—*

12 “(1) *maintain the agricultural nature of the*
 13 *land; and*

14 “(2) *are consistent with the conservation pur-*
 15 *poses of the conservation security program.*

16 “(e) *CONSERVATION SECURITY CONTRACTS.*—

17 “(1) *IN GENERAL.*—*After a determination that a*
 18 *producer is eligible for the conservation security pro-*
 19 *gram, and on approval of the conservation offer of the*
 20 *producer, the Secretary shall enter into a conservation*
 21 *security contract with the producer to enroll the land*
 22 *to be covered by the contract in the conservation secu-*
 23 *rity program.*

24 “(2) *TERM.*—*A conservation security contract*
 25 *shall be for a term of 5 years.*

1 “(3) *AGRICULTURAL OPERATION.*—*All the acres*
 2 *of the agricultural operation that are under the pro-*
 3 *ducer’s effective control at the time the producer en-*
 4 *ters into a conservation security contract shall be cov-*
 5 *ered by the conservation security contract.*

6 “(4) *PROVISIONS.*—*The conservation security*
 7 *contract of a producer shall—*

8 “(A) *include a conservation plan approved*
 9 *by the Secretary;*

10 “(B) *describe the land covered by the con-*
 11 *servation security contract;*

12 “(C) *state the amount of the stewardship*
 13 *enhancement payment the Secretary agrees to*
 14 *make to the producer each year of the conserva-*
 15 *tion security contract under section 1238C(c);*

16 “(D) *describe the new conservation practices*
 17 *and activities the producer is required to imple-*
 18 *ment during the term of the conservation secu-*
 19 *rity contract in order to increase the level of*
 20 *management intensity with which the producer*
 21 *addresses a priority resource of concern or pri-*
 22 *ority resources of concern, as designated by the*
 23 *Secretary under section 1238C(a)(1); and*

24 “(E) *include such other provisions as the*
 25 *Secretary determines necessary to ensure the con-*

1 *ervation purposes of the conservation security*
 2 *program are met.*

3 “(5) *ON-FARM RESEARCH AND DEMONSTRATION*
 4 *OR PILOT TESTING.—The Secretary may approve a*
 5 *conservation security contract that includes—*

6 “(A) *on-farm conservation research and*
 7 *demonstration activities; and*

8 “(B) *pilot testing of new technologies or in-*
 9 *novative conservation practices.*

10 “(f) *MODIFICATION.—The Secretary may allow a pro-*
 11 *ducer to modify a conservation security contract before the*
 12 *expiration of the contract if the Secretary determines that*
 13 *failure to modify the contract would significantly interfere*
 14 *with achieving the purposes of the conservation security*
 15 *program.*

16 “(g) *CONTRACT TERMINATION.—*

17 “(1) *VOLUNTARY TERMINATION.—A producer*
 18 *may terminate a conservation security contract if the*
 19 *Secretary determines that termination of the contract*
 20 *would not defeat the purposes of the conservation plan*
 21 *of the producer.*

22 “(2) *INVOLUNTARY TERMINATION.—The Sec-*
 23 *retary may terminate a contract under this sub-*
 24 *chapter if the Secretary determines that the producer*
 25 *violated the contract.*

1 “(3) *TRANSFER OR CHANGE OF INTEREST IN*
2 *LAND SUBJECT TO CONSERVATION SECURITY CON-*
3 *TRACT.*—

4 “(A) *IN GENERAL.*—*Except as provided in*
5 *subparagraph (B), the transfer, or change in the*
6 *interest, of a producer in land subject to a con-*
7 *servation security contract shall result in the ter-*
8 *mination of the conservation security contract.*

9 “(B) *TRANSFER OF DUTIES AND RIGHTS.*—
10 *Subparagraph (A) shall not apply if, within a*
11 *reasonable period of time after the date of the*
12 *transfer or change in the interest in land, the*
13 *transferee of the land provides written notice to*
14 *the Secretary that all duties and rights under the*
15 *conservation security contract have been trans-*
16 *ferred to, and assumed by, the transferee. The*
17 *Secretary shall specify what will be considered a*
18 *reasonable period of time for purposes of pro-*
19 *viding the notification required by this subpara-*
20 *graph.*

21 “(h) *CONTRACT RENEWAL.*—*At the end of an initial*
22 *conservation security contract of a producer, the Secretary*
23 *may allow the producer to renew the contract for one addi-*
24 *tional five-year period if the producer—*

1 “(1) demonstrates compliance with the terms of
2 the existing contract, including a demonstration that
3 the producer has complied with the schedule for the
4 implementation of new practices and activities in-
5 cluded in the conservation security contract and has
6 met the stated goals for increasing the level of man-
7 agement intensity with which the producer is address-
8 ing the designated priority resource of concern or pri-
9 ority resources of concern; and

10 “(2) agrees to implement and maintain such ad-
11 ditional new conservation practices and activities as
12 the Secretary determines necessary and feasible to
13 achieve higher levels of management intensity with
14 which the producer addresses the designated priority
15 resource of concern or priority resources of concern.

16 “(i) *EFFECT OF NONCOMPLIANCE DUE TO CIR-*
17 *CUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—The*
18 *Secretary shall include in the conservation security contract*
19 *a provision to ensure that a producer shall not be considered*
20 *in violation of a conservation security contract for failure*
21 *to comply with the conservation security contract due to*
22 *circumstances beyond the control of the producer, including*
23 *a disaster or related condition, as determined by the Sec-*
24 *retary.*

1 “(j) *EVALUATION OF OFFERS.*—*In evaluating applica-*
2 *tions by producers to enroll in the conservation security*
3 *program, the Secretary shall—*

4 “(1) *consider the extent to which the anticipated*
5 *environmental benefits from the contract are provided*
6 *at least cost relative to other similar activities;*

7 “(2) *consider the extent to which the producer*
8 *proposes to increase the level of performance on appli-*
9 *cable resource-specific indices or the level of manage-*
10 *ment intensity with which the producer addresses the*
11 *designated priority resources of concern;*

12 “(3) *consider the extent to which the environ-*
13 *mental benefits expected to result from the contract*
14 *complements other conservation efforts in the water-*
15 *shed or region;*

16 “(4) *consider the multiple benefits of conserva-*
17 *tion-based farming systems, including resource-con-*
18 *servation crop rotations, managed rotational grazing,*
19 *and the adoption of certified production under the*
20 *national organic production program under the Or-*
21 *ganic Foods Production Act of 1990 (7 U.S.C. 6501*
22 *et. seq.); and*

23 “(5) *develop any additional criteria for evalu-*
24 *ating applications that the Secretary determines are*

1 *necessary to ensure that national, State, and local*
 2 *conservation priorities are effectively addressed.*

3 “(k) *COORDINATION WITH ORGANIC CERTIFI-*
 4 *CATION.*—*Within 90 days after the date of the enactment*
 5 *of the Farm, Nutrition, and Bioenergy Act of 2007, the Sec-*
 6 *retary shall establish a transparent and producer-friendly*
 7 *means by which producers may coordinate and simulta-*
 8 *neously certify eligibly under a conservation security con-*
 9 *tract and under the national organic production program*
 10 *established under the Organic Foods Production Act of 1990*
 11 *(7 U.S.C. 6501 et. seq.).*

12 **“SEC. 1238B. DUTIES OF PRODUCERS.**

13 “(a) *AGREEMENT BY PRODUCER.*—*Under a conserva-*
 14 *tion security contract, a producer shall agree—*

15 “(1) *to implement during the term of the con-*
 16 *servation security contract the conservation plan ap-*
 17 *proved by the Secretary;*

18 “(2) *to maintain, and make available to the Sec-*
 19 *retary at such times as the Secretary may request,*
 20 *appropriate records showing the effective and timely*
 21 *implementation of the conservation security contract;*
 22 *and*

23 “(3) *not to engage in any activity during the*
 24 *term of the conservation security contract that would*

1 *interfere with the purposes of the conservation secu-*
2 *rity program.*

3 “(b) *EFFECT OF VIOLATION.*—*On the violation of a*
4 *term or condition of the conservation security contract of*
5 *a producer—*

6 “(1) *if the Secretary determines that the viola-*
7 *tion warrants termination of the conservation secu-*
8 *rity contract, the producer shall—*

9 “(A) *forfeit all rights to receive payments*
10 *under the conservation security contract; and*

11 “(B) *refund to the Secretary all or a por-*
12 *tion of the payments received by the producer*
13 *under the conservation security contract, includ-*
14 *ing any advance payments and interest on the*
15 *payments, as determined by the Secretary;*

16 “(2) *if the Secretary determines that the viola-*
17 *tion does not warrant termination of the conservation*
18 *security contract, the producer shall refund to the*
19 *Secretary, or accept adjustments to, the payments*
20 *provided to the producer, as the Secretary determines*
21 *to be appropriate; or*

22 “(3) *some combination of the remedies author-*
23 *ized by paragraphs (1) and (2), as determined by the*
24 *Secretary to be appropriate.*

1 **“SEC. 1238C. DUTIES OF THE SECRETARY.**

2 “(a) *IDENTIFICATION OF PRIORITY RESOURCES OF*
3 *CONCERN.*—

4 “(1) *IDENTIFICATION AT STATE LEVEL.*—*The*
5 *Secretary shall ensure that the identification of pri-*
6 *ority resources of concern is made at the State level*
7 *so that each priority resource of concern—*

8 “(A) *represents a significant environmental*
9 *concern, including watershed management or*
10 *wildlife habitat, in the State to which agricul-*
11 *tural activities are contributing; and*

12 “(B) *is likely to be addressed successfully*
13 *through the implementation of conservation*
14 *practices and other activities by producers.*

15 “(2) *LIMITATION.*—*The Secretary shall identify*
16 *not more than 5 resources of concern as priority re-*
17 *sources of concern in a particular watershed or other*
18 *appropriate region or area within a State.*

19 “(3) *ADVICE AND CONSULTATION.*—*The Sec-*
20 *retary, with the advice of the appropriate State tech-*
21 *nical committee and in consultation with Federal and*
22 *State agencies with expertise related to natural re-*
23 *sources and environmental quality, shall designate, to*
24 *the extent practicable, each priority resource of con-*
25 *cern identified under paragraph (1) as either a pri-*
26 *mary, secondary, or tertiary resource of concern.*

1 “(b) *DEVELOPMENT OF RESOURCE-SPECIFIC INDICES.*—*The Secretary shall develop resource-specific indices*
 2 *to measure the management intensity with which specific*
 3 *resources of concern are addressed, for purposes of deter-*
 4 *mining eligibility and payments for participants in the*
 5 *conservation security program.*

6 “(c) *STEWARDSHIP ENHANCEMENT PAYMENT.*—

7 “(1) *TIMING OF PAYMENT.*—*The Secretary shall*
 8 *make a payment under a conservation security con-*
 9 *tract as soon as practicable after October 1 of each*
 10 *fiscal year.*

11 “(2) *EXCLUSIONS.*—*A payment to a producer*
 12 *under this subsection shall not be provided for—*

13 “(A) *the design, construction, or mainte-*
 14 *nance of animal waste storage or treatment fa-*
 15 *cilities or associated waste transport or transfer*
 16 *devices for animal feeding operations; or*

17 “(B) *conservation practices and activities*
 18 *for which there is no net cost or loss of income*
 19 *to the producer, as determined by the Secretary.*

20 “(3) *AVAILABILITY OF PAYMENTS.*—*The Sec-*
 21 *retary shall provide a stewardship enhancement pay-*
 22 *ment to a producer under a conservation security*
 23 *contract to compensate the producer for—*
 24

1 “(A) ongoing implementation and maintenance of conservation practices, activities, and management measures in place on the producers operation at the time the conservation security contract is accepted; and

2 “(B) installation and adoption of new conservation practices, activities, and management measures or improvements to conservation practices, activities, and management measures in place on the producer’s operation, as required by the conservation security contract.

3 “(4) PAYMENT AMOUNT.—The amount of the stewardship enhancement payment shall be determined by the Secretary and shall be based, to the maximum extent feasible, on—

4 “(A) a portion of the actual costs incurred by the producer; and

5 “(B) the income forgone by the producer; and

6 “(C) resource-specific indices, in any case in which such indices have been developed and implemented..

7 “(d) PAYMENT LIMITATIONS.—An individual or entity may not receive, directly or indirectly, payments under a conservation security contract that, in the aggregate, exceed

1 \$150,000 for the 5-year term of the conservation security
2 contract, excluding funding arrangements with federally
3 recognized Indian Tribes or Alaska Native Corporations.

4 “(e) *REGULATIONS.*—The Secretary shall promulgate
5 regulations that—

6 “(1) provide for adequate safeguards to protect
7 the interests of tenants and sharecroppers, including
8 provision for sharing payments, on a fair and equi-
9 table basis; and

10 “(2) prescribe such other rules as the Secretary
11 determines to be necessary to ensure a fair and rea-
12 sonable application of the limitations established
13 under subsection (d).

14 “(f) *ALLOCATION TO STATES.*—When making alloca-
15 tions to States of funds made available to carry out the
16 conservation security program, the Secretary shall give sig-
17 nificant consideration to the extent and magnitude of the
18 environmental needs associated with agricultural produc-
19 tion in each State, the degree to which implementation of
20 the conservation security program in the State is, or will
21 be, effective in helping producers address these needs, and
22 other considerations to achieve equitable geographic dis-
23 tributions of funds, as determined by the Secretary.

24 “(g) *TECHNICAL ASSISTANCE.*—For each of fiscal
25 years 2008 through 2017, the Secretary shall provide appro-

1 *priate technical assistance to producers for the development*
 2 *and implementation of conservation security contracts, in*
 3 *an amount not to exceed 15 percent of the amounts ex-*
 4 *pended for the fiscal year.*

5 “(h) *DATA.—The Secretary shall maintain conserva-*
 6 *tion security program contract and payment data in a*
 7 *manner that provides detailed and segmented data that al-*
 8 *lows for quantification of the amount of payments made*
 9 *to producers for—*

10 “(1) *the maintenance of conservation practices,*
 11 *activities, and management measures in place on the*
 12 *producer’s operation at the time the conservation se-*
 13 *curity offer is accepted by the Secretary;*

14 “(2) *the installation and adoption of new con-*
 15 *servation practices, activities, and management meas-*
 16 *ures and the improvements to conservation practices,*
 17 *activities, and management measures in place on the*
 18 *producer’s operation at the time the conservation se-*
 19 *curity offer is accepted by the Secretary;*

20 “(3) *participation in research, demonstration,*
 21 *and pilot projects; and*

22 “(4) *the development and periodic assessment*
 23 *and evaluation of comprehensive conservation plans.”.*

24 (b) *EFFECT ON EXISTING CONSERVATION SECURITY*
 25 *CONTRACTS.—Subchapter A of chapter 2 of subtitle D of*

1 *title XII of the Food Security Act of 1985 (16 U.S.C. 3838*
 2 *et seq.), as in effect on the day before the date of the enact-*
 3 *ment of this Act, shall continue to apply to conservation*
 4 *security contracts entered into before October 1, 2007. The*
 5 *Secretary of Agriculture may continue to make payments*
 6 *under such subchapter, as so in effect, with respect to such*
 7 *a conservation security contracts during the term of the con-*
 8 *tract.*

9 (c) *PROHIBITION ON NEW CONTRACTS.—A conserva-*
 10 *tion security contract may not be entered into or renewed*
 11 *under subchapter A of chapter 2 of subtitle D of title XII*
 12 *of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.),*
 13 *as in effect on the day before the date of the enactment of*
 14 *this Act, after September 30, 2007.*

15 **SEC. 2104. GRASSLAND RESERVE PROGRAM.**

16 (a) *ENROLLMENT PRIORITY.—Subsection (b) of section*
 17 *1238N of the Food Security Act of 1985 (16 U.S.C. 3838n)*
 18 *is amended by striking paragraph (3) and inserting the fol-*
 19 *lowing new paragraph:*

20 “(3) *PRIORITY FOR LONG-TERM AGREEMENTS*
 21 *AND EASEMENTS.—Of the total number of acres en-*
 22 *rolled in the program at any one time through the*
 23 *methods described in paragraph (2)(A), the Secretary*
 24 *shall ensure that at least 60 percent of the acres were*
 25 *enrolled through the use of 30-year rental agreements*

1 *and permanent and long-term easements described in*
 2 *clause (ii) of such paragraph.”.*

3 *(b) ENROLLMENT OF ACREAGE.—Subsection (b) of sec-*
 4 *tion 1238N of the Food Security Act of 1985 (16 U.S.C.*
 5 *3838n) is amended by striking paragraph (1) and inserting*
 6 *the following new paragraph:*

7 *“(1) ENROLLMENT.—The Secretary shall enroll*
 8 *an additional 1,000,000 acres of restored or improved*
 9 *grassland, rangeland, and pastureland in the grass-*
 10 *land reserve program during fiscal years 2008*
 11 *through 2012.”.*

12 *(c) ENROLLMENT OF CONSERVATION RESERVE PRO-*
 13 *GRAM LAND.—Section 1238N of the Food Security Act of*
 14 *1985 (16 U.S.C. 3838n) is amended by adding at the end*
 15 *the following new subsections:*

16 *“(d) ENROLLMENT OF CONSERVATION RESERVE PRO-*
 17 *GRAM LAND.—*

18 *“(1) ENROLLMENT AUTHORIZED.—Subject to the*
 19 *eligibility requirements of subsection (c) and all other*
 20 *requirements of this subchapter, land enrolled in the*
 21 *conservation reserve program may be enrolled in the*
 22 *grassland reserve program if the Secretary determines*
 23 *that the land is of high ecological value and under*
 24 *significant threat of conversion to other uses.*

1 “(2) *MAXIMUM ENROLLMENT.*—*The number of*
2 *acres of conservation reserve program land enrolled*
3 *under this subsection in a calendar year shall not ex-*
4 *ceed 10 percent of the total number of acres enrolled*
5 *in the grassland reserve program in that calendar*
6 *year.*

7 “(3) *PROHIBITION ON DUPLICATION OF PAY-*
8 *MENTS.*—*Land enrolled in the program under this*
9 *subsection shall no longer be eligible for payments*
10 *under the conservation reserve program.*

11 “(e) *METHOD FOR DETERMINATION OF FAIR MARKET*
12 *VALUE.*—*The Secretary shall determine the fair market*
13 *value of land to be enrolled in program based on the option*
14 *specified in paragraph (1), (2), (3), or (4) that results in*
15 *the lowest amount of compensation to be paid by the Sec-*
16 *retary:*

17 “(1) *A percentage of the fair market value based*
18 *on the Uniform Standards for Professional Apprais-*
19 *als Procedures, as determined by the Secretary.*

20 “(2) *A percentage of the market value determined*
21 *by an area wide market survey.*

22 “(3) *A geographic cap, as prescribed in regula-*
23 *tions issued by the Secretary.*

24 “(4) *The offer made by the owner of the land.”.*

1 (d) *GRASSLAND RESERVE ENHANCEMENT.*—Section
 2 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n)
 3 is amended by inserting after subsection (d), as added by
 4 subsection (b), the following new subsection:

5 “(e) *GRASSLAND RESERVE ENHANCEMENT.*—The Sec-
 6 retary may enter into such agreements with States, includ-
 7 ing political subdivisions and agencies of States, that the
 8 Secretary determines will advance the purposes of the grass-
 9 land reserve program. Section 1305(d) of the Agricultural
 10 Reconciliation Act of 1987 (Public Law 100-203; 7 U.S.C.
 11 1308 note) shall not apply to payments received by a State
 12 or political subdivision or agency thereof in connection with
 13 such an agreement.”.

14 (e) *USE OF PRIVATE ORGANIZATIONS OR STATE*
 15 *AGENCIES.*—Section 1238Q of the Food Security Act of
 16 1985 (16 U.S.C. 3838q) is amended—

17 (1) by striking subsection (a) and inserting the
 18 following new subsection:

19 “(a) *AUTHORITY TO USE PRIVATE ORGANIZATIONS OR*
 20 *STATES.*—The Secretary shall permit a private conserva-
 21 tion or land trust organization (referred to in this section
 22 as a ‘private organization’) or a State agency to own, write,
 23 and enforce an easement under this subchapter, in lieu of
 24 the Secretary, subject to the right of the Secretary to conduct
 25 periodic inspections and enforce the easement, if—

1 “(1) the Secretary determines that granting the
2 permission will promote protection of grassland, land
3 that contains forbs, and shrubland;

4 “(2) the owner authorizes the private organiza-
5 tion or State agency to hold and enforce the easement;
6 and

7 “(3) the private organization or State agency
8 agrees to assume the costs incurred in administering
9 and enforcing the easement, including the costs of res-
10 toration or rehabilitation of the land as specified by
11 the owner and the private organization or State agen-
12 cy.”;

13 (2) in subsection (b), by striking “hold” and in-
14 serting “own, write,”; and

15 (3) in subsection (c), by striking “hold” and in-
16 serting “own, write,”.

17 **SEC. 2105. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
18 **GRAM.**

19 (a) *PURPOSES.*—Section 1240 of the Food Security
20 *Act of 1985 (16 U.S.C. 3839aa)* is amended—

21 (1) in the matter preceding paragraph (1), by
22 inserting “, forest management, organic transition,”
23 after “agricultural production”; and

24 (2) by striking paragraphs (3) and (4) and in-
25 serting the following new paragraphs:

1 “(3) *providing flexible assistance to producers to*
 2 *install and maintain conservation practices that,*
 3 *while sustaining production of food and fiber—*

4 “(A) *enhance soil, water, and related nat-*
 5 *ural resources, including grazing land,*
 6 *forestland, wetland, and wildlife; and*

7 “(B) *conserve energy;*

8 “(4) *assisting producers to make beneficial, cost*
 9 *effective changes to cropping systems, grazing man-*
 10 *agement, energy use, forest management, nutrient*
 11 *management associated with livestock, pest or irriga-*
 12 *tion management, or other practices on agricultural*
 13 *and forested land; and”.*

14 (b) *DEFINITIONS.—Section 1240A of the Food Secu-*
 15 *rity Act of 1985 (16 U.S.C. 3839aa–1) is amended—*

16 (1) *by striking paragraph (3) and inserting the*
 17 *following new paragraph:*

18 “(3) *LAND MANAGEMENT PRACTICE.—*

19 “(A) *IN GENERAL.—The term ‘land man-*
 20 *agement practice’ means a site-specific nutrient*
 21 *or manure management, integrated pest manage-*
 22 *ment, irrigation management, tillage or residue*
 23 *management, grazing management, air quality*
 24 *management, forest management, silvicultural*
 25 *practice, or other land management practice car-*

ried out on eligible land that the Secretary determines is needed to protect from degradation, in the most cost-effective manner, water, soil, or related resources.

“(B) *FOREST MANAGEMENT PRACTICES.*—For purposes of subparagraph (A), forest management practices may include activities that the Secretary determines are needed to—

“(i) improve water quality;

“(ii) restore forest biodiversity; or

“(iii) control invasive species.

“(C) *COORDINATED IMPLEMENTATION.*—A land management practice may involve multiple landowners implementing eligible conservation activities in a coordinated fashion.”;

(2) in paragraph (4), by inserting “alpacas, bison,” after “sheep,”;

(3) by redesignating paragraphs (3), (4), (5), and (6), as so amended, as paragraphs (4), (5), (6), and (8), respectively;

(4) by inserting after paragraph (2) the following new paragraph:

“(3) *INTEGRATED PEST MANAGEMENT.*—The term ‘integrated pest management’ means a sustainable approach to managing pests by combining bio-

1 *logical, cultural, physical, and chemical tools in a*
 2 *way that minimizes economic, health, an environ-*
 3 *mental risks.”; and*

4 *(5) by inserting after paragraph (6), as so redes-*
 5 *ignated, the following new paragraph:*

6 *“(7) SOCIALLY DISADVANTAGED FARMER OR*
 7 *RANCHER.—The term ‘socially disadvantaged farmer*
 8 *or rancher’ has the meaning given the term under sec-*
 9 *tion 355(e) of the Consolidated Farm and Rural De-*
 10 *velopment Act (7 U.S.C. 2003(e)).”.*

11 *(c) ELIGIBLE PRACTICES.—Section 1240B(a) of the*
 12 *Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)) is*
 13 *amended—*

14 *(1) in paragraph (1), by striking “2010” and in-*
 15 *serting “2012”; and*

16 *(2) in paragraph (2)—*

17 *(A) in subparagraph (A), by inserting “or*
 18 *receives organic certification” after “chapter”;*
 19 *and*

20 *(B) by striking subparagraph (B) and in-*
 21 *serting the following new subparagraph:*

22 *“(B) a producer that implements a land*
 23 *management practice, receives technical services*
 24 *from an approved third-party provider, develops*
 25 *a comprehensive nutrient management plan, or*

1 *implements energy efficiency improvements or*
 2 *renewable energy systems, in accordance with*
 3 *this chapter shall be eligible to receive incentive*
 4 *payments.”.*

5 *(d) BEGINNING FARMERS OR RANCHERS AND SO-*
 6 *CIALY DISADVANTAGED FARMERS OR RANCHERS.—Sec-*
 7 *tion 1240B(d)(2) of the Food Security Act of 1985 (16*
 8 *U.S.C. 3839aa–2(d)(2)) is amended by striking subpara-*
 9 *graph (A) and inserting the following new subparagraph:*

10 “(A) INCREASED COST-SHARE FOR CERTAIN
 11 PRODUCERS.—The Secretary shall increase the
 12 amount provided under paragraph (1) to a pro-
 13 ducer that is a beginning farmer or rancher, so-
 14 cially disadvantaged farmer or rancher, or lim-
 15 ited resource farmer or rancher to 90 percent of
 16 the cost of the practice, as determined by the Sec-
 17 retary.”.

18 *(e) ADDITIONAL SUPPORT FOR USE OF GASIFIER*
 19 *TECHNOLOGY.—Section 1240B(d)(2) of the Food Security*
 20 *Act of 1985 (16 U.S.C. 3839aa–2(d)(2)) is amended by add-*
 21 *ing at the end the following new subparagraph:*

22 “(C) INCREASED COST-SHARE FOR USE OF
 23 GASIFIER TECHNOLOGY.—In carrying out this
 24 chapter, the Secretary shall promote air quality
 25 by providing for a 90 percent cost share for those

1 *projects that utilize gasifier technology for the*
2 *purposes of the disposal of animal carcasses and*
3 *by-products.”.*

4 (f) *INCENTIVE PAYMENTS.*—Section 1240B(e) of the
5 *Food Security Act of 1985 (16 U.S.C. 3839aa–2(e)) is*
6 *amended—*

7 *(1) by striking paragraph (1) and inserting the*
8 *following new paragraph:*

9 “(1) *AVAILABILITY OF INCENTIVE PAYMENTS.*—
10 *The Secretary shall make incentive payments in an*
11 *amount and at a rate determined by the Secretary to*
12 *be necessary to encourage a producer—*

13 “(A) *to perform 1 or more land manage-*
14 *ment practices;*

15 “(B) *to receive technical services from an*
16 *approved third-party provider;*

17 “(C) *to develop a comprehensive nutrient*
18 *management plan; or*

19 “(D) *to implement energy efficiency im-*
20 *provements or renewable energy systems.”; and*

21 (2) *in paragraph (2), by inserting “pollinator*
22 *habitat,” after “invasive species,”.*

23 (g) *ALLOCATION OF FUNDING.*—Section 1240B(g) of
24 *the Food Security Act of 1985 (16 U.S.C. 3839aa–2(g)) is*
25 *amended—*

1 (1) *by striking “For each” and inserting the fol-*
 2 *lowing:*

3 “(1) *ALLOCATION FOR LIVESTOCK PRODUCTION*
 4 *PRACTICES.—For each”;*

5 (2) *in such paragraph, as so designated, by*
 6 *striking “2007” and inserting “2012”; and*

7 (3) *by adding at the end the following new para-*
 8 *graph:*

9 “(2) *ALLOCATION FOR CERTAIN PRODUCERS.—*
 10 *For each of fiscal years 2007 through 2012, of the*
 11 *funds made available for cost-share payments and in-*
 12 *centive payments under this chapter, the Secretary*
 13 *shall reserve, for a period of not less than 90 days*
 14 *after the date on which the funds are made available*
 15 *for the fiscal year—*

16 “(A) *not less than 5 percent for beginning*
 17 *farmers and ranchers; and*

18 “(B) *not less than 5 percent of funds for so-*
 19 *cially disadvantaged farmers and ranchers and*
 20 *limited resource farmers and ranchers.”.*

21 (h) *ELIGIBILITY OF MARKET AGENCIES AND CUSTOM*
 22 *FEEDING BUSINESSES.—Section 1240B of the Food Secu-*
 23 *rity Act of 1985 (16 U.S.C. 3839aa–2) is amended by add-*
 24 *ing at the end the following new subsection:*

1 “(i) *ELIGIBILITY OF MARKET AGENCIES AND CUSTOM*
 2 *FEEDING BUSINESSES FOR ASSISTANCE.*—A market agency
 3 (as defined in section 301(c) of the Packers and Stockyards
 4 Act, 1921 (7 U.S.C. 201(c))) or custom feeding business
 5 may receive technical assistance, cost-share payments, or
 6 incentive payments under the program. Any reference to
 7 ‘producer’ in this chapter shall be deemed to include a mar-
 8 ket agency or custom feeding business.”.

9 (i) *EVALUATION OF APPLICATIONS FOR COST-SHARE*
 10 *PAYMENTS AND INCENTIVE PAYMENTS.*—Section 1240C of
 11 the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is
 12 amended to read as follows:

13 **“SEC. 1240C. EVALUATION OF APPLICATIONS FOR COST-**
 14 **SHARE PAYMENTS AND INCENTIVE PAY-**
 15 **MENTS.**

16 “(a) *PRIORITIES AND GROUPING OF APPLICATIONS.*—
 17 In evaluating applications for cost-share payments and in-
 18 centive payments, the Secretary shall—

19 “(1) prioritize applications based on their over-
 20 all level of cost-effectiveness to ensure that the con-
 21 servation practices and approaches proposed are the
 22 most efficient means of achieving the anticipated en-
 23 vironmental benefits of the project;

1 “(2) *prioritize applications based on how effec-*
 2 *tively and comprehensively the project addresses the*
 3 *designated resource concern or resource concerns;*

4 “(3) *prioritize applications that best fulfill the*
 5 *purpose of the environmental quality incentives pro-*
 6 *gram specified in section 1240(1);*

7 “(4) *develop criteria for evaluating applications*
 8 *that will ensure that national, State, and local con-*
 9 *servation priorities are effectively addressed; and*

10 “(5) *to the greatest extent practicable, group ap-*
 11 *plications of similar crop or livestock operations for*
 12 *evaluation purposes or otherwise evaluate applica-*
 13 *tions relative to other applications for similar farm-*
 14 *ing operations.*

15 “(b) *EVALUATION PROCESS.—The Secretary shall en-*
 16 *sure that the evaluation process is as streamlined and effi-*
 17 *cient as practicable in the case of applications that—*

18 “(1) *involve operations with substantial and*
 19 *sound environmental management systems; and*

20 “(2) *seek a single practice or a limited number*
 21 *of practices to further improve the environmental per-*
 22 *formance of that system.”.*

23 “(j) *DUTIES OF PRODUCERS.—Section 1240D(2) of the*
 24 *Food Security Act of 1985 (16 U.S.C. 3839aa–4(2)) is*

1 amended by striking “or ranch” and inserting “, ranch,
2 or forestland”.

3 (k) *PROGRAM PLAN*.—Section 1240E of the Food Secu-
4 rity Act of 1985 (16 U.S.C. 3839aa–5) is amended by strik-
5 ing subsections (a) and (b) and inserting the following new
6 subsections:

7 “(a) *PLAN OF OPERATIONS*.—To be eligible to receive
8 cost-share payments or incentive payments under the pro-
9 gram, a producer shall submit to the Secretary for approval
10 a plan of operations that—

11 “(1) specifies practices covered under the pro-
12 gram;

13 “(2) includes such terms and conditions as the
14 Secretary considers necessary to carry out the pro-
15 gram, including a description of the purposes to be
16 met by the implementation of the plan;

17 “(3) in the case of a confined livestock feeding
18 operation, provides for development and implementa-
19 tion of a comprehensive nutrient management plan, if
20 applicable; and

21 “(4) in the case of forestland, is consistent with
22 the provisions of a forest management plan meeting
23 with the approval of the Secretary, which may in-
24 clude a forest stewardship plan, as specified in section
25 5 of the Cooperative Forestry Assistance Act of 1978

1 (16 U.S.C. 2103a), other practice plan approved by
 2 the State forester, or other plan determined appro-
 3 priate by the Secretary.

4 “(b) AVOIDANCE OF DUPLICATION.—The Secretary
 5 shall—

6 “(1) consider a permit acquired under a water
 7 or air quality regulatory program as the equivalent
 8 of a plan of operations under subsection (a); and

9 “(2) to the maximum extent practicable, elimi-
 10 nate duplication of planning activities under the pro-
 11 gram under this chapter and comparable conservation
 12 programs.”.

13 (l) DUTIES OF THE SECRETARY.—Section 1240F of
 14 the Food Security Act of 1985 (16 U.S.C. 3839aa–6) is
 15 amended—

16 (1) by striking “To the extent” and inserting
 17 “(a) PROVISION OF ASSISTANCE.—To the extent”;
 18 and

19 (2) by adding at the end the following new sub-
 20 section:

21 “(b) WATER SAVINGS.—In the case of a practice pri-
 22 marily intended to conserve water, the Secretary may pro-
 23 vide assistance to a producer under this section only if the
 24 Secretary determines that—

1 “(1) the practice results in a minimum reduc-
 2 tion, as determined by the Secretary, in the total con-
 3 sumptive use of ground water or surface water re-
 4 sources affected by the practice;

5 “(2) any saved water remains in the source for
 6 the useful life of the practice; and

7 “(3) the practice will not result, directly or indi-
 8 rectly, in an increase in the consumptive use of water
 9 in the agriculture operation of the producer.”.

10 (m) CONSERVATION INNOVATION GRANTS.—Section
 11 1240H of the Food Security Act of 1985 (16 U.S.C.
 12 3839aa–8) is amended to read as follows:

13 **“SEC. 1240H. CONSERVATION INNOVATION GRANTS.**

14 “(a) COMPETITIVE GRANTS.—The Secretary shall pay
 15 the cost of competitive grants that are intended to stimulate
 16 innovative approaches to leveraging Federal investment in
 17 environmental enhancement and protection, in conjunction
 18 with agricultural production or forest resource manage-
 19 ment, through the program.

20 “(b) USE.—The Secretary may provide grants under
 21 this section to governmental and non-governmental organi-
 22 zations and persons, on a competitive basis, to carry out
 23 projects that—

24 “(1) involve producers that are eligible for pay-
 25 ments or technical assistance under the program;

1 “(2) leverage funds made available to carry out
 2 the program under this chapter with matching funds
 3 provided by State and local governments and private
 4 organizations to promote environmental enhancement
 5 and protection in conjunction with agricultural pro-
 6 duction;

7 “(3) ensure efficient and effective transfer of in-
 8 novative technologies and approaches demonstrated
 9 through projects that receive funding under this sec-
 10 tion; and

11 “(4) provide environmental and resource con-
 12 servation benefits through increased participation by
 13 producers of specialty crops.

14 “(c) *PILOT PROGRAM FOR COMPREHENSIVE CON-*
 15 *SERVATION PLANNING.*—

16 “(1) *PILOT PROGRAM REQUIRED.*—*The Secretary*
 17 *shall establish a pilot program to undertake com-*
 18 *prehensive conservation planning to assist producers*
 19 *before they submit an application for assistance*
 20 *under any of the conservation programs authorized by*
 21 *this subtitle.*

22 “(2) *CONSERVATION PLANNING ASSISTANCE.*—
 23 *The Secretary shall undertake pilot projects under the*
 24 *pilot program in the locations specified in paragraph*
 25 *(3) to assist producers by making a comprehensive as-*

1 *assessment of the resource concerns, needs, and alter-*
2 *native solutions for the producer's entire operation, as*
3 *determined by the Secretary, following the procedures*
4 *in the Natural Resources Conservation Service con-*
5 *servation planning manual. The assistance shall be*
6 *provided by the Secretary directly or through third*
7 *party providers certified by the Secretary, and shall*
8 *not be at the expense of the producer. The results of*
9 *the comprehensive planning assistance shall be pro-*
10 *vided to the producer to enable informed choices on*
11 *the type of financial assistance available under this*
12 *subtitle that would most effectively address the re-*
13 *source needs of the operation consistent with the envi-*
14 *ronmental goals for the area in which the operation*
15 *is located.*

16 *“(3) PILOT PROJECTS.—Pilot projects in com-*
17 *prehensive conservation planning shall be undertaken*
18 *in the Chesapeake Bay watershed, and shall include*
19 *the identification of hydrologic, soil, and rural land*
20 *use factors that are unique to the Delmarva Penin-*
21 *sula.*

22 *“(4) REPORT.—The Secretary shall conduct an*
23 *assessment of the effectiveness of the pilot program*
24 *and publish a report, available to the public, of the*
25 *results of the assessment. Such assessments shall be*

1 *undertaken in the second year and the fifth year of*
2 *the pilot program.*

3 “(d) *FUNDING.*—

4 “(1) *AVAILABILITY OF FUNDS.*—Of the funds
5 *made available under section 1241(a)(6) for fiscal*
6 *years 2008 through 2012, the Secretary shall use*
7 *\$30,000,000 for fiscal year 2008, \$35,000,000 for fis-*
8 *cal year 2009, \$50,000,000 for fiscal year 2010,*
9 *\$60,000,000 for fiscal year 2011, and \$75,000,000 for*
10 *fiscal year 2012.*

11 “(2) *OUTREACH FOR CERTAIN PRODUCERS.*—Of
12 *the funds made available under paragraph (1) for a*
13 *fiscal year, the Secretary shall use \$5,000,000 to make*
14 *grants to support effective outreach and innovative*
15 *approaches for outreach and to serve organic pro-*
16 *ducers and producers of specialty crops (as defined in*
17 *section 3 of the Specialty Crops Competitiveness Act*
18 *of 2004 (Public Law 108–465; 7 U.S.C. 1621 note).*

19 “(3) *COMPREHENSIVE CONSERVATION PLAN-*
20 *NING.*—Of the funds made available under paragraph
21 *(1) for a fiscal year, the Secretary shall use*
22 *\$5,000,000 to carry out the comprehensive conserva-*
23 *tion planning pilot program under subsection (c).*

24 “(4) *AIR QUALITY.*—Of the funds made available
25 *under paragraph (1), the Secretary shall use*

1 \$10,000,000 for fiscal year 2008, \$15,000,000 for fis-
 2 cal year 2009, \$30,000,000 for fiscal year 2010,
 3 \$40,000,000 for fiscal year 2011, and \$55,000,000 for
 4 fiscal year 2012 to support air quality improvement
 5 and performance incentives for States to help meet
 6 State and local regulatory requirements related to air
 7 quality.”.

8 **SEC. 2106. REGIONAL WATER ENHANCEMENT PROGRAM.**

9 (a) *PURPOSE AND GOALS.*—The purpose of this section
 10 is to authorize a regional water enhancement program,
 11 within the environmental quality incentives program, to
 12 enhance performance-based, cost-effective conservation car-
 13 ried out through cooperative agreements entered into by the
 14 Secretary of Agriculture with producers, governmental enti-
 15 ties, and Indian tribes. The goal of the program is to im-
 16 prove water quality or ground and surface water quantity
 17 through coordinated program activities on agricultural
 18 lands. The Secretary will develop goals and provide coordi-
 19 nated program assistance for water quality or water quan-
 20 tity improvement projects.

21 (b) *ESTABLISHMENT OF PROGRAM.*—Section 1240I of
 22 the Food Security Act of 1985 (16 U.S.C. 3839aa–9) is
 23 amended to read as follows:

24 **“SEC. 1240I. REGIONAL WATER ENHANCEMENT PROGRAM.**

25 “(a) *DEFINITIONS.*—In this section:

1 “(1) *REGIONAL WATER ENHANCEMENT ACTIVITIES.*—*The term ‘regional water enhancement activities’ includes resource condition assessment and modeling, water quality, water quantity or water conservation plan development, management system and environmental monitoring and evaluation, cost-share of restoration or enhancement projects, incentive payments for land management practices, easement purchases, conservation contracts with landowners, improved irrigation systems, water banking and other forms of water transactions, groundwater recharge and other conservation related activities that the Secretary determines will help to achieve the water quality or water quantity benefits on agricultural lands identified in a partnership agreement.*

16 “(2) *PARTNERSHIP AGREEMENT.*—*The term ‘partnership agreement’ means an agreement between the Secretary and a partner under subsection (d).*

19 “(3) *PARTNER.*—*The term ‘partner’ means an entity that enters into a partnership agreement with the Secretary to carry out regional water enhancement activities. The term includes—*

23 “(A) *an agricultural producer, agricultural or silvicultural producer association, or other group of such producers;*

1 “(B) a State or unit of local government,
2 including an irrigation or water district; or

3 “(C) a federally recognized Indian tribe.

4 “(b) *ESTABLISHMENT OF PROGRAM.*—

5 “(1) *ESTABLISHMENT.*—*The Secretary shall es-*
6 *tablish a regional water enhancement program in ac-*
7 *cordance with this section to improve water quality*
8 *or water quantity on a regional scale to benefit work-*
9 *ing agricultural land and other lands surrounding*
10 *agricultural land.*

11 “(2) *IDENTIFICATION OF WATER QUALITY AND*
12 *WATER QUANTITY PRIORITY AREAS.*—*The Secretary*
13 *shall identify areas where protecting or improving*
14 *water quality, water quantity, or both is a priority.*
15 *In identifying these areas, the Secretary shall*
16 *prioritize the Chesapeake Bay, the Upper Mississippi*
17 *River basin, the Everglades, and the Klamath River*
18 *basin. Not more than 50 percent of the funds made*
19 *available for the regional water enhancement program*
20 *shall be reserved for priority areas identified in this*
21 *paragraph.*

22 “(c) *SELECTION OF PARTNERS.*—

23 “(1) *SOLICITATION OF PARTNERSHIP PRO-*
24 *POSALS.*—*Not later than 90 days after the date of the*
25 *enactment of the Farm, Nutrition, and Bioenergy Act*

1 *of 2007, the Secretary shall invite prospective part-*
2 *ners to submit competitive grant proposals for re-*
3 *gional water enhancement partnerships.*

4 “(2) *ELEMENTS.—To be eligible for consider-*
5 *ation for participation in the program, a proposal*
6 *submitted by a partner shall contain the following*
7 *elements:*

8 “(A) *Identification of the exact geographic*
9 *area for which the partnership is proposed,*
10 *which may be based on—*

11 “(i) *a watershed (or portion thereof);*

12 “(ii) *an irrigation, water, drainage*
13 *district, including service area; or*

14 “(iii) *some other geographic area with*
15 *characteristics making it suitable for land-*
16 *scape-wide program implementation, as*
17 *may be determined by the Secretary.*

18 “(B) *Identification of the water quality or*
19 *water quantity issues that are of concern in the*
20 *area.*

21 “(C) *A method for determining a baseline*
22 *assessment of water quality, water quantity, and*
23 *other resource conditions in the region.*

24 “(D) *A detailed description of the proposed*
25 *regional water enhancement activities to be un-*

1 *dertaken in the area, including an estimated*
2 *timeline and budget for each activity.*

3 *“(E) A description of the performance*
4 *measures to be used to gauge the effectiveness of*
5 *the regional water enhancement activities.*

6 *“(F) A description of other regional water*
7 *enhancement activities carried out by the Sec-*
8 *retary.*

9 *“(G) A description of regional water en-*
10 *hancement activities carried out by partners*
11 *through other means.*

12 *“(3) SELECTION OF PROPOSALS.—The Secretary*
13 *shall award grants competitively, based on the fol-*
14 *lowing criteria applied by the Secretary:*

15 *“(A) Proposals that will result in the inclu-*
16 *sion of the highest percentage of agricultural*
17 *lands and producers in the area.*

18 *“(B) Proposals that will result in the high-*
19 *est percentage of on-the-ground activities versus*
20 *administrative costs.*

21 *“(C) Proposals that will provide the greatest*
22 *contribution to sustaining or enhancing agricul-*
23 *tural production in the area or rural economic*
24 *development.*

1 “(D) *Proposals that include performance*
2 *measures that will allow post-activity conditions*
3 *to be satisfactorily measured to gauge overall ef-*
4 *fectiveness.*

5 “(E) *Proposals that will capture surface-*
6 *water runoff on farms through the construction,*
7 *improvement, or maintenance of irrigation*
8 *ponds.*

9 “(F) *Proposals that have the highest likeli-*
10 *hood of improving issues of concern for the area*
11 *through the participation of multiple interested*
12 *persons.*

13 “(G) *Proposals that will assist producers in*
14 *meeting a regulatory requirement imposed on*
15 *lands in agriculture production that reduces the*
16 *economic scope of the producer’s operation.*

17 “(4) *DURATION.—Grants under this subsection*
18 *shall be made on a multi-year basis, not to exceed 5*
19 *years total, except that the Secretary may terminate*
20 *a grant earlier if the performance measures are not*
21 *being met.*

22 “(d) *PARTNERSHIP AGREEMENTS.—*

23 “(1) *GENERALLY.—Not later than 30 days after*
24 *the award of a grant to a partner under subsection*
25 *(c), the Secretary shall enter into a partnership agree-*

1 *ment with the grant recipient. At a minimum, the*
2 *agreement shall contain—*

3 *“(A) a description of the respective duties*
4 *and responsibilities of the Secretary and the*
5 *partner in carrying out regional water enhance-*
6 *ment activities; and*

7 *“(B) the criteria that the Secretary will use*
8 *to measure the overall effectiveness of the re-*
9 *gional water enhancement activities funded by*
10 *the grant in improving the water quality or*
11 *quantity conditions of the region relative to the*
12 *performance measures in the grant proposal.*

13 *“(2) ACCEPTANCE OF CONTRIBUTIONS.—The Sec-*
14 *retary may accept and use contributions of non-Fed-*
15 *eral funds to administer the program under this sec-*
16 *tion.*

17 *“(3) WAIVER AUTHORITY.—The Secretary shall*
18 *waive the limitation in section 1001D of this Act if*
19 *the Secretary determines that doing so is necessary to*
20 *fulfill the objectives of the regional water enhancement*
21 *program.*

22 *“(e) MODIFICATION OF SECRETARIAL AUTHORITY.—*
23 *To the extent that the Secretary will be carrying out re-*
24 *gional water enhancement activities in an area, the Sec-*
25 *retary may use the general authorities provided in this sub-*

1 *title to ensure that all producers and landowners in the re-*
 2 *gion have the opportunity to participate in such activities.*

3 “(f) *RELATIONSHIP WITH OTHER PROGRAMS.—The*
 4 *Secretary shall ensure that, to the extent producers and*
 5 *landowners are individually participating in other pro-*
 6 *grams under this subtitle in a region where the regional*
 7 *water enhancement program is in effect, any improvements*
 8 *to water quality or water quantity attributable to such in-*
 9 *dividual participation is included in the evaluation criteria*
 10 *developed under subparagraph (d)(1)(B).*

11 “(g) *CONSISTENCY WITH STATE LAW.—Any regional*
 12 *water enhancement activity conducted under this section*
 13 *shall be consistent with State water laws.*

14 “(h) *FUNDING.—*

15 “(1) *AVAILABILITY OF FUNDS.—In addition to*
 16 *funds made available to carry out this chapter under*
 17 *section 1241(a)(6), the Secretary shall use funds of*
 18 *the Commodity Credit Corporation to carry out this*
 19 *section in the amount of, to the maximum extent*
 20 *practicable, \$60,000,000 for each of fiscal years 2008*
 21 *through 2012.*

22 “(2) *LIMITATION ON ADMINISTRATIVE EX-*
 23 *PENSES.—Not more than 3 percent of the funds made*
 24 *available under paragraph (1) for a fiscal year may*
 25 *be used for administrative expenses of the Secretary.”.*

1 **SEC. 2107. GRASSROOTS SOURCE WATER PROTECTION PRO-**
 2 **GRAM.**

3 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section
 4 1240O(b) of the Food Security Act of 1985 (16 U.S.C.
 5 3839bb–2(b)) is amended by striking “\$5,000,000 for each
 6 of fiscal years 2002 through 2007” and inserting
 7 “\$20,000,000 for each of fiscal years 2008 through 2012”.

8 (b) *ADDITIONAL FUNDING.*—Section 1240O of the
 9 Food Security Act of 1985 (16 U.S.C. 3839bb–2) is amend-
 10 ed by adding at the end the following new subsection:

11 “(c) *ONE-TIME INFUSION OF FUNDS.*—Of the funds of
 12 the Commodity Credit Corporation, the Secretary shall
 13 make available, on a one-time basis, \$10,000,000 to carry
 14 out this section. Such funds shall remain available until
 15 expended.”.

16 **SEC. 2108. CONSERVATION OF PRIVATE GRAZING LAND.**

17 Section 1240M(e) of the Food Security Act of 1985 (16
 18 U.S.C. 3839bb(e)) is amended by striking “2007” and in-
 19 serting “2012”.

20 **SEC. 2109. GREAT LAKES BASIN PROGRAM FOR SOIL ERO-**
 21 **SION AND SEDIMENT CONTROL.**

22 Section 1240P(c) of the Food Security Act of 1985 (16
 23 U.S.C. 3839bb–3(c)) is amended by striking “2007” and in-
 24 serting “2012”.

1 **SEC. 2110. FARM AND RANCLAND PROTECTION PROGRAM.**

2 *Subchapter B of chapter 2 of subtitle D of title XII*
 3 *of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.)*
 4 *is amended to read as follows:*

5 **“Subchapter B—Farm and Ranchland**
 6 **Protection Program**

7 **“SEC. 1238H. DEFINITIONS.**

8 *“In this subchapter:*

9 *“(1) ELIGIBLE ENTITY.—The term ‘eligible enti-*
 10 *ty’ means any of the following:*

11 *“(A) An agency of a State or local govern-*
 12 *ment or an Indian tribe (including a farmland*
 13 *protection board or land resource council estab-*
 14 *lished under State law).*

15 *“(B) An organization that is organized for,*
 16 *and at all times since the formation of the orga-*
 17 *nization has been operated principally for, 1 or*
 18 *more of the conservation purposes specified in*
 19 *clause (i), (ii), (iii), or (iv) of section*
 20 *170(h)(4)(A) of the Internal Revenue Code of*
 21 *1986.*

22 *“(C) An organization described in section*
 23 *501(c)(3) of the Internal Revenue Code of 1986*
 24 *that is exempt from taxation under section*
 25 *501(a) of that Code.*

1 “(D) *An organization described in section*
2 *509(a)(2) of the Internal Revenue Code of 1986.*

3 “(E) *An organization described in section*
4 *509(a)(3) of the Internal Revenue Code of 1986*
5 *that is controlled by an organization described*
6 *in section 509(a)(2), of that Code.*

7 “(2) *ELIGIBLE LAND.—The term ‘eligible land’*
8 *means land on a farm or ranch that—*

9 “(A) *is cropland;*

10 “(B) *is rangeland;*

11 “(C) *is grassland;*

12 “(D) *is pasture land;*

13 “(E) *is forest land that is an incidental*
14 *part of an agricultural operation, as determined*
15 *by the Secretary; or*

16 “(F) *contains historical or archaeological*
17 *resources.*

18 “(3) *INDIAN TRIBE.—The term ‘Indian tribe’ has*
19 *the meaning given the term in section 4 of the Indian*
20 *Self-Determination and Education Assistance Act (25*
21 *U.S.C. 450b).*

22 “(4) *PROGRAM.—The term ‘program’ means the*
23 *farm and rangeland protection program established*
24 *under section 1238I(a).*

1 “(5) *SECRETARY.*—*The term ‘Secretary’ means*
2 *the Secretary of Agriculture.*

3 **“SEC. 1238I. FARM AND RANCHLAND PROTECTION PRO-**
4 **GRAM.**

5 “(a) *ESTABLISHMENT.*—

6 “(1) *ESTABLISHMENT AND PURPOSE.*—*The Sec-*
7 *retary shall establish and carry out a farm and*
8 *ranchland protection program under which the Sec-*
9 *retary shall facilitate and provide funding for the*
10 *purchase of conservation easements or other interests*
11 *in eligible land that is subject to a pending offer from*
12 *a certified State or eligible entity for the purpose of*
13 *protecting the agricultural use and related conserva-*
14 *tion values of the land by limiting incompatible non-*
15 *agricultural uses of the land.*

16 “(2) *PRIORITY.*—*In carrying out the program,*
17 *the Secretary shall give the highest priority—*

18 “(A) *to protecting farm and ranchland with*
19 *prime, unique or other productive soils that are*
20 *at risk of non-agricultural development; or*

21 “(B) *to projects that further a State or local*
22 *policy consistent with the purposes of the pro-*
23 *gram.*

24 “(b) *GRANTS TO CERTIFIED STATES.*—*The Secretary*
25 *shall make grants to States certified by the Secretary under*

1 subsection (c). Such grants shall be made based on dem-
2 onstrated need for farm and ranch land protection. Grants
3 may be made for multiple transactions so long as all funds
4 provided under the program are used to purchase conserva-
5 tion easements or other interests in land in a timely and
6 effective manner. A State receiving a grant under this sub-
7 section may use up to 10 percent of the grant funds for
8 reasonable costs of purchasing and enforcing conservation
9 easements.

10 “(c) CERTIFICATION OF STATES FOR GRANTS.—

11 “(1) CERTIFICATION PROCESS.—The Secretary
12 shall implement a process, to be published in the Fed-
13 eral Register, for certifying States as eligible to par-
14 ticipate in the program. The Secretary may provide
15 a reasonable transitional period, not to extend past
16 September 30, 2008, in order to allow continued oper-
17 ation of the program for such time as needed for the
18 Secretary to implement the certification process.

19 “(2) CERTIFICATION REQUIREMENTS.—To be
20 certified under the process implemented under para-
21 graph (1), a State shall demonstrate, at a minimum,
22 the following:

23 “(A) A legislative or organizational purpose
24 consistent with the purposes of the program.

1 “(B) *The necessary authority and the re-*
2 *sources and technical ability to monitor and en-*
3 *force the terms of conservation easements or other*
4 *interests in land or to require the holder of such*
5 *easements or other interests in land acquired*
6 *with the use of funding under the program to*
7 *monitor and enforce the terms of such easements*
8 *or other interests in land.*

9 “(C) *The capacity to provide the necessary*
10 *matching funds from non-Federal sources for*
11 *projects undertaken under the program and to*
12 *use program funds in a timely and effective*
13 *manner.*

14 “(D) *Policies and procedures to ensure that,*
15 *on average, the purchase price of conservation*
16 *easements or other interests in land purchased*
17 *with program funds do not exceed the fair mar-*
18 *ket value of the easements or other interests in*
19 *land.*

20 “(E) *Policies and procedures that ensure*
21 *that conservation easements or other interests in*
22 *land purchased with program funds will con-*
23 *tinue to protect the agricultural use and related*
24 *conservation values of the land.*

1 “(F) *Provision for continued stewardship of*
 2 *the conservation easements or other interest in*
 3 *land purchased with program funds in the event*
 4 *the State loses its certification under the pro-*
 5 *gram.*

6 “(G) *A determination of its own criteria*
 7 *and priorities for purchasing conservation ease-*
 8 *ments and other interests in land under the pro-*
 9 *gram.*

10 “(d) *AGREEMENTS WITH ELIGIBLE ENTITIES.—*

11 “(1) *AGREEMENTS AUTHORIZED.—The Secretary*
 12 *may enter into an agreement with an eligible entity,*
 13 *under which the entity may purchase conservation*
 14 *easements using a combination of its own funds and*
 15 *funds distributed by the Secretary under the program.*

16 “(2) *TERMS AND CONDITIONS.—An agreement*
 17 *under this subsection shall stipulate the terms and*
 18 *conditions under which the eligible entity shall use*
 19 *funds provided by the Secretary under the program.*
 20 *The eligible entity shall be authorized to use its own*
 21 *terms and conditions for conservation easements and*
 22 *other purchases of interests in land, so long as—*

23 “(A) *such terms and conditions are con-*
 24 *sistent with the purposes of the program and*

1 *permit effective enforcement of the conservation*
2 *purposes of such easements or other interests;*

3 *“(B) the eligible entity has in place a re-*
4 *quirement consistent with agricultural activities*
5 *regarding the impervious surfaces to be allowed*
6 *for any conservation easement or other interest*
7 *in land purchased using funds provided under*
8 *the program; and*

9 *“(C) the eligible entity requires use of a*
10 *conservation plan for any highly erodible crop-*
11 *land for which a conservation easement or other*
12 *interest in land has been purchased using funds*
13 *provided under the program.*

14 *“(e) FEDERAL CONTINGENT RIGHT OF ENFORCE-*
15 *MENT.—The Secretary may require the inclusion of a Fed-*
16 *eral contingent right of enforcement or executory limitation*
17 *in a conservation easement or other interest in land for con-*
18 *servation purposes purchased with Federal funds provided*
19 *under the program, in order to preserve the easement as*
20 *a party of last resort. The inclusion of such a right or inter-*
21 *est shall not be considered to be the Federal acquisition of*
22 *real property and the Federal standards and procedures for*
23 *land acquisition shall not apply to the inclusion of the right*
24 *or interest*

25 *“(f) REVIEW; REVOCATION.—*

1 “(1) *REVIEW*.—Every 3 years, the Secretary
2 shall review the certification of States under sub-
3 section (c) and the performance of eligible entities in
4 meeting the terms and conditions of an agreement
5 under subsection (d).

6 “(2) *REVOCATION*.— If, in the determination of
7 the Secretary, a State no longer meets the qualifica-
8 tions described in subsection (c)(2) or an eligible enti-
9 ty is not meeting the terms and conditions of an
10 agreement under subsection (d), the Secretary may—

11 “(A) revoke the certification of the State or
12 terminate the agreement with the eligible entity;
13 or

14 “(B) allow the State or eligible entity a
15 specified period of time in which to take such ac-
16 tions as may be necessary to retain its certifi-
17 cation or to meet the terms and conditions of the
18 agreement, as the case may be.

19 “(g) *CONSERVATION PLAN*.—Any highly erodible crop-
20 land for which a conservation easement or other interest
21 is purchased under this subchapter shall be subject to the
22 requirements of a conservation plan. In the case of an ease-
23 ment or other interest in land that is perpetual in duration,
24 the Secretary may not require the conversion of the crop-

1 *land to less intensive uses if, under such plan, soil erosion*
 2 *can be reduced to ‘T’ or below.*

3 “(h) *COST SHARING.*—*The share of the cost provided*
 4 *under this section for purchasing a conservation easement*
 5 *or other interest in land shall not exceed 50 percent of the*
 6 *appraised fair market value of the conservation easement*
 7 *or other interest in eligible land. Fair market value shall*
 8 *be determined on the basis of an appraisal of the conserva-*
 9 *tion easement or other interest in eligible land using an*
 10 *industry-approved methodology determined by the entity.”.*

11 **SEC. 2111. FARM VIABILITY PROGRAM.**

12 *Section 1238J(b) of the Food Security Act of 1985 (16*
 13 *U.S.C. 3838j(b)) is amended by striking “2007” and insert-*
 14 *ing “2012”.*

15 **SEC. 2112. WILDLIFE HABITAT INCENTIVE PROGRAM.**

16 (a) *REAUTHORIZATION.*—*Section 1240N of the Food*
 17 *Security Act of 1985 (16 U.S.C. 3839bb–1) is amended by*
 18 *adding at the end the following new subsection:*

19 “(d) *DURATION OF PROGRAM.*—*Using funds made*
 20 *available under section 1241(a)(7), the Secretary shall*
 21 *carry out the program during fiscal years 2008 through*
 22 *2012.”.*

23 (b) *COST SHARE FOR LONG-TERM AGREEMENTS AND*
 24 *IMPACT ON SCOPE OF OPERATIONS.*—*Section 1240N(b)(2)*

1 of the Food Security Act of 1985 (16 U.S.C. 3839bb–
2 1(b)(2)) is amended—

3 (1) in the paragraph heading by inserting “AND
4 IMPACT ON SCOPE OF OPERATIONS” after “AGREE-
5 MENTS”;

6 (2) in subparagraph (A), by striking “years,”
7 and inserting “years, or that will assist producers in
8 meeting a regulatory requirement imposed on lands
9 in agriculture production that reduces the economic
10 scope of the producer’s operation,”; and

11 (3) in subparagraph (B), by striking “15 per-
12 cent” and inserting “25 percent”.

13 ***Subtitle B—Conservation Programs***
14 ***Under Other Laws***

15 **SEC. 2201. AGRICULTURAL MANAGEMENT ASSISTANCE PRO-**
16 **GRAM.**

17 (a) *ELIGIBLE STATES*.—Section 524(b)(1) of the Fed-
18 eral Crop Insurance Act (7 U.S.C. 1524(b)(1)) is amend-
19 ed—

20 (1) by inserting “Hawaii,” after “Delaware,”;
21 and

22 (2) by inserting “Virginia,” after “Vermont,”.

23 (b) *TECHNICAL CORRECTION*.—Section
24 524(b)(4)(B)(i) of the Federal Crop Insurance Act (7 U.S.C.

1 1524(b)(4)(B)(i)) is amended by striking “Except as pro-
 2 vided in clauses (ii) and (iii), the” and inserting “The”.

3 (c) *CERTAIN USES*.—Section 524(b)(4) of the Federal
 4 Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is amended
 5 by adding at the end the following new subparagraph:

6 “(C) *CERTAIN USES*.—Of the amounts made
 7 available to carry out this subsection for a fiscal
 8 year, the Commodity Credit Corporation shall
 9 use not less than—

10 “(i) 50 percent to carry out subpara-
 11 graphs (A), (B), and (C) of paragraph (2)
 12 through the Natural Resources Conservation
 13 Service;

14 “(ii) 10 percent to provide organic cer-
 15 tification cost share assistance through the
 16 Agricultural Marketing Service; and

17 “(iii) 40 percent to conduct activities
 18 to carry out subparagraph (F) of paragraph
 19 (2) through the Risk Management Agency.”.

20 **SEC. 2202. RESOURCE CONSERVATION AND DEVELOPMENT**
 21 **PROGRAM.**

22 (a) *LOCALLY LED PLANNING PROCESS*.—Section 1528
 23 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451)
 24 is amended—

1 (1) in paragraph (1), by striking “planning
2 process” in the matter preceding subparagraph (A)
3 and inserting “locally led planning process”; and

4 (2) in paragraph (9), by striking “council” and
5 inserting “locally led council”.

6 (b) *AUTHORIZED TECHNICAL ASSISTANCE*.—Section
7 1528(13) of the Agriculture and Food Act of 1981 (16
8 U.S.C. 3451(13)) is amended by striking subparagraphs (C)
9 and (D) and inserting the following new subparagraphs:

10 “(C) providing assistance for the implemen-
11 tation of area plans and projects; and

12 “(D) providing services which bring to bear
13 the resources of Department of Agriculture pro-
14 grams in a local community, as defined in the
15 locally led planning process.”.

16 (c) *IMPROVED PROVISION OF TECHNICAL ASSIST-*
17 *ANCE*.—Section 1531 of the Agriculture and Food Act of
18 1981 (16 U.S.C. 3454) is amended—

19 (1) by inserting “(a) *IN GENERAL*.—” before “In
20 carrying”; and

21 (2) by adding at the end the following new sub-
22 section:

23 “(b) *COORDINATOR*.—To improve the provision of tech-
24 nical assistance to councils under this subtitle, the Sec-
25 retary shall designate an individual, to be known as the

1 ‘Coordinator’, for each council. The Coordinator shall be di-
 2 rectly responsible for the provision of technical assistance
 3 to the council.”.

4 (d) *PROGRAM EVALUATION*.—Section 1534 of the Agri-
 5 culture and Food Act of 1981 (16 U.S.C. 3457) is repealed.

6 **SEC. 2203. SMALL WATERSHED REHABILITATION PROGRAM.**

7 (a) *AVAILABILITY OF FUNDS*.—Section 14(h)(1) of the
 8 Watershed Protection and Flood Prevention Act (16 U.S.C.
 9 1012(h)(1)) is amended by adding at the end the following
 10 new subparagraph:

11 “(G) \$50,000,000 for each of fiscal years
 12 2009 through 2012.”.

13 (b) *AUTHORIZATION OF APPROPRIATIONS*.—Section
 14 14(h)(2)(E) of the Watershed Protection and Flood Preven-
 15 tion Act (16 U.S.C. 1012(h)(2)(E)) is amended by striking
 16 “fiscal year 2007” and inserting “each of fiscal years 2007
 17 through 2012”.

18 ***Subtitle C—Additional***
 19 ***Conservation Programs***

20 **SEC. 2301. CHESAPEAKE BAY PROGRAM FOR NUTRIENT RE-**
 21 ***DUCTION AND SEDIMENT CONTROL.***

22 Chapter 5 of subtitle D of the Food Security Act of
 23 1985 is amended by inserting after section 1240P (16
 24 U.S.C. 3839bb–3) the following new section:

1 **“SEC. 1240Q. RIVER RESTORATION IN THE CHESAPEAKE**
2 **BAY WATERSHED.**

3 “(a) *CHESAPEAKE BAY WATERSHED DEFINED.*—In
4 *this section, the term ‘Chesapeake Bay watershed’ means*
5 *all tributaries, backwaters, and side channels, including*
6 *their watersheds, draining into the Chesapeake Bay.*

7 “(b) *COMPREHENSIVE PLAN FOR CHESAPEAKE BAY*
8 *WATERSHED.*—

9 “(1) *DEVELOPMENT.*—The Secretary of Agri-
10 *culture shall develop, as expeditiously as practicable,*
11 *a proposed comprehensive plan for the purpose of re-*
12 *storing, preserving, and protecting the Chesapeake*
13 *bay watershed.*

14 “(2) *PROVEN TECHNOLOGIES AND INNOVATIVE*
15 *APPROACHES.*—The comprehensive plan shall provide
16 *for the development of new technologies and innova-*
17 *tive approaches to advance the following goals:*

18 “(A) *Improvement of water quality and*
19 *quantity within the Chesapeake Bay.*

20 “(B) *Restoration, enhancement, and preser-*
21 *vation of habitat for plants and wildlife.*

22 “(C) *Increase economic opportunity for pro-*
23 *ducers and rural communities.*

24 “(3) *SPECIFIC COMPONENTS.*—The comprehen-
25 *sive plan shall include such features as are necessary*
26 *to provide for—*

1 “(A) the development and implementation
2 of a program for erosion prevention and control,
3 sediment control and sediment removal, and re-
4 duction of nutrient loads;

5 “(B) the development and implementation
6 of a program for—

7 “(i) the planning, conservation, eval-
8 uation, and construction of measures for
9 fish and wildlife habitat conservation and
10 rehabilitation; and

11 “(ii) stabilization and enhancement of
12 land and water resources; and

13 “(C) the development and implementation
14 of a long-term resource monitoring program.

15 “(4) CONSULTATION.—The comprehensive plan
16 shall be developed by the Secretary in consultation
17 with appropriate Federal and State agencies.

18 “(c) SUBMISSION OF PLAN.—

19 “(1) SUBMISSION.—Not later than 2 years after
20 the date of enactment of the Farm, Nutrition, and
21 Bioenergy Act of 2007, the Secretary shall transmit
22 to Congress a report containing the comprehensive
23 plan.

24 “(2) ADDITIONAL STUDIES AND ANALYSES.—
25 After submission of the report required by paragraph

1 *(1), the Secretary shall continue to conduct such stud-*
 2 *ies and analyses related to the comprehensive plan as*
 3 *are necessary, consistent with this subsection.*

4 “(d) *RESTORATION ENHANCEMENT AND PRESERVA-*
 5 *TION PROJECTS.—*

6 “(1) *PROJECT AUTHORITY.—In cooperation with*
 7 *appropriate Federal and State agencies, the Secretary*
 8 *shall carry out restoration enhancement and preserva-*
 9 *tion projects for the Chesapeake Bay watershed to ad-*
 10 *dress the goals specified in subsection (b)(2). To*
 11 *achieve the restoration, preservation, and protection*
 12 *benefits of a project, the Secretary shall proceed expe-*
 13 *ditiously with the implementation of the project con-*
 14 *sistent with the comprehensive plan.*

15 “(2) *CRITICAL PROJECTS.—In carrying out this*
 16 *subsection, the Secretary shall begin with the Susque-*
 17 *hanna River, the Shenandoah River, the Potomac*
 18 *River, and the Patuxent River.*

19 “(3) *AVAILABILITY OF FUNDS.—Of the funds of*
 20 *the Commodity Credit Corporation, the Secretary*
 21 *shall use to carry out projects under this subsection*
 22 *the following amounts:*

23 “(A) *\$10,000,000 for fiscal year 2008.*

24 “(B) *\$15,000,000 for fiscal year 2009.*

25 “(C) *\$30,000,000 for fiscal year 2010.*

1 “(D) \$40,000,000 for fiscal year 2011.

2 “(E) \$55,000,000 for fiscal year 2012.

3 “(4) *FEDERAL SHARE*.—*The Federal share of the*
4 *cost of carrying out any individual project under this*
5 *subsection shall not exceed \$5,000,000.*

6 “(e) *GENERAL PROVISIONS*.—

7 “(1) *WATER QUALITY*.—*In carrying out projects*
8 *and activities under this section, the Secretary shall*
9 *take into account the protection of water quality by*
10 *considering applicable State water quality standards.*

11 “(2) *PUBLIC PARTICIPATION*.—*In developing the*
12 *comprehensive plan under subsection (b) and car-*
13 *rying out projects under subsection (d), the Secretary*
14 *shall implement procedures to facilitate public par-*
15 *ticipation, including providing advance notice of*
16 *meetings, providing adequate opportunity for public*
17 *input and comment, maintaining appropriate*
18 *records, and making a record of the proceeding of*
19 *meetings available for public inspection.*

20 “(f) *COORDINATION*.—*The Secretary shall integrate*
21 *and coordinate projects and activities carried out under*
22 *this section with other Federal and State programs,*
23 *projects, and activities.*

24 “(g) *COST SHARING*.—

1 “(1) *NON-FEDERAL SHARE*.—Subject to sub-
 2 section (d)(4), the non-Federal share of the cost of
 3 projects and activities carried out under this section
 4 shall be not less than 35 percent.

5 “(2) *OPERATION, MAINTENANCE, REHABILITA-*
 6 *TION, AND REPLACEMENT*.—The operation, mainte-
 7 nance, rehabilitation, and replacement of projects car-
 8 ried out under this section shall be a non-Federal re-
 9 sponsibility.

10 “(h) *SENSE OF CONGRESS REGARDING CHESAPEAKE*
 11 *BAY EXECUTIVE COUNCIL*.—

12 “(1) *FINDINGS*.—Congress finds the following:

13 “(A) One of the stated goals of the Chesa-
 14 peake Bay Agreement is to ‘develop, promote,
 15 and achieve sound land use practices which pro-
 16 tect and restore watershed resources and water
 17 quality, maintain reduced pollutant loadings for
 18 the Bay and its tributaries, and restore and pre-
 19 serve aquatic living resources’.

20 “(B) Department of Agriculture conserva-
 21 tion programs are integral to the restoration of
 22 the Chesapeake Bay and achieving the water
 23 quality goals for the Chesapeake Bay program.

24 “(2) *SENSE OF CONGRESS*.—In light of the find-
 25 ings specified in paragraph (1), it is the sense of Con-

1 *gress that the Secretary of Agriculture should be a*
 2 *member of the Chesapeake Bay Executive Council,*
 3 *and is authorized to do so under section 1(3) of the*
 4 *Soil Conservation and Domestic Allotment Act (16*
 5 *U.S.C. 590a(3)).”.*

6 **SEC. 2302. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**
 7 **CENTIVE PROGRAM.**

8 *Chapter 5 of subtitle D of title XII of the Food Security*
 9 *Act of 1985 is amended by inserting after section 1240Q,*
 10 *as added by section 2301, the following new section:*

11 **“SEC. 1240R. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**
 12 **CENTIVE PROGRAM.**

13 *“(a) ESTABLISHMENT.—The Secretary shall establish*
 14 *a voluntary public access program under which States and*
 15 *tribal governments may apply for grants to encourage own-*
 16 *ers and operators of privately-held farm, ranch, and forest*
 17 *land to voluntarily make that land available for access by*
 18 *the public for wildlife-dependent recreation, including hunt-*
 19 *ing or fishing, under programs administered by the States*
 20 *and tribal governments.*

21 *“(b) APPLICATIONS.—In submitting applications for a*
 22 *grant under the program, a State or tribal government shall*
 23 *describe—*

1 “(1) the benefits that the State or tribal govern-
2 ment intends to achieve by encouraging public access
3 to private farm and ranch land for—

4 “(A) hunting and fishing; and

5 “(B) to the maximum extent practicable,
6 other recreational purposes; and

7 “(2) the methods that will be used to achieve
8 those benefits.

9 “(c) *PRIORITY.*—In approving applications and
10 awarding grants under the program, the Secretary shall
11 give priority to States and tribal governments that—

12 “(1) have consistent opening dates for migratory
13 bird hunting for both residents and non-residents;

14 “(2) propose to maximize participation by offer-
15 ing a program the terms of which are likely to meet
16 with widespread acceptance among landowners;

17 “(3) propose to ensure that land enrolled under
18 the State or tribal government program has appro-
19 priate wildlife habitat;

20 “(4) propose to strengthen wildlife habitat im-
21 provement efforts on land enrolled in a special con-
22 servation reserve enhancement program described in
23 1234(f)(4) by providing incentives to increase public
24 hunting and other recreational access on that land;
25 and

1 “(5) propose to use additional Federal, State,
2 tribal government, or private resources in carrying
3 out the program.

4 “(d) *RELATIONSHIP TO OTHER LAWS.*—Nothing in
5 this section preempts a State or tribal government law, in-
6 cluding any State or tribal government liability law.

7 “(e) *REGULATIONS.*—The Secretary shall promulgate
8 such regulations as are necessary to carry out this section.

9 “(f) *AUTHORIZATION OF APPROPRIATIONS.*—There is
10 authorized to be appropriated to the Secretary \$20,000,000
11 for each of fiscal years 2008 through 2012 to carry out this
12 section.”.

13 ***Subtitle D—Administration and*** 14 ***Funding***

15 ***SEC. 2401. FUNDING OF CONSERVATION PROGRAMS UNDER*** 16 ***FOOD SECURITY ACT OF 1985.***

17 (a) *IN GENERAL.*—Section 1241(a) of the Food Secu-
18 rity Act of 1985 (16 U.S.C. 3841(a)) is amended in the
19 matter preceding paragraph (1), by striking “2007” and
20 inserting “2012”.

21 (b) *CONSERVATION SECURITY PROGRAM.*—Paragraph
22 (3) of section 1241(a) of the Food Security Act of 1985 (16
23 U.S.C. 3841(a)) is amended to read as follows:

1 “(3) *The conservation security program under*
2 *subchapter A of chapter 2, using, to the maximum ex-*
3 *tent practicable—*

4 “(A) *in the case of conservation security*
5 *contracts entered into before October 1, 2007,*
6 *under such subchapter, as in effect on the day be-*
7 *fore the date of the enactment of the Farm, Nu-*
8 *trition, and Bioenergy Act of 2007—*

9 “(i) *\$1,454,000,000 for the period of*
10 *fiscal years 2007 through 2012; and*

11 “(ii) *\$1,927,000,000 for the period of*
12 *fiscal years 2007 through 2017; and*

13 “(B) *in the case of conservation security*
14 *contracts entered into on or after October 1,*
15 *2011, under such subchapter—*

16 “(i) *\$501,000,000 for fiscal year 2012;*

17 *and*

18 “(ii) *\$4,646,000,000 for the period of*
19 *fiscal years 2012 through 2017.”.*

20 (c) *FARM AND RANGLAND PROTECTION PROGRAM.—*

21 *Paragraph (4) of section 1241(a) of the Food Security Act*
22 *of 1985 (16 U.S.C. 3841(a)) is amended to read as follows:*

23 “(4) *The farm and ranchland protection pro-*
24 *gram under subchapter B of chapter 2, using, to the*
25 *maximum extent practicable—*

1 “(A) \$125,000,000 in fiscal year 2008;
 2 “(B) \$150,000,000 in fiscal year 2009;
 3 “(C) \$200,000,000 in fiscal year 2010;
 4 “(D) \$240,000,000 in fiscal year 2011; and
 5 “(E) \$280,000,000 in fiscal year 2012.”.

6 (d) *ENVIRONMENTAL QUALITY INCENTIVES PRO-*
 7 *GRAM.—Paragraph (6) of section 1241(a) of the Food Secu-*
 8 *rity Act of 1985 (16 U.S.C. 3841(a)) is amended to read*
 9 *as follows:*

10 “(6) *The environmental quality incentives pro-*
 11 *gram under chapter 4, using, to the maximum extent*
 12 *practicable—*

13 “(A) \$1,500,000,000 in fiscal year 2008;
 14 “(B) \$1,600,000,000 in fiscal year 2009;
 15 “(C) \$1,700,000,000 in fiscal year 2010;
 16 “(D) \$1,800,000,000 in fiscal year 2011;
 17 *and*
 18 “(E) \$2,000,000,000 in fiscal year 2012.”.

19 (e) *WILDLIFE HABITAT INCENTIVES PROGRAM.—*
 20 *Paragraph (7)(D) of section 1241(a) of the Food Security*
 21 *Act of 1985 (16 U.S.C. 3841(a)) is amended by striking*
 22 *“2007” and inserting “2012”.*

1 **SEC. 2402. IMPROVED PROVISION OF TECHNICAL ASSIST-**
2 **ANCE UNDER CONSERVATION PROGRAMS.**

3 *Section 1242 of the Food Security Act of 1985 (16*
4 *U.S.C. 3842) is amended—*

5 *(1) in subsection (a)—*

6 *(A) by striking “or” at the end of para-*
7 *graph (1); and*

8 *(B) by striking paragraph (2) and inserting*
9 *the following new paragraphs:*

10 *“(2) through a contract with an approved third*
11 *party, if available; or*

12 *“(3) at the option of the producer, through a*
13 *payment as determined by the Secretary, directly to*
14 *an approved third party, if available, or to the pro-*
15 *ducer for an approved third party, if available.”;*

16 *(2) in subsection (b)—*

17 *(A) by striking “technical assistance” each*
18 *place it appears and inserting “technical serv-*
19 *ices”; and*

20 *(B) in paragraph (1)(B), by striking “that*
21 *assistance” and inserting “those technical serv-*
22 *ices”; and*

23 *(3) by adding at the end the following new sub-*
24 *sections:*

25 *“(c) PAYMENT AMOUNTS.—*

1 “(1) *USE OF PREVAILING MARKET RATES.*—*The*
 2 *Secretary shall set the amounts of payments under*
 3 *subsection (b)(1)(B) for technical services at levels not*
 4 *less than prevailing private market rates.*

5 “(2) *EXCEPTION.*—*Paragraph (1) shall not*
 6 *apply in instances where personnel of the Department*
 7 *of Agriculture are immediately available to provide*
 8 *comparable technical services to eligible producers.*

9 “(d) *REVIEW AND EXPEDITED APPROVAL OF TECH-*
 10 *NICAL ASSISTANCE SPECIFICATIONS.*—

11 “(1) *REVIEW OF EXISTING TECHNICAL ASSIST-*
 12 *ANCE SPECIFICATIONS.*—

13 “(A) *REVIEW OF SPECIFICATIONS.*—*The*
 14 *Secretary shall direct each State to review and*
 15 *ensure, to the maximum extent practicable, the*
 16 *completeness and relevance of technical assist-*
 17 *ance specifications in effect as of the date of the*
 18 *enactment of the Farm, Nutrition, and Bio-*
 19 *energy Act of 2007.*

20 “(B) *CONSULTATION.*—*In conducting the*
 21 *assessment under subparagraph (A), a State*
 22 *shall consult with specialty crop producers, crop*
 23 *consultants, cooperative extension and land-*
 24 *grant universities, nongovernmental organiza-*
 25 *tions, and other qualified entities.*

1 “(C) *EXPEDITED REVISION OF SPECIFICA-*
2 *TIONS.—If a State determines under subpara-*
3 *graph (A) that revisions to its technical assist-*
4 *ance specifications are necessary, the State shall*
5 *establish an administrative process for expe-*
6 *ditating the revisions.*

7 “(2) *ADDRESSING CONCERNS OF SPECIALTY*
8 *CROP PRODUCERS.—*

9 “(A) *IN GENERAL.—The Secretary shall di-*
10 *rect each State to fully incorporate into its tech-*
11 *nical assistance specifications and provide for*
12 *the appropriate range of conservation practices*
13 *and resource mitigation measures available to*
14 *specialty crop producers.*

15 “(B) *AVAILABILITY OF ADEQUATE TECH-*
16 *NICAL ASSISTANCE.—The Secretary shall ensure*
17 *that adequate technical assistance is available*
18 *for the implementation of conservation practices*
19 *by specialty crop producers through Federal con-*
20 *servation programs. In carrying out this require-*
21 *ment, the Secretary shall develop—*

22 “(i) *programs that meet specific needs*
23 *of specialty crop producers through coopera-*
24 *tive agreements with other agencies and*
25 *nongovernmental organizations; and*

1 “(ii) program specifications that allow
 2 for innovative approaches that engage local
 3 resources in providing technical assistance
 4 for planning and implementation of con-
 5 servation practices.

6 “(e) *NON-FEDERAL ASSISTANCE.*—*The Secretary may*
 7 *request the services of, and enter into cooperative agree-*
 8 *ments or contracts with, non-Federal entities to assist the*
 9 *Secretary in providing technical assistance necessary to de-*
 10 *velop and implement conservation programs under this*
 11 *title.”.*

12 **SEC. 2403. COOPERATIVE CONSERVATION PARTNERSHIP**
 13 **INITIATIVE.**

14 (a) *TRANSFER OF EXISTING PROVISIONS.*—*Sub-*
 15 *sections (b), (c), and (d) of section 1243 of the Food Secu-*
 16 *rity Act of 1985 (16 U.S.C. 3843) are—*

17 (1) *redesignated as subsections (c), (d), and (e),*
 18 *respectively; and*

19 (2) *transferred to appear at the end of section*
 20 *1244 of such Act (16 U.S.C. 3844).*

21 (b) *ESTABLISHMENT OF PARTNERSHIP INITIATIVE.*—
 22 *Section 1243 of the Food Security Act of 1985 (16 U.S.C.*
 23 *3843), as amended by subsection (a), is amended to read*
 24 *as follows:*

1 **“SEC. 1243. COOPERATIVE CONSERVATION PARTNERSHIP**
2 **INITIATIVE.**

3 “(a) *ESTABLISHMENT OF INITIATIVE.*—

4 “(1) *ESTABLISHMENT.*—*The Secretary shall es-*
5 *tablish a cooperative conservation partnership initia-*
6 *tive (in this section referred to as the ‘Partnership’)*
7 *within each program described in subsection (b) to*
8 *address conservation issues involving production agri-*
9 *culture on local, regional, or State levels.*

10 “(2) *ADMINISTRATION.*—*The Secretary shall*
11 *carry out the Partnership—*

12 “(A) *by selecting proposals for grants and*
13 *agreements by eligible entities described in sub-*
14 *section (c) through a competitive selection proc-*
15 *ess;*

16 “(B) *by making grants to, and entering*
17 *into agreements with, with eligible entities de-*
18 *scribed in subsection (c) for not less than 2*
19 *years, but not more than 5 years, in duration;*
20 *and*

21 “(C) *by providing producers that are par-*
22 *ticipating in a special project and initiative of*
23 *an eligible entity preferential enrollment into 1*
24 *or more of the programs described in subsection*
25 *(b).*

1 “(3) *PURPOSES.*—*The purposes of the Partner-*
2 *ship are to carry out special projects and initia-*
3 *tives—*

4 “(A) *to address conservation issues involv-*
5 *ing production agriculture on local, regional, or*
6 *State levels through producers and eligible enti-*
7 *ties;*

8 “(B) *to address community and economic*
9 *development needs and opportunities; and*

10 “(C) *to increase access to, and participation*
11 *in, the programs described in subsection (b) by*
12 *producers of specialty crops (as defined in sec-*
13 *tion 3 of the Specialty Crops Competitiveness*
14 *Act of 2004, Pub. L. 108–465 (7 U.S.C. 1621*
15 *note).*

16 “(b) *COVERED PROGRAMS.*—*The conservation pro-*
17 *grams covered by this section are the following:*

18 “(1) *Conservation security program.*

19 “(2) *Environmental quality incentives program.*

20 “(3) *Wildlife habitat incentive program.*

21 “(c) *ELIGIBLE PARTNERS.*—*Grants may be made or*
22 *agreements may be entered into under this section with any*
23 *of the following (or a combination thereof):*

24 “(1) *States and agencies of States.*

1 “(2) *Political subdivisions of States, including*
2 *counties and State- or county-sponsored conservation*
3 *districts.*

4 “(3) *Indian tribes.*

5 “(4) *Nongovernmental organizations and asso-*
6 *ciations, including producer associations, farmer co-*
7 *operatives, extension associations, and conservation*
8 *organizations with a history of working cooperatively*
9 *with producers to effectively address resource concerns*
10 *related to agricultural production, as determined by*
11 *the Secretary.*

12 “(5) *A combination of partners specified in a*
13 *preceding paragraph.*

14 “(d) *APPLICATIONS.—*

15 “(1) *COMPETITIVE PROCESS.—The Secretary*
16 *shall establish a competitive process for considering*
17 *applications for grants or agreements under this sec-*
18 *tion consistent with the evaluation criteria listed in*
19 *subsection (e).*

20 “(2) *PROGRAM ALLOCATION.—Applications shall*
21 *include—*

22 “(A) *specification of the amount of funding*
23 *or acres, or both, of 1 or more covered programs*
24 *specified in subsection (b) proposed to be allo-*

1 *cated to carry out the special project or initia-*
2 *tive; and*

3 *“(B) a schedule for utilization of funding or*
4 *acres over the life of the proposed project or ini-*
5 *tiative.*

6 *“(e) EVALUATION CRITERIA.—In evaluating applica-*
7 *tions for grants or agreements under this section the Sec-*
8 *retary shall consider the extent to which—*

9 *“(1) preferential enrollment in the covered pro-*
10 *grams specified in the application will effectively ad-*
11 *dress the environmental objectives established for the*
12 *special project or initiative; and*

13 *“(2) the special project or initiative covered by*
14 *the application—*

15 *“(A) enjoys local and regional support from*
16 *producers and other interested persons, including*
17 *governmental and nongovernmental organiza-*
18 *tions with appropriate expertise on the issues the*
19 *project or initiative seeks to address;*

20 *“(B) includes clear environmental objec-*
21 *tives;*

22 *“(C) includes a well defined project or ini-*
23 *tiative plan that identifies sensitive areas requir-*
24 *ing treatment and prioritizes conservation prac-*

1 *tices and activities needed to achieve environ-*
2 *mental objectives;*

3 *“(D) promises adequate and coordinated*
4 *participation to achieve the objectives of the*
5 *project or initiative;*

6 *“(E) coordinates integration of local, State,*
7 *and Federal efforts to make the best use of avail-*
8 *able resources and maximize cost-effective invest-*
9 *ments;*

10 *“(F) leverages financial and technical re-*
11 *sources from sources other than the programs au-*
12 *thorized by this subtitle, including financial and*
13 *technical resources provided by Federal and*
14 *State agencies, local governments, nongovern-*
15 *mental organizations and associations, and other*
16 *private sector entities;*

17 *“(G) describes how all necessary technical*
18 *assistance will be provided to each producer par-*
19 *ticipating in the project or initiative, including*
20 *cost estimates for technical assistance and wheth-*
21 *er such assistance will be provided by technical*
22 *service providers;*

23 *“(H) describes how the administrative costs*
24 *of the project or initiative will be minimized;*

1 “(I) addresses a local, State, regional, or
2 national environmental priority or priorities,
3 with particular emphasis on any priority for
4 which there is an existing State or federally ap-
5 proved plan in place for addressing that pri-
6 ority;

7 “(J) includes a plan to evaluate progress,
8 measure results, and meet the purposes of the
9 agreement;

10 “(K) clearly demonstrates that enrollment of
11 producers in covered programs will be consistent
12 with the purposes and policies of each individual
13 program, as established in statute, rules and reg-
14 ulations, and program guidance promulgated by
15 implementing agencies;

16 “(L) links resource and environmental ob-
17 jectives with community development or
18 agritourism objectives that can be improved as a
19 result of addressing the resources of concern;

20 “(M) demonstrates innovation in linking
21 environmental and community development ob-
22 jectives; and

23 “(N) addresses the needs of beginning farm-
24 ers and ranchers, socially disadvantaged farmers

1 *and ranchers, and limited resource farmers and*
2 *ranchers.*

3 “(f) *PRIORITIES.—To the maximum extent prac-*
4 *ticable, consistent with the requirements of subsection (d),*
5 *the Secretary shall ensure that, each fiscal year, grants are*
6 *awarded and agreements are entered into under this section*
7 *to support projects and initiatives that collectively address*
8 *the resource concerns facing producers, ranchers, and non-*
9 *industrial private forest landowners, including specifically*
10 *projects and initiatives that are designed—*

11 “(1) *to achieve improvements in water quality*
12 *in watersheds impacted by agriculture, particularly*
13 *by increasing the participation of producers in imple-*
14 *menting best management practices in a watershed or*
15 *developing environmentally and economically viable*
16 *alternative uses for manure and litter;*

17 “(2) *to achieve improvements in air quality in*
18 *a geographical area where agricultural operations im-*
19 *pact air quality;*

20 “(3) *to support State activities to efficiently*
21 *manage and utilize their water resources in regions,*
22 *States or local areas where water quantity is a con-*
23 *cern;*

1 “(4) to assist in carrying out a State Wildlife
2 *Habitat Incentives Program plan or other State, re-*
3 *gional, or national conservation initiative.*

4 “(5) to control invasive species on rangeland or
5 *other agricultural land through the cooperative efforts*
6 *of multiple producers in a geographical area;*

7 “(6) to address a specific resource of concern or
8 *set of concerns on private, non-industrial forest land;*

9 “(7) to reduce losses of pesticides to the environ-
10 *ment by engaging multiple producers in a geographic*
11 *area in adoption of integrated pest management prac-*
12 *tices and approaches;*

13 “(8) to protect farmland and ranch land facing
14 *development pressures from being converted to non-ag-*
15 *ricultural use; or*

16 “(9) to assist producers in carrying out good
17 *management practices to enhance food safety.*

18 “(g) *DUTIES OF PARTNERS.—Eligible partners*
19 *shall—*

20 “(1) *identify conservation issues affecting pro-*
21 *duction agriculture on local, regional, or State levels*
22 *that could be addressed through special projects and*
23 *initiatives;*

1 “(2) enter into agreements or obtain grants from
2 the Secretary to carry out special projects and initia-
3 tives;

4 “(3) identify through outreach efforts producers
5 that can participate in the special project or initia-
6 tive of the eligible entity if the producer is otherwise
7 eligible to be enrolled, as determined by the Secretary,
8 or has already enrolled, in the applicable program de-
9 scribed in subsection (b); and

10 “(4) carry out the special project and initiative.

11 “(h) DUTIES OF THE SECRETARY.—

12 “(1) ADDITIONAL DUTIES.—In addition to the
13 normal administration of the programs described in
14 subsection (b), the Secretary shall be responsible for
15 basic administrative and oversight functions relating
16 to the special projects and initiatives, including—

17 “(A) rules and procedures relating to con-
18 servation standards and specifications;

19 “(B) conservation compliance;

20 “(C) appeals;

21 “(D) adjusted gross income limitations;

22 “(E) direct attribution; and

23 “(F) such other similar functions as the
24 Secretary might designate.

1 “(2) *FLEXIBILITY.*—*The Secretary may adjust*
2 *eligibility criteria, approved practices, practice stand-*
3 *ards, innovative conservation practices, and other ele-*
4 *ments of the programs described in subsection (b) to*
5 *better reflect unique local circumstances and purposes*
6 *if the Secretary determines such adjustments would—*

7 “(A) *improve environmental enhancement*
8 *and long-term sustainability of the natural re-*
9 *source base; and*

10 “(B) *be consistent with the purposes of the*
11 *program and the special project and initiative.*

12 “(3) *PREFERENTIAL ENROLLMENT.*—*Subject to*
13 *the limitations under subsection (j), the Secretary*
14 *shall provide preferential enrollment to producers that*
15 *are eligible—*

16 “(A) *for the applicable program described*
17 *in subsection (b); and*

18 “(B) *to participate in the special project*
19 *and initiative of an eligible partner.*

20 “(i) *COST SHARE.*—*The Secretary shall not require*
21 *more than 25 percent of the cost of a project or initiative*
22 *supported under a grant or agreement entered into under*
23 *this section to come from non-Federal sources. However, the*
24 *Secretary may give higher priority to projects or initiatives*

1 *offering to cover a higher percentage of the cost of the project*
2 *or initiative from non-Federal sources.*

3 “(j) *INCENTIVE AND BONUS PAYMENTS.*—

4 “(1) *AVAILABILITY.*—*Applications submitted*
5 *under subsection (d)(2) may include proposals for*
6 *special incentive and bonus payments, consistent with*
7 *the statutory purposes of the programs involved, to*
8 *producers that—*

9 “(A) *restore land, water, or habitat as a*
10 *community development asset; or*

11 “(B) *provide public access to enrolled land.*

12 “(2) *CRITERIA.*—*The Secretary shall develop and*
13 *publish criteria for providing special incentive or*
14 *bonus payments to producers under paragraph (1).*

15 “(k) *FUNDING.*—

16 “(1) *SET-ASIDE.*—*Of the funds provided for each*
17 *of fiscal years 2008 through 2012 to implement the*
18 *programs specified in subsection (b), the Secretary*
19 *shall reserve 10 percent to ensure an adequate source*
20 *of funds for grants, agreements, financial assistance*
21 *to producers under this section.*

22 “(2) *ALLOCATION TO STATES.*—*The Secretary*
23 *shall allocate to States 90 percent of the funds re-*
24 *served under paragraph (1) for a fiscal year to allow*
25 *State Conservationists, with the advice of State tech-*

1 nical committees, to select projects and initiatives for
 2 funding under this section at the State level. The Sec-
 3 retary shall develop criteria for this allocation made
 4 on a similar basis as to the program priorities under
 5 subsection (f).

6 “(3) *UNUSED FUNDING.*—Any funds reserved for
 7 a fiscal year under paragraph (1) that are not obli-
 8 gated by April 1 of that fiscal year may be used to
 9 carry out other activities under conservation pro-
 10 grams under subtitle D during the remainder of that
 11 fiscal year.

12 “(4) *ADMINISTRATIVE COSTS FUNDING CAP.*—Of
 13 the funds made available under this section for a par-
 14 ticular project or initiative, not more than 5 percent
 15 may be expended by the eligible entity on the admin-
 16 istrative costs of the project or initiative.”.

17 **SEC. 2404. REGIONAL EQUITY AND FLEXIBILITY.**

18 Section 1241(d) of the Food Security Act of 1985 (16
 19 U.S.C. 3841(d)) is amended by striking “\$12,000,000” and
 20 inserting “\$15,000,000”.

21 **SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CON-**
 22 **SERVATION PROGRAMS.**

23 (a) *INCENTIVES FOR CERTAIN PRODUCERS.*—Section
 24 1244(a) of the Food Security Act of 1985 (16 U.S.C.
 25 3844(a)) is amended—

1 (1) *in the subsection heading, by striking “BE-*
 2 *GINNING” and inserting “INCENTIVES FOR CERTAIN”;*

3 (2) *by inserting “, socially disadvantaged farm-*
 4 *ers and ranchers, limited resource farmers and ranch-*
 5 *ers,” after “beginning farmers and ranchers”; and*

6 (3) *by striking “and limited resource agricul-*
 7 *tural producers”.*

8 (b) *SINGLE, SIMPLIFIED APPLICATION PROCESS FOR*
 9 *CONSERVATION PROGRAMS.—Section 1244 of the Food Se-*
 10 *curity Act of 1985 (16 U.S.C. 3844), as amended by section*
 11 *2403, is amended by adding at the end the following new*
 12 *subsection:*

13 “(f) *SINGLE, SIMPLIFIED APPLICATION PROCESS.—*

14 “(1) *ESTABLISHMENT.—In carrying out any of*
 15 *the conservation programs under this title adminis-*
 16 *tered by the Natural Resources Conservation Service,*
 17 *the Secretary shall establish and make available to*
 18 *producers and landowners a single, simplified appli-*
 19 *cation process to be used by producers and land-*
 20 *owners in initially requesting assistance under such*
 21 *programs. The Secretary shall ensure that—*

22 “(A) *conservation program applicants are*
 23 *not required to provide information that dupli-*
 24 *cates information and resources already avail-*

1 *able to the Secretary regarding that applicant*
2 *and for that specific operation; and*

3 *“(B) the application process is streamlined*
4 *to minimize complexity and redundancy.*

5 *“(2) REVIEW OF APPLICATION PROCESS.—The*
6 *Secretary shall review the conservation application*
7 *process and the forms and related mechanisms used to*
8 *receive assistance requests from producers and land-*
9 *owners. The purpose of the review shall be to deter-*
10 *mine what information the applicant is actually re-*
11 *quired to submit during the application process, in-*
12 *cluding—*

13 *“(A) identification information for the ap-*
14 *plicant;*

15 *“(B) identification and location informa-*
16 *tion for the land parcel or tract of concern;*

17 *“(C) a general statement of the applicant’s*
18 *resource concern or concerns for the land parcel*
19 *or tract; and*

20 *“(D) the minimum amount of other infor-*
21 *mation the Secretary considers essential for the*
22 *applicant to provide.*

23 *“(3) REVISION AND STREAMLINING.—The Sec-*
24 *retary shall carry out a revision of the application*
25 *forms and processes for conservation programs cov-*

1 *ered in this subsection to enable utilization of infor-*
2 *mation technology as an avenue to incorporate appro-*
3 *priate data and information concerning the conserva-*
4 *tion needs and solutions appropriate for the land*
5 *area identified by the applicant. The revision shall*
6 *seek to streamline the application process to minimize*
7 *the burden placed on the applicant.*

8 *“(4) CONSERVATION PROGRAM APPLICATION.—*
9 *When the needs of an applicant are adequately as-*
10 *essed by the Secretary, directly or through a third-*
11 *party provider under section 1242, in order to deter-*
12 *mine the conservation programs under this title that*
13 *best match the needs of the applicant, with the ap-*
14 *proval of the applicant, the Secretary may convert the*
15 *initial application into a specific application for as-*
16 *sistance for a specific program. To the maximum ex-*
17 *tent practical, the specific application for conserva-*
18 *tion program assistance shall be carried out by the*
19 *Secretary by requesting only that specific further in-*
20 *formation from the applicant that is not already*
21 *available to the Secretary.*

22 *“(5) IMPLEMENTATION AND NOTIFICATION.—Not*
23 *later than one year after the date of the enactment of*
24 *the Farm, Nutrition, and Bioenergy Act of 2007, the*
25 *Secretary shall complete the requirements of this sub-*

1 *section and shall submit to Congress a written notifi-*
 2 *cation of such completion.”.*

3 **SEC. 2406. ANNUAL REPORT ON PARTICIPATION BY SPE-**
 4 **CIALTY CROP PRODUCERS IN CONSERVATION**
 5 **PROGRAMS.**

6 *(a) REPORT REQUIRED.—Subtitle F of title XII of the*
 7 *Food Security Act of 1985 is amended by inserting after*
 8 *section 1251 (16 U.S.C. 2005a) the following new section:*

9 **“SEC. 1252. ANNUAL REPORT ON PARTICIPATION BY SPE-**
 10 **CIALTY CROP PRODUCERS IN CONSERVATION**
 11 **PROGRAMS.**

12 *“(a) REPORT REQUIRED.—The Secretary of Agri-*
 13 *culture shall submit to the Committee on Agriculture of the*
 14 *House of Representatives and the Committee on Agri-*
 15 *culture, Nutrition, and Forestry of the Senate an annual*
 16 *report that—*

17 *“(1) documents and analyzes the participation*
 18 *by producers of specialty crops in conservation pro-*
 19 *grams under subtitle D, including the conservation se-*
 20 *curity program and the environmental quality incen-*
 21 *tives program;*

22 *“(2) tracks such participation by crop and live-*
 23 *stock type; and*

24 *“(3) describes the results of implementing the*
 25 *plan required by subsection (b), as well as any modi-*

1 fications to the plan that the Secretary finds nec-
2 essary to increase its effectiveness.

3 “(b) *ACCESS PLAN*.—As part of each report submitted
4 under subsection (a), the Secretary shall set forth a plan
5 to improve the access of producers of specialty crops to, and
6 their participation in, conservation programs under sub-
7 title D. In developing the plan, the Secretary shall consult
8 with organizations representing producers of specialty
9 crops.

10 “(c) *SPECIALTY CROP DEFINED*.—In this section, the
11 term ‘specialty crop’ has the meaning given such term by
12 section 3(1) of the Specialty Crops Competitiveness Act of
13 2004 (Public Law 108–465; 7 U.S.C. 1621 note).”.

14 (b) *INITIAL REPORT*.—The first report required under
15 section 1252 of the Food Security Act of 1985, as added
16 by subsection (a), shall be submitted not later than 180 days
17 after the date of the enactment of this Act. Subsection (a)(2)
18 of such section shall not apply with respect to the first re-
19 port.

20 **SEC. 2407. PROMOTION OF MARKET-BASED APPROACHES TO**
21 **CONSERVATION.**

22 (a) *FINDINGS*.—Congress finds the following:

23 (1) Many of the conservation and environmental
24 benefits produced on farms, ranches, and private for-
25 est lands in the United States do not have an as-

(2) While private markets for environmental goods and services are emerging, their viability has been hampered by several barriers.

(3) *The Federal Government can help overcome these barriers and promote the establishment of markets for agricultural and forestry conservation activities.*

(4) *Generating substantial private-sector demand for environmental goods and services hinges on the ability to use environmental credits generated by agricultural and forest conservation activities.*

(b) *MARKET-BASED APPROACHES*.—*Subtitle E of title XII of the Food Security Act of 1985 is amended by inserting after section 1244 (16 U.S.C. 3844) the following new section:*

18 “SEC. 1245. MARKET-BASED APPROACHES TO CONSERVA-
19 TION.

20 “(a) *IMPLEMENTATION.*—To facilitate the development
21 and effective operation of private sector market-based ap-
22 proaches for environmental goods and services produced by
23 farmers, ranchers, and owners of private forest land, the
24 Secretary may conduct research and analysis, enter into

1 *contracts and cooperative agreements, and award grants for*
2 *the purpose of—*

3 “(1) *promoting the development of consistent*
4 *standards and processes for quantifying environ-*
5 *mental benefits, including the creation of performance*
6 *standards or baselines;*

7 “(2) *promoting the establishment of reporting*
8 *and credit registries, including third-party*
9 *verification and certification; and*

10 “(3) *promoting actions that facilitate the devel-*
11 *opment and functioning of private-sector market-*
12 *based approaches for environmental goods and serv-*
13 *ices involving agriculture and forestry.*

14 “(b) *ENVIRONMENTAL SERVICES STANDARDS*
15 *BOARD.—*

16 “(1) *ESTABLISHMENT.—There is to be estab-*
17 *lished an Environmental Services Standards Board*
18 *to develop consistent performance standards for quan-*
19 *tifying environmental services from land management*
20 *and agricultural activities in order to facilitate the*
21 *development of credit markets for conservation and*
22 *land management activities that are agriculture or*
23 *forest based.*

1 “(2) *CHAIRPERSON.*—*The Secretary of Agri-*
2 *culture shall serve as chair of the Environmental*
3 *Services Standards Board.*

4 “(3) *MEMBERSHIP.*—*The Environmental Serv-*
5 *ices Standards Board shall be comprised of the Sec-*
6 *retary of Agriculture, the Secretary of the Interior,*
7 *the Secretary of Energy, the Secretary of Commerce,*
8 *the Secretary of Transportation, the Administrator of*
9 *the Environmental Protection Agency, the Com-*
10 *mander of the Army Corps of Engineers, and such*
11 *other representatives as determined by the President.*

12 “(4) *SUBCOMMITTEES.*—*The Environmental*
13 *Services Standards Board may form subcommittees to*
14 *address specific issues.*

15 “(c) *DISSEMINATION OF PERFORMANCE STAND-*
16 *ARDS.*—*Federal agencies are authorized to adopt perform-*
17 *ance standards developed by the Environmental Services*
18 *Standards Board for quantifying environmental services*
19 *that establish credits to meet requirements of environmental*
20 *and conservation programs.*

21 “(d) *FUNDING .*—*There is authorized to be appro-*
22 *priated \$50,000,000 to carry out this section. Amounts so*
23 *appropriated shall remain available until expended.*

24 “(e) *DEFINITIONS.*—*In this section:*

1 “(1) *BASELINE*.—The term ‘baseline’ means a
2 level of effort or performance that is expected to be
3 met before an entity can generate marketable credits.

4 “(2) *PERFORMANCE STANDARD*.—The term ‘per-
5 formance standard’ means a defined level of environ-
6 mental performance, expressed as a narrative or
7 measurable number, which specifies the minimum ac-
8 ceptable environmental performance of an operation
9 or practice.”.

10 **SEC. 2408. ESTABLISHMENT OF STATE TECHNICAL COMMIT-**
11 **TEES AND THEIR RESPONSIBILITIES.**

12 *Subtitle G of title XII of the Farm Security Act of*
13 *1985 (16 U.S.C. 3861, 3862) is amended to read as follows:*

14 **“Subtitle G—State Technical**
15 **Committees**

16 **“SEC. 1261. ESTABLISHMENT OF STATE TECHNICAL COM-**
17 **MITTEES.**

18 “(a) *ESTABLISHMENT*.—The Secretary shall establish
19 a technical committee in each State to assist the Secretary
20 in the considerations relating to implementation and tech-
21 nical aspects of the conservation programs under this title.

22 “(b) *COMPOSITION*.—Each State technical committee
23 shall be composed of agricultural producers and other pro-
24 fessionals that represent a variety of disciplines in the soil,
25 water, wetland, and wildlife sciences. The technical com-

1 *mittee for a State shall include representatives from among*
2 *the following:*

3 “(1) *The Natural Resources Conservation Serv-*
4 *ice.*

5 “(2) *The Farm Service Agency.*

6 “(3) *The Forest Service.*

7 “(4) *The Cooperative State Research, Education,*
8 *and Extension Service.*

9 “(5) *The State fish and wildlife agency.*

10 “(6) *The State forester or equivalent State offi-*
11 *cial.*

12 “(7) *The State water resources agency.*

13 “(8) *The State department of agriculture.*

14 “(9) *The State association of soil and water con-*
15 *servation districts.*

16 “(10) *At least 12 agricultural producers rep-*
17 *resenting the variety of crops and livestock or poultry*
18 *grown within the State.*

19 “(11) *Nonprofit organizations within the mean-*
20 *ing of section 501(c)(2) of the Internal Revenue Code*
21 *of 1986 with demonstrable conservation expertise and*
22 *experience working with agriculture producers in the*
23 *State.*

24 “(12) *Agribusiness.*

1 “(c) *SUBCOMMITTEES.*—A State technical committee
2 shall convene one or more subcommittees to provide tech-
3 nical guidance and implementation recommendations. The
4 topics that a subcommittee shall address shall include, at
5 a minimum, the following:

6 “(1) *Establishing priorities and criteria for*
7 *State initiatives under the programs in this title, in-*
8 *cluding the review of whether local working groups*
9 *are addressing those priorities.*

10 “(2) *Issues related to private forestlands protec-*
11 *tion and enhancement.*

12 “(3) *Issues related to water quality and water*
13 *quantity.*

14 “(4) *In those States where applicable, issues re-*
15 *lated to air quality.*

16 “(5) *Issues related to wildlife habitat, including*
17 *the protection of nesting wildlife.*

18 “(6) *Issues related to wetland protection, restora-*
19 *tion, and mitigation requirements.*

20 “(7) *Other issues as the Secretary determines*
21 *would be useful.*

22 **“SEC. 1262. RESPONSIBILITIES.**

23 “(a) *IN GENERAL.*—Each State technical committee
24 established under section 1261 shall meet regularly to pro-
25 vide information, analysis, and recommendations to appro-

1 *priate officials of the Department of Agriculture who are*
 2 *charged with implementing the conservation provisions of*
 3 *this title.*

4 “(b) *PUBLIC NOTICE AND ATTENDANCE.*—*Each State*
 5 *technical committee shall provide public notice of, and per-*
 6 *mit public attendance at, meetings considering issues of*
 7 *concern related to carrying out this title.*

8 “(c) *ADVISORY ROLE.*—*The role of a State technical*
 9 *committee is advisory in nature, and the committee shall*
 10 *have no implementation or enforcement authority. How-*
 11 *ever, the Secretary shall give strong consideration to the rec-*
 12 *ommendations of the committee in administering the pro-*
 13 *grams under this title.*

14 “(d) *FACA REQUIREMENTS.*—*Except as provided in*
 15 *subsection (b), a State technical committee, including any*
 16 *subcommittee of State technical committee, is exempt from*
 17 *the Federal Advisory Committee Act (5 U.S.C. App.).”.*

18 **SEC. 2409. PAYMENT LIMITATIONS.**

19 (a) *IN GENERAL.*—*The Food Security Act of 1985 is*
 20 *amended by inserting after section 1245, as added by sec-*
 21 *tion 2407, the following new section:*

22 **“SEC. 1246. PAYMENT LIMITATIONS.**

23 “(a) *PAYMENTS FOR CONSERVATION PRACTICES.*—*The*
 24 *total amount of payments that a person or a legal entity*
 25 *(except a joint venture or a general partnership) may re-*

1 *ceive, directly or indirectly, in any fiscal year shall not*
 2 *exceed—*

3 “(1) \$60,000 from any single program under
 4 *this title or as agricultural management assistance*
 5 *under section 524(b) of the Federal Crop Insurance*
 6 *Act (7 U.S.C. 524(b)); or*

7 “(2) \$125,000 from more than one program
 8 *under this title and as agricultural management as-*
 9 *sistance under section 524(b) of the Federal Crop In-*
 10 *surance Act.*

11 “(b) *EXCEPTIONS.—The limitations under subsection*
 12 *(a) shall not apply with respect to the following:*

13 “(1) *The wetlands reserve program under sub-*
 14 *chapter C of chapter 1 of subtitle D.*

15 “(2) *The farm and ranchland protection pro-*
 16 *gram under subchapter B of chapter 2 of such sub-*
 17 *title.*

18 “(3) *The grassland reserve program under sub-*
 19 *chapter C of chapter 2 of such subtitle.*

20 “(c) *DIRECT ATTRIBUTION.—*

21 “(1) *IN GENERAL.—In implementing the pay-*
 22 *ment limitations in subsection (a), the Secretary shall*
 23 *issue such regulations as are necessary to ensure that*
 24 *the total amount of payments are attributed to a per-*
 25 *son by taking into account the direct and indirect*

1 *ownership interests of the person in a legal entity*
2 *that is eligible to receive such payments.*

3 “(2) *PAYMENTS TO A PERSON.—Every payment*
4 *made directly to a person shall be combined with the*
5 *person’s pro rata interest in payments received by a*
6 *legal entity in which the person has a direct or indi-*
7 *rect ownership interest.*

8 “(3) *PAYMENTS TO A LEGAL ENTITY.—*

9 “(A) *IN GENERAL.—Every payment made*
10 *to a legal entity shall be attributed to those per-*
11 *sons who have a direct or indirect ownership in-*
12 *terest in the legal entity.*

13 “(B) *ATTRIBUTION OF PAYMENTS.—*

14 “(i) *PAYMENT LIMITS.—Except as pro-*
15 *vided in clause (ii), payments made to a*
16 *legal entity shall not exceed the amounts*
17 *specified in subsection (a).*

18 “(ii) *EXCEPTION.—Payments made to*
19 *a joint venture or a general partnership*
20 *shall not exceed, for each payment specified*
21 *in subsection (a), the amount determined by*
22 *multiplying the maximum payment amount*
23 *specified in subsection (a) by the number of*
24 *persons and legal entities (other than joint*
25 *ventures and general partnerships) that*

1 comprise the ownership of the joint venture
2 or general partnership.”.

3 (b) *CONFORMING AMENDMENTS.*—

4 (1) *EXISTING PAYMENT LIMITATIONS IN CON-*
5 *SERVATION PROGRAMS.*—*Title XII of the Food Secu-*
6 *rity Act of 1985 is amended—*

7 (A) *in section 1234 (16 U.S.C. 3834) by*
8 *striking subsection (f);*

9 (B) *in section 1238C (16 U.S.C. 3838c), as*
10 *amended by section 2103, by striking subsections*
11 *(d) and (e); and*

12 (C) *by striking section 1240G (16 U.S.C.*
13 *3839aa–7).*

14 (2) *AGRICULTURAL MANAGEMENT ASSISTANCE.*—
15 *Section 524(b) of the Federal Crop Insurance Act (7*
16 *U.S.C. 524) is amended by striking paragraph (3).*

***Subtitle E—Miscellaneous
Provisions***

**SEC. 2501. INCLUSION OF INCOME FROM AFFILIATED PACK-
ING AND HANDLING OPERATIONS AS INCOME
DERIVED FROM FARMING FOR APPLICATION
OF ADJUSTED GROSS INCOME LIMITATION
ON ELIGIBILITY FOR CONSERVATION PRO-
GRAMS.**

*Section 1001D(b)(1) of the Food Security Act of 1985
(7 U.S.C. 1308-3a(b)(1)) is amended by inserting “(includ-
ing, for purposes of paragraph (2)(C), affiliated packing
and handling operations)” after “derived from farming”.*

**SEC. 2502. ENCOURAGEMENT OF VOLUNTARY SUSTAIN-
ABILITY PRACTICES GUIDELINES.**

*In administering this title and the amendments made
by this title, the Secretary of Agriculture may encourage
the development of voluntary sustainable practices guide-
lines for producers and processors of specialty crops.*

SEC. 2503. FARMLAND RESOURCE INFORMATION.

*(a) DEVELOPMENT AND DISSEMINATION OF FARMLAND
RESOURCE INFORMATION.—The Secretary of Agriculture
shall design and implement educational programs and ma-
terials emphasizing the importance of productive farmland
to the Nation’s well-being and distribute educational mate-
rials through communications media, schools, groups, and*

1 *other Federal agencies. The Secretary shall carry out this*
2 *subsection through existing agencies or interagency groups*
3 *and in cooperation with nonprofit organizations and the*
4 *cooperative extension services of States.*

5 (b) *FARMLAND INFORMATION CENTERS.*—*The Sec-*
6 *retary shall designate 1 or more farmland information cen-*
7 *ters to provide technical assistance and serve as central de-*
8 *positories and distribution points for information on farm-*
9 *land issues. Information provided by a center shall include*
10 *online access to data on land cover and use changes and*
11 *trends and literature, laws, historical archives, policies,*
12 *programs, and innovative actions or proposals by local and*
13 *State governments or nonprofit organizations related to*
14 *farmland protection.*

15 (c) *FUNDING.*—*Funds for the farmland information*
16 *centers designated under subsection (b) shall be provided*
17 *using funds made available for the farm and ranchland*
18 *protection program established under subchapter B of chap-*
19 *ter 2 of subtitle D of title XII of the Food Security Act*
20 *of 1985 (16 U.S.C. 3838h et seq.). Such funding for a fiscal*
21 *year shall not exceed one-half of 1 percent of the funds made*
22 *available for the farm and ranchland protection program*
23 *for that fiscal year, but no less than \$400,000 annually.*

24 (d) *MATCHING FUNDS.*—*Federal funding for a farm-*
25 *land information center designated under subsection (b)*

1 *shall be matched with non-Federal funds, through cash or*
 2 *in-kind contributions.*

3 ***TITLE III—TRADE***

Sec. 3001. Agricultural Trade Development and Assistance Act of 1954.

Sec. 3002. Export credit guarantee program.

Sec. 3003. Market access program.

Sec. 3004. Food for Progress Act of 1985.

Sec. 3005. McGovern-Dole International Food for Education and Child Nutrition program.

Sec. 3006. Bill Emerson Humanitarian Trust.

Sec. 3007. Technical assistance for specialty crops.

Sec. 3008. Technical assistance for the resolution of trade disputes.

Sec. 3009. Representation by the United States at international standard-setting bodies.

Sec. 3010. Foreign market development cooperator program.

Sec. 3011. Emerging markets.

Sec. 3012. Export Enhancement Program.

Sec. 3013. Minimum level of nonemergency food assistance.

Sec. 3014. Germplasm conservation.

4 ***SEC. 3001. AGRICULTURAL TRADE DEVELOPMENT AND AS-*** 5 ***SISTANCE ACT OF 1954.***

6 *(a) PURPOSE OF PROGRAM.—Section 201 of the Agri-*
 7 *cultural Trade Development and Assistance Act of 1954 (7*
 8 *U.S.C. 1721) is amended so that paragraph (1) reads as*
 9 *follows:*

10 *“(1) address famine and food crises and respond*
 11 *to emergency food needs arising from manmade disas-*
 12 *ters, and natural disasters.”.*

13 *(b) SUPPORT FOR ELIGIBLE ORGANIZATIONS.—Sec-*
 14 *tion 202(e)(1) of the Agricultural Trade Development and*
 15 *Assistance Act of 1954 (7 U.S.C. 1722(e)(1)) is amended—*
 16 *(1) by striking “not less than 5 percent nor more*
 17 *than 10 percent of the funds” and inserting “not less*

1 *than 7 percent nor more than 12 percent of the*
 2 *funds”;*

3 *(2) striking “and” at the end of subparagraph*
 4 *(A);*

5 *(3) striking the period at the end of subpara-*
 6 *graph (B) and inserting “; and”; and*

7 *(4) inserting after subparagraph (B) the fol-*
 8 *lowing:*

9 *“(C) developing, implementing and improv-*
 10 *ing monitoring systems of programs receiving*
 11 *funds under this title.”.*

12 *(c) GENERATION AND USE OF CURRENCIES BY PRI-*
 13 *VATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.—*
 14 *Subsection (b) of section 203 of the Agricultural Trade De-*
 15 *velopment and Assistance Act of 1954 (7 U.S.C. 1723) is*
 16 *amended by striking “1 or more recipient countries” and*
 17 *inserting “in 1 or more recipient countries”.*

18 *(d) LEVELS OF ASSISTANCE.—Section 204(a) of the*
 19 *Agricultural Trade Development and Assistance Act of 1954*
 20 *(7 U.S.C. 1724(a)) is amended—*

21 *(1) in paragraph (1) by striking “2002 through*
 22 *2007” and inserting “2008 through 2012”; and*

23 *(2) in paragraph (2) by striking “2002 through*
 24 *2007” and inserting “2008 through 2012”.*

1 (e) *FOOD AID CONSULTATIVE GROUP*.—Section 205(f)
2 of the *Agricultural Trade Development and Assistance Act*
3 of 1954 (7 U.S.C. 1725(f)) is amended by striking “2007”
4 and inserting “2012”.

5 (f) *DENIAL OF PROPOSALS*.—Paragraph (3) of section
6 207(a) of the *Agricultural Trade Development and Assist-*
7 *ance Act of 1954* (7 U.S.C. 1726a(a)) is amended to read
8 as follows:

9 “(3) *DENIAL*.—If a proposal under paragraph
10 (1) is denied, the response shall specify the reasons for
11 denial.”.

12 (g) *PROGRAM OVERSIGHT, MONITORING, AND EVALUA-*
13 *TION*.—Section 207 of the *Agricultural Trade Development*
14 and *Assistance Act of 1954* (7 U.S.C. 1726a) is amended
15 by adding at the end the following:

16 “(f) *PROGRAM OVERSIGHT, MONITORING, AND EVAL-*
17 *UATION*.—

18 “(1) *IN GENERAL*.—The Administrator, in con-
19 sultation with the Secretary, shall establish systems to
20 improve, monitor, and evaluate the effectiveness and
21 efficiency of assistance provided under this title in
22 order to maximize the impact of such assistance. Such
23 systems shall include the following:

24 “(A) program monitors in countries receiv-
25 ing assistance under this title;

1 “(B) country and regional food aid impact
2 evaluations;

3 “(C) evaluations of best practices for food
4 aid programs;

5 “(D) evaluation of monetization programs;

6 “(E) early warning assessments to prevent
7 famines; and

8 “(F) upgraded information technology sys-
9 tems.

10 “(2) IMPLEMENTATION REPORT.—Not later than
11 180 days after the date of enactment of the Farm, Nu-
12 trition, and Bioenergy Act of 2007, the Administrator
13 shall submit to the appropriate congressional commit-
14 tees a report on efforts undertaken to implement (1).

15 “(3) ANNUAL REPORT.—Not later than February
16 1 of each year, the Administrator shall submit to the
17 appropriate congressional committees a report assess-
18 ing the systems implemented under paragraph (1)
19 and their impact on the effectiveness and efficiency of
20 assistance provided under this title.

21 “(4) FUNDING.—In addition to other funds made
22 available for the Administrator to perform moni-
23 toring of emergency food assistance, the Adminis-
24 trator may implement this subsection using up to
25 \$15,000,000 of funds made available under this title

1 for each of the fiscal years 2008 through 2012, except
 2 for paragraph (1)(F), for which only \$2,500,000 shall
 3 be made available during fiscal year 2008.”.

4 (h) *SHELF-STABLE PREPACKAGED FOODS*.—Section
 5 208(f) of the Agricultural Trade Development and Assist-
 6 ance Act of 1954 (7 U.S.C. 1726b(f)) is amended—

7 (1) by striking “2007” and insert “2012”; and

8 (2) by striking “\$3,000,000” and inserting
 9 “\$7,000,000”

10 (i) *PREPOSITIONING*.—Section 407(c)(4) of the Agri-
 11 cultural Trade Development and Assistance Act of 1954 (7
 12 U.S.C. 1736a(c)(4)) is amended—

13 (1) by striking “2007” and inserting “2012”;

14 and

15 (2) by striking “\$2,000,000” and inserting
 16 “\$8,000,000”.

17 (j) *ANNUAL REPORTS*.—Section 407(f) of the Agricul-
 18 tural Trade Development and Assistance Act of 1954 (7
 19 U.S.C. 1736a(f)) is amended—

20 (1) in paragraph (2)—

21 (A) in subparagraph (B), by adding at the
 22 end before the semicolon the following: “, and the
 23 amount of funds, tonnage levels, and types of ac-
 24 tivities for non-emergency food assistance pro-
 25 grams under title II of this Act”;

1 (B) in subparagraph (C), by adding at the
 2 end before the semicolon the following: “, and a
 3 general description of the projects and activities
 4 implemented”; and

5 (C) so that subparagraph (D) reads as fol-
 6 lows:

7 “(D) an assessment of the progress toward
 8 reducing food insecurity in the populations re-
 9 ceiving food assistance from the United States.”;
 10 and

11 (2) in paragraph (3), by striking “January 15”
 12 and inserting “March 1”.

13 (k) *EXPIRATION OF ASSISTANCE*.—Section 408 of the
 14 Agricultural Trade Development and Assistance Act of 1954
 15 (7 U.S.C. 1736b) is amended by striking “2007” and insert-
 16 ing “2012”.

17 (l) *MICRONUTRIENT FORTIFICATION PROGRAM*.—Sec-
 18 tion 415(d) of the Agricultural Trade Development and As-
 19 sistance Act of 1954 (7 U.S.C. 1736g–2) is amended by
 20 striking “2007” and inserting “2012”.

21 (m) *JOHN OGONOWSKI AND DOUG BEREUTER FARM-*
 22 *ER-TO-FARMER PROGRAM*.—

23 (1) *MINIMUM FUNDING*.—Section 501(d) of the
 24 Agricultural Trade Development and Assistance Act
 25 of 1954 (7 U.S.C. 1737(d)) is amended—

1 (A) by inserting “or \$10,000,000, whichever
2 amount is greater,” after “not less than 0.5 per-
3 cent”; and

4 (B) by striking “2002 through 2007” and
5 inserting “2008 through 2012”.

6 (2) *AUTHORIZATION OF APPROPRIATIONS.*—Sec-
7 tion 501(e) of the Agricultural Trade Development
8 and Assistance Act of 1954 (7 U.S.C. 1737(e)) is
9 amended by striking paragraph (1) and inserting the
10 following new paragraph:

11 “(1) *IN GENERAL.*—To carry out programs
12 under this section, there is authorized to be appro-
13 priated for each of fiscal years 2008 through 2012 the
14 following amounts:

15 “(A) \$10,000,000 for sub-Saharan African
16 and Caribbean Basin countries.

17 “(B) \$5,000,000 for all other countries not
18 included in subparagraph (A).”.

19 (n) *REFERENCES TO COMMITTEE.*—The Agricultural
20 Trade Development and Assistance Act of 1954 (7 U.S.C.
21 1691 et seq.) is amended by striking “Committee on Inter-
22 national Relations” each place it appears and inserting
23 “Committee on Foreign Affairs”.

1 **SEC. 3002. EXPORT CREDIT GUARANTEE PROGRAM.**

2 (a) *REPEAL OF SUPPLIER CREDIT GUARANTEE PRO-*
 3 *GRAM AND INTERMEDIATE EXPORT CREDIT GUARANTEE*
 4 *PROGRAM.—*

5 (1) *REPEALS.—Section 202 of the Agricultural*
 6 *Trade Act of 1978 (7 U.S.C. 5622) is amended—*

7 (A) *in subsection (a)—*

8 (i) *in paragraph (1), by striking “(1)”*
 9 *and all that follows through “The Com-*
 10 *modity” and inserting “The Commodity”;*
 11 *and*

12 (ii) *by striking paragraphs (2) and*
 13 *(3);*

14 (B) *by striking subsections (b) and (c); and*

15 (C) *by redesignating subsections (d) through*
 16 *(l) as subsections (b) through (j), respectively.*

17 (2) *CONFORMING AMENDMENTS.—The Agricul-*
 18 *tural Trade Act of 1978 is amended—*

19 (A) *in section 202 (7 U.S.C. 5622)—*

20 (i) *in subsection (b)(4) (as redesignated*
 21 *by paragraph (1)(C)), by striking “, con-*
 22 *sistent with the provisions of subsection*
 23 *(c)”;*

24 (ii) *in subsection (d) (as redesignated*
 25 *by paragraph (1)(C))—*

1 (I) by striking “(1)” and all that
 2 follows through “The Commodity” and
 3 inserting “The Commodity”; and

4 (II) by striking paragraph (2);
 5 and

6 (iii) in subsection (g)(2) (as redesign-
 7 ated by paragraph (1)(C)), by striking
 8 “subsections (a) and (b)” and inserting
 9 “subsection (a)”; and

10 (B) in section 211 (7 U.S.C. 5641), by
 11 striking subsection (b) and inserting the fol-
 12 lowing:

13 “(b) *EXPORT CREDIT GUARANTEE PROGRAMS.*—(1)
 14 *The Commodity Credit Corporation shall make available*
 15 *for each of fiscal years 2008 through 2012 not less than*
 16 *\$5,500,000,000 in credit guarantees under section 202(a).*

17 “(2) *Section 202(k)(1) of the Agricultural Trade Act*
 18 *of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking ‘2007’*
 19 *and inserting ‘2012’.*”.

20 **SEC. 3003. MARKET ACCESS PROGRAM.**

21 (a) *ORGANIC COMMODITIES.*—Section 203(a) of the
 22 *Agricultural Trade Act of 1978 (7 U.S.C. 5623(a)) is*
 23 *amended by inserting after “agricultural commodities” the*
 24 *following: “(including commodities that are organically*

1 *produced (as defined in section 2103 of the Organic Foods*
 2 *Production Act of 1990 (7 U.S.C. 6502))”.*

3 (b) *FUNDING.*—Section 211(c)(1)(A) of the *Agricul-*
 4 *tural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A))* is amend-
 5 *ed by striking “, and \$200,000,000 for each of fiscal years*
 6 *2006 and 2007” and inserting “\$200,000,000 for each of*
 7 *fiscal years 2006 and 2007, and \$225,000,000 for each of*
 8 *fiscal years 2008 through 2012”.*

9 (c) *AVAILABILITY OF FUNDS FOR ACTIVITIES TO DE-*
 10 *VELOP, MAINTAIN, OR EXPAND FOREIGN MARKETS FOR*
 11 *LEAF TOBACCO.*—Section 1302(b)(3) of the *Agricultural*
 12 *Reconciliation Act of 1993 (7 U.S.C. 5623 note)* is amended
 13 *by inserting “, other than leaf tobacco” after “tobacco”.*

14 **SEC. 3004. FOOD FOR PROGRESS ACT OF 1985.**

15 *The Food for Progress Act of 1985 (7 U.S.C. 1736o)*
 16 *is amended by striking “2007” each place it appears and*
 17 *inserting “2012”.*

18 **SEC. 3005. MCGOVERN-DOLE INTERNATIONAL FOOD FOR**
 19 **EDUCATION AND CHILD NUTRITION PRO-**
 20 **GRAM.**

21 *Section 3107(l)(2) of the Farm Security and Rural In-*
 22 *vestment Act of 2002 (7 U.S.C. 1736o–1(l)(2))* is amended
 23 *by striking “2007” and inserting “2012”.*

1 **SEC. 3006. BILL EMERSON HUMANITARIAN TRUST.**

2 *Section 302 of the Bill Emerson Humanitarian Trust*
 3 *Act (7 U.S.C. 1736f–1) is amended by striking “2007” each*
 4 *place it appears in subsection (b)(2)(B)(i) and paragraphs*
 5 *(1) and (2) of subsection (h) and inserting “2012”.*

6 **SEC. 3007. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

7 *Section 3205 of the Farm Security and Rural Invest-*
 8 *ment Act of 2002 (7 U.S.C. 5680) is amended so that sub-*
 9 *section (d) reads as follows:*

10 *“(d) FUNDING.—*

11 *“(1) COMMODITY CREDIT CORPORATION.—The*
 12 *Secretary shall use the funds, facilities, and authori-*
 13 *ties of the Commodity Credit Corporation to carry*
 14 *out this section.*

15 *“(2) FUNDING AMOUNT.—The Secretary shall use*
 16 *the funds of, or an equal value of commodities owned*
 17 *by, the Commodity Credit Corporation to carry out*
 18 *this section —*

19 *“(A) \$4,000,000 for fiscal year 2008;*

20 *“(B) \$6,000,000 for fiscal year 2009;*

21 *“(C) \$8,000,000 for fiscal year 2010;*

22 *“(D) \$10,000,000 for each of fiscal years*
 23 *2011 through 2012.”.*

1 **SEC. 3008. TECHNICAL ASSISTANCE FOR THE RESOLUTION**
2 **OF TRADE DISPUTES.**

3 (a) *IN GENERAL.*—*The Secretary of Agriculture may*
4 *provide monitoring, analytic support, and other technical*
5 *assistance to limited resource persons and organizations as-*
6 *sociated with agricultural trade (as determined by the Sec-*
7 *retary) to address unfair trade practices of foreign countries*
8 *and to reduce trade barriers.*

9 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
10 *authorized such sums as necessary to carry out subsection*
11 *(a).*

12 **SEC. 3009. REPRESENTATION BY THE UNITED STATES AT**
13 **INTERNATIONAL STANDARD-SETTING BOD-**
14 **IES.**

15 (a) *IN GENERAL.*—*Pursuant to the authority of the*
16 *Secretary provided by section 1458(a)(3) of the Food and*
17 *Agriculture Act of 1977 (7 U.S.C. 3291(a)(3)), the Sec-*
18 *retary is authorized to enhance United States support for*
19 *international organizations, including the Food and Agri-*
20 *culture Organization, the Codex Alimentarius Commission,*
21 *the International Plant Protection Convention, and the*
22 *World Organization for Animal Health, that establish*
23 *international standards regarding food, food safety, plants,*
24 *and animals, respectively, by funding additional positions*
25 *of Associate Professional Officers to address sanitary and*

1 *phytosanitary priorities of the United States within appli-*
 2 *cable international organizations.*

3 (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 4 *authorized to be appropriated such sums as necessary to*
 5 *carry out this section for each of fiscal years 2007-2012.*

6 **SEC. 3010. FOREIGN MARKET DEVELOPMENT COOPERATOR**
 7 **PROGRAM.**

8 *Section 703(a) of the Agricultural Trade Act of 1978*
 9 *(7 U.S.C. 5723(a)) is amended by striking “2007” and in-*
 10 *serting “2012”.*

11 **SEC. 3011. EMERGING MARKETS.**

12 *The Food, Agriculture, Conservation, and Trade Act*
 13 *of 1990 (7 U.S.C. 5622 note; Public Law 101-624) is*
 14 *amended in each of subsections (a) and (d)(1)(A)(i) by*
 15 *striking “2007” and inserting “2012.*

16 **SEC. 3012. EXPORT ENHANCEMENT PROGRAM.**

17 *Section 301(e)(1)(G) of the Agricultural Trade Act of*
 18 *1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking*
 19 *“2007” and inserting “2012”.*

20 **SEC. 3013. MINIMUM LEVEL OF NONEMERGENCY FOOD AS-**
 21 **SISTANCE.**

22 *Section 412 of the Agricultural Trade Development*
 23 *and Assistance Act of 1954 (7 U.S.C. 1736f) is amended*
 24 *by inserting at the end the following new subsection:*

1 “(e) *MINIMUM LEVEL OF NONEMERGENCY FOOD AS-*
2 *SISTANCE.*—

3 “(1) *FUNDS.*—*Of the amounts made available to*
4 *carry out emergency and nonemergency food assist-*
5 *ance programs under title II, not less than*
6 *\$450,000,000 for each of fiscal years 2008 through*
7 *2012 shall be expended for nonemergency food assist-*
8 *ance programs under title II.*

9 “(2) *EXCEPTION.*—*The Administrator may use*
10 *less than the amount specified in paragraph (1) for*
11 *a fiscal year for nonemergency food assistance pro-*
12 *grams under title II if—*

13 “(A) *the Administrator submits to the Com-*
14 *mittees on International Relations, Agriculture,*
15 *and Appropriations of the House of Representa-*
16 *tives and the Committees on Appropriations and*
17 *Agriculture, Nutrition, and Forestry of the Sen-*
18 *ate a report requesting the reduction and con-*
19 *taining the reasons for the reduction; and*

20 “(B) *following submission of the report,*
21 *Congress enacts a law approving the Adminis-*
22 *trator’s request.”.*

23 **SEC. 3014. GERMPLASM CONSERVATION.**

24 (a) *CONTRIBUTION.*—*The Administrator of the United*
25 *States Agency for International Development shall con-*

1 *tribute funds to endow the Global Crop Diversity Trust (in*
2 *this section referred to as the “Trust”) to assist in the con-*
3 *servation of genetic diversity in food crops through the col-*
4 *lection and storage of the germplasm of such crops in a*
5 *manner that provides for—*

6 (1) *the maintenance and storage of seed collec-*
7 *tions;*

8 (2) *the documentation and cataloguing of the ge-*
9 *netics and characteristics of conserved seeds to ensure*
10 *efficient reference for researchers, plant breeders, and*
11 *the public;*

12 (3) *building the capacity of seed collection in de-*
13 *veloping countries;*

14 (4) *making information regarding crop genetic*
15 *data publicly available for researchers, plant breeders,*
16 *and the public (for example, through the provision of*
17 *an accessible Internet site);*

18 (5) *the operation and maintenance of a back-up*
19 *facility wherein is stored duplicate samples of seeds,*
20 *as a hedge against natural or man-made disasters;*
21 *and*

22 (6) *oversight designed to ensure international co-*
23 *ordination of these actions and efficient, public acces-*
24 *sibility to this diversity through a cost-effective sys-*
25 *tem.*

1 (b) *UNITED STATES CONTRIBUTION LIMIT.*—The ag-
 2 gregate contributions of United States Government funds
 3 provided to the Trust shall not exceed 25 percent of the total
 4 of the funds contributed to the Trust from all sources.

5 (c) *AUTHORIZATION.*—There are authorized to be ap-
 6 propriated to carry out this section a total of \$60,000,000
 7 over the period of fiscal year 2008 through fiscal year 2012.

8 **TITLE IV—NUTRITION**
 9 **PROGRAMS**

Subtitle A—Food Stamp Program

- Sec. 4001. Renaming the food stamp program.*
- Sec. 4002. Definition of drug addiction or alcoholic treatment and rehabilitation program.*
- Sec. 4003. Nutrition education.*
- Sec. 4004. Food distribution on Indian reservations.*
- Sec. 4005. Deobligate food stamp coupons.*
- Sec. 4006. Allow for the accrual of benefits.*
- Sec. 4007. State option for telephonic signature.*
- Sec. 4008. Review of major changes in program design.*
- Sec. 4009. Grants for simple application and eligibility determination systems and improved access to benefits.*
- Sec. 4010. Civil money penalties and disqualification of retail food stores and wholesale food concerns.*
- Sec. 4011. Major systems failures.*
- Sec. 4012. Funding of employment and training programs.*
- Sec. 4013. Reductions in payments for administrative costs.*
- Sec. 4014. Cash payment pilot projects.*
- Sec. 4015. Findings of Congress regarding Secure Supplemental Nutrition Assistance program nutrition education.*
- Sec. 4016. Nutrition education and promotion initiative to address obesity.*
- Sec. 4017. Authorization of appropriations.*
- Sec. 4018. Consolidated block grants for Puerto Rico and American Samoa.*
- Sec. 4019. Study on comparable access to Secure Supplemental Nutrition Assistance Program benefits for Puerto Rico.*
- Sec. 4020. Reauthorization of community food project competitive grants.*
- Sec. 4021. Emergency food assistance.*

Subtitle B—Commodity Distribution

- Sec. 4201. Authorization of appropriations.*
- Sec. 4202. Distribution of surplus commodities; special nutrition projects.*
- Sec. 4203. Commodity distribution program.*

Subtitle C—Child Nutrition and Related Programs

Sec. 4301. Purchase of fresh fruits and vegetables for distribution to schools and service institutions.

Sec. 4302. Buy American requirements.

Sec. 4303. Expansion of fresh fruit and vegetable program.

Sec. 4304. Purchases of locally produced foods.

Subtitle D—Miscellaneous

Sec. 4401. Seniors farmers' market nutrition program.

Sec. 4402. Congressional Hunger Center.

Sec. 4403. Joint nutrition monitoring and related research activities.

1 ***Subtitle A—Food Stamp Program***

2 ***SEC. 4001. RENAMING THE FOOD STAMP PROGRAM.***

3 (a) *AMENDMENTS TO THE FOOD STAMP ACT OF*
4 1977.—

5 (1) *REFERENCES AMENDED.*—*The provisions of*
6 *the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)—*

7 (A) *specified in paragraph (2)(A) are*
8 *amended in the section heading by striking*
9 ***“FOOD STAMP”*** *each place it appears and in-*
10 *serting “SECURE SUPPLEMENTAL NUTRI-*
11 ***TION ASSISTANCE”***;

12 (B) *specified in paragraph (2)(B) are*
13 *amended in the subsection heading by striking*
14 ***“FOOD STAMP”*** *each place it appears and insert-*
15 *ing “SECURE SUPPLEMENTAL NUTRITION ASSIST-*
16 ***ANCE”***;

17 (C) *specified in paragraph (2)(C) are*
18 *amended by striking each place it appears “food*
19 *stamp recipient” and inserting “member of a*

1 *household that receives Secure Supplemental Nu-*
2 *trition Assistance Program benefits”,*

3 *(D) specified in paragraph (2)(D) are*
4 *amended by striking “food stamp recipients”*
5 *each place it appears and inserting “members of*
6 *households that receive Secure Supplemental Nu-*
7 *trition Assistance Program benefits”,*

8 *(E) specified in paragraph (2)(E) are*
9 *amended by striking “food stamp households”*
10 *each place it appears and inserting “households*
11 *that receive Secure Supplemental Nutrition As-*
12 *sistance Program benefits”;*

13 *(F) specified in paragraph (2)(F) are*
14 *amended by striking “Simplified Food Stamp*
15 *Program” each place it appears and inserting*
16 *“Simplified Secure Supplemental Nutrition As-*
17 *sistance Program”;*

18 *(G) specified in paragraph (2)(H) are*
19 *amended by striking “food stamp participants”*
20 *each place it appears and inserting “partici-*
21 *pants in the Secure Supplemental Nutrition As-*
22 *sistance Program”;*

23 *(H) specified in paragraph (2)(I) are*
24 *amended by striking “food stamp informational*
25 *activities” each place it appears and inserting*

1 *“informational activities relating to the Secure*
2 *Supplemental Nutrition Assistance Program”;*

3 *(I) specified in paragraph (2)(J) are*
4 *amended by striking “food stamp caseload” each*
5 *place it appears and inserting “caseload under*
6 *the Secure Supplemental Nutrition Assistance*
7 *Program”;*

8 *(J) specified in paragraph (2)(K) are*
9 *amended by striking “State’s food stamp house-*
10 *holds” each place it appears and inserting “the*
11 *number of households in the State receiving Se-*
12 *cure Supplemental Nutrition Assistance Pro-*
13 *gram benefits”;*

14 *(K) specified in paragraph (2)(L) are*
15 *amended in the section heading by striking*
16 *“**FOOD STAMP PORTION**” each place it ap-*
17 *pears and inserting “**SECURE SUPPLE-***
18 ***MENTAL NUTRITION ASSISTANCE PRO-***
19 ***GRAM BENEFITS**”;*

20 *(L) specified in paragraph (2)(M) are*
21 *amended by striking “food stamps” each place it*
22 *appears and inserting “Secure Supplemental As-*
23 *istance Nutrition Program benefits”;*

24 *(M) specified in paragraph (2)(N) are*
25 *amended by striking “Food stamp program”*

1 each place it appears and inserting “Secure
2 Supplemental Nutrition Assistance Program”;

3 (N) specified in paragraph (2)(o) are
4 amended by striking “food stamp program bene-
5 fits” each place it appears and inserting “Secure
6 Supplemental Nutrition Program benefits”; and

7 (O) specified in paragraph (2)(O) are
8 amended by striking “food stamp program” each
9 place it appears and inserting “Secure Supple-
10 mental Nutrition Assistance Nutrition Pro-
11 gram”.

12 (2) *PROVISIONS REFERRED TO.*—The provisions
13 of the of the Food Stamp Act of 1977 referred to in
14 paragraph (1) are the following:

15 (A) Sections 4 and 26.

16 (B) Section 6(j).

17 (C) Section 6(o)(6)(A)(ii).

18 (D)(i) Subparagraphs (D) and (E) of sec-
19 tion 6(o)(6);

20 (ii) sections 16(h)(1)(E)(i) and 12(a); and

21 (iii) paragraphs (1)(B)(ii)(II) and (3)(B)
22 of section 17(b).

23 (E) Sections 7(h)(3)(B)(ii), 9(b)(1), 12(a),
24 and 17(b)(1)(B)(ii)(I).

25 (F) Sections 11(e)(25) and 26(b).

1 (G) Section 11(f)(2)(B).

2 (H) Section 16(a).

3 (I) Section 16(e)(9)(C).

4 (J) Section 17(b)(1)(B)(iii)(I).

5 (K) Section 22.

6 (L)(i) Subsections (d)(3) and (o)(6)(A)(i) of
7 section 6;

8 (i) paragraphs (2)(B)(v)(II) and (14) of
9 section 11(e);and

10 (i) sections 12(e)(16), 17(b)(3)(C), and
11 18(a)(3)(A)(ii).

12 (M) Section 3(h)

13 (N)(i) In section 6—

14 (I) subsection (h); and

15 (II) in subsection (o)—

16 (aa) paragraph (2); and

17 (bb) subclauses (IV) and (V) of
18 paragraph (6)(A)(ii).

19 (ii) Section 7(k)(2).

20 (iii) In section 11—

21 (I) subsection (e)(25)(A);

22 (II) paragraphs (1), (2), and (3) of
23 subsection (s); and

24 (III) subsection (t)(1)(B).

25 (iv) In section 17—

1 (I) subsection (a)(2);

2 (II) paragraphs (1)(A), (2), and (3)(D)

3 of subsection (b);

4 (III) paragraphs (1)(B), (2)(C)(ii),

5 and (3)(E) of subsection (d); and

6 (IV) subsections (e) and (f).

7 (v) Section 21(d)(3).

8 (O)(i) Sections 2, 3(h), and 4.

9 (ii) In section 5—

10 (I) subsections (a), (b), (c), and (d);

11 (II) clauses (ii)(III) and (iv)(IV) of
12 subsection (e)(6)(C);

13 (III) paragraphs (1), (3), and
14 (6)(B)(iv) of subsection (g); and

15 (IV) subsections (h)(2)(A) and
16 (k)(4)(B).

17 (iii) In section 6—

18 (I) subsections (a) and (b);

19 (II) in subsection (d)(1)—

20 (aa) subparagraphs (A) and (B);

21 (bb) clauses (i), (ii), and (iii) of
22 subparagraph (C); and

23 (cc) clauses (v) and (vi) of sub-
24 paragraph (D);

1 (III) paragraphs (2)(C), (3), and
2 (4)(A)(i) of subsection (d);

3 (IV) subsections (e), (f), and (h);

4 (V) paragraphs (1) and (2) of sub-
5 section (i); and

6 (VI) subsections (j), (k), (l)(1), (m)(1),
7 (n), (o)(5)(A);

8 (iv) In section 7—

9 (I) subsections (a), (b), and (g);

10 (II) paragraphs (1) and (2)(B) of sub-
11 section (j); and

12 (III) in subsection (k)—

13 (aa) paragraph (3); and

14 (bb) subparagraphs (B)(ii) and
15 (C) of paragraph (4).

16 (v) In section 8—

17 (I) subsections (a), (c)(2), and (d)(2);

18 (II) in subsection (f)—

19 (aa) clauses (i)(II)(aa), (ii)(I),
20 and (iv) of paragraph (1)(D), and

21 (bb) paragraph (3)(B)(ii)(II)(bb).

22 (vi) In section 9—

23 (I) paragraphs (1) and (3) of sub-
24 section (a); and

- 1 *(II) subsections (b)(1), (d), (e), and*
2 *(g).*
3 *(vii) In section 11—*
4 *(I) subsections (c) and (d);*
5 *(II) in subsection (e)—*
6 *(aa) paragraph (1)(A);*
7 *(bb) clauses (i) and (iv) of para-*
8 *graph (2)(B); and*
9 *(cc) paragraphs (10), (17),*
10 *(20)(B), and (22);*
11 *(III) subsections (f)(1), (g), (i), and*
12 *(j)(1);*
13 *(IV) paragraphs (1), (2), (3), and (4)*
14 *of subsection (o);*
15 *(V) subsections (p) and (q); and*
16 *(VI) paragraphs (2)(A) and (B)(4)(A)*
17 *of subsection (t).*
18 *(viii) Sections 12(a) and 14(a)(1).*
19 *(ix) Subsections (b)(1) and (c) of section 15.*
20 *(x) In section 16—*
21 *(I) subsection (a);*
22 *(II) paragraph (1), (2), and (3) of sub-*
23 *section (b);*
24 *(III) in subsection (c)—*

1 (aa) the matter preceding sub-
2 paragraph (A);

3 (bb) subparagraphs (D)(i)(II) and
4 (F)(iii)(I) of paragraph (1); and

5 (cc) subparagraphs (A), (B), and
6 (C) of paragraph (9);

7 (IV) subsections (e), (g), and (i)(1);

8 and

9 (V) in subsection (k)—

10 (aa) subparagraphs (A) and (B)
11 of paragraph (2);

12 (bb) subparagraphs (A) and
13 (B)(i) of paragraph (3); and

14 (cc) subparagraphs (A)(ii) and
15 (B)(iv)(II) of paragraph (5).

16 (xi) In section 17—

17 (I) subsection (a)(1);

18 (II) in subsection (b)—

19 (aa) subparagraphs (A) and
20 (B)(i) of paragraph (1); and

21 (bb) subparagraph (2);

22 (III) subsection (c);

23 (IV) subparagraphs (A) and (C) of
24 subsection (d) (2); and

25 (V) subsections (e), (g), and (h)(2).

1 *(xii) Subsections (a)(3)(D), (b), (d), and (e)*
 2 *of section 18.*

3 *(xiii) Subsections (a)(1) and (f) of section*
 4 *20.*

5 *(xiv) In section 21—*

6 *(I) subsection (a);*

7 *(II) in subsection (b)—*

8 *(aa) in paragraph (2)—*

9 *(AA) clause (i) and (ii) of*
 10 *subparagraph (A);*

11 *(BB) subparagraphs (B) and*
 12 *(C)(i);*

13 *(CC) clause (ii), and sub-*
 14 *clauses (II), (III), and (IV) of*
 15 *clause (iii), of subparagraph (F);*
 16 *and*

17 *(DD) subparagraph (G)(i);*

18 *(bb) paragraph (3);*

19 *(cc) in paragraph (4)—*

20 *(AA) subparagraphs (A) and*
 21 *(B); and*

22 *(BB) the flush text at the*
 23 *end;*

24 *(dd) paragraphs (5) and (7);*

25 *(III) subsection (C)(2)(B);*

1 (IV) paragraphs (1)(A), (2), and (3) of
2 subsection (d); and

3 (V) paragraphs (1) and (2) of sub-
4 section (f).

5 (xv) In section 22—

6 (I) subsection (a)(1);

7 (II) in subsection (b)—

8 (aa) paragraph (2);

9 (bb) in paragraph (3)—

10 (AA) subparagraphs (A) and

11 (B)(ii);

12 (BB) clauses (ii) and (iii) of
13 subparagraph (C);

14 (CC) subparagraph (D)(ii);

15 and

16 (DD) clauses (i), (ii), and
17 (iv) of subparagraph (E);

18 (cc) paragraph (5);

19 (dd) subparagraphs (B) and (C)
20 of paragraph (6);

21 (ee) subparagraphs (A) and (B) of
22 paragraph (7);

23 (ff) paragraphs (8) and (9);

24 (gg) in paragraph (10)—

25 (AA) subparagraph (A)

1 *(BB) clauses (i) and (ii) of*
 2 *subparagraph (B); and*

3 *(CC) subparagraph (C); and*
 4 *(hh) paragraphs (11), (12), and*
 5 *(13);*

6 *(III) in subsection (d)—*

7 *(aa) paragraph (1)(B)(i); and*

8 *(bb) paragraph (3); and*

9 *(IV) subsections (g)1 and (h).*

10 *(xvi) Section 23(c).*

11 *(xvii) In section 26—*

12 *(I) subparagraphs (B) and (C) of sub-*
 13 *section (c)(4); and*

14 *(II) subsection (f)(1).*

15 *(b) REFERENCES IN OTHER LAWS, DOCUMENT, AND*
 16 *RECORDS OF THE UNITED STATES.—In any law (exclud-*
 17 *ing the Food Stamp Act of 1977), regulation, rule, docu-*
 18 *ment, or record of the United States—*

19 *(1) a reference to food stamp recipients shall be*
 20 *deemed to be a reference to recipients of Secure Sup-*
 21 *plemental Nutrition Assistance Program benefits;*

22 *(2) a reference to food stamp households shall be*
 23 *deemed to be a reference to households that receive Se-*
 24 *cure Supplemental Nutrition Assistance Program*
 25 *benefits;*

1 (3) a reference to the Simplified Food Stamp
2 Program shall be deemed to be a reference to the Sim-
3 plified Secure Supplemental Nutrition Assistance
4 Program;

5 (4) a reference to food stamp participants shall
6 be deemed to be a reference to participants in the Se-
7 cure Supplemental Nutrition Assistance Program;

8 (5) a reference to food stamp informational ac-
9 tivities shall be deemed to be a reference to informa-
10 tional activities relating to the Secure Supplemental
11 Nutrition Assistance Program;

12 (6) a reference to food stamp caseload shall be
13 deemed to be a reference to caseload under the Secure
14 Supplemental Nutrition Assistance Program;

15 (7) a reference to food stamps shall be deemed to
16 be a reference to Secure Supplemental Nutrition As-
17 sistance Program benefits; and

18 (8) a reference to the food stamp program shall
19 be deemed to be a reference to Secure Supplemental
20 Nutrition Assistance Program.

21 **SEC. 4002. DEFINITION OF DRUG ADDICTION OR ALCO-**
22 **HOLIC TREATMENT AND REHABILITATION**
23 **PROGRAM.**

24 Section 3(f) of the Food Stamp Act of 1977 (7 U.S.C.
25 2012(f)) is amended by striking “ center, under part B of

1 *title XIX of the Public Health Service Act (42 U.S.C. 300x*
 2 *et seq.)” and inserting “center, that is—*

3 *“(1) tax exempt; and*

4 *“(2) certified by the State title XIX agency,*
 5 *under part B of title XIX of the Public Health Serv-*
 6 *ice Act (42 U.S.C. 300x et seq.), as receiving funding*
 7 *under part B, eligible to receive funding under part*
 8 *B even if no funds are being received, or operating to*
 9 *further the purposes of part B, except that nothing in*
 10 *this paragraph shall be construed to require State or*
 11 *Federal licensure to meet these requirements;”.*

12 **SEC. 4003. NUTRITION EDUCATION.**

13 *(a) AUTHORITY TO PROVIDE NUTRITION EDU-*
 14 *CATION.—Section 4(a) of the Food Stamp Act of 1977 (7*
 15 *U.S.C. 2013(a)) is amended in the first sentence by insert-*
 16 *ing “and through an approved State plan, nutrition edu-*
 17 *cation” after “an allotment”.*

18 *(b) IMPLEMENTATION.—Section 11(f) of the Food and*
 19 *Nutrition Act of 1977 (7 U.S.C. 2020(f)) is amended to read*
 20 *as follows:*

21 *“(f) NUTRITION EDUCATION.—*

22 *“(1) IN GENERAL.—State agencies may imple-*
 23 *ment a nutrition education program for individuals*
 24 *eligible for Secure Supplemental Nutrition Assistance*

1 *Program benefits that promotes healthy food choices*
2 *consistent with current Dietary Guidelines.*

3 “(2) *DELIVERY OF NUTRITION EDUCATION.*—
4 *State agencies may deliver nutrition education di-*
5 *rectly to eligible persons or through agreements with*
6 *the Cooperative State Research, Education and Ex-*
7 *tension Service, including through the expanded food*
8 *and nutrition education under section 3(d) of the Act*
9 *of May 8, 1914 (7 U.S.C. 343(d)), and other State*
10 *and community health and nutrition providers and*
11 *organizations.*

12 “(3) *NUTRITION EDUCATION STATE PLANS.*—
13 *State agencies wishing to provide nutrition education*
14 *under this subsection shall submit a Nutrition Edu-*
15 *cation State Plan to the Food and Nutrition Service*
16 *for approval. The plan shall identify the uses of the*
17 *funding for local projects and conform to standards*
18 *set forth by the Secretary in regulations or guidance.*
19 *State costs for providing nutrition education under*
20 *this subsection shall be reimbursed pursuant to sec-*
21 *tion 16(a).*

22 “(4) *NOTIFICATION.*—*Whenever practicable,*
23 *State agencies shall notify applicants, participants,*
24 *and eligible program participants of the availability*
25 *of nutrition education under this subsection.”.*

1 **SEC. 4004. FOOD DISTRIBUTION ON INDIAN RESERVATIONS.**

2 (a) *IN GENERAL.*—Section 4 of the Food Stamp Act
3 of 1977 (7 U.S.C. 2013) is amended by striking subsection
4 (b) and inserting the following:

5 “(b) *FOOD DISTRIBUTION PROGRAM ON INDIAN RES-*
6 *ERVATIONS.*—

7 “(1) *IN GENERAL.*—Distribution of commodities,
8 with or without the Secure Supplemental Nutrition
9 Assistance Program, shall be made whenever a request
10 for concurrent or separate food program operations,
11 respectively, is made by a tribal organization.

12 “(2) *ADMINISTRATION.*—

13 “(A) *IN GENERAL.*—Subject to subpara-
14 graphs (B) and (C), in the event of distribution
15 on all or part of an Indian reservation, the ap-
16 propriate agency of the State government in the
17 area involved shall be responsible for the dis-
18 tribution.

19 “(B) *ADMINISTRATION BY TRIBAL ORGANI-*
20 *ZATION.*—If the Secretary determines that a trib-
21 al organization is capable of effectively and effi-
22 ciently administering a distribution described in
23 subparagraph (A), then the tribal organization
24 shall administer the distribution.

25 “(C) *PROHIBITION.*—The Secretary shall
26 not approve any plan for a distribution de-

1 scribed in subparagraph (A) that permits any
2 household on any Indian reservation to partici-
3 pate simultaneously in the Secure Supplemental
4 Nutrition Assistance Program and the distribu-
5 tion of federally donated foods.

6 “(3) *DISQUALIFIED PARTICIPANTS.*—The Sec-
7 retary shall ensure that an individual who is dis-
8 qualified from participation in the Food Distribution
9 Program on Indian Reservations under this sub-
10 section is not eligible to participate in the Secure
11 Supplemental Nutrition Assistance Program under
12 this Act.

13 “(4) *ADMINISTRATIVE COSTS.*—The Secretary is
14 authorized to pay such amounts for administrative
15 costs of such distribution on Indian reservations as
16 the Secretary finds necessary for effective administra-
17 tion of such distribution by a State agency or tribal
18 organization.

19 “(5) *TRADITIONAL AND LOCAL FOODS FUND.*—

20 “(A) *IN GENERAL.*—The Secretary shall es-
21 tablish a fund to purchase traditional and lo-
22 cally-grown food, designated by region, for re-
23 cipients of food distributed under this subsection.

24 “(B) *NATIVE AMERICAN PRODUCERS.*—For
25 recipients of food distributed under subpara-

1 *graph (A), at least 50 percent shall be produced*
 2 *by Native American farmers, ranchers, and pro-*
 3 *ducers.*

4 “(C) *DEFINITION OF TRADITIONAL AND LO-*
 5 *CALLY GROWN.—The Secretary, in conjunction*
 6 *with the Indian Tribal Organizations, will deter-*
 7 *mine the definition of traditional and locally-*
 8 *grown.*

9 “(D) *AUTHORIZATION OF APPROPRIA-*
 10 *TIONS.—There is authorized to be appropriated*
 11 *to the Secretary \$5,000,000 for each of the fiscal*
 12 *years 2008 through 2012 to carry out subpara-*
 13 *graph (A).”.*

14 (b) *FDPIR FOOD PACKAGE.—Not later than 180 days*
 15 *after the date of enactment of this Act, the Secretary of Ag-*
 16 *riculture shall submit to the Committee on Agriculture of*
 17 *the House of Representatives and the Committee on Agri-*
 18 *culture, Nutrition, and Forestry of the Senate a report that*
 19 *describes—*

20 (1) *how the Secretary derives the process for de-*
 21 *termining the food package under the Food Distribu-*
 22 *tion Program on Indian Reservations established*
 23 *under section 4(b) of the Food Stamp Act of 1977 (7*
 24 *U.S.C. 2013(b)) (referred to in this subsection as the*
 25 *“food package”);*

1 (2) *the extent to which the food package—*

2 (A) *conforms (or fails to conform) to the*
 3 *2005 Dietary Guidelines for Americans pub-*
 4 *lished under section 301 of the National Nutri-*
 5 *tion Monitoring and Related Research Act of*
 6 *1990 (7 U.S.C. 5341);*

7 (B) *addresses (or fails to address) the nutri-*
 8 *tional and health challenges that are specific to*
 9 *Native Americans; and*

10 (C) *addresses the nutritional needs of low-*
 11 *income Native Americans, compared to the Se-*
 12 *cure Supplemental Nutrition Assistance Pro-*
 13 *gram;*

14 (3) *any plans of the Secretary to revise and up-*
 15 *date the food package to conform with the most recent*
 16 *Dietary Guidelines for Americans, including any*
 17 *costs associated with the planned changes; and*

18 (4) *if the Secretary does not plan changes to the*
 19 *food package, the rationale of the Secretary for retain-*
 20 *ing the food package.*

21 **SEC. 4005. DEOBLIGATE FOOD STAMP COUPONS.**

22 (a) *IN GENERAL.*—Section 7 of the Food Stamp Act
 23 *of 1977 (7 U.S.C. 2016) is amended—*

1 (1) *by striking the section designation and head-*
 2 *ing and all that follows through “subsection (j)) shall*
 3 *be” and inserting the following:*

4 **“SEC. 7. ISSUANCE AND USE OF BENEFITS.**

5 “(a) *IN GENERAL.—Except as provided in subsection*
 6 *(j), EBT cards shall be”.*

7 (2) *in subsection (b)—*

8 (A) *by striking “(b) Coupons” and inserting*
 9 *the following:*

10 “(b) *USE.—Benefits*”; and

11 (B) *by striking “: Provided further” and all*
 12 *that follows through “denominations issued” ;*

13 (3) *in subsection (c)—*

14 (A) *by striking “(c) Coupons” and inserting*
 15 *the following:*

16 “(c) *DESIGN.—*

17 “(1) *IN GENERAL.—EBT cards*”;

18 (B) *in the 1st sentence by striking “and de-*
 19 *fine their denomination”;* and

20 (C) *by striking the 2d sentence and insert-*
 21 *ing the following:*

22 “(2) *PROHIBITION.—The name of any public of-*
 23 *ficial shall not appear on any EBT card.*”;

24 (4) *by striking subsection (d);*

25 (5) *in subsection (e)—*

1 (A) by striking “coupons” each place it ap-
 2 pears and inserting “benefits”; and

3 (B) by striking “coupon issuers” each place
 4 it appears and inserting “benefit issuers”;

5 (6) in subsection (f)—

6 (A) by striking “coupons” each place it ap-
 7 pears and inserting “benefits”;

8 (B) by striking “coupon issuer” and insert-
 9 ing “benefit issuer”; and

10 (C) by striking “section 11(e)(20)” and all
 11 that follows through the period and inserting
 12 “section 11(e)(19).”;

13 (7) by amending subsection (g) to read as fol-
 14 lows:

15 “(g) *BENEFIT SYSTEM.*—

16 “(1) *COST.*—The cost of documents or systems
 17 that may be required by subsection (i) may not be
 18 imposed upon a retail food store participating in the
 19 Secure Supplemental Nutrition Assistance Program.

20 “(2) *DEVALUATION AND TERMINATION OF*
 21 *ISSUANCE OF PAPER COUPONS.*—

22 “(A) *COUPON ISSUANCE.*—Beginning on the
 23 effective date of this subsection, no State shall
 24 issue any coupon, stamp, certificate, or author-

1 *ization card to a household that receives benefits*
 2 *under this Act.*

3 “(B) *EBT CARDS.*—*Beginning 1 year after*
 4 *the effective date of this subsection, only an EBT*
 5 *card issued under subsection (i) shall be eligible*
 6 *for exchange at any retail food store.*

7 “(C) *DE-OBLIGATION OF COUPONS.*—*Cou-*
 8 *pons not redeemed in the 1-year period begin-*
 9 *ning on the effective date of this subsection will*
 10 *no longer be an obligation of the Federal Govern-*
 11 *ment and shall not be redeemable.”.*

12 *(8) in subsection (h)(1) by striking “coupons”*
 13 *and inserting “benefits”;*

14 *(9) in subsection (j)—*

15 *(A) in paragraph (2)(A)(ii) by striking*
 16 *“printing, shipping, and redeeming coupons”*
 17 *and inserting “issuing and redeeming benefits”;*
 18 *and*

19 *(B) in paragraph (5) by striking “coupon”*
 20 *and inserting “benefit”; and*

21 *(10) in subsection (k)—*

22 *(A) by striking “coupons in the form of”*
 23 *each place it appears and inserting “benefits in*
 24 *the form of”; and*

1 (B) by striking “a coupon issued in the
2 form of” each place it appears and inserting
3 “benefits in the form of”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Section 3 of the Food Stamp Act of 1977 (7
6 U.S.C. 2012) is amended—

7 (A) in subsection (a) by striking “coupons”
8 and inserting “benefits”;

9 (B) by amending subsection (b) to read as
10 follows:

11 “(b) ‘Benefit’ means the value of assistance provided
12 under this Act to a household by means of an electronic
13 benefit transfer under section 7(i), or other means of pro-
14 viding assistance, as determined by the Secretary.”;

15 (C) in the 1st sentence of subsection (c) by
16 striking “authorization cards” and inserting
17 “benefits”;

18 (D) in subsection (d) by striking “or access
19 device” and all that follows through “number” ;

20 (E) in subsection (e)—

21 (i) by striking “coupon issuer” and in-
22 serting “benefit issuer”; and

23 (ii) by striking “coupons” and insert-
24 ing “benefits”;

25 (F) by after paragraph (f) the following:

1 “(f-1) *EBT CARD*.—The term ‘EBT card’ means an
2 electronic benefit transfer card issued under section 7(i).”;

3 (G) in subsection (i)(5)(D) by striking
4 “coupons” and inserting “benefits”; and

5 (H) in subsection (t) by inserting “includ-
6 ing point of sale devices,” after “other means of
7 access”.

8 (2) Section 4(a) of the Food Stamp Act of 1977
9 (7 U.S.C. 2013(a)) is amended—

10 (A) by striking “coupons” each place it ap-
11 pears and inserting “benefits”; and

12 (B) by striking “coupons issued” and in-
13 serting “benefits issued”.

14 (3) Section 5(i)(2)(E) of the Food Stamp Act of
15 1977 (7 U.S.C. 2014(i)(2)(E)) is amended by striking
16 “, as defined in section 3(i) of this Act,”.

17 (4) Section 6(b)(1) of the Food Stamp Act of
18 1977 (7 U.S.C. 2015(b)(1)) is amended—

19 (A) in subparagraph (B) by striking “cou-
20 pons or authorization cards” and inserting “ben-
21 efits”; and

22 (B) by striking “coupons” each place it ap-
23 pears and inserting “benefits”.

24 (5) Section 7(j)(5) is amended by striking “cou-
25 pon” and inserting “benefit”.

1 (6) *Section 8(b) of the Food Stamp Act of 1977*
 2 (7 U.S.C. 2017(b)) *is amended by striking “, whether*
 3 *through coupons, access devices, or otherwise”.*

4 (7) *Section 9 of the Food Stamp Act of 1977 (7*
 5 *U.S.C. 2018) is amended—*

6 (A) *by striking “coupons” each place it ap-*
 7 *pears and inserting “benefits”; and*

8 (B) *in subsection (a)—*

9 (i) *in paragraph (1) by striking “cou-*
 10 *pon” and inserting “benefit”; and*

11 (ii) *in paragraph (3) by striking “cou-*
 12 *pons, or to redeem,”.*

13 (8) *Section 10 of the Food Stamp Act of 1977*
 14 (7 U.S.C. 2019) *is amended—*

15 (A) *by striking the section designation and*
 16 *heading and all that follows through “Regula-*
 17 *tions” and inserting the following:*

18 **“SEC. 10. REDEMPTION OF BENEFITS.**

19 *“Regulations”; and*

20 (B) *by striking “coupons” each place it ap-*
 21 *pears and inserting “benefits”.*

22 (9) *Section 11 of the Food Stamp Act of 1977*
 23 (7 U.S.C. 2020) *is amended—*

24 (A) *in subsection (e)—*

1 (i) in paragraph (15) by striking
2 “when using its authorization card in order
3 to receive its coupons” and inserting “when
4 receiving benefits”; and

5 (ii) in paragraph (19) by striking
6 “that,” and all that follows through “para-
7 graph;” and inserting “that eligible house-
8 holds may be required to present photo-
9 graphic identification cards in order to re-
10 ceive their benefits.”;

11 (B) in subsection (h) by striking “coupon or
12 coupons” and inserting “benefits”;

13 (C) by striking “coupon” each place it ap-
14 pears and inserting “benefit”; and

15 (D) by striking “coupons” each place it ap-
16 pears and inserting “benefits”.

17 (10) Section 13 of the Food Stamp Act of 1977
18 (7 U.S.C. 2022) is amended by striking “coupons”
19 each place it appears and inserting “benefits”.

20 (11) Section 15 of the Food Stamp Act of 1977
21 (7 U.S.C. 2024) is amended—

22 (A) in subsection (a) by striking “coupons”
23 and inserting “benefits”;

24 (B) in subsection (b)(1)—

1 (i) by striking “coupons” each place it
2 appears and inserting “benefits”;

3 (ii) by striking “coupons or authoriza-
4 tion cards” and inserting “benefits”; and

5 (iii) by striking “access device” each
6 place it appears and inserting “benefit”;

7 (C) in subsection (c) by striking “coupons”
8 each place it appears and inserting “benefits”;

9 (D) in subsection (d) by striking “Coupons”
10 and inserting “Benefits”;

11 (E) in subsections (e) and (f) by striking
12 “coupon” each place it appears and inserting
13 “benefit”; and

14 (F) in subsection (g) by striking “coupon,
15 authorization cards or access devices” and in-
16 serting “benefits”; and

17 (12) Section 16(a) of the Food Stamp Act of
18 1977 (7 U.S.C. 2025(a)) is amended by striking “cou-
19 pons” each place it appears and inserting “benefits”.

20 (13) Section 17 of the Food Stamp Act of 1977
21 (7 U.S.C. 2026) is amended—

22 (A) in subsection (a)(2) by striking “cou-
23 pon” and inserting “benefit”;

24 (B) in subsection (b)(1)—

25 (i) in subparagraph (B)(v)—

1 (I) by striking “countersigned
2 food coupons or similar”; and

3 (II) by striking “food coupons”
4 and inserting “EBT cards”; and

5 (ii) in subparagraph (C)(i)(I) by strik-
6 ing “coupons” and inserting “EBT cards”;
7 and

8 (C) in subsection (j) by striking “coupon”
9 and inserting “benefit”.

10 (14) Section 21 of the Food Stamp Act of 1977
11 (7 U.S.C. 2030) is amended—

12 (A) in subsection (d)(3)—

13 (i) by striking “food coupons” and in-
14 serting “benefits”; and

15 (ii) by striking “food stamp benefits”
16 and inserting “benefits”.

17 (15) Section 22 of the Food Stamp Act of 1977
18 (7 U.S.C. 2031) is amended—

19 (A) by striking “food coupons” each place it
20 appears and inserting “benefits”;

21 (B) by striking “coupons” each place it ap-
22 pears and inserting “benefits”; and

23 (C) in subsection (g)(1)(A) by striking “cou-
24 pon” and inserting “benefit”.

1 (c) *REFERENCES IN OTHER LAWS, DOCUMENTS, AND*
 2 *RECORDS OF THE UNITED STATES.*—*In any law (exclud-*
 3 *ing the Food Stamp Act of 1977), regulation, rule, docu-*
 4 *ment, or record of the United States, a reference to “cou-*
 5 *pon”, “authorization card”, or “other access device” as used*
 6 *in the Food Stamp Act of 1977 as in effect before the date*
 7 *of the enactment of this Act shall be deemed to be a reference*
 8 *to “benefit” as defined in such Act as in effect after the*
 9 *date of the enactment of this Act.*

10 **SEC. 4006. ALLOW FOR THE ACCRUAL OF BENEFITS.**

11 *Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C.*
 12 *2016(i)) is amended by adding at the end the following:*

13 “(12) *RECOVERING ELECTRONIC BENEFITS.*—

14 “(A) *A State agency may recover benefits*
 15 *from a household’s electronic benefits account be-*
 16 *cause of inactivity in the account after the house-*
 17 *hold has not accessed the account the lesser of—*

18 “(i) *3 months during which the ac-*
 19 *count has continuously had a balance in ex-*
 20 *cess of \$1,000, adjusted for changes in the*
 21 *thrifty food plan since June 2007; or*

22 “(ii) *12 months.*

23 “(B) *A household whose benefits are recov-*
 24 *ered under subparagraph (A) shall receive notice*
 25 *and shall have the benefits made available again*

1 upon a request made during a period of not less
2 than 12 months after the recovery.”.

3 **SEC. 4007. STATE OPTION FOR TELEPHONIC SIGNATURE.**

4 Section 11(e)(2)(C) of the Food Stamp Act of 1977 (7
5 U.S.C. 2020(e)(2)(C)) is amended—

6 (1) by inserting “(i)” after “(C)”; and

7 (2) by adding at the end the following:

8 “(i) A State agency may establish a system
9 by which an applicant household may sign an
10 application through a recorded verbal assent over
11 the telephone. Any such system shall—

12 “(I) record for future reference the
13 household member’s verbal assent and the
14 information to which assent was given;

15 “(II) include effective safeguards
16 against impersonation, identity theft, or in-
17 vasions of privacy;

18 “(III) not deny or interfere with the
19 right of the household to apply in writing;

20 “(IV) promptly send the household
21 member a written copy of the application,
22 with instructions on a simple procedure for
23 correcting any errors or omissions;

24 “(V) comply with paragraph (1)(B);

1 “(VI) satisfy all requirements for a sig-
 2 nature on an application under this Act
 3 and other laws applicable to the Secure
 4 Supplemental Nutrition Assistance Pro-
 5 gram, with the date on which the household
 6 member provides verbal assent effective as
 7 the date of application for all purposes; and
 8 “(VII) comply with such other stand-
 9 ards as the Secretary may establish.”.

10 **SEC. 4008. REVIEW OF MAJOR CHANGES IN PROGRAM DE-**
 11 **SIGN.**

12 (a) *PROHIBITION.*—Section 11(e)(6) of the Food
 13 Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

14 (1) in subparagraph (A) by striking “and” at
 15 the end;

16 (2) by striking subparagraph (B) and inserting
 17 the following:

18 “(B) except as provided in section 5(h)(4),
 19 only State employees employed in accordance
 20 with the current standards for a Merit System of
 21 Personnel Administration, or any standards
 22 later prescribed by the Office of Personnel Man-
 23 agement pursuant to section 208 of the Intergov-
 24 ernmental Personnel Act of 1970 (42 U.S.C.
 25 4728) modifying or superseding such standards

1 *relating to the establishment and maintenance of*
2 *personnel standards on a merit basis, shall un-*
3 *dertake such certifications and shall—*

4 “(i) *represent the State agency in any*
5 *official communications with a prospective*
6 *applicant, applicant, or recipient household*
7 *regarding their application or participa-*
8 *tion, except that a nonprofit organization*
9 *may assist a household under paragraph (1)*
10 *through activities allowable under section*
11 *16(a)(4);*

12 “(ii) *participate in making any deter-*
13 *minations relating to a household’s sub-*
14 *stantive or procedural compliance with the*
15 *requirements of this Act or implementing*
16 *regulations, including the adequacy of the*
17 *household’s application or of verification of*
18 *other information the household has sub-*
19 *mitted in support of that application; or*

20 “(iii) *participate in making any other*
21 *determinations required under this sub-*
22 *section;*

23 *except that nothing in this subparagraph shall*
24 *prevent a State agency from contracting for*
25 *automated systems, issuance services or program*

information activities reimbursed under paragraphs (2), (3), (4), or (6) of section 16(a) or under section 16(g) or for assisting in the verification of an applicant's identity; and

“(C) the State agency shall not use any Federal funds—

“(i) to implement, to perform, or to carry out any contract that does not comply with the requirements in effect under subparagraph (B); or

“(ii) to pay any cost associated with the termination, breach, or full or partial abrogation, of any contract that does not comply with the requirements in effect under such subparagraph;”.

(b) *WAIVERS*.—Section 17(b)(1)(B)(iv)(III)(ff) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(ff)) is amended by inserting “or 11(e)(6)(B)” before the semicolon at the end.

(c) *PROJECTS*.—Section 26(f)(3)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2035(f)(3)(E)) is amended by inserting “(6)(B),” after “paragraphs”.

(d) *DISASTERS*.—Section 5(h) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)) is amended by inserting at the end:

1 “(4) *The Secretary may authorize a state agen-*
2 *cy, on a temporary basis, to use employees or individ-*
3 *uals that do not meet the standards prescribed under*
4 *section 11(e)(6)(B) in order to determine eligibility*
5 *for a disaster food stamp program under this sub-*
6 *section.*”.

7 *(e) DISALLOWANCE OF FUNDS.—No funds shall be*
8 *available under any appropriations act for implementing*
9 *or continuing any contract that does not comply with sec-*
10 *tion 11(e)(6)(B) of the Food Stamp Act of 1977 (7 U.S.C.*
11 *2020(e)(6)(B)) as amended by subsection (a) nor for any*
12 *costs associated with the termination or full or partial abro-*
13 *gation of such contract.*

14 *(f) TRANSITION PERIOD.—Subsection (e) shall not*
15 *apply to the costs of implementing, continuing, or renegoti-*
16 *ating any contract concluded before January 1, 2007, (but*
17 *shall apply to any costs associated with the termination*
18 *or full or partial abrogation of such contract) until the first*
19 *day of the first month beginning at least 120 days after*
20 *the date of enactment of this Act.*

1 **SEC. 4009. GRANTS FOR SIMPLE APPLICATION AND ELIGI-**
 2 **BILITY DETERMINATION SYSTEMS AND IM-**
 3 **PROVED ACCESS TO BENEFITS.**

4 *Section 11(t)(1) of the Food Stamp Act of 1977 (7*
 5 *U.S.C. 2020(t)(1)) is amended by striking “2007” and in-*
 6 *serting “2012”.*

7 **SEC. 4010. CIVIL MONEY PENALTIES AND DISQUALIFICA-**
 8 **TION OF RETAIL FOOD STORES AND WHOLE-**
 9 **SALE FOOD CONCERNS.**

10 *Section 12 of the Food Stamp Act of 1977 (7 U.S.C.*
 11 *2021) is amended—*

12 *(1) by striking the section heading and all that*
 13 *follows through “(a) Any approved”, and inserting*
 14 *the following:*

15 **“SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION**
 16 **OF RETAIL FOOD STORES AND WHOLESALE**
 17 **FOOD CONCERNS.**

18 **“(a) DISQUALIFICATION.—**

19 **“(1) IN GENERAL.—An approved”;**

20 **(2) in subsection (a)—**

21 **(A) in the 1st sentence by striking “\$10,000**
 22 **for each violation” and all that follows through**
 23 **the period at the end, and inserting “\$100,000**
 24 **for each violation.”; and**

25 **(B) in the 2d sentence—**

1 (i) by striking “Regulations” and in-
 2 serting the following:

3 “(2) *REGULATIONS.—Regulations*”;

4 (ii) by striking “violation and” and
 5 inserting “violation of”;

6 (iii) by inserting a comma after “dis-
 7 qualification of”; and

8 (iv) by striking “a retail store” and
 9 inserting “and the assessment of a civil
 10 money penalty against, a retail store”;

11 (3) in subsection (b)—

12 (A) by striking “(b) Disqualification” and
 13 all that follows through “shall be—”, and insert-
 14 ing the following:

15 “(b) *PERIOD OF DISQUALIFICATION.—Subject to sub-*
 16 *section (c), a disqualification shall be—*”;

17 (B) in paragraph (1) by striking “of no less
 18 than six months nor more than five years” and
 19 inserting “not to exceed 5 years”;

20 (C) in paragraph (2) by striking “of no less
 21 than twelve months nor more than ten years”
 22 and inserting “not to exceed 10 years.”;

23 (D) in paragraph (3)—

24 (i) in subparagraph (B)—

1 (I) by striking “coupons or traf-
 2 ficking in coupons or authorization
 3 cards” each place it appears, and in-
 4 serting “program access devices or ben-
 5 efit instruments or trafficking in pro-
 6 gram access devices or benefit instru-
 7 ments”; and

8 (II) by inserting “or a finding of
 9 the unauthorized redemption, use,
 10 transfer, acquisition, alteration, or
 11 possession of benefits or access devices”
 12 after “concern” the 1st place it ap-
 13 pears;

14 (4) in paragraph (3)(C) by striking “and” at the
 15 end;

16 (5) in subsection (c)—

17 (A) by striking “(c) The action” and insert-
 18 ing the following:

19 “(c) *TREATMENT OF DISQUALIFICATION AND PENALTY*
 20 *DETERMINATIONS.*—

21 “(1) *REVIEW.*—*The action*”; and

22 (B) by striking “coupons” and inserting
 23 “benefits”;

24 (6) in subsection (d) by striking “coupons” in
 25 each place it appears and inserting “benefits”;

1 (7) in subsection (f) by striking “food coupons”
2 and inserting “benefits”;

3 (8) by redesignating subsection (c) through (g) as
4 subsection (d) through (h), respectively;

5 (9) inserting after subsection (b) the following:

6 “(c) In addition to a disqualification under subsection
7 (b), the Secretary may assess a civil monetary penalty of
8 up to \$100,000;” and

9 (10) by adding at the end:

10 “(i) The Secretary shall, in consultation with the In-
11 specter General of the Department of Agriculture, provide
12 for procedures by which the processing of benefit redemp-
13 tions for certain retail food stores and wholesale food con-
14 cerns may be immediately suspended pending administra-
15 tive action to disqualify such a store or concern. Under the
16 procedures prescribed pursuant to this subsection, if the
17 Secretary, in consultation with the Inspector General, de-
18 termines that a retail food store or wholesale food concern
19 is engaged in flagrant violations of this Act or the regula-
20 tions issued pursuant to this Act, unsettled benefits that
21 have been redeemed by the retail food store or wholesale food
22 concern may be suspended and, if the suspension is upheld,
23 subject to forfeiture pursuant to section 12(g). If the dis-
24 qualification action not upheld, suspended funds held by
25 the Secretary shall be released to such store or such concern.

1 *The Secretary shall not be liable for the value of any interest*
 2 *on funds suspended under this subsection.”.*

3 **SEC. 4011. MAJOR SYSTEMS FAILURES.**

4 *Section 13(b) of the Food Stamp Act of 1977 (7 U.S.C.*
 5 *2022(b)) is amended by adding at the end the following:*

6 *“(5) OVER ISSUANCES CAUSED BY SYSTEMIC*
 7 *STATE ERRORS.—*

8 *“(A) IN GENERAL.—If the Secretary deter-*
 9 *mines that a State agency over issued benefits to*
 10 *a substantial number of households in a fiscal*
 11 *year as a result of a major systemic error by the*
 12 *State agency, as determined by the Secretary, the*
 13 *Secretary may prohibit the State agency from*
 14 *collecting these over issuances from some or all*
 15 *households.*

16 *“(B) PROCEDURES.—*

17 *“(i) INFORMATION REPORTING BY*
 18 *STATES.—Every State agency shall provide*
 19 *to the Secretary all information requested*
 20 *by the Secretary concerning the issuance of*
 21 *benefits to households by the State agency in*
 22 *the applicable fiscal year.*

23 *“(ii) FINAL DETERMINATION.—After*
 24 *reviewing relevant information provided by*

1 *a State agency, the Secretary shall make a*
2 *final determination—*

3 *“(I) whether the State agency over*
4 *issued benefits to a substantial number*
5 *of households as a result of a systemic*
6 *error in the applicable fiscal year; and*

7 *“(II) as to the amount of the over*
8 *issuance in the applicable fiscal year*
9 *for which the State agency is liable.*

10 *“(iii) ESTABLISHING A CLAIM.—Upon*
11 *determining under clause (ii) that a State*
12 *agency has over issued benefits to households*
13 *due to a major systemic error determined*
14 *under subparagraph (A), the Secretary shall*
15 *establish a claim against the State agency*
16 *equal to the value of the over issuance*
17 *caused by the systemic error.*

18 *“(iv) ADMINISTRATIVE AND JUDICIAL*
19 *REVIEW.—Administrative and judicial re-*
20 *view, as provided in section 14, shall apply*
21 *to the final determinations by the Secretary*
22 *under clause (ii).*

23 *“(v) REMISSION TO THE SECRETARY.—*

24 *“(I) DETERMINATION NOT AP-*
25 *PEALED.—If the determination of the*

1 *Secretary under clause (ii) is not ap-*
 2 *pealed, the State agency shall, as soon*
 3 *as practicable, remit to the Secretary*
 4 *the dollar amount specified in the*
 5 *claim under clause (iii).*

6 “(II) *DETERMINATION AP-*
 7 *PEALED.—If the determination of the*
 8 *Secretary under clause (ii) is appealed,*
 9 *upon completion of administrative and*
 10 *judicial review under clause (iv), and*
 11 *a finding of liability on the part of the*
 12 *State, the appealing State agency*
 13 *shall, as soon as practicable, remit to*
 14 *the Secretary a dollar amount subject*
 15 *to the finding of the administrative*
 16 *and judicial review.*

17 “(vi) *ALTERNATIVE METHOD OF COL-*
 18 *LECTION.—*

19 “(I) *IN GENERAL.—If a State*
 20 *agency fails to make a payment under*
 21 *clause (v) within a reasonable period*
 22 *of time, as determined by the Sec-*
 23 *retary, the Secretary may reduce any*
 24 *amount due to the State agency under*

1 *any other provision of this Act by the*
 2 *amount due.*

3 “(II) *ACCRUAL OF INTEREST.*—
 4 *During the period of time determined*
 5 *by the Secretary to be reasonable under*
 6 *subclause (I), interest in the amount*
 7 *owed shall not accrue.*

8 “(vii) *LIMITATION.*—*Any liability*
 9 *amount established under section*
 10 *16(c)(1)(C) shall be reduced by the amount*
 11 *of the claim established under this subpara-*
 12 *graph.”.*

13 **SEC. 4012. FUNDING OF EMPLOYMENT AND TRAINING PRO-**
 14 **GRAMS.**

15 *Section 16(h)(1) of the Food Stamp Act of 1977 (7*
 16 *U.S.C. 2025(h)(1)) is amended—*

17 *(1) in subparagraph (A)(vii) by striking “fiscal*
 18 *years 2002 through 2007” and inserting “fiscal years*
 19 *2008 through 2012”; and*

20 *(2) in subparagraph (E)(i) by striking “fiscal*
 21 *years 2002 through 2007” and inserting “fiscal years*
 22 *2008 through 2012”.*

1 **SEC. 4013. REDUCTIONS IN PAYMENTS FOR ADMINISTRA-**
 2 **TIVE COSTS.**

3 *Section 16(k)(3) of the Food Stamp Act of 1977 (7*
 4 *U.S.C. 2025(k)(3)) is amended—*

5 *(1) in subparagraph (A) by striking “2007” and*
 6 *inserting “2012”; and*

7 *(2) in subparagraph (B)(ii) by striking “2007”*
 8 *and inserting “2012”.*

9 **SEC. 4014. CASH PAYMENT PILOT PROJECTS.**

10 *Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977*
 11 *(7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking “2007”*
 12 *and inserting “2012”.*

13 **SEC. 4015. FINDINGS OF CONGRESS REGARDING SECURE**
 14 **SUPPLEMENTAL NUTRITION ASSISTANCE**
 15 **PROGRAM NUTRITION EDUCATION.**

16 *(a) FINDINGS.—The Congress finds the following:*

17 *(1) Nutrition education under the Food Stamp*
 18 *Act of 1977 plays an essential role in improving the*
 19 *dietary and physical activity practices of low income*
 20 *Americans, helping to reduce food insecurity, prevent*
 21 *obesity, and reduce the risks of chronic disease.*

22 *(2) Expert bodies, such as the Institute of Medi-*
 23 *cine, indicate that dietary and physical activity be-*
 24 *havior change is more likely to result from the com-*
 25 *bined application of public health approaches and*
 26 *education than from individual education alone.*

1 (3) *State programs are currently implementing*
 2 *such nutrition education using effective strategies, in-*
 3 *cluding direct education, group activities, and social*
 4 *marketing.*

5 (b) *SUPPORT NUTRITION EDUCATION.—The Secretary*
 6 *of Agriculture should support and encourage the most effec-*
 7 *tive interventions for nutrition education under the Food*
 8 *Stamp Act of 1977, including public health approaches as*
 9 *well as traditional education, to increase the likelihood that*
 10 *recipients of Secure Supplemental Nutrition Assistance*
 11 *benefits and those who are potentially eligible for such bene-*
 12 *fits will choose diets and physical activity practices con-*
 13 *sistent with the Dietary Guidelines for Americans. To pro-*
 14 *mote the most effective implementation of publicly funded*
 15 *programs, State nutrition education activities under the*
 16 *Food Stamp Act of 1977 should be coordinated with other*
 17 *federally funded food assistance and public health programs*
 18 *and should leverage public/private partnerships to maxi-*
 19 *mize resources and impact.*

20 **SEC. 4016. NUTRITION EDUCATION AND PROMOTION INI-**
 21 **TIATIVE TO ADDRESS OBESITY.**

22 *Section 17 of the Food Stamp Act of 1977 (7 U.S.C.*
 23 *2026) is amended by adding at the end the following:*

24 “(k) *NUTRITION EDUCATION AND PROMOTION INITIA-*
 25 *TIVE TO ADDRESS OBESITY.—*

1 “(1) *IN GENERAL.*—*The Secretary shall establish*
2 *a demonstration program, to be known as the ‘Initia-*
3 *tive to Address Obesity Among Low-Income Ameri-*
4 *cans’ (referred to in this subsection as the ‘Initia-*
5 *tive’), to develop and implement solutions to reduce*
6 *obesity in the United States.*

7 “(A) *SELECTION.*—*The Secretary shall so-*
8 *licit and competitively select demonstration pro-*
9 *posals for strategies to address obesity among*
10 *low-income Americans.*

11 “(B) *EVALUATION.*—*The effectiveness of*
12 *these strategies shall be rigorously evaluated to*
13 *assess the impact on overweight and obesity*
14 *among low-income persons.*

15 “(C) *DISSEMINATION.*—*Evaluation results*
16 *shall be shared broadly to inform policy makers,*
17 *service providers, other partners, and the public*
18 *in order to promote wide use of successful strate-*
19 *gies.*

20 “(2) *GRANTS.*—

21 “(A) *IN GENERAL.*—*In carrying out the*
22 *Initiative, the Secretary may enter into competi-*
23 *tively awarded contracts or cooperative agree-*
24 *ments with, or grants to, public or private orga-*
25 *nizations or agencies as defined by the Secretary,*

1 *for use in accordance with projects that meet the*
2 *strategy goals of the Initiative.*

3 “(B) *APPLICATION.*—*To be eligible to re-*
4 *ceive a contract, cooperative agreement, or grant*
5 *under this paragraph, an organization shall sub-*
6 *mit to the Secretary an application at such time,*
7 *in such manner, and containing such informa-*
8 *tion as the Secretary may require.*

9 “(C) *SELECTION CRITERIA.*—*Demonstration*
10 *proposals shall be evaluated against publicly dis-*
11 *seminated criteria that include—*

12 “(i) *identification of a low-income tar-*
13 *get audience that corresponds to individuals*
14 *living in households with incomes at or*
15 *below 185 percent of the poverty level;*

16 “(ii) *incorporation of a scientifically-*
17 *based strategy that is designed to improve*
18 *diet quality through more healthful food*
19 *purchases, preparation, or consumption;*

20 “(iii) *a commitment to a demonstra-*
21 *tion plan that allows for a rigorous outcome*
22 *evaluation, including data collection; and*

23 “(iv) *other criteria, as determined by*
24 *the Secretary.*

25 “(D) *USE OF FUNDS.*—

1 “(i) *PROHIBITION.*—*Funds shall not be*
 2 *used for projects that limit the use of bene-*
 3 *fits.*

4 “(ii) *MONITORING AND EVALUATION.*—
 5 *The Secretary may use funds provided for*
 6 *the Initiative to pay costs associated with*
 7 *monitoring, evaluation, and dissemination*
 8 *of the Initiative’s findings.*

9 “(3) *AUTHORIZATION OF APPROPRIATIONS.*—
 10 *There is authorized to be appropriated to carry out*
 11 *this subsection \$10,000,000 for each of the fiscal years*
 12 *2008 through 2012, except that no new grants may be*
 13 *made under this subsection after September 30,*
 14 *2012.”.*

15 **SEC. 4017. AUTHORIZATION OF APPROPRIATIONS.**

16 *Section 18(a)(1) of the Food Stamp Act of 1977 (7*
 17 *U.S.C. 2027(a)(1)) is amended by striking “2003 through*
 18 *2007” and inserting “2008 through 2012”.*

19 **SEC. 4018. CONSOLIDATED BLOCK GRANTS FOR PUERTO**
 20 **RICO AND AMERICAN SAMOA.**

21 *Section 19(a)(2)(A)(ii) of the Food Stamp Act of 1977*
 22 *(7 U.S.C. 2028(a)(2)(A)(ii)) is amended in subparagraph*
 23 *(A)(ii) by striking “2007” and inserting “2012”.*

1 **SEC. 4019. STUDY ON COMPARABLE ACCESS TO SECURE**
2 **SUPPLEMENTAL NUTRITION ASSISTANCE**
3 **PROGRAM BENEFITS FOR PUERTO RICO.**

4 *Section 19 of the Food Stamp Act of 1977 (7 U.S.C.*
5 *2028) is amended by adding at the end the following:*

6 *“(e) STUDY.—The Secretary shall conduct a study of*
7 *the feasibility and effects of including the Commonwealth*
8 *of Puerto Rico under section 3(m), in lieu of providing the*
9 *block grant under this section. The study shall include—*

10 *“(1) an assessment of the administrative, finan-*
11 *cial management, and other changes that would be re-*
12 *quired by the Commonwealth to establish a com-*
13 *parable Secure Supplemental Nutrition Assistance*
14 *Program;*

15 *“(2) a discussion of the appropriate program*
16 *rules under the other sections of the Act, such as ben-*
17 *efit levels under section 3(o), income eligibility stand-*
18 *ards under sections 5 and 6, and deduction levels*
19 *under section 5(e), for the Commonwealth to establish*
20 *a comparable Secure Supplemental Nutrition Assist-*
21 *ance Program;*

22 *“(3) an estimate of the impact on Federal and*
23 *Commonwealth benefit and administrative costs;*

24 *“(4) an estimate of the impact of the Secure*
25 *Supplemental Nutrition Assistance Program on hun-*

1 *ger and food insecurity among low-income Puerto*
 2 *Ricans, and*

3 *“(5) such other findings as the Secretary deems*
 4 *appropriate.”.*

5 **SEC. 4020. REAUTHORIZATION OF COMMUNITY FOOD**
 6 **PROJECT COMPETITIVE GRANTS.**

7 *(a) AUTHORIZATION OF APPROPRIATIONS.—Section*
 8 *25 of the Food Stamp Act of 1977 (U.S.C. 2034) is amend-*
 9 *ed—*

10 *(1) in subsections (c), (d), (e)(1), and (f)(1) by*
 11 *striking “subsection (b)” each place it appears and*
 12 *inserting “subsection (g)”;*

13 *(2) by striking subsection (b);*

14 *(3) by redesignating subsections (c) through (g)*
 15 *as subsections (b) through (f), respectively; and*

16 *(4) by inserting after paragraph (f) the fol-*
 17 *lowing:*

18 *“(g) AUTHORIZATION OF APPROPRIATIONS.—There is*
 19 *authorized to be appropriated to the Secretary to make*
 20 *grants available to assist eligible private nonprofit entities*
 21 *to establish and carry out community food projects*
 22 *\$30,000,000 for each of the fiscal years 2008 through*
 23 *2012.”.*

24 *(b) PREFERENCES FOR CERTAIN PROJECTS.—Sub-*
 25 *section (c) of section 25 of the Food Stamp Act of 1977*

1 (7 U.S.C. 2034), as so redesignated by subsection (a) of this
 2 section, is amended—

3 (1) in paragraph (3) by striking “or” at the end;

4 (2) in paragraph (4) by striking the period at
 5 the end and inserting “; or”; and

6 (3) by adding at the end the following:

7 “(5) serve special needs in areas of—

8 “(A) transportation and processing for ex-
 9 panding institutional and emergency food service
 10 demand for local food;

11 “(B) retail access to healthy foods in under-
 12 served markets;

13 “(C) integration of urban and metro-area
 14 food production in food projects; and

15 “(D) technical assistance for youth, socially
 16 disadvantaged individuals, and limited resource
 17 groups.”

18 (c) *MATCHING FUND REQUIREMENTS.*—Subsection
 19 (d)(1) of section 25 of the Food Stamp Act of 1977 (7 U.S.C.
 20 2034), as so redesignated by subsection (a) of this section,
 21 is amended by striking “50” and inserting “75”.

22 (d) *TERM OF GRANT.*—Subsection (e)(2) of section 25
 23 of the Food Stamp Act of 1977 (7 U.S.C. 2034(e)(2)), as
 24 so redesignated by subsection (a) of this section, is amended
 25 by striking “3” and inserting “5”.

1 (e) *FUNDING FOR INNOVATIVE PROGRAMS.*—Sub-
 2 section (h)(4) of section 25 of the Food Stamp Act of 1977
 3 (7 U.S.C. 2034), as so redesignated by subsection (a) of this
 4 section, is amended—

5 (1) by striking “fiscal years 2003 though 2007”
 6 and inserting “fiscal years 2008 through 2012”; and

7 (2) by striking “200,000” and inserting
 8 “\$500,000”.

9 **SEC. 4021. EMERGENCY FOOD ASSISTANCE.**

10 Section 27(a) of the Food Stamp Act of 1977 (7 U.S.C.
 11 2036(a)) is amended by striking “2007” and inserting
 12 “2012”.

13 **Subtitle B—Commodity Distribution**

14 **SEC. 4201. AUTHORIZATION OF APPROPRIATIONS.**

15 Section 204(a)(1) of the Emergency Food Assistance
 16 Act of 1983 (7 U.S.C. 7508(a)(1)) is amended by striking
 17 “\$60,000,000 for each of the fiscal years 2003 through
 18 2007” and inserting “ \$100,000,000 for each of the fiscal
 19 years 2008 through 2012”.

20 **SEC. 4202. DISTRIBUTION OF SURPLUS COMMODITIES; SPE-**
 21 **CIAL NUTRITION PROJECTS.**

22 Section 1114(a)(2)(A) of the Agriculture and Food Act
 23 of 1981 (7 U.S.C. 1431e(a)(2)(A)) is amended by striking
 24 “2007” and inserting “2012”.

1 **SEC. 4203. COMMODITY DISTRIBUTION PROGRAM.**

2 (a) *COMMODITY DISTRIBUTION PROGRAM.*—Section 4
3 *of the Agriculture and Consumer Protection Act of 1973 (7*
4 *U.S.C. 612c note) is amended by striking “2007” and in-*
5 *serting “2012”.*

6 (b) *COMMODITY SUPPLEMENTAL FOOD PROGRAM.*—
7 *Section 5 of the Agriculture and Consumer Protection Act*
8 *(7 U.S.C. 612c note) is amended—*

9 (1) *in subsection (a)—*

10 (A) *in paragraph (1) by striking “fiscal*
11 *years 2003 through 2007” and inserting “for fis-*
12 *cal year 2008 and each fiscal year thereafter”;*
13 *and*

14 (B) *in paragraph (2)(B)—*

15 (i) *in the heading by striking in “2007”*
16 *and inserting “2012”; and*

17 (ii) *by striking “2007” and inserting*
18 *“2012”;*

19 (2) *in subsection (d)(2) by inserting “, and for*
20 *each fiscal year thereafter,” after “2007”;*

21 (3) *by amending subsection (g) to read as fol-*
22 *lows:*

23 “(g) *USE OF RESOURCES.*—Each local agency shall
24 *use funds made available to the agency to provide assistance*
25 *under the program to low-income elderly individuals,*
26 *women, infants, and children in need for food assistance*

1 *in accordance with such regulations as the Secretary may*
 2 *prescribe.”;*

3 *(4) in paragraphs (2) and (3) of subsection (h)*
 4 *by inserting “elderly individuals,” before “pregnant”;*
 5 *and*

6 *(5) by adding at the end the following:*

7 *“(m) INCOME ELIGIBILITY STANDARDS.—The Sec-*
 8 *retary shall establish maximum income eligibility stand-*
 9 *ards to be used in conjunction with such other risk criteria*
 10 *as may be appropriate in determining eligibility for the*
 11 *program. Such income standards shall be the same for all*
 12 *pregnant, postpartum, and breastfeeding women, for in-*
 13 *fants, for children, and for elderly individuals qualifying*
 14 *for the program, and shall not exceed the maximum income*
 15 *limit prescribed under section 17(d)(2)(A)(i) of the Child*
 16 *Nutrition Action of 1966 (42 U.S.C. 1786(d)(2)(A)(i)).”.*

17 ***Subtitle C—Child Nutrition and***
 18 ***Related Programs***

19 ***SEC. 4301. PURCHASE OF FRESH FRUITS AND VEGETABLES***
 20 ***FOR DISTRIBUTION TO SCHOOLS AND SERV-***
 21 ***ICE INSTITUTIONS.***

22 *Section 10603 of the Farm Security and Rural Invest-*
 23 *ment Act of 2002 (7 U.S.C. 612c–4) is amended by striking*
 24 *subsection (b) and inserting the following new subsection:*

1 “(b) *PURCHASE OF FRESH FRUITS AND VEGETABLES*
 2 *FOR DISTRIBUTION TO SCHOOLS AND SERVICE INSTITU-*
 3 *TIONS.*—

4 “(1) *PURCHASE AUTHORITY.*—*The Secretary of*
 5 *Agriculture shall purchase fresh fruits and vegetables*
 6 *for distribution to schools and service institutions in*
 7 *accordance with section 6(a) of the Richard B. Rus-*
 8 *sell National School Lunch Act (42 U.S.C. 1755(a)),*
 9 *using, of the amount specified in subsection (a)—*

10 “(A) *not less than \$50,000,000 for each of*
 11 *fiscal years 2008 and 2009; and*

12 “(B) *not less than \$75,000,000 for each of*
 13 *fiscal years 2010 through 2012.*

14 “(2) *SERVICING AGENCY.*—*The Secretary of Ag-*
 15 *riculture may provide for the Secretary of Defense to*
 16 *serve as the servicing agency for the procurement of*
 17 *the fresh fruits and vegetables under this subsection*
 18 *on the same terms and conditions as provided in the*
 19 *memorandum of agreement entered into between the*
 20 *Agricultural Marketing Service, the Food and Con-*
 21 *sumer Service, and the Defense Personnel Support*
 22 *Center during August 1995 (or any successor memo-*
 23 *randum of agreement).’’.*

24 **SEC. 4302. BUY AMERICAN REQUIREMENTS.**

25 “(a) *FINDINGS.*—*The Congress finds the following:*

(3) *The Richard B. Russell National School Lunch Act requires the use of domestic food products for all meals served under the program, including foods products purchased with local funds.*

17 *SEC. 4303. EXPANSION OF FRESH FRUIT AND VEGETABLE*
18 *PROGRAM.*

21 (1) in paragraph (1)—

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1 (B) in paragraph (1) by amending sub-
2 paragraphs (A) and (B) to read as follows:

3 “(A) 35 elementary or secondary schools in
4 each State;

5 “(B) additional elementary or secondary
6 schools in each State in proportion to the student
7 population of the State; and”;

8 (2) in paragraph (3)(A) by striking “paragraph
9 (1)(B)” and inserting “paragraph (1)”;

10 (3) in paragraph (5) in each of subparagraphs
11 (A) and (B), by striking “2008” and inserting
12 “2012”; and

13 (4) in paragraph (6)(B)—

14 (A) in clause (i)—

15 (i) by striking “October 1, 2004, and
16 on each October 1 thereafter,” and inserting
17 “October 1, 2007, and on each October 1
18 thereafter,”; and

19 (ii) by striking “\$9,000,000” and in-
20 serting “\$70,000,000”; and

21 (B) by adding at the end the following:

22 “(iii) ADMINISTRATIVE EXPENSES.—
23 For fiscal year 2009 and each fiscal year
24 thereafter, of the amount available to carry
25 out this subsection, the Secretary may re-

1 *serve not more than 1 percent of that*
2 *amount for administrative expenses in car-*
3 *rying out this subsection.*

4 “(iv) *STATE ADMINISTRATIVE COSTS.—*
5 *For fiscal year 2009 and each fiscal year*
6 *thereafter, of the amount received by a State*
7 *to carry out this subsection, the State may*
8 *use not more than 5 percent of that amount*
9 *for administrative expenses in carrying out*
10 *this subsection. To be eligible to use such*
11 *funds for such expenses, the State must sub-*
12 *mit to the Secretary a plan indicating how*
13 *the State intends to use such funds.*

14 “(v) *FEDERAL REQUIREMENTS.—The*
15 *Secretary shall establish requirements to be*
16 *followed by States in administering this*
17 *subsection. The initial set of requirements*
18 *shall be established not later than 1 year*
19 *after the date of the enactment of this*
20 *clause.”.*

21 **SEC. 4304. PURCHASES OF LOCALLY PRODUCED FOODS.**

22 *Section 9(j) of the Richard B. Russell National School*
23 *Lunch Act (42 U.S.C. 1758(j)) is amended to read as fol-*
24 *lows:*

1 “(j) *PURCHASES OF LOCALLY PRODUCED FOODS.*—

2 *The Secretary shall—*

3 “(1) *encourage institutions receiving funds under*
 4 *this Act and the Child Nutrition Act of 1966 (42*
 5 *U.S.C. 1771 et seq.) to purchase locally produced*
 6 *foods, to the maximum extent practicable and appro-*
 7 *priate;*

8 “(2) *advise institutions participating in a pro-*
 9 *gram described in paragraph (1) of the policy de-*
 10 *scribed in that paragraph and post information con-*
 11 *cerning the policy on the website maintained by the*
 12 *Secretary; and*

13 “(3) *allow institutions receiving funds under this*
 14 *Act and the Child Nutrition Act of 1966 (42 U.S.C.*
 15 *1771 et seq.), including the Department of Defense*
 16 *Fresh Fruit and Vegetable Program, to use a geo-*
 17 *graphic preference for the procurement of locally pro-*
 18 *duced foods.”.*

19 ***Subtitle D—Miscellaneous***

20 ***SEC. 4401. SENIORS FARMERS’ MARKET NUTRITION PRO-***
 21 ***GRAM.***

22 *(a) AMENDMENT.—Section 4402 of the Farm Security*
 23 *and Rural Investment Act of 2002 (7 U.S.C. 3007) is*
 24 *amended—*

1 (1) *by amending subsection (a) to read as fol-*
2 *lows:*

3 “(a) *AUTHORIZATION.—*

4 “(1) *The Secretary of Agriculture shall use*
5 *\$15,000,000 for each of fiscal years 2008 through*
6 *2012 of the funds available to the Commodity Credit*
7 *Corporation to carry out and expand the seniors*
8 *farmers’ market nutrition program.*

9 “(2) *There are authorized to be appropriated*
10 *\$20,000,000 for fiscal year 2008, \$30,000,000 for fis-*
11 *cal year 2009, \$45,000,000 for fiscal year 2010,*
12 *\$60,000,000 for fiscal year 2011, and \$75,000,000 for*
13 *fiscal year 2012 to carry out and expand the seniors*
14 *farmers’ market nutrition program.”;*

15 (2) *in subsection (b)(1) by inserting “honey,”*
16 *after “vegetables,”;*

17 (3) *by amending subsection (c) to read as fol-*
18 *lows:*

19 “(c) *EXCLUSION OF BENEFITS IN DETERMINING ELI-*
20 *GIBILITY FOR OTHER PROGRAMS.—The value of any benefit*
21 *provided to any eligible seniors farmers’ market nutrition*
22 *program recipient under this section shall not be considered*
23 *to be income or resources for any purposes under any Fed-*
24 *eral, State, or local law.”; and*

25 (4) *by adding at the end the following:*

1 “(d) *PROHIBITION ON COLLECTION OF SALES TAX.*—
 2 *The State shall ensure that no State or local taxes are col-*
 3 *lected within the State on purchases of food with coupons*
 4 *distributed under the seniors farmers’ market nutrition pro-*
 5 *gram.*

6 “(e) *REGULATIONS.*—*The Secretary may issue such*
 7 *regulations as the Secretary considers necessary to carry*
 8 *out the seniors farmers’ market nutrition program.”.*

9 **SEC. 4402. CONGRESSIONAL HUNGER CENTER.**

10 *Section 4404 of the Farm Security and Rural Invest-*
 11 *ment Act of 2002 (7 U.S.C. 1621 note) is amended to read*
 12 *as follows:*

13 **“SEC. 4404. BILL EMERSON NATIONAL HUNGER FELLOWS**
 14 **AND MICKEY LELAND INTERNATIONAL HUN-**
 15 **GER FELLOWS.**

16 “(a) *SHORT TITLE.*—*This section may be cited as the*
 17 *‘Bill Emerson National Hunger Fellows and Mickey Leland*
 18 *International Hunger Fellows Program Act of 2007’.*

19 “(b) *FINDINGS.*—*The Congress finds as follows:*

20 “(1) *There is a critical need for compassionate*
 21 *individuals who are committed to assisting people*
 22 *who suffer from hunger to initiate and administer so-*
 23 *lutions to the hunger problem.*

24 “(2) *Bill Emerson, the distinguished late Rep-*
 25 *resentative from the 8th District of Missouri, dem-*

1 onstrated his commitment to solving the problem of
2 hunger in a bipartisan manner, his commitment to
3 public service, and his great affection for the institu-
4 tion and ideals of the Congress of the United States.

5 “(3) George T. (Mickey) Leland, the distin-
6 guished late Representative from the 18th District of
7 Texas, demonstrated his compassion for those in need,
8 his high regard for public service, and his lively exer-
9 cise of political talents.

10 “(4) The special concern that Mr. Emerson and
11 Mr. Leland demonstrated during their lives for the
12 hungry and poor was an inspiration for others to
13 work toward the goals of equality and justice for all.

14 “(5) These two outstanding leaders maintained a
15 special bond of friendship regardless of political affili-
16 ation and worked together to encourage future leaders
17 to recognize and provide service to others, and there-
18 fore it is especially appropriate to honor the memory
19 of Mr. Emerson and Mr. Leland by creating a fellow-
20 ship program to develop and train the future leaders
21 of the United States to pursue careers in humani-
22 tarian service.

23 “(c) DEFINITIONS.—In this section:

24 “(1) ADMINISTRATOR.—The term ‘Adminis-
25 trator’ means—

1 “(A) if the Secretary of Agriculture enters
2 into a contract described in subsection (d)(3), the
3 head of the Congressional Hunger Center; or

4 “(B) if the Secretary does not enter into
5 such a contract, the Secretary.

6 “(2) *FELLOW*.—The term ‘fellow’ means—

7 “(A) a Bill Emerson Hunger Fellow; or

8 “(B) a Mickey Leland Hunger Fellow

9 “(3) *FELLOWSHIP PROGRAMS*.—The term ‘Fel-
10 lowship Programs’ means the Bill Emerson National
11 Hunger Fellowship Program and the Mickey Leland
12 International Hunger Fellowship Program established
13 by subsection (d).

14 “(d) *FELLOWSHIP PROGRAM*.—There is established in
15 the Department of Agriculture the Bill Emerson National
16 Hunger Fellowship Program and the Mickey Leland Inter-
17 national Hunger Fellowship Program.

18 “(1) *PURPOSES*.—The purposes of the Fellowship
19 Programs are—

20 “(A) to encourage future leaders of the
21 United States to pursue careers in humanitarian
22 and public service, to recognize the needs of low-
23 income people and hungry people, and to provide
24 assistance to people in need; and

1 “(B) to seek public policy solutions to the
 2 challenges of hunger and poverty, to provide
 3 training and development opportunities for such
 4 leaders through placement in programs operated
 5 by appropriate organizations or entities.

6 “(2) FOCUS OF PROGRAMS.—

7 “(A) FOCUS OF BILL EMERSON HUNGER
 8 FELLOWSHIP PROGRAM.—The Bill Emerson
 9 Hunger Fellowship Program shall address hun-
 10 ger and poverty in the United States.

11 “(B) FOCUS OF MICKEY LELAND HUNGER
 12 FELLOWSHIP PROGRAM.—The Mickey Leland
 13 Hunger Fellowship Program shall address inter-
 14 national hunger and other humanitarian needs.

15 “(3) ADMINISTRATION.—

16 “(A) IN GENERAL.—Subject to subpara-
 17 graph (B), the Secretary shall offer to enter into
 18 a contract with the Congressional Hunger Center
 19 to administer the Fellowship Programs.

20 “(B) REQUIREMENT.—As a condition of a
 21 contract described in subparagraph (A), the Con-
 22 gressional Hunger Center shall agree to submit
 23 to Congress each year the results of an inde-
 24 pendent financial audit that demonstrates that
 25 the Congressional Hunger Center uses accounting

1 *procedures that conform to generally accepted ac-*
2 *counting principles and auditing procedures that*
3 *conform to chapter 75 of title 31, United States*
4 *Code (commonly known as the ‘Single Audit Act*
5 *of 1984’).*

6 “(e) *FELLOWSHIPS.*—

7 “(1) *IN GENERAL.*—*The Administrator shall*
8 *make available Bill Emerson Hunger Fellowships and*
9 *Mickey Leland Hunger Fellowships in accordance*
10 *with this subsection.*

11 “(2) *CURRICULUM.*—

12 “(A) *IN GENERAL.*—*The fellowship pro-*
13 *grams shall provide experience and training to*
14 *develop the skills necessary to train fellows to*
15 *carry out the purposes described in subsection*
16 *(d)(1), including—*

17 “(i) *training in direct service pro-*
18 *grams for the hungry and other anti-hunger*
19 *programs in conjunction with community-*
20 *based organizations through a program of*
21 *field placement; and*

22 “(ii) *providing experience in policy de-*
23 *velopment through placement in a govern-*
24 *mental entity or nongovernmental, non-*
25 *profit, or private sector organization.*

1 “(B) *WORK PLAN.*—To carry out subpara-
2 graph (A) and assist in the evaluation of the fel-
3 lowships under paragraph (6), the Administrator
4 shall, for each fellow, approve a work plan that
5 identifies the target objectives for the fellow in
6 the fellowship, including specific duties and re-
7 sponsibilities relating to those objectives.

8 “(3) *PERIOD OF FELLOWSHIP.*—

9 “(A) *EMERSON FELLOW.*—A Bill Emerson
10 Hunger Fellowship awarded under this sub-
11 section shall be for not more than 15 months.

12 “(B) *LELAND FELLOW.*—A Mickey Leland
13 Hunger Fellowship awarded under this sub-
14 section shall be for not more than 2 years.

15 “(4) *SELECTION OF FELLOWS.*—

16 “(A) *IN GENERAL.*—Fellowships shall be
17 awarded pursuant to a nationwide competition
18 established by the Administrator.

19 “(B) *QUALIFICATIONS.*—A successful pro-
20 gram applicant shall be an individual who has
21 demonstrated—

22 “(i) an intent to pursue a career in
23 humanitarian service and outstanding po-
24 tential for such a career;

1 “(ii) leadership potential or actual
2 leadership experience;

3 “(iii) diverse life experience;

4 “(iv) proficient writing and speaking
5 skills;

6 “(v) an ability to live in poor or di-
7 verse communities; and

8 “(vi) such other attributes as are con-
9 sidered to be appropriate by the Adminis-
10 trator.

11 “(5) AMOUNT OF AWARD.—

12 “(A) IN GENERAL.—A fellow shall receive a
13 living allowance during the term of the Fellow-
14 ship and, subject to subparagraph (B), an end-
15 of-service award.

16 “(B) REQUIREMENT FOR SUCCESSFUL COM-
17 PLETION OF FELLOWSHIP.—Each fellow shall be
18 entitled to receive an end-of-service award at an
19 appropriate rate for each month of satisfactory
20 service completed, as determined by the Adminis-
21 trator.

22 “(C) TERMS OF FELLOWSHIP.—A fellow
23 shall not be considered an employee of—

24 “(i) the Department of Agriculture;

1 “(ii) *the Congressional Hunger Center;*

2 *or*

3 “(iii) *a host agency in the field or pol-*
4 *icy placement of the fellow.*

5 “(D) *RECOGNITION OF FELLOWSHIP*
6 *AWARD.—*

7 “(i) *EMERSON FELLOW.—An indi-*
8 *vidual awarded a fellowship from the Bill*
9 *Emerson Hunger Fellowship shall be known*
10 *as an ‘Emerson Fellow’.*

11 “(ii) *LELAND FELLOW.—An individual*
12 *awarded a fellowship from the Mickey Le-*
13 *land Hunger Fellowship shall be known as*
14 *a ‘Leland Fellow’.*

15 “(6) *EVALUATION.—The Administrator shall*
16 *conduct periodic evaluations of the Fellowship Pro-*
17 *grams.*

18 “(f) *AUTHORITY.—*

19 “(1) *IN GENERAL.—Subject to paragraph (2), in*
20 *carrying out this section, the Administrator may so-*
21 *licit, accept, use, and dispose of gifts, bequests, or de-*
22 *vices of services or property, both real and personal,*
23 *for the purpose of facilitating the work of the Fellow-*
24 *ship Programs.*

1 “(2) *LIMITATION.*—Gifts, bequests, or devises of
2 *money and proceeds from sales of other property re-*
3 *ceived as gifts, bequests, or devises shall be used exclu-*
4 *sively for the purposes of the Fellowship Programs.*

5 “(g) *REPORT.*—Each year, the Administrator shall
6 *submit to the Committee on Agriculture of the House of*
7 *Representatives and the Committee on Agriculture, Nutri-*
8 *tion, and Forestry of the Senate a report that describes the*
9 *activities and expenditures of the Fellowship Programs dur-*
10 *ing the preceding fiscal year.*

11 “(h) *FUNDING.*—There is authorized to be appro-
12 *priated to the Secretary to carry out this section \$3,000,000*
13 *for each of the fiscal years 2008 through 2012.”.*

14 **SEC. 4403. JOINT NUTRITION MONITORING AND RELATED**
15 **RESEARCH ACTIVITIES.**

16 *Subtitle D of title IV of the Farm Security and Rural*
17 *Investment Act of 2002 (Public Law 107–171; 116 Stat.*
18 *333) is amended—*

19 (1) *by redesignating section 4405 (2 U.S.C. 1161*
20 *note; Public Law 107–171) as section 4406; and*

21 (2) *by inserting after section 4404 the following:*

22 **“SEC. 4405. JOINT NUTRITION MONITORING AND RELATED**
23 **RESEARCH ACTIVITIES.**

24 *“The Secretary of Agriculture and the Secretary of*
25 *Health and Human Services shall continue to provide joint-*

1 *ly for national nutrition monitoring and related research*
 2 *activities carried out as of the date of enactment of this*
 3 *section—*

4 “(1) *to collect continuous dietary, health, phys-*
 5 *ical activity, and diet and health knowledge data on*
 6 *a nationally representative sample;*

7 “(2) *to periodically collect data on special at-*
 8 *risk populations, as identified by the Secretaries;*

9 “(3) *to distribute information on health, nutri-*
 10 *tion, the environment, and physical activity to the*
 11 *public in a timely fashion;*

12 “(4) *to analyze new data that becomes available;*

13 “(5) *to continuously update food composition ta-*
 14 *bles; and*

15 “(6) *to research and develop data collection*
 16 *methods and standards.”.*

17 ***TITLE V—CREDIT***

Subtitle A—Farm Ownership Loans

Sec. 5001. Conservation loan guarantee program.

Sec. 5002. Limitations on amount of ownership loans.

Sec. 5003. Down payment loan program.

Sec. 5004. Beginning farmer and rancher contract land sales program.

Subtitle B—Operating Loans

Sec. 5011. Limitations on amount of operating loans.

*Sec. 5012. Suspension of limitation on period for which borrowers are eligible for
guaranteed assistance.*

Subtitle C—Administrative Provisions

Sec. 5021. Inventory sales preferences.

Sec. 5022. Loan fund set-asides.

Sec. 5023. Transition to private commercial or other sources of credit.

Sec. 5024. Extension of the right of first refusal to reacquire homestead property to immediate family members of borrower-owner.

Sec. 5025. Rural development and farm loan program activities.

Subtitle D—Farm Credit

Sec. 5031. Agribusiness loan eligibility.

Sec. 5032. Loan-to-asset value requirements.

Sec. 5033. Population limit for single-family housing loans.

Sec. 5034. Bank for cooperatives voting stock.

Sec. 5035. Majority farmer control requirement.

Sec. 5036. Borrower stock requirement.

Sec. 5037. Rural utility loans.

Sec. 5038. Farm Credit System Insurance Corporation.

Sec. 5039. Risk-based capital levels.

Sec. 5040. Loans to purchasers of highly fractioned lands.

1 ***Subtitle A—Farm Ownership Loans***

2 ***SEC. 5001. CONSERVATION LOAN GUARANTEE PROGRAM.***

3 *Section 304 of the Consolidated Farm and Rural De-*
 4 *velopment Act (7 U.S.C. 1924) is amended to read as fol-*
 5 *lows:*

6 ***“SEC. 304. CONSERVATION LOAN GUARANTEE PROGRAM.***

7 *“(a) IN GENERAL.—The Secretary may provide a loan*
 8 *guarantee, an interest subsidy, or both, to enable an eligible*
 9 *borrower to obtain a qualified conservation loan.*

10 *“(b) PRIORITY.—In providing loan guarantees under*
 11 *this section, the Secretary shall give priority to—*

12 *“(1) qualified beginning farmers or ranchers;*

13 *“(2) socially disadvantaged farmers or ranchers*
 14 *(as defined in section 355(e)(2));*

15 *“(3) owners or tenants who use the loans to cov-*
 16 *ert to sustainable or organic agricultural production*
 17 *systems; and*

1 “(4) *producers who use the loans to build con-*
2 *servation structures or establish conservation practices*
3 *to comply with section 1212 of the Food Security Act*
4 *of 1985.*

5 “(c) *DEFINITIONS.—In this section:*

6 “(1) *ELIGIBLE BORROWER.—The term ‘eligible*
7 *borrower’ means a farmer, rancher, farm cooperative,*
8 *private domestic corporation, partnership, joint oper-*
9 *ation, trust, or limited liability company, that is en-*
10 *gaged primarily and directly in agricultural produc-*
11 *tion in the United States.*

12 “(2) *QUALIFIED CONSERVATION LOAN.—The*
13 *term ‘qualified conservation loan’ means a loan that*
14 *meets the following requirements:*

15 “(A) *PURPOSE.—The loan proceeds are re-*
16 *quired to be used to cover the costs to the bor-*
17 *rower of carrying out a qualified conservation*
18 *project.*

19 “(B) *PRINCIPAL AMOUNT.—The principal*
20 *amount of the loan is not more than \$1,000,000.*

21 “(C) *REPAYMENT PERIOD.—The loan re-*
22 *payment period shall not exceed 10 years.*

23 “(D) *LIMITED PROCESSING FEE.—The total*
24 *of all processing fees charged with respect to the*

1 *loan does not exceed such amount as shall be pre-*
2 *scribed by the Secretary.*

3 “(3) *QUALIFIED CONSERVATION PROJECT.*—*The*
4 *term ‘qualified conservation project’ means, with re-*
5 *spect to an eligible borrower, conservation measures*
6 *that address provisions of a conservation plan of the*
7 *borrower.*

8 “(4) *CONSERVATION PLAN.*—*The term ‘conserva-*
9 *tion plan’ means a plan, approved by the Secretary,*
10 *that, for a farming or ranching operation, identifies*
11 *the conservation activities that will be addressed with*
12 *guaranteed loan funds provided under this section,*
13 *including—*

14 “(A) *the installation of conservation struc-*
15 *tures;*

16 “(B) *the establishment of forest cover for*
17 *sustained yield timber management, erosion con-*
18 *trol, or shelter belt purposes;*

19 “(C) *the installation of water conservation*
20 *measures;*

21 “(D) *the installation of waste management*
22 *systems;*

23 “(E) *the establishment or improvement of*
24 *permanent pasture;*

1 “(F) compliance with section 1212 of the
2 *Food Security Act of 1985*;

3 “(G) other purposes consistent with the
4 plan; and

5 “(H) any other emerging or existing con-
6 servation practices, techniques, or technologies
7 approved by the Secretary.

8 “(d) *LIMITATIONS APPLICABLE TO LOAN GUARAN-*
9 *TEES.*—

10 “(1) *LIMITATION ON AMOUNT OF GUARANTEE.*—
11 *The portion of a loan that the Secretary may guar-*
12 *antee under this section shall be not less than 80 per-*
13 *cent and not more than 90 percent of the principal*
14 *amount of the loan.*

15 “(2) *LIMITATION ON TOTAL AMOUNT OUT-*
16 *STANDING.*—*The aggregate principal amount of out-*
17 *standing loans guaranteed by the Secretary under*
18 *this section shall not exceed \$1,000,000.*

19 “(e) *LIMITATION ON AMOUNT OF INTEREST SUB-*
20 *SIDY.*—*The interest subsidy which the Secretary may pro-*
21 *vide under this section with respect to a loan shall result*
22 *in a reduction of the interest rate agreed upon by the bor-*
23 *rower and the lender (but to not less than zero) by—*

24 “(1) 500 basis points, if the principal amount of
25 the loan is less than \$100,000;

1 “(2) 400 basis points, if the principal amount of
2 the loan is not less than \$100,000 and is less than
3 \$500,000; and

4 “(3) 300 basis points, in any other case.

5 “(f) *ADMINISTRATIVE PROVISIONS.*—

6 “(1) *AUTHORITY TO COLLECT PROCESSING*
7 *FEE.*—The Secretary may assess a fee to cover the
8 cost of processing an application under this section
9 equal to not more than 1 percent of the principal
10 amount of the loan sought by the applicant, as de-
11 scribed in the application.

12 “(2) *APPROVAL OF APPLICATION.*—The Secretary
13 shall not approve an application submitted pursuant
14 to this section, unless the Secretary has determined
15 that—

16 “(A) the loan sought by the applicant, as
17 described in the application, would be a quali-
18 fied conservation loan; and

19 “(B) the project for which the loan is sought
20 is likely to result in a net benefit to the environ-
21 ment.

22 “(3) *EQUITABLE DISTRIBUTION OF LOAN GUAR-*
23 *ANTEES AND INTEREST SUBSIDIES.*—The Secretary
24 shall ensure that loan guarantees and interest sub-
25 sidies under this section are equitably distributed

1 among agricultural producers according to the scale
2 of the operations.

3 “(g) *RELATIONSHIP WITH OTHER CONSERVATION*
4 *PROGRAMS.*—Neither the application for, nor the receipt of,
5 a loan guarantee or an interest subsidy under this section
6 shall affect the eligibility of the recipient for assistance
7 under title XII of the Food Security Act of 1985 or the Wa-
8 tershed Protection and Flood Prevention Act.

9 “(h) *AUTHORIZATION OF APPROPRIATIONS.*—For each
10 of fiscal years 2008 through 2012, there are authorized to
11 be appropriated to the Secretary such funds as are nec-
12 essary to carry out this section.”.

13 **SEC. 5002. LIMITATIONS ON AMOUNT OF OWNERSHIP**
14 **LOANS.**

15 Section 305 of the Consolidated Farm and Rural De-
16 velopment Act (7 U.S.C. 1925) is amended—

17 (1) in subsection (a)(2), by striking “\$200,000”
18 and inserting “\$300,000”; and

19 (2) by redesignating subsections (b) and (c) as
20 subsections (c) and (d), respectively, and inserting
21 after subsection (a) the following:

22 “(b) *GRADUATION PLAN.*—The Secretary shall estab-
23 lish a plan, in coordination with activities under sections
24 359, 360, 361, and 362, to encourage each borrower with

1 *an outstanding loan under this subtitle to graduate to pri-*
 2 *vate commercial or other sources of credit.”.*

3 **SEC. 5003. DOWN PAYMENT LOAN PROGRAM.**

4 *Section 310E of the Consolidated Farm and Rural De-*
 5 *velopment Act (7 U.S.C. 1935) is amended—*

6 *(1) in subsection (a)(1), by striking “and ranch-*
 7 *ers” and inserting “or ranchers and socially dis-*
 8 *advantaged farmers or ranchers”;*

9 *(2) in subsection (b)—*

10 *(A) by striking paragraph (1) and inserting*
 11 *the following;*

12 *“(1) PRINCIPAL.—Each loan made under this*
 13 *section shall be in an amount that does not exceed 45*
 14 *percent of the least of—*

15 *“(A) the purchase price of the farm or*
 16 *ranch to be acquired;*

17 *“(B) the appraised value of the farm or*
 18 *ranch to be acquired; or*

19 *“(C) \$500,000.*

20 *“(2) INTEREST RATE.—The interest rate on any*
 21 *loan made by the Secretary under this section shall*
 22 *be a rate equal to the greater of—*

23 *“(A) the difference obtained by subtracting*
 24 *4 percent from the interest rate for farm owner-*
 25 *ship loans under this subtitle; or*

1 “(B) 1 percent.”; and

2 (B) in paragraph (3), by striking “15” and
3 inserting “20”;

4 (3) in subsection (c)—

5 (A) in paragraph (1), by striking “10” and
6 inserting “5”;

7 (B) by striking paragraph (2) and redesign-
8 ating paragraph (3) as paragraph (2); and

9 (C) in paragraph (2)(B) (as so redesign-
10 ated), by striking “15-year” and inserting “20-
11 year”; and

12 (4) in subsection (d)—

13 (A) in paragraph (3)—

14 (i) by inserting “and socially dis-
15 advantaged farmers and ranchers (as de-
16 fined in section 355(e)(2))” after “ranch-
17 ers”; and

18 (ii) by striking “and” at the end;

19 (B) in paragraph (4), by striking “ranch-
20 ers.” and inserting “ranchers and socially dis-
21 advantaged farmers and ranchers (as defined in
22 section 355(e)(2)); and”; and

23 (C) by adding at the end the following:

24 “(5) establish annual performance goals to pro-
25 mote the use of the down payment loan program and

1 *other joint financing participation loans as the pre-*
 2 *ferred choice for direct real estate loans made by any*
 3 *lender to a qualified beginning farmer or rancher or*
 4 *socially disadvantaged farmer or rancher (as so de-*
 5 *fined).”.*

6 **SEC. 5004. BEGINNING FARMER AND RANCHER CONTRACT**
 7 **LAND SALES PROGRAM.**

8 *Section 310F of the Consolidated Farm and Rural De-*
 9 *velopment Act (7 U.S.C. 1936) is amended to read as fol-*
 10 *lows:*

11 **“SEC. 310F. BEGINNING FARMER AND RANCHER AND SO-**
 12 **cially Disadvantaged Farmer And**
 13 **RANCHER CONTRACT LAND SALES PROGRAM.**

14 *“(a) IN GENERAL.—The Secretary shall, in accordance*
 15 *with this section, guarantee a loan made by a private seller*
 16 *of a farm or ranch to a qualified beginning farmer or*
 17 *rancher or socially disadvantaged farmer or rancher (as de-*
 18 *fined in section 355(e)(2)) on a contract land sales basis.*

19 *“(b) ELIGIBILITY.—In order to be eligible for a loan*
 20 *guarantee under subsection (a)—*

21 *“(1) the qualified beginning farmer or rancher or*
 22 *socially disadvantaged farmer or rancher shall—*

23 *“(A) on the date the contract land sale that*
 24 *is subject of the loan is complete, own or operate*

1 *the farm or ranch that is the subject of the con-*
2 *tract land sale;*

3 *“(B) have a credit history that—*

4 *“(i) includes a record of satisfactory*
5 *debt repayment, as determined by the Sec-*
6 *retary; and*

7 *“(ii) is acceptable to the Secretary;*
8 *and*

9 *“(C) demonstrate to the Secretary that the*
10 *farmer or rancher, as the case may be, is unable*
11 *to obtain sufficient credit without a guarantee to*
12 *finance any actual need of the farmer or ranch-*
13 *er, as the case may be at a reasonable rate or*
14 *term;*

15 *“(2) the loan shall meet applicable underwriting*
16 *criteria, as determined by the Secretary; and*

17 *“(3) to carry out the loan—*

18 *“(A) a commercial lending institution shall*
19 *agree to serve as an escrow agent; or*

20 *“(B) the private seller, in cooperation with*
21 *the farmer or rancher, shall use an appropriate*
22 *alternate arrangement, as determined by the Sec-*
23 *retary.*

24 *“(c) LIMITATIONS.—*

1 “(1) *DOWN PAYMENT.*—*The Secretary shall not*
2 *provide a loan guarantee under subsection (a) if the*
3 *contribution of the qualified beginning farmer or*
4 *rancher or socially disadvantaged farmer or rancher*
5 *to the down payment for the farm or ranch that is*
6 *the subject of the contract land sale would be less than*
7 *5 percent of the purchase price of the farm or ranch.*

8 “(2) *MAXIMUM PURCHASE PRICE.*—*The Sec-*
9 *retary shall not provide a loan guarantee under sub-*
10 *section (a) if the purchase price or the appraisal*
11 *value of the farm or ranch that is the subject of the*
12 *contract land sale is greater than \$500,000.*

13 “(d) *PERIOD OF GUARANTEE.*—*The period during*
14 *which a loan guarantee under this section is in effect shall*
15 *be the 10-year period beginning with the date the guarantee*
16 *is provided.*

17 “(e) *GUARANTEE PLAN.*—*A private seller of a farm or*
18 *ranch who makes a loan that is guaranteed by the Secretary*
19 *under subsection (a) may select—*

20 “(1) *a prompt payment guarantee plan, which*
21 *shall cover—*

22 “(A) *3 amortized annual installments; or*

23 “(B) *an amount equal to 3 annual install-*
24 *ments (including an amount equal to the total*
25 *cost of any tax and insurance incurred during*

1 *the period covered by the annual installments);*

2 *or*

3 “(2) a standard guarantee plan, which shall
4 cover an amount equal to 90 percent of the out-
5 standing principal of the loan.”.

6 ***Subtitle B—Operating Loans***

7 ***SEC. 5011. LIMITATIONS ON AMOUNT OF OPERATING*** 8 ***LOANS.***

9 *Section 313(a)(1) of the Consolidated Farm and Rural*
10 *Development Act (7 U.S.C. 1943(a)(1)) is amended by*
11 *striking “\$200,000” and inserting “\$300,000”.*

12 ***SEC. 5012. SUSPENSION OF LIMITATION ON PERIOD FOR*** 13 ***WHICH BORROWERS ARE ELIGIBLE FOR*** 14 ***GUARANTEED ASSISTANCE.***

15 *Section 5102 of the Farm Security And Rural Invest-*
16 *ment Act of 2002 (7 U.S.C. 1949 note; Public Law 107-*
17 *171) is amended by striking “September 30, 2007” and in-*
18 *serting “January 1, 2008”.*

19 ***Subtitle C—Administrative*** 20 ***Provisions***

21 ***SEC. 5021. INVENTORY SALES PREFERENCES.***

22 *Section 335(c) of the Consolidated Farm and Rural*
23 *Development Act (7 U.S.C. 1985(c)) is amended—*

24 *(1) in paragraph (1)—*

25 *(A) in subparagraph (B)—*

1 (i) in the subparagraph heading, by
 2 inserting “; SOCIALLY DISADVANTAGED
 3 FARMER OR RANCHER” after “OR RANCH-
 4 ER”;

5 (ii) in clause (i), by inserting “or a so-
 6 cially disadvantaged farmer or rancher”
 7 after “or rancher”;

8 (iii) by redesignating clauses (ii)
 9 through (iv) as clauses (iii) through (v), re-
 10 spectively;

11 (iv) by inserting after clause (i) the
 12 following:

13 “(ii) PRIORITY TO BE GIVEN TO SO-
 14 CIALLY DISADVANTAGED FARMERS AND
 15 RANCHERS.—In carrying out this subpara-
 16 graph, the Secretary shall give priority to
 17 socially disadvantaged farmers and ranch-
 18 ers.”;

19 (v) in clause (iii) (as so redesign-
 20 ated)—

21 (I) by inserting “or socially dis-
 22 advantaged farmer or rancher” after
 23 “or rancher”; and

24 (II) by inserting “, subject to
 25 clause (ii)” before the period;

1 (vi) in clause (iv) (as so redesignated),
2 by inserting “or a socially disadvantaged
3 farmer or rancher” after “or rancher”; and

4 (vii) in clause (v) (as so redesignated),
5 by inserting “and socially disadvantaged
6 farmers and ranchers” after “and ranch-
7 ers”; and

8 (B) in subparagraph (C), by inserting “or
9 a socially disadvantaged farmer or rancher”
10 after “or rancher”;

11 (2) in paragraph (5)(B)—

12 (A) in clause (i)—

13 (i) in the clause heading, by inserting
14 “; SOCIALLY DISADVANTAGED FARMER OR
15 RANCHER” after “OR RANCHER”;

16 (ii) by inserting “or a socially dis-
17 advantaged farmer or rancher” after “a be-
18 ginning farmer or rancher”; and

19 (iii) by inserting “or the socially dis-
20 advantaged farmer or rancher” after “the
21 beginning farmer or rancher”;

22 (B) by redesignating clauses (ii) and (iii)
23 as clauses (iii) and (iv), respectively;

24 (C) by inserting after clause (i) the fol-
25 lowing:

1 “(ii) *PRIORITY TO BE GIVEN TO SO-*
 2 *CIALLY DISADVANTAGED FARMERS AND*
 3 *RANCHERS.—In carrying out clause (i), the*
 4 *Secretary shall give priority to socially dis-*
 5 *advantaged farmers and ranchers.”; and*
 6 *(D) in clause (iii) (as so redesignated)—*

7 *(i) in the matter preceding subclause*
 8 *(I), by inserting “or a socially disadvan-*
 9 *tagged farmer or rancher” after “or ranch-*
 10 *er”; and*

11 *(ii) in subclause (II), by inserting “or*
 12 *the socially disadvantaged farmer or ranch-*
 13 *er” after “or rancher”;*

14 *(3) in paragraph (6)—*

15 *(A) in subparagraph (A), by inserting “or*
 16 *a socially disadvantaged farmer or rancher”*
 17 *after “or rancher”; and*

18 *(B) in subparagraph (C)—*

19 *(i) in clause (i)(I), by inserting “and*
 20 *socially disadvantaged farmers and ranch-*
 21 *ers” after “and ranchers”; and*

22 *(ii) in clause (ii), by inserting “or so-*
 23 *cially disadvantaged farmers or ranchers”*
 24 *after “or ranchers”; and*

25 *(4) by adding at the end the following:*

1 “(7) *In this subsection, the term ‘socially dis-*
 2 *advantaged farmer or rancher’ has the meaning given*
 3 *in section 355(e)(2).’.*”

4 **SEC. 5022. LOAN FUND SET-ASIDES.**

5 *Section 346(b)(2) of the Consolidated Farm and Rural*
 6 *Development Act (7 U.S.C. 1994(b)(2)) is amended—*

7 *(1) in subparagraph (A)—*

8 *(A) in clause (i)—*

9 *(i) in subclause (I), by striking “70*
 10 *percent” and inserting “not less than 75*
 11 *percent of the total amount made available*
 12 *under paragraph (1)”;* and

13 *(ii) in subclause (II)—*

14 *(I) in the subclause heading, by*
 15 *inserting “; PARTICIPATION LOANS”*
 16 *after “PAYMENT LOANS”;*

17 *(II) by striking “60 percent” and*
 18 *inserting “not less than $\frac{2}{3}$ of the*
 19 *amount reserved under subclause (I)”;*
 20 *and*

21 *(III) by inserting “and participa-*
 22 *tion loans” after “section 310E”; and*

23 *(B) in clause (ii)(III), by striking “2003*
 24 *through 2007, 35 percent” and inserting “2008*
 25 *through 2012, not less than 50 percent of the*

1 total amount made available under paragraph
 2 (1)”; and
 3 (2) in subparagraph (B)(i), by striking “25 per-
 4 cent” and inserting “not less than 40 percent of the
 5 total amount made available under paragraph (1)”.

6 **SEC. 5023. TRANSITION TO PRIVATE COMMERCIAL OR**
 7 **OTHER SOURCES OF CREDIT.**

8 *Subtitle D of the Consolidated Farm and Rural Devel-*
 9 *opment Act (7 U.S.C. 1981–2008r) is amended by inserting*
 10 *after section 344 the following:*

11 **“SEC. 345. TRANSITION TO PRIVATE COMMERCIAL OR**
 12 **OTHER SOURCES OF CREDIT.**

13 “(a) *IN GENERAL.*—*In making or insuring a farm*
 14 *loan under subtitle A or B, the Secretary shall establish*
 15 *a plan and promulgate regulations (including performance*
 16 *criteria) that promote the goal of transitioning borrowers*
 17 *to private commercial credit and other sources of credit in*
 18 *the shortest practicable period of time.*

19 “(b) *COORDINATION.*—*In carrying out this section, the*
 20 *Secretary shall integrate and coordinate the transition pol-*
 21 *icy described in subsection (a) with—*

22 “(1) *the borrower training program established*
 23 *by section 359;*

24 “(2) *the loan assessment process established by*
 25 *section 360;*

1 “(3) the supervised credit requirement established
2 by section 361;

3 “(4) the market placement program established
4 by section 362; and

5 “(5) other appropriate programs and authorities,
6 as determined by the Secretary.”.

7 **SEC. 5024. EXTENSION OF THE RIGHT OF FIRST REFUSAL**
8 **TO REACQUIRE HOMESTEAD PROPERTY TO**
9 **IMMEDIATE FAMILY MEMBERS OF BOR-**
10 **ROWER-OWNER.**

11 Section 352(c)(4)(B) of the Consolidated Farm and
12 Rural Development Act (7 U.S.C. 2000(c)(4)(B)) is amend-
13 ed—

14 (1) in the 1st sentence, by striking “, the bor-
15 rower-owner” inserting “of a borrower-owner who is
16 a socially disadvantaged farmer or rancher (as de-
17 fined in section 355(e)(2)), the borrower-owner or a
18 member of the immediate family of the borrower-
19 owner”; and

20 (2) in the 2nd sentence, by inserting “or imme-
21 diate family member, as the case may be,” before
22 “from”.

1 **SEC. 5025. RURAL DEVELOPMENT AND FARM LOAN PRO-**
 2 **GRAM ACTIVITIES.**

3 *Subtitle D of the Consolidated Farm and Rural Devel-*
 4 *opment Act (7 U.S.C. 1981–2008r) is amended by inserting*
 5 *after section 364 the following:*

6 **“SEC. 365. RURAL DEVELOPMENT AND FARM LOAN PRO-**
 7 **GRAM ACTIVITIES.**

8 *“The Secretary may not complete a study of, or enter*
 9 *into a contract with a private party to carry out, without*
 10 *specific authorization in a subsequent Act of Congress, a*
 11 *competitive sourcing activity of the Secretary, including*
 12 *support personnel of the Department of Agriculture, relat-*
 13 *ing to rural development or farm loan programs.”.*

14 ***Subtitle D—Farm Credit***

15 **SEC. 5031. AGRIBUSINESS LOAN ELIGIBILITY.**

16 *(a) LONG TERM LOANS.—*

17 *(1) ELIGIBLE BORROWERS.—Section 1.9 of the*
 18 *Farm Credit Act of 1971 (12 U.S.C. 2017) is amend-*
 19 *ed—*

20 *(A) by striking “or” at the end of para-*
 21 *graph (2);*

22 *(B) by striking the period at the end of*
 23 *paragraph (3) and inserting “; or”; and*

24 *(C) by adding at the end the following:*

25 *“(4) persons primarily engaged in processing,*
 26 *preparing for market, handling, purchasing, testing,*

1 *grading, distributing, or marketing farm or aquatic*
 2 *products; or primarily engaged in furnishing farm or*
 3 *aquatic business services, or farm or aquatic supplies,*
 4 *including inputs such as feed or fertilizer, equipment,*
 5 *and other capital goods to farmers, ranchers, or pro-*
 6 *ducers or harvesters of aquatic products, but only to*
 7 *the extent that the activities are related to renewable*
 8 *energy, except that a direct loan may not be made*
 9 *available under this title to a person eligible to bor-*
 10 *row from a bank for cooperatives under section 3.7 or*
 11 *3.8 (without regard to subsection (b)(1)(E) or*
 12 *(b)(1)(F) thereof).”.*

13 (2) *LOAN PURPOSES.*—*Section 1.11 of such Act*
 14 *(12 U.S.C. 2019) is amended—*

15 (A) *in subsection (a)(1), by striking “farm-*
 16 *ers, ranchers, and producers or harvesters of*
 17 *aquatic products” and inserting “persons eligible*
 18 *under section 1.9(1)”;*

19 (B) *in subsection (a)(2), by inserting*
 20 *“under paragraph (1)” after “Farm Credit*
 21 *Bank”;*

22 (C) *in subsection (b)(1), by striking “rural*
 23 *residents” and inserting “persons eligible under*
 24 *section 1.9(3)”;*

1 (D) in subsection (c)(1), by striking “per-
2 sons furnishing farm-related services to farmers
3 and ranchers directly related to their on-farm
4 operating needs” and inserting “persons eligible
5 under section 1.9(2)”; and

6 (E) by adding at the end the following:

7 “(d) *AGRIBUSINESS LOANS.*—Loans to persons pri-
8 marily engaged in processing, preparing for market, han-
9 dling, purchasing, testing, grading, distributing, or mar-
10 keting farm or aquatic products; or primarily engaged in
11 furnishing farm or aquatic business services, or farm or
12 aquatic supplies, including inputs such as feed or fertilizer,
13 equipment, and other capital goods to farmers, ranchers,
14 or producers or harvesters of aquatic products, who are eli-
15 gible under section 1.9(4) may be made for necessary cap-
16 ital structures and equipment and initial working capital
17 for the activities only to the extent that the activities are
18 related to renewable energy.”.

19 (b) *SHORT- AND INTERMEDIATE-TERM LOANS.*—Sec-
20 tion 2.4(a) of such Act (12 U.S.C. 2075(a)) is amended—

21 (1) by striking “and” at the end of paragraph

22 (2);

23 (2) by striking the period at the end of para-
24 graph (3) and inserting “; and”; and

25 (3) by adding at the end the following:

1 “(4) persons primarily engaged in processing,
2 preparing for market, handling, purchasing, testing,
3 grading, distributing, or marketing farm or aquatic
4 products; or primarily engaged in furnishing farm or
5 aquatic business services, or farm or aquatic supplies,
6 including inputs such as feed or fertilizer, equipment,
7 and other capital goods to farmers, ranchers, or pro-
8 ducers or harvesters of aquatic products, but only to
9 the extent that the activities are related to renewable
10 energy, except that a direct loan may not be made
11 available under this subsection to a person eligible to
12 borrow from a bank for cooperatives under section 3.7
13 or 3.8 (without regard to subsection (b)(1)(E) or
14 (b)(1)(F) thereof).”.

15 (c) *BANKS FOR COOPERATIVES LOANS*.—Section
16 3.8(b)(1) of such Act (12 U.S.C. 2129(b)(1)) is amended by
17 adding at the end the following:

18 “(E) Persons primarily engaged in proc-
19 essing, preparing for market, handling, pur-
20 chasing, testing, grading, distributing, or mar-
21 keting farm or aquatic products, or primarily
22 engaged in furnishing farm or aquatic business
23 services, or farm or aquatic supplies, including
24 inputs such as feed or fertilizer, equipment, and
25 other capital goods to farmers, ranchers, or pro-

1 *ducers or harvesters of aquatic products, but only*
 2 *to the extent that the activities are related to re-*
 3 *newable energy, except that a direct loan may*
 4 *not be made available under this subparagraph*
 5 *to a farmer, rancher, or producer or harvester of*
 6 *aquatic products eligible to borrow from a farm*
 7 *credit institution under section 1.9(1) or*
 8 *2.4(a)(1), or to a service provider eligible to bor-*
 9 *row from a farm credit institution under section*
 10 *1.9(2) or 2.4(a)(3) for all the provider’s farm-re-*
 11 *lated or aquatic-related business activities.”.*

12 **SEC. 5032. LOAN-TO-ASSET VALUE REQUIREMENTS.**

13 *Section 1.10(a)(1)(C) of the Farm Credit Act of 1971*
 14 *(12 U.S.C. 2018(a)(1)(C)) is amended by striking “as may*
 15 *be authorized” and inserting “except as may be provided”.*

16 **SEC. 5033. POPULATION LIMIT FOR SINGLE-FAMILY HOUS-**
 17 **ING LOANS.**

18 *(a) FARM CREDIT BANKS.—Section 1.11(b)(3) of the*
 19 *Farm Credit Act of 1971 (12 U.S.C. 2019(b)(3)) is amended*
 20 *by striking “2,500” and inserting “6,000”.*

21 *(b) ASSOCIATIONS.—Section 2.4(b)(3) of such Act (12*
 22 *U.S.C. 2075(b)(3)) is amended by striking “2,500” and in-*
 23 *serting “6,000”.*

1 **SEC. 5034. BANK FOR COOPERATIVES VOTING STOCK.**

2 (a) *IN GENERAL.*—Section 3.3(c) of the Farm Credit
3 Act of 1971 (12 U.S.C. 2124(c)) is amended by striking
4 “and (ii)” and inserting “(ii) other categories of persons
5 and entities described in sections 3.7 and 3.8 eligible to bor-
6 row from the bank, as determined by the bank’s board of
7 directors; and (iii)”.

8 (b) *CONFORMING AMENDMENTS.*—Section
9 4.3A(c)(1)(D) of such Act (12 U.S.C. 2154a(c)(1)(D)) is
10 amended by redesignating clauses (ii) and (iii) as clauses
11 (iii) and (iv), respectively, and inserting after clause (i)
12 the following:

13 “(ii) persons and entities eligible to
14 borrow from the banks for cooperatives, as
15 described in section 3.3(c)(ii);”.

16 **SEC. 5035. MAJORITY FARMER CONTROL REQUIREMENT.**

17 Section 3.8(b)(1) of the Farm Credit Act of 1971 (12
18 U.S.C. 2129(b)(1)), as amended by section 531(c) of this
19 Act, is amended by adding at the end the following:

20 “(F) Any association of farmers, or of pro-
21 ducers or harvesters of aquatic products, or any
22 federation of such associations, which has pro-
23 ducer and investor classes of membership, but
24 only if—

25 “(i) more than 50 percent of the voting
26 control of the association is held by farmers,

1 or producers or harvesters of aquatic prod-
2 ucts; and

3 “(ii) the producer class, if treated as a
4 separate entity, operates on a cooperative
5 basis.”.

6 **SEC. 5036. BORROWER STOCK REQUIREMENT.**

7 Section 4.3A(c)(1)(E)(i) of the Farm Credit Act of
8 1971 (12 U.S.C. 2154a(c)(1)(E)(i)) is amended by striking
9 “not less than \$1,000 or 2 percent of the amount of the
10 loan, whichever is less” and inserting “determined by the
11 institution”.

12 **SEC. 5037. RURAL UTILITY LOANS.**

13 Section 8.0(9) of the Farm Credit Act of 1971 (12
14 U.S.C. 2279aa(9)) is amended—

15 (1) by striking “or” at the end of subparagraph
16 (A)(iii);

17 (2) by striking the period at the end of subpara-
18 graph (B) and inserting “; or”; and

19 (3) by adding at the end the following:

20 “(C) that is a loan or interest in a loan for
21 electric or telephone facilities by a cooperative
22 lender to a borrower who has received or is eligi-
23 ble to receive a loan under the Rural Electrifica-
24 tion Act (7 U.S.C. 901 et seq.), except that—

1 “(i) subsections (c) and (d) of section
 2 8.6, and sections 8.8 and 8.9 shall not
 3 apply to the loan or interest in the loan or
 4 to an obligation backed by a pool of obliga-
 5 tions relating to the loan or interest in the
 6 loan; and

7 “(ii) the loan or interest in the loan
 8 shall be considered to meet all standards for
 9 qualified loans for all purposes under this
 10 Act, subject to reasonable underwriting, se-
 11 curity appraisal, and repayment standards
 12 established by the Corporation.”.

13 **SEC. 5038. FARM CREDIT SYSTEM INSURANCE CORPORA-**
 14 **TION.**

15 (a) *AUTHORITY TO PASS ALONG COST OF INSURANCE*
 16 *PREMIUMS.*—Section 1.12(b) of the Farm Credit Act of
 17 1971 (12 U.S.C. 2020(b)) is amended by striking the last
 18 sentence and inserting “The assessment on any such asso-
 19 ciation or other financing institution for any period shall
 20 be computed in an equitable manner.”.

21 (b) *PREMIUMS; AMOUNT IN FUND NOT EXCEEDING*
 22 *SECURE BASE AMOUNT.*—Section 5.55(a) of such Act (12
 23 U.S.C. 2277a-4(a)) is amended—

24 (1) in paragraph (1)—

1 (A) in the matter preceding subparagraph
2 (A), by striking “(2), the annual” and inserting
3 “(3), the”;

4 (B) by striking subparagraphs (A) through
5 (D) and inserting the following:

6 “(A) the average outstanding insured obli-
7 gations issued by the bank for the calendar year,
8 after deducting therefrom the percentages of the
9 guaranteed portions of loans and investments de-
10 scribed in paragraph (2), multiplied by 0.0020;

11 “(B) the average principal outstanding for
12 the calendar year on loans made by the bank
13 that are in nonaccrual status, multiplied by
14 0.0010; and

15 “(C) the average amount outstanding for
16 the calendar year of other-than-temporarily im-
17 paired investments made by the bank, multiplied
18 by 0.0010.”;

19 (2) in paragraph (2), by striking “annual”;

20 (3) in paragraph (3), in the matter preceding
21 subparagraph (A), by striking “As used” and all that
22 follows through “that” and inserting “As used in this
23 section, the term ‘government-guaranteed’ when ap-
24 plied to loans or investments, means loans, credits, or

1 *investments, or portions of loans, credits, or invest-*
 2 *ments, that”;* and

3 *(4) by redesignating paragraphs (2) and (3) as*
 4 *paragraphs (3) and (4), respectively, and inserting*
 5 *after paragraph (1) the following:*

6 “(2) *DEDUCTIONS FROM AVERAGE OUTSTANDING*
 7 *INSURED OBLIGATIONS.—The average outstanding in-*
 8 *sured obligations issued by the bank for the calendar*
 9 *year referred to in subsection (a)(1)(A) of this section*
 10 *shall be reduced by deducting therefrom the sum of—*

11 “(A) 90 percent of the sum of—

12 “(i) *the average principal outstanding*
 13 *for such calendar year on the guaranteed*
 14 *portions of Federal government-guaranteed*
 15 *loans made by the bank that are in accrual*
 16 *status; and*

17 “(ii) *the average amount outstanding*
 18 *for the calendar year of the guaranteed por-*
 19 *tions of Federal government-guaranteed in-*
 20 *vestments made by the bank that are not*
 21 *permanently impaired, as determined by*
 22 *the Corporation; and*

23 “(B) 80 percent of the sum of—

24 “(i) *the average principal outstanding*
 25 *for the calendar year on the guaranteed por-*

1 *tions of State government-guaranteed loans*
 2 *made by the bank that are in accrual sta-*
 3 *tus; and*

4 *“(ii) the average amount outstanding*
 5 *for the calendar year of the guaranteed por-*
 6 *tions of State government-guaranteed in-*
 7 *vestments made by the bank that are not*
 8 *permanently impaired, as determined by*
 9 *the Corporation.”.*

10 *(c) PREMIUMS; AMOUNT IN FUND EXCEEDING SECURE*
 11 *BASE AMOUNT.—Section 5.55(b) of such Act (12 U.S.C.*
 12 *2277a-4(b)) is amended by striking “annual”.*

13 *(d) SECURE BASE AMOUNT.—Section 5.55(c) of such*
 14 *Act (12 U.S.C. 2277a-4(c)) is amended by striking the par-*
 15 *enthetical phrase and inserting “(adjusted downward to ex-*
 16 *clude an amount equal to the sum of (1) 90 percent of (A)*
 17 *the guaranteed portions of principal outstanding on Fed-*
 18 *eral government-guaranteed loans in accrual status made*
 19 *by the banks, and (B) the guaranteed portions of the*
 20 *amount of Federal government-guaranteed investments*
 21 *made by the banks that are not permanently impaired; and*
 22 *(2) 80 percent of (A) the guaranteed portions of principal*
 23 *outstanding on State government-guaranteed loans in ac-*
 24 *crual status made by the banks, and (B) the guaranteed*
 25 *portions of the amount of State government-guaranteed in-*

1 *vestments made by the banks that are not permanently im-*
 2 *paired, as determined by the Corporation)”.*

3 (e) *DETERMINATION OF LOAN AND INVESTMENT*
 4 *AMOUNTS.*—Section 5.55(d) of such Act (12 U.S.C. 2277a-
 5 4(d)) is amended—

6 (1) *in the subsection heading, by striking “PRIN-*
 7 *CIPAL OUTSTANDING” and inserting “LOAN AND IN-*
 8 *VESTMENT AMOUNTS”;*

9 (2) *in the matter preceding paragraph (1), by*
 10 *striking “For” and all that follows through “—” and*
 11 *inserting “For the purpose of subsections (a) and (c)*
 12 *of this section, the principal outstanding on all loans*
 13 *made by an insured System bank or the amount out-*
 14 *standing on all investments made by an insured Sys-*
 15 *tem bank shall be determined based on all loans or in-*
 16 *vestments made—”;* and

17 (3) *in each of paragraphs (1) and (2), by insert-*
 18 *ing “or investments” before “because”.*

19 (f) *ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS*
 20 *RESERVES.*—Section 5.55(e) of such Act (12 U.S.C. 2277a-
 21 4(e)) is amended—

22 (1) *in paragraph (3), by striking “the average*
 23 *secure base amount for the calendar year (as cal-*
 24 *culated on an average daily balance basis)” and in-*
 25 *serting “the secure base amount”;*

1 (2) in paragraph (4), by striking subparagraph
2 (B) and inserting the following:

3 “(B) there shall be credited to the Allocated
4 Insurance Reserves Account of each insured Sys-
5 tem bank an amount that bears the same ratio
6 to the total amount (less any amount credited
7 under subparagraph (A) of this paragraph) as
8 the average principal outstanding for the cal-
9 endar year on insured obligations issued by the
10 bank (after deducting therefrom the percentages
11 of the guaranteed portions of loans and invest-
12 ments described in subsection (a)(2) of this sec-
13 tion), bears to the average principal outstanding
14 for the calendar year on insured obligations
15 issued by all insured System banks (after deduct-
16 ing therefrom the percentages of the guaranteed
17 portions of loans and investments so described).”;
18 and

19 (3) in paragraph (6)—

20 (A) in subparagraph (A)—

21 (i) in the matter preceding clause (i),
22 by striking “beginning” and all that follows
23 through “2005”;

24 (ii) by striking clause (i) and inserting
25 the following:

1 “(i) subject to subparagraph (D), pay
 2 to each insured System bank, in a manner
 3 determined by the Corporation, an amount
 4 equal to the balance in its Allocated Insur-
 5 ance Reserves Account; and”;

6 (iii) in clause (ii)—

7 (I) by striking “(C), (E), and
 8 (F)” and inserting “(C) and (E)”; and

9 (II) by striking “outstanding,”
 10 and all that follows and inserting “at
 11 the time of the termination of the Fi-
 12 nancial Assistance Corporation, of the
 13 balance in the Allocated Insurance Re-
 14 serves Account established under sub-
 15 paragraph (1)(B).”;

16 (B) in subparagraph (C)—

17 (i) in clause (i), by striking “(in addi-
 18 tion to the amounts described in subpara-
 19 graph (F)(ii))”; and

20 (ii) by striking clause (ii) and insert-
 21 ing the following:

22 “(ii) *TERMINATION OF ACCOUNT.*—On
 23 disbursement of \$56,000,000, the Corpora-
 24 tion shall close the Account established
 25 under paragraph (1)(B) and transfer any

1 *remaining funds in the Account to the re-*
 2 *maining Allocated Insurance Reserves Ac-*
 3 *counts in accordance with paragraph (4)(B)*
 4 *for the calendar year in which the transfer*
 5 *occurs.”; and*
 6 *(C) by striking subparagraph (F).*

7 *(g) CERTIFICATION OF PREMIUMS.—*

8 *(1) FILING CERTIFIED STATEMENT.—Section*
 9 *5.56(a) of such Act (12 U.S.C. 2277a-5(a)) is amend-*
 10 *ed to read as follows:*

11 *“(a) FILING CERTIFIED STATEMENT.—On a date to*
 12 *be determined in the sole discretion of the Corporation’s*
 13 *Board of Directors, each insured System bank that became*
 14 *insured before the beginning of the period for which pre-*
 15 *miums are being assessed (in this section referred to as the*
 16 *‘period’) shall file with the Corporation a certified state-*
 17 *ment showing—*

18 *“(1) the average outstanding insured obligations*
 19 *for the period issued by the bank;*

20 *“(2) the average principal outstanding for the*
 21 *period on the guaranteed portion of Federal govern-*
 22 *ment-guaranteed loans that are in accrual status and*
 23 *the average amount outstanding for the period of Fed-*
 24 *eral government-guaranteed investments that are not*

1 *permanently impaired (as defined in section*
 2 *5.55(a)(4));*

3 *“(3) the average principal outstanding for the*
 4 *period on State government-guaranteed loans that are*
 5 *in accrual status and the average amount out-*
 6 *standing for the period of State government-guaran-*
 7 *teed investments that are not permanently impaired*
 8 *(as defined in section 5.55(a)(4));*

9 *“(4) the average principal outstanding for the*
 10 *period on loans that are in nonaccrual status and the*
 11 *average amount outstanding for the period of other-*
 12 *than-temporarily impaired investments; and*

13 *“(5) the amount of the premium due the Cor-*
 14 *poration from the bank for the period.”.*

15 (2) *PREMIUM PAYMENTS.*—Section 5.56(c) of
 16 *such Act (12 U.S.C. 2277a-5(c)) is amended to read*
 17 *as follows:*

18 “(c) *PREMIUM PAYMENTS.*—Each insured System
 19 *bank shall pay to the Corporation the premium payments*
 20 *required under subsection (a), not more frequently than*
 21 *once in each calendar quarter, in such manner and at such*
 22 *time or times as the Board of Directors shall prescribe, ex-*
 23 *cept that the amount of the premium shall be established*
 24 *not later than 60 days after filing the certified statement*
 25 *setting forth the amount of the premium.”.*

1 (3) *CONFORMING AMENDMENTS.*—Section 5.56 of
 2 *such Act (12 U.S.C. 2277a-5) is amended by striking*
 3 *subsection (d) and redesignating subsection (e) as sub-*
 4 *section (d).*

5 (h) *RULES AND REGULATIONS.*—Section 5.58(10) of
 6 *such Act (12 U.S.C. 2277a-7(10)) is amended by inserting*
 7 *“and section 1.12(b)” after “part”.*

8 **SEC. 5039. RISK-BASED CAPITAL LEVELS.**

9 Section 8.32(a)(1) of the *Farm Credit Act of 1971 (12*
 10 *U.S.C. 2279bb-1(a)(1)) is amended by striking all through*
 11 *“a pool of” and inserting the following:*

12 “(1) *CREDIT RISK.*—

13 “(A) *With respect to securities representing*
 14 *an interest in, or obligations backed by, a pool*
 15 *of qualified loans (as defined in section*
 16 *8.0(9)(C)), owned or guaranteed by the Corpora-*
 17 *tion, losses occur at a rate of default and severity*
 18 *reasonably related to risks in electric and tele-*
 19 *phone facility loans, respectively, as determined*
 20 *by the Director.*

21 “(B) *With respect to securities representing*
 22 *an interest in, or obligations backed by, a pool*
 23 *of other”.*

1 **SEC. 5040. LOANS TO PURCHASERS OF HIGHLY**
 2 **FRACTIONED LANDS.**

3 *Section 1 of Public Law 91–229 (25 U.S.C. 488) is*
 4 *amended by adding at the end the following: “The Secretary*
 5 *of Agriculture may make and insure loans as provided in*
 6 *section 309 of the Consolidated Farm and Rural Develop-*
 7 *ment Act to eligible purchasers of highly fractionated land*
 8 *pursuant to section 204(c) of the Indian Land Consolida-*
 9 *tion Act. Section 4 of this Act shall not apply to trust or*
 10 *restricted tribal or tribal corporation property mortgaged*
 11 *pursuant to the preceding sentence.”.*

12 **TITLE VI—RURAL DEVELOPMENT**

Sec. 6001. Definition of rural.

Sec. 6002. Water, waste disposal, and wastewater facility grants.

Sec. 6003. Rural business opportunity grants.

Sec. 6004. Rural water and wastewater circuit rider program.

Sec. 6005. Tribal college and university essential community facilities.

Sec. 6006. Emergency and imminent community water assistance grant program.

Sec. 6007. Water systems for rural and native villages in Alaska.

Sec. 6008. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.

Sec. 6009. Rural cooperative development grants.

Sec. 6010. Criteria to be applied in providing loans and loan guarantees under the business and industry loan program.

Sec. 6011. Appropriate technology transfer for rural areas program.

Sec. 6012. Grants to improve technical infrastructure and improve quality of rural health care facilities.

Sec. 6013. Rural entrepreneur and microenterprise assistance program.

Sec. 6014. Criteria to be applied in considering applications for rural development projects.

Sec. 6015. National sheep industry improvement center.

Sec. 6016. National rural development partnership.

Sec. 6017. Historic barn preservation.

Sec. 6018. Grants for NOAA weather radio transmitters.

Sec. 6019. Delta regional authority.

Sec. 6020. Northern great plains regional authority.

Sec. 6021. Rural strategic investment program.

Sec. 6022. Expansion of 911 access.

Sec. 6023. Access to broadband telecommunications services in rural areas.
Sec. 6024. Community connect grant program.
Sec. 6025. Agriculture innovation center demonstration program.
Sec. 6026. Rural firefighters and emergency medical service assistance program.
Sec. 6027. Value-added agricultural market development program.
Sec. 6028. Assistance for rural public television stations.
Sec. 6029. Telemedicine and distance learning services in rural areas.
Sec. 6030. Guarantees for bonds and notes issued for electrification or telephone purposes.
Sec. 6031. Comprehensive rural broadband strategy.
Sec. 6032. Study of railroad issues.

1 SEC. 6001. DEFINITION OF RURAL.

2 *Not later than 60 days after the date of the enactment*
 3 *of this Act, the Secretary of Agriculture shall prepare and*
 4 *submit to the Committee on Agriculture of the House of*
 5 *Representatives and the Committee on Agriculture, Nutri-*
 6 *tion, and Forestry of the Senate a report that—*

7 *(1) assesses the varying definitions of “rural”*
 8 *used by the Department of Agriculture;*

9 *(2) describes the effects those varying definitions*
 10 *have on the programs administered by the Depart-*
 11 *ment of Agriculture; and*

12 *(3) makes recommendations for ways to better*
 13 *target funds provided through rural development pro-*
 14 *grams.*

15 **SEC. 6002. WATER, WASTE DISPOSAL, AND WASTEWATER FA-**
 16 **CILITY GRANTS.**

17 *Section 306(a)(2)(B)(vii) of the Consolidated Farm*
 18 *and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii))*
 19 *is amended by striking “2002 through 2007” and inserting*
 20 *“2008 through 2012”.*

1 **SEC. 6003. RURAL BUSINESS OPPORTUNITY GRANTS.**

2 *Section 306(a)(11)(D) of the Consolidated Farm and*
 3 *Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is*
 4 *amended by striking “2007” and inserting “2012”.*

5 **SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT**
 6 **RIDER PROGRAM.**

7 *Section 306(a)(22)(C) of the Consolidated Farm and*
 8 *Rural Development Act (7 U.S.C. 1926(a)(22)(C)) is*
 9 *amended by striking “\$15,000,000 for fiscal year 2003” and*
 10 *inserting “\$25,000,000 for fiscal year 2008”.*

11 **SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL**
 12 **COMMUNITY FACILITIES.**

13 *Section 306(a)(25) of the Consolidated Farm and*
 14 *Rural Development Act (7 U.S.C. 1926(a)(25)) is amend-*
 15 *ed—*

16 *(1) by striking subparagraph (B) and inserting*
 17 *the following:*

18 *“(B) FEDERAL SHARE.—The Secretary*
 19 *shall establish the maximum percentage of the*
 20 *cost of the facility that may be covered by a*
 21 *grant under this paragraph, except that the Sec-*
 22 *retary may not require non-Federal financial*
 23 *support in an amount that is greater than 5 per-*
 24 *cent of the total cost.”; and*

25 *(2) in subparagraph (C), by striking “2003*
 26 *through 2007” and inserting “2008 through 2012”.*

1 **SEC. 6006. EMERGENCY AND IMMINENT COMMUNITY WATER**
 2 **ASSISTANCE GRANT PROGRAM.**

3 *Section 306A(i)(2) of the Consolidated Farm and*
 4 *Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended*
 5 *by striking “2003 through 2007” and inserting “2008*
 6 *through 2012”.*

7 **SEC. 6007. WATER SYSTEMS FOR RURAL AND NATIVE VIL-**
 8 **LAGES IN ALASKA.**

9 *Section 306D(d)(1) of the Consolidated Farm and*
 10 *Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended*
 11 *by striking “2001 through 2007” and inserting “2008*
 12 *through 2012”.*

13 **SEC. 6008. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
 14 **NANCE THE CONSTRUCTION, REFURBISHING,**
 15 **AND SERVICING OF INDIVIDUALLY-OWNED**
 16 **HOUSEHOLD WATER WELL SYSTEMS IN**
 17 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
 18 **OR MODERATE INCOMES.**

19 *Section 306E(d) of the Consolidated Farm and Rural*
 20 *Development Act (7 U.S.C. 1926e(d)) is amended by strik-*
 21 *ing “2003 through 2007” and inserting “2008 through*
 22 *2012”.*

23 **SEC. 6009. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

24 *(a) ELIGIBILITY.—Section 310B(e)(5) of the Consoli-*
 25 *dated Farm and Rural Development Act (7 U.S.C.*
 26 *1932(e)(5)) is amended—*

1 (1) in subparagraph (A), by striking “a nation-
 2 ally coordinated, regionally or State-wide operated
 3 project” and inserting “activities to promote and as-
 4 sist the development of cooperatively and mutually
 5 owned businesses”;

6 (2) in subparagraph (B), by inserting “to pro-
 7 mote and assist the development of cooperatively and
 8 mutually owned businesses” before the semicolon;

9 (3) by striking subparagraphs (D) and (F) and
 10 redesignating subparagraph (E) as subparagraph
 11 (D); and

12 (4) adding at the end the following:

13 “(E) demonstrate a commitment to—

14 “(i) networking with and sharing the
 15 results of its efforts with other cooperative
 16 development centers and other organizations
 17 involved in rural economic development ef-
 18 forts; and

19 “(ii) developing multi-organization
 20 and multi-State approaches to addressing
 21 the cooperative and economic development
 22 needs of rural areas.”.

23 (b) *AUTHORITY TO AWARD MULTI-YEAR GRANTS.*—
 24 Section 310(B)(e)(6) of such Act (7 U.S.C. 1932(e)(6)) is
 25 amended to read as follows:

1 “(6) Grants awarded to centers that have re-
 2 ceived no prior funding under this subsection shall be
 3 made for a period of 1 year. The Secretary shall
 4 evaluate programs receiving assistance under this
 5 subsection. The Secretary may award grants for a pe-
 6 riod of more than 1 year, but not more than 3 years,
 7 to centers that have successfully met the criteria
 8 under paragraph (5).”.

9 (c) *AUTHORITY TO EXTEND GRANT PERIOD FOR 1*
 10 *YEAR.*—Section 310B(e) of such Act (7 U.S.C. 1932(e)) is
 11 amended by redesignating paragraphs (7) through (9) as
 12 paragraphs (8) through (10), respectively, and inserting
 13 after paragraph (6) the following:

14 “(7) The Secretary may extend for only 1 addi-
 15 tional 12-month period the period in which a grantee
 16 may use a grant made under this subsection.”.

17 (d) *COOPERATIVE RESEARCH PROGRAM.*—Section
 18 310B(e) of such Act (7 U.S.C. 1932(e)), as amended by sub-
 19 section (c) of this section, is amended by redesignating
 20 paragraphs (9) and (10) as paragraphs (10) and (11), re-
 21 spectively, and inserting after paragraph (9) the following:

22 “(10) The Secretary shall enter into a coopera-
 23 tive research agreement with 1 or more qualified aca-
 24 demic institutions in each fiscal year to conduct re-

1 *search on the national economic effects of all types of*
2 *cooperatives.”.*

3 *(e) ADDRESSING NEEDS OF MINORITY COMMU-*
4 *NITIES.—Section 310B(e) of such Act (7 U.S.C. 1932(e)),*
5 *as amended by subsections (c) and (d) of this section, is*
6 *amended by redesignating paragraph (11) as paragraph*
7 *(12) and inserting after paragraph (10) the following:*

8 *“(11)(A) If the total amount appropriated under*
9 *paragraph (12) of this subsection for a fiscal year ex-*
10 *ceeds \$7,500,000, the Secretary shall reserve an*
11 *amount equal to 20 percent of the amount so appro-*
12 *priated for grants for cooperative development centers,*
13 *individual cooperatives, or groups of cooperatives,*
14 *serving socially disadvantaged (within the meaning of*
15 *section 355(e)) communities, a majority of the boards*
16 *of directors or governing boards of which are com-*
17 *prised of socially disadvantaged (withing such mean-*
18 *ing) individuals.*

19 *“(B) To the extent that the Secretary determines*
20 *that funds reserved under subparagraph (A) will not*
21 *be used for grants described in subparagraph (A) be-*
22 *cause of insufficient applications for the grants, the*
23 *Secretary shall use the funds as otherwise authorized*
24 *by this subsection.”.*

1 (f) *AUTHORIZATION OF APPROPRIATIONS.*—Section
 2 310B(e)(12) of such Act (7 U.S.C. 1932(e)(12)), as so redes-
 3 ignated by subsections (c) through (e) of this section, is
 4 amended by striking “2007” and inserting “2012”.

5 **SEC. 6010. CRITERIA TO BE APPLIED IN PROVIDING LOANS**
 6 **AND LOAN GUARANTEES UNDER THE BUSI-**
 7 **NESS AND INDUSTRY LOAN PROGRAM.**

8 Section 310B(g) of the Consolidated Farm and Rural
 9 Development Act (7 U.S.C. 1932(g)) is amended by adding
 10 at the end the following:

11 “(9)(A) *In providing loans and loan guarantees under*
 12 *this section, the Secretary shall consider an application*
 13 *more favorably when compared to other applications to the*
 14 *extent that the project described in the application supports*
 15 *community development and farm and ranch income by*
 16 *marketing, distributing, storing, aggregating, or processing*
 17 *a locally or regionally produced agricultural product.*

18 “(B) *In subparagraph (A), the term ‘locally or region-*
 19 *ally produced agricultural product’ means an agricultural*
 20 *product—*

21 *“(I) which is produced and distributed in the lo-*
 22 *cality or region where the finished product is mar-*
 23 *keted;*

1 “(ii) which has been shipped a total distance of
2 400 or fewer miles, as determined by the Secretary;
3 and

4 “(iii) about which the distributor has conveyed
5 to the end-use consumers information regarding the
6 origin of the product or production practices, or other
7 valuable information.”.

8 **SEC. 6011. APPROPRIATE TECHNOLOGY TRANSFER FOR**
9 **RURAL AREAS PROGRAM.**

10 Section 310B of the Consolidated Farm and Rural De-
11 velopment Act (7 U.S.C. 1932) is amended by adding at
12 the end the following:

13 “(i) **APPROPRIATE TECHNOLOGY TRANSFER FOR**
14 **RURAL AREAS PROGRAM.**—

15 “(1) **DEFINITION OF NATIONAL NONPROFIT AGRI-**
16 **CULTURAL ASSISTANCE INSTITUTION.**—In this sub-
17 section, the term ‘national nonprofit agricultural as-
18 sistance institution’ means an organization that—

19 “(A) is described in section 501(c)(3) of the
20 Internal Revenue Code of 1986 and exempt from
21 taxation under 501(a) of that Code;

22 “(B) has staff and offices in multiple re-
23 gions;

24 “(C) operates national sustainable agri-
25 culture technical assistance programs; and

1 “(D) provides the technical assistance
2 through toll-free hotlines, a website, publications,
3 and work shops.

4 “(2) *ESTABLISHMENT.*—The Secretary shall es-
5 tablish a national appropriate technology transfer for
6 rural areas program to assist agricultural producers
7 that are seeking information to help the agricultural
8 producers—

9 “(A) reduce input costs;

10 “(B) conserve energy resources;

11 “(C) diversify operations through new en-
12 ergy crops and energy generation facilities; and

13 “(D) expand markets for the agricultural
14 commodities produced by the producers through
15 use of sustainable farming practices.

16 “(3) *IMPLEMENTATION.*—

17 “(A) *IN GENERAL.*—The Secretary shall
18 carry out the program under this subsection by
19 making a grant to, or offering to enter into a co-
20 operative agreement with, a national nonprofit
21 agricultural assistance organization.

22 “(B) *COST SHARE.*—A grant made, or coop-
23 erative agreement entered into, under subpara-
24 graph (A) shall provide 100 percent of the cost

1 of providing information pursuant to paragraph
2 (2).

3 “(4) *AUTHORIZATION OF APPROPRIATIONS.*—
4 *There are authorized to be appropriated to the Sec-*
5 *retary to carry out this subsection \$5,000,000 for each*
6 *fiscal year.”.*

7 **SEC. 6012. GRANTS TO IMPROVE TECHNICAL INFRASTRUC-**
8 **TURE AND IMPROVE QUALITY OF RURAL**
9 **HEALTH CARE FACILITIES.**

10 *Subtitle D of the Consolidated Farm and Rural Devel-*
11 *opment Act (7 U.S.C. 1981–2008r), as amended by section*
12 *5025 of this Act, is amended by inserting after section 365*
13 *the following:*

14 **“SEC. 366. GRANTS TO IMPROVE TECHNICAL INFRASTRUC-**
15 **TURE AND IMPROVE QUALITY OF RURAL**
16 **HEALTH CARE FACILITIES.**

17 “(a) *IN GENERAL.*—*The Secretary shall establish a*
18 *program to award grants to rural health facilities for the*
19 *purpose of assisting the facilities in—*

20 “(1) *purchasing health information technology to*
21 *improve quality in health care and patient safety; or*

22 “(2) *improving health care quality and patient*
23 *safety, including the development of—*

1 “(A) *quality improvement support struc-*
 2 *tures to assist rural health systems and profes-*
 3 *sionals—*

4 “(i) *achieve greater integration of per-*
 5 *sonal and population health services; and*

6 “(ii) *address safety, effectiveness,*
 7 *patient- or community-centeredness, timeli-*
 8 *ness, efficiency, and equity; and*

9 “(B) *innovative approaches to the financing*
 10 *and delivery of health services to achieve rural*
 11 *health quality goals.*

12 “(b) *DEFINITIONS.—In this section:*

13 “(1) *HEALTH INFORMATION TECHNOLOGY.—The*
 14 *term ‘health information technology’ includes total ex-*
 15 *penditures incurred for—*

16 “(A) *purchasing, leasing, and installing*
 17 *computer software and hardware, including*
 18 *handheld computer technologies, and related*
 19 *services;*

20 “(B) *making improvements to computer*
 21 *software and hardware;*

22 “(C) *purchasing or leasing communications*
 23 *capabilities necessary for clinical data access,*
 24 *storage, and exchange;*

1 “(D) services associated with acquiring, im-
2 plementing, operating, or optimizing the use of
3 computer software and hardware and clinical
4 health care informatics systems;

5 “(E) providing education and training to
6 eligible entity staff on information systems and
7 technology designed to improve patient safety
8 and quality of care; and

9 “(F) purchasing, leasing, subscribing, or
10 servicing support to establish interoperability
11 that—

12 “(i) integrates patient-specific clinical
13 data with well-established national treat-
14 ment guidelines;

15 “(ii) provides ongoing, continuous
16 quality improvement functions that allow
17 providers to assess improvement rates over
18 time and against averages for similar pro-
19 viders; and

20 “(iii) integrates with larger health net-
21 works.

22 “(2) *RURAL AREA*.—The term ‘rural area’ means
23 any area of the United States that is not—

24 “(A) included within the boundaries of any
25 city, town, borough, or village, whether incor-

1 *porated or unincorporated, with a population of*
2 *more than 20,000 inhabitants; or*

3 *“(B) the urbanized area contiguous and ad-*
4 *acent to such a city or town.*

5 *“(3) RURAL HEALTH FACILITY.—The term ‘rural*
6 *health facility’ means any of the following:*

7 *“(A) SOLE COMMUNITY HOSPITAL.—A hos-*
8 *pital (as defined in section 1886(a)(2) of the So-*
9 *cial Security Act (42 U.S.C. 1395ww(a)(2))).*

10 *“(B) CRITICAL ACCESS HOSPITAL.—A crit-*
11 *ical access hospital (as defined in section*
12 *1861(mm)(1) of the Social Security Act (42*
13 *U.S.C. 1395x(mm)(1))).*

14 *“(C) FEDERALLY QUALIFIED HEALTH CEN-*
15 *TER IN RURAL AREAS.—A Federally qualified*
16 *health center (as defined in section 1861(aa)(4)*
17 *of the Social Security Act (42 U.S.C.*
18 *1395x(aa)(4)) that is located in a rural area.*

19 *“(D) RURAL PHYSICIAN OR RURAL PHYSI-*
20 *CIAN GROUP PRACTICE.—A physician or physi-*
21 *cian group practice that is located in a rural*
22 *area.*

23 *“(E) RURAL HEALTH CLINIC.—A rural*
24 *health clinic (as defined in section 1861(aa)(2)*

1 *of the Social Security Act (42 U.S.C.*
 2 *1395x(aa)(2)))).*

3 “(F) *MEDICARE DEPENDENT HOSPITAL.—A*
 4 *medicare-dependent, small rural hospital (as de-*
 5 *defined in section 1886(d)(5)(G)(iv) of the Social*
 6 *Security Act (42 U.S.C. 1395ww(d)(5)(G)(iv)))).*

7 “(c) *AMOUNT OF GRANT.—The Secretary shall deter-*
 8 *mine the amount of a grant awarded under this section.*

9 “(d) *FURNISHING THE SECRETARY WITH INFORMA-*
 10 *TION.—An eligible entity receiving a grant under this sec-*
 11 *tion shall furnish the Secretary with such information as*
 12 *the Secretary may require to—*

13 “(1) *evaluate the project for which the grant is*
 14 *made; and*

15 “(2) *ensure that assistance provided under the*
 16 *grant is expended for the purposes for which the grant*
 17 *is made.*

18 “(e) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 19 *authorized to be appropriated to the Secretary to carry out*
 20 *this section not more than \$30,000,000 for each of the fiscal*
 21 *years 2008 through 2012.”.*

22 **SEC. 6013. RURAL ENTREPRENEUR AND MICROENTERPRISE**
 23 **ASSISTANCE PROGRAM.**

24 *Subtitle D of the Consolidated Farm and Rural Devel-*
 25 *opment Act (7 U.S.C. 1981–2008r), as amended by sections*

1 5025 and 6012 of this Act, is amended by inserting after
 2 section 366 the following:

3 **“SEC. 367. RURAL ENTREPRENEUR AND MICROENTERPRISE**
 4 **ASSISTANCE PROGRAM.**

5 “(a) *DEFINITIONS.*—In this section:

6 “(1) *ECONOMICALLY DISADVANTAGED MICRO-*
 7 *ENTREPRENEUR.*—The term ‘economically disadvan-

8 *taged microentrepreneur’ means an owner, majority*
 9 *owner, or developer of a microenterprise that has the*
 10 *ability to compete in the private sector but has been*
 11 *impaired because of diminished capital and credit op-*
 12 *portunities, as compared to other microentrepreneurs*
 13 *in the industry.*

14 “(2) *INDIAN TRIBE.*—The term ‘Indian tribe’ has
 15 the meaning given the term in section 4 of the Indian
 16 Self-Determination and Education Assistance Act (25
 17 U.S.C. 450b).

18 “(3) *INTERMEDIARY.*—The term ‘intermediary’
 19 means a nonprofit entity that provides assistance—

20 “(A) to a microenterprise development orga-
 21 nization; or

22 “(B) for a microenterprise development pro-
 23 gram.

24 “(4) *LOW-INCOME INDIVIDUAL.*—The term ‘low-
 25 income individual’ means an individual with an in-

1 *come (adjusted for family size) of not more than 80*
2 *percent of the national median income.*

3 “(5) *MICROCREDIT.*—*The term ‘microcredit’*
4 *means a business loan or loan guarantee of not more*
5 *than \$50,000 that is provided to a rural entre-*
6 *preneur.*

7 “(6) *MICROENTERPRISE.*—*The term ‘microenter-*
8 *prise’ means—*

9 “(A) *a sole proprietorship; or*

10 “(B) *a business entity with not more than*
11 *10 full-time-equivalent employees.*

12 “(7) *MICROENTERPRISE DEVELOPMENT ORGANI-*
13 *ZATION.*—

14 “(A) *IN GENERAL.*—*The term ‘microenter-*
15 *prise development organization’ means a non-*
16 *profit entity that—*

17 “(i) *provides training and technical*
18 *assistance to rural entrepreneurs; and*

19 “(ii) *facilitates access to capital or an-*
20 *other service described in subsection (b) for*
21 *rural entrepreneurs.*

22 “(B) *INCLUSIONS.*—*The term ‘microenter-*
23 *prise development organization’ includes an or-*
24 *ganization described in subparagraph (A) with a*
25 *demonstrated record of delivering services to eco-*

1 *nomically disadvantaged microentrepreneurs, or*
2 *an effective plan to develop a program to deliver*
3 *microenterprise services to rural entrepreneurs*
4 *effectively, as determined by the Secretary.*

5 “(8) *MICROENTERPRISE DEVELOPMENT PRO-*
6 *GRAM.—The term ‘microenterprise development pro-*
7 *gram’ means a program administered by a qualified*
8 *organization serving a rural area.*

9 “(9) *MICROENTREPRENEUR.—The term ‘micro-*
10 *entrepreneur means’ the owner, operator, or developer*
11 *of a microenterprise.*

12 “(10) *PROGRAM.—The term ‘program’ means the*
13 *rural entrepreneur and microenterprise program es-*
14 *tablished under subsection (b)(1).*

15 “(11) *QUALIFIED ORGANIZATION.—The term*
16 *‘qualified organization’ means—*

17 “(A) *a microenterprise development organi-*
18 *zation or microenterprise development program*
19 *that has a demonstrated record of delivering*
20 *microenterprise services to rural entrepreneurs,*
21 *or an effective plan to develop a program to de-*
22 *liver microenterprise services to rural entre-*
23 *preneurs effectively, as determined by the Sec-*
24 *retary;*

1 “(B) an intermediary that has a dem-
2 onstrated record of delivering assistance to
3 microenterprise development organizations or
4 microenterprise development programs;

5 “(C) an Indian tribe, the tribal government
6 of which certifies to the Secretary that there is
7 no microenterprise development organization or
8 microenterprise development program under the
9 jurisdiction of the Indian tribe;

10 “(D) a group of 2 or more organizations or
11 Indian tribes described in any of subparagraphs
12 (A) through (C) that agree to act jointly as a
13 qualified organization under this section; or

14 “(E) for purposes of subsection (b), a public
15 college or university that has a demonstrated
16 record of delivering assistance to microenterprise
17 development organizations or microenterprise de-
18 velopment programs.

19 “(12) *RURAL AREA*.—The term ‘rural area’
20 means any area of the United States that is not—

21 “(A) included within the boundaries of any
22 city, town, borough, or village, whether incor-
23 porated or unincorporated, with a population of
24 more than 20,000 inhabitants; or

1 “(B) the urbanized area contiguous and ad-
2 jacent to such a city or town.

3 “(13) *RURAL CAPACITY-BUILDING SERVICE*.—The
4 term ‘rural capacity-building service’ means a service
5 provided to an organization that—

6 “(A) is, or is in the process of becoming, a
7 microenterprise development organization or
8 microenterprise development program; and

9 “(B) serves rural areas for the purpose of
10 enhancing the ability of the organization to pro-
11 vide training, technical assistance, and other re-
12 lated services to rural entrepreneurs.

13 “(14) *RURAL ENTREPRENEUR*.—The term ‘rural
14 entrepreneur’ means a microentrepreneur, or prospec-
15 tive microentrepreneur—

16 “(A) the principal place of business of
17 which is in a rural area; and

18 “(B) that is unable to obtain sufficient
19 training, technical assistance, or microcredit
20 elsewhere, as determined by the Secretary.

21 “(15) *TRIBAL GOVERNMENT*.—The term ‘tribal
22 government’ means the governing body of an Indian
23 tribe.

24 “(b) *RURAL ENTREPRENEURSHIP AND MICROENTER-
25 PRISE PROGRAM*.—

1 “(1) *ESTABLISHMENT.*—*The Secretary shall es-*
2 *tablish a rural entrepreneurship and microenterprise*
3 *program.*

4 “(2) *PURPOSE.*—*The purpose of the program*
5 *shall be to provide low-income individuals and mod-*
6 *erate-income individuals with—*

7 “(A) *the skills necessary to establish new*
8 *small businesses in rural areas; and*

9 “(B) *continuing technical and financial as-*
10 *sistance as individuals and business starting or*
11 *operating small businesses.*

12 “(3) *GRANTS.*—

13 “(A) *IN GENERAL.*—*The Secretary may*
14 *make a grant under the program to a qualified*
15 *organization—*

16 “(i) *to provide training, operational*
17 *support, or a rural capacity-building serv-*
18 *ice to a qualified organization to assist the*
19 *qualified organization in developing micro-*
20 *enterprise training, technical assistance,*
21 *market development assistance, and other*
22 *related services, primarily for business with*
23 *10 or fewer full-time-equivalent employees;*

24 “(ii) *to assist in researching and devel-*
25 *oping the best practices in delivering train-*

1 *ing, technical assistance, and microcredit to*
2 *rural entrepreneurs; and*

3 “(iii) *to carry out such other projects*
4 *and activities as the Secretary determines*
5 *to be consistent with the purposes of this*
6 *section.*

7 “(B) *DIVERSITY.—In making grants under*
8 *this paragraph, the Secretary shall ensure, to the*
9 *maximum extent practicable, that grant recipi-*
10 *ents include qualified organizations—*

11 “(i) *of varying sizes; and*

12 “(ii) *that serve racially and ethnically*
13 *diverse populations.*

14 “(C) *MATCHING REQUIREMENT.—*

15 “(i) *IN GENERAL.—As a condition of*
16 *any grant made to a qualified organization*
17 *under this paragraph, the Secretary shall*
18 *require the qualified organization to match*
19 *not less than 25 percent of the total amount*
20 *of the grant.*

21 “(ii) *SOURCES.—In addition to cash*
22 *from non-Federal sources, a matching share*
23 *provided by the qualified organization may*
24 *include indirect costs or in-kind contribu-*
25 *tions funded under non-Federal programs.*

1 “(4) *RURAL MICROLOAN AND TECHNICAL ASSIST-*
2 *ANCE PROGRAM.*—

3 “(A) *ESTABLISHMENT.*—*In carrying out*
4 *the program, the Secretary may carry out a*
5 *rural microloan program.*

6 “(B) *PURPOSE.*—*The purpose of the rural*
7 *microloan program shall be to provide technical*
8 *and financial assistance through qualified orga-*
9 *nizations to sole proprietorships and small busi-*
10 *nesses located in rural areas with a particular*
11 *focus on businesses with 10 or fewer full-time*
12 *equivalent employees.*

13 “(C) *AUTHORITY OF SECRETARY.*—*In car-*
14 *rying out the rural microloan program, the Sec-*
15 *retary may—*

16 “(i) *make loans to qualified organiza-*
17 *tions for the purpose of making short-term,*
18 *fixed interest rate microloans to startup,*
19 *newly established, and growing rural micro-*
20 *business concerns; and*

21 “(ii) *in conjunction with the loans,*
22 *provide grants in accordance with subpara-*
23 *graph (E) to the organizations for the pur-*
24 *pose of providing intensive marketing, man-*
25 *agement, and technical assistance to small*

1 *business concerns that are borrowers under*
2 *this paragraph.*

3 “(D) *LOAN DURATION; INTEREST RATES;*
4 *CONDITIONS.—*

5 “(i) *LOAN DURATION.—A loan made*
6 *by the Secretary under this paragraph shall*
7 *be for a term of 20 years.*

8 “(ii) *APPLICABLE INTEREST RATES.—*
9 *A loan made by the Secretary under this*
10 *paragraph to a qualified organization shall*
11 *bear an annual interest rate of at least 1*
12 *percent.*

13 “(iii) *DEFERRAL OF INTEREST AND*
14 *PRINCIPAL.—The Secretary may permit the*
15 *deferral of payments, for principal and in-*
16 *terest, on a loan made under this para-*
17 *graph for a period of not more than 2*
18 *years, beginning on the date the loan is*
19 *made.*

20 “(E) *GRANT AMOUNTS.—*

21 “(i) *IN GENERAL.—Except as otherwise*
22 *provided in this section, each qualified or-*
23 *ganization that receives a loan under this*
24 *paragraph shall be eligible to receive a*
25 *grant to provide marketing, management,*

1 *and technical assistance to small business*
2 *concerns that are borrowers or potential*
3 *borrowers under this subsection.*

4 “(ii) *MAXIMUM AMOUNT FOR MICRO-*
5 *ENTERPRISE DEVELOPMENT ORGANIZA-*
6 *TIONS.—Each microenterprise development*
7 *organization that receives a loan under this*
8 *paragraph shall receive an annual grant in*
9 *an amount equal to not more than 25 per-*
10 *cent of the total outstanding balance of*
11 *loans made to the microenterprise develop-*
12 *ment organization under this paragraph, as*
13 *of the date the grant is made.*

14 “(iii) *MATCHING REQUIREMENT.—*

15 “(I) *IN GENERAL.—As a condi-*
16 *tion of any grant made to a qualified*
17 *organization under this subparagraph,*
18 *the Secretary shall require the quali-*
19 *fied organization to match not less*
20 *than 15 percent of the total amount of*
21 *the grant.*

22 “(II) *SOURCES.—In addition to*
23 *cash from non-Federal sources, a*
24 *matching share provided by the quali-*
25 *fied organization may include indirect*

1 *costs or in-kind contributions funded*
 2 *under non-Federal programs.*

3 “(c) *ADMINISTRATIVE EXPENSES.*—Not more than 10
 4 percent of assistance received by a qualified organization
 5 for a fiscal year under this section may be used to pay ad-
 6 ministrative expenses.

7 “(d) *FURNISHING THE SECRETARY WITH INFORMA-*
 8 *TION.*—A qualified organization that receives a grant under
 9 subsection (b)(3) or loan under subsection (b)(4) shall fur-
 10 nish the Secretary by December 1 such information as the
 11 Secretary may require to ensure that assistance provided
 12 under the grant or loan is expended for the purposes for
 13 which the grant or loan is made.

14 “(e) *AUTHORIZATION OF APPROPRIATIONS.*—There are
 15 authorized to be appropriated to the Secretary to carry out
 16 this section not more than \$20,000,000 for each of the fiscal
 17 years 2008 through 2012.”.

18 **SEC. 6014. CRITERIA TO BE APPLIED IN CONSIDERING AP-**
 19 **PLICATIONS FOR RURAL DEVELOPMENT**
 20 **PROJECTS.**

21 *Subtitle D of the Consolidated Farm and Rural Devel-*
 22 *opment Act (7 U.S.C. 1981–2008r), as amended by sections*
 23 *5025, 6012, and 6013 of this Act, is amended by inserting*
 24 *after section 367 the following:*

1 **“SEC. 368. CRITERIA TO BE APPLIED IN CONSIDERING AP-**
 2 **PLICATIONS FOR RURAL DEVELOPMENT**
 3 **PROJECTS.**

4 “(a) *IN GENERAL.*—The Secretary shall review the in-
 5 come demographics, population, seasonal increases, and
 6 other factors as determined by the Secretary, of eligible com-
 7 munities for each program authorized or modified by, or
 8 funded pursuant to, an amendment made by title VI of the
 9 Farm, Nutrition, and Bioenergy Act of 2007 or section 306,
 10 306A, 306C, 306D, 306E, 310(c), 310(e), 310B(b), 310B(c),
 11 310B(e), or 379B, or subtitle F, G, H, or I of this Act,
 12 and which proposes to serve a rural area (as defined by
 13 the applicable law).

14 “(b) *REGULATIONS.*—The Secretary shall issue regula-
 15 tions to establish the applicable limitations that a rural
 16 area cannot exceed in order to remain eligible for a pro-
 17 gram referred to in subsection (a).”.

18 **SEC. 6015. NATIONAL SHEEP INDUSTRY IMPROVEMENT**
 19 **CENTER.**

20 (a) *FUNDING.*—Section 375(e)(6) of the Consolidated
 21 Farm and Rural Development Act (7 U.S.C. 2008j(e)(6))
 22 is amended by striking paragraphs (B) and (C) and insert-
 23 ing the following:

24 “(B) *AUTHORIZATION OF APPROPRIA-*
 25 *TIONS.*—There are authorized to be appropriated
 26 to the Secretary to carry out this section

1 \$10,000,000 for each of the fiscal years 2008
2 through 2012.”.

3 (b) *ELIMINATION OF REQUIREMENT TO PRIVATIZE*
4 *REVOLVING FUND.*—Section 375 of such Act (7 U.S.C.
5 2008j) is amended by striking subsection (j).

6 **SEC. 6016. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

7 Section 378(g)(1) of the Consolidated Farm and Rural
8 Development Act (7 U.S.C. 2008m(g)(1)) is amended by
9 striking “2003 through 2007” and inserting “2008 through
10 2012”.

11 **SEC. 6017. HISTORIC BARN PRESERVATION.**

12 (a) *GRANT PRIORITY.*—Section 379A(c) of the Consoli-
13 dated Farm and Rural Development Act (7 U.S.C.
14 2008o(c)) is amended by redesignating paragraphs (3) and
15 (4) as paragraphs (4) and (5) and inserting after para-
16 graph (2) the following:

17 “(3) *PRIORITY.*—In making grants under this
18 subsection, the Secretary shall give the highest pri-
19 ority to funding projects described in paragraph
20 (2)(C).”.

21 (b) *LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*
22 *TIONS.*—Section 379A(c)(5) of such Act (7 U.S.C.
23 2008o(c)(5)), as so redesignated by subsection (a) of this
24 section, is amended by striking “2002 through 2007” and
25 inserting “2008 through 2012”.

1 **SEC. 6018. GRANTS FOR NOAA WEATHER RADIO TRANSMIT-**
 2 **TERS.**

3 *Section 379B(d) of the Consolidated Farm and Rural*
 4 *Development Act (7 U.S.C. 2008p(d)) is amended by strik-*
 5 *ing “2002 through 2007” and inserting “2008 through*
 6 *2012”.*

7 **SEC. 6019. DELTA REGIONAL AUTHORITY.**

8 *(a) AUTHORIZATION OF APPROPRIATIONS.—Section*
 9 *382M(a) of the Consolidated Farm and Rural Development*
 10 *Act (7 U.S.C. 2009aa-12(a)) is amended by striking “2001*
 11 *through 2007” and inserting “2008 through 2012”.*

12 *(b) TERMINATION OF AUTHORITY.—Section 382N of*
 13 *such Act (7 U.S.C. 2009aa-13) is amended by striking*
 14 *“2007” and inserting “2012”.*

15 **SEC. 6020. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**
 16 **ITY.**

17 *(a) FEDERAL SHARE OF ADMINISTRATIVE EX-*
 18 *PENSES.—Section 383B(g)(1) of the Consolidated Farm*
 19 *and Rural Development Act (7 U.S.C. 2009bb-1(g)(1)) is*
 20 *amended—*

21 *(1) in subparagraph (A), by striking “2002” and*
 22 *inserting “2007”;*

23 *(2) in subparagraph (B), by striking “2003” and*
 24 *inserting “2008”; and*

25 *(3) in subparagraph (C), by striking “2004” and*
 26 *inserting “2009”.*

1 (b) *TECHNICAL AMENDMENT.*—Section 383B(d)(6)(A)
 2 of such Act (7 U.S.C. 2009bb-1(d)(6)(A)) is amended by in-
 3 serting “and resource conservation” after “development”.

4 (c) *ELIMINATION OF PRIORITIZATION RANKING OF AC-*
 5 *TIVITIES TO BE FUNDED.*—Section 383C(b)(2) of such Act
 6 (7 U.S.C. 2009bb-2(b)(2)) is amended by striking “activi-
 7 ties in the following order of priority” and inserting “fol-
 8 lowing activities”.

9 (d) *ELIMINATION OF ISOLATED AREA OF DISTRESS*
 10 *DESIGNATION.*—

11 (1) *IN GENERAL.*—Section 383F(a) of such Act
 12 (7 U.S.C. 2009bb-5(a)) is amended—

13 (A) by adding “and” at the end of para-
 14 graph (1);

15 (B) by striking “; and” at the end of para-
 16 graph (2) and inserting a period; and

17 (C) by striking paragraph (3).

18 (2) *CONFORMING AMENDMENTS.*—Section
 19 383F(b) of such Act (7 U.S.C. 2009bb-5(b)) is amend-
 20 ed—

21 (A) in paragraph (1), by striking “and iso-
 22 lated areas of distress”; and

23 (B) in paragraph (2), by striking “or iso-
 24 lated areas of distress”.

1 (e) *REDUCTION OF MINIMUM FUNDS ALLOCATION FOR*
 2 *DISTRESSED COUNTIES.*—Section 383F(b)(1) of such Act
 3 (7 U.S.C. 2009bb-5(b)(1)) is amended by striking “75” and
 4 inserting “50”.

5 (f) *ELIMINATION OF PROHIBITION ON PROVIDING*
 6 *FUNDS TO NONDISTRESSED COUNTIES.*—Section 383F of
 7 such Act (7 U.S.C. 2009bb-5) is amended by striking sub-
 8 section (c) and redesignating subsection (d) as subsection
 9 (c).

10 (g) *INCLUSION OF RENEWABLE ENERGY AMONG OB-*
 11 *JECTS OF MINIMUM FUNDS ALLOCATION.*—Section 383F(c)
 12 of such Act (7 U.S.C. 2009bb-5(c)), as so redesignated by
 13 subsection (a) of this section, is amended—

14 (1) in the subsection heading, by inserting “RE-
 15 NEWABLE ENERGY,” after “TELECOMMUNICATION,”;
 16 and

17 (2) by inserting “renewable energy,” after “tele-
 18 communication”.

19 (h) *AUTHORIZATION OF APPROPRIATIONS.*—Section
 20 383M(a) of such Act (7 U.S.C. 2009bb-12(a)) is amended
 21 by striking “2002 through 2007” and inserting “2008
 22 through 2012”.

23 (i) *TERMINATION OF AUTHORITY.*—Section 383N of
 24 such Act (7 U.S.C. 2009bb-13) is amended by striking
 25 “2007” and inserting “2012”.

1 **SEC. 6021. RURAL STRATEGIC INVESTMENT PROGRAM.**

2 (a) *LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*
 3 *TIONS.—Section 385E of the Consolidated Farm and Rural*
 4 *Development Act (7 U.S.C. 2009dd-4) is amended to read*
 5 *as follows:*

6 **“SEC. 385E. LIMITATIONS ON AUTHORIZATION OF APPRO-**
 7 **PRIATIONS.**

8 “*There are authorized to be appropriated to the Sec-*
 9 *retary to carry out this subtitle not more than \$25,000,000*
 10 *for each of the fiscal years 2008 through 2012.”.*

11 (b) *PRESERVATION AND PROMOTION OF RURAL HER-*
 12 *ITAGE.—*

13 (1) *DEFINITION.—Section 385B of such Act (7*
 14 *U.S.C. 2009dd-1) is amended by adding at the end*
 15 *the following:*

16 “(12) *RURAL HERITAGE.—The term ‘rural herit-*
 17 *age’ means historic sites, structures, and districts*
 18 *which may include rural downtown areas and main*
 19 *streets, neighborhoods, farmsteads, scenic and historic*
 20 *trails, and heritage areas and historic landscapes.”.*

21 (2) *RURAL STRATEGIC INVESTMENT PLANNING*
 22 *GRANTS.—Section 385F(b) of such Act (7 U.S.C.*
 23 *2009dd-5(b)) is amended—*

24 (A) *by striking “and” at the end of para-*
 25 *graph (6); and*

1 (B) by redesignating paragraph (7) as
 2 paragraph (8) and inserting after paragraph (6)
 3 the following:

4 “(7) preservation and promotion of rural herit-
 5 age; and”.

6 (3) *INNOVATION GRANTS*.—Section 385G(d) of
 7 such Act (7 U.S.C. 2009dd-6(d)) is amended—

8 (A) by striking “and” at the end of para-
 9 graph (6); and

10 (B) by redesignating paragraph (7) as
 11 paragraph (8) and inserting after paragraph (6)
 12 the following:

13 “(7) demonstrate a plan to protect and promote
 14 rural heritage; and”.

15 **SEC. 6022. EXPANSION OF 911 ACCESS.**

16 Section 315(b) of the Rural Electrification Act of 1936
 17 (7 U.S.C. 904e(b)) is amended by striking “2002 through
 18 2007” and inserting “2008 through 2012”.

19 **SEC. 6023. ACCESS TO BROADBAND TELECOMMUNICATIONS**
 20 **SERVICES IN RURAL AREAS.**

21 (a) *DEFINITIONS*.—Section 601(b) of the Rural Elec-
 22 trification Act of 1936 (7 U.S.C. 950bb(b)) is amended by
 23 striking paragraph (2) and inserting the following:

1 “(2) *ELIGIBLE RURAL COMMUNITY*.—The term
2 ‘eligible rural community’ means any area of the
3 United States that is not—

4 “(A) included within the boundaries of any
5 city, town, borough, or village, whether incor-
6 porated or unincorporated, with a population of
7 more than 20,000 inhabitants; or

8 “(B) the urbanized area contiguous and ad-
9 jacent to such a city or town.”.

10 (b) *PRIORITIZATION OF APPLICATIONS*.—

11 (1) *DEFINITION*.—Section 601(b) of such Act (7
12 U.S.C. 950bb(b)), as amended by subsection (a) of
13 this section, is amended by adding at the end the fol-
14 lowing:

15 “(3) *INCUMBENT SERVICE PROVIDER*.—The term
16 ‘incumbent service provider’ means, with respect to
17 an application submitted pursuant to this section, an
18 entity that is providing broadband service to at least
19 5 percent of the households in the service area pro-
20 posed in the application.”.

21 (2) *PRIORITY BASED ON NUMBER OF INCUMBENT*
22 *SERVICE PROVIDERS*.—Section 601(c) of such Act (7
23 U.S.C. 950bb(c)) is amended by adding at the end the
24 following:

1 “(3) *APPLICATIONS PRIORITIZED BASED ON*
2 *NUMBER OF INCUMBENT SERVICE PROVIDERS.*—

3 “(A) *IN GENERAL.*—*In making or guaran-*
4 *teeing loans under paragraph (1), the Secretary*
5 *shall give priority, in the following order, to ap-*
6 *plications from eligible rural communities that*
7 *have—*

8 “(i) *no incumbent service provider;*

9 “(ii) *1 incumbent services provider; or*

10 “(iii) *2 incumbent service providers*
11 *who, together, serve not more than 25 per-*
12 *cent of the households in the service area*
13 *proposed in the application.*

14 “(B) *PROHIBITIONS.*—*In carrying out this*
15 *section, the Secretary may not—*

16 “(i) *make a loan to an eligible commu-*
17 *nity in which there are 3 or more incum-*
18 *bent service providers, unless—*

19 “(I) *the loan is to an incumbent*
20 *service provider of the community;*

21 “(II) *the other providers in that*
22 *community are notified of the applica-*
23 *tion before approval by the Secretary,*
24 *and have sufficient time to comment*
25 *on the application; and*

1 “(III) the application includes
2 substantially increasing—

3 “(aa) the quality of
4 broadband service in the commu-
5 nity; and

6 “(bb) the provision of
7 broadband service to unserved
8 households inside and outside the
9 community; or

10 “(ii) make a loan for new construction
11 to any community in which more than 75
12 percent of the households may obtain afford-
13 able broadband service, on request, from at
14 least 1 incumbent service provider.”.

15 (c) *PAPERWORK REDUCTION*.—Section 601(c) of such
16 Act (7 U.S.C. 950bb(c)), as amended by subsection (b)(2)
17 of this section, is amended by adding at the end the fol-
18 lowing:

19 “(4) *PAPERWORK REDUCTION*.—The Secretary
20 shall take steps to reduce the cost and paperwork asso-
21 ciated with applying for a loan or loan guarantee
22 under this section by first-time applicants, particu-
23 larly those who are smaller and start-up Internet pro-
24 viders, including by providing for a new application
25 which shall maintain the ability of the Secretary to

1 *make an analysis of the risk associated with the loan*
 2 *involved.”.*

3 *(d) INCREASE IN MAXIMUM NUMBER OF SUBSCRIBER*
 4 *LINES THAT MAY BE SERVED BY AN ELIGIBLE ENTITY.—*
 5 *Section 601(d)(3) of such Act (7 U.S.C. 950bb(d)(3)) is*
 6 *amended by striking “2” and inserting “10”.*

7 *(e) LIMITATION ON FUNDS TO ENTITIES WITH MORE*
 8 *THAN 2 PERCENT OF SUBSCRIBER LINES.—Section 601(d)*
 9 *of such Act (7 U.S.C. 950bb(d)) is amended by adding at*
 10 *the end the following:*

11 *“(4) LIMITATION ON FUNDS TO ENTITIES WITH*
 12 *MORE THAN 2 PERCENT OF SUBSCRIBER LINES.—Not*
 13 *more than 25 percent of the loans made under this*
 14 *section in a single fiscal year may be approved for*
 15 *entities that serve more than 2 percent of the tele-*
 16 *phone subscriber lines in the United States.”.*

17 *(f) LOAN TERM NOT TO EXCEED 35 YEARS.—Section*
 18 *601(g)(2) of such Act (7 U.S.C. 950bb(g)(2)) is amended*
 19 *by striking “not to exceed the useful life of the assets con-*
 20 *structed, improved, or acquired with the proceeds of the loan*
 21 *or extension of credit.” and inserting “of such length, not*
 22 *exceeding 35 years, as the borrower may request, so long*
 23 *as the Secretary determines that the loan is adequately se-*
 24 *cured. In determining the term of a loan or loan guarantee,*
 25 *the Secretary shall consider whether the recipient is or*

1 *would be serving an area that is not receiving broadband*
2 *services.”*

3 *(g) ADEQUACY OF SECURITY.—Section 601 of such Act*
4 *(7 U.S.C. 950bb) is amended by redesignating subsections*
5 *(h) through (k) as subsections (i) through (l), respectively,*
6 *and inserting after subsection (g) the following:*

7 *“(h) ADEQUACY OF SECURITY.—The Secretary shall*
8 *ensure that the type, amount, and method of security used*
9 *to secure any loan or loan guarantee provided under this*
10 *section is commensurate to the risk involved with the loan*
11 *or loan guarantee, particularly when the loan or loan guar-*
12 *antee is issued to a financially healthy, strong, and stable*
13 *entity. In determining the amount and method of security,*
14 *the Secretary shall consider reducing the security in areas*
15 *that do not have broadband service.”.*

16 *(h) GENERAL REPORT ON PROGRAM.—Section 601 of*
17 *such Act (7 U.S.C. 950bb), as amended by subsection (g)*
18 *of this section, is amended by redesignating subsections (k)*
19 *and (l) as subsections (l) and (m), respectively, and insert-*
20 *ing after subsection (j) the following:*

21 *“(k) GENERAL PROGRAM REPORT.—Not later than*
22 *December 1 of each year, the Secretary shall prepare and*
23 *submit to the Committee on Agriculture of the House of*
24 *Representatives and the Committee on Agriculture, Nutri-*

1 *tion, and Forestry of the Senate a report that details for*
 2 *the preceding fiscal year—*

3 *“(1) the loans made under this section;*

4 *“(2) the communities served under this section;*

5 *“(3) the speed of the broadband service offered by*
 6 *applicants for, and recipients of, loans or loan guar-*
 7 *antees under this section;*

8 *“(4) the type of services offered by the applicants*
 9 *and recipients;*

10 *“(5) the length of time to approve applications*
 11 *submitted pursuant to this section; and*

12 *“(6) the outreach efforts undertaken by the De-*
 13 *partment of Agriculture to encourage persons in areas*
 14 *without broadband service to submit applications*
 15 *pursuant to this section.”.*

16 *(i) NATIONAL CENTER FOR RURAL TELECOMMUNI-*
 17 *CATIONS ASSESSMENT.—Section 601 of such Act (7 U.S.C.*
 18 *950bb), as amended by subsections (g) and (h) of this sec-*
 19 *tion, is amended by redesignating subsections (l) and (m)*
 20 *as subsections (m) and (n), respectively, and inserting after*
 21 *subsection (k) the following:*

22 *“(l) NATIONAL CENTER FOR RURAL TELECOMMUNI-*
 23 *CATIONS ASSESSMENT.—*

24 *“(1) ESTABLISHMENT OF CENTER.—The Sec-*
 25 *retary shall designate a National Center for Rural*

1 *Telecommunications Assessment (in this subsection re-*
2 *ferred to as the ‘Center’).*

3 “(2) *CRITERIA.*—*The Secretary shall use the fol-*
4 *lowing criteria in making the designation:*

5 “(A) *The Center must be an entity with a*
6 *focus on rural policy research and a minimum*
7 *of 5 years experience in rural telecommuni-*
8 *cations research and assessment.*

9 “(B) *The Center must be capable of assess-*
10 *ing broadband services in rural areas.*

11 “(C) *The Center must have significant expe-*
12 *rience with other rural economic development*
13 *centers and organizations in the assessment of*
14 *rural policies and formulation of policy solutions*
15 *at the local, State, and Federal level.*

16 “(3) *BOARD.*—*The management of the Center*
17 *shall be vested in a board of directors that is capable*
18 *of oversight of the duties set forth in paragraph (4).*

19 “(4) *DUTIES.*—*The Center shall—*

20 “(A) *assess the effectiveness of programs*
21 *provided under subsection (b) in increasing*
22 *broadband penetration and purchase in rural*
23 *areas, especially in those rural communities*
24 *identified by the Secretary as having no service*

1 *before award of a broadband loan or loan guar-*
2 *antee under subsection (b);*

3 *“(B) develop assessments of broadband*
4 *availability in rural areas, working with exist-*
5 *ing rural development centers selected by the*
6 *Center;*

7 *“(C) identify policies and initiatives at the*
8 *local, State and Federal level that have increased*
9 *broadband penetration and purchase in rural*
10 *areas;*

11 *“(D) conduct a national study of rural*
12 *households and businesses focusing on the adop-*
13 *tion of, barriers to, and utilization of broadband*
14 *services; and*

15 *“(E) provide reports to the public on the ac-*
16 *tivities undertaken under this section.*

17 *“(5) REPORTING REQUIREMENTS.—The Center*
18 *shall report by December 1 of each year to the Sec-*
19 *retary its activities, the results of its research, and*
20 *any such information the Secretary may request re-*
21 *garding the prior fiscal year. In reporting to the Sec-*
22 *retary the Center shall include the following:*

23 *“(A) Assessments of the programs provided*
24 *under subsection (b).*

1 “(B) *Annual assessments on broadband*
 2 *availability in rural areas under consideration*
 3 *by the Center.*

4 “(C) *Annual assessments on the effects of*
 5 *the policy initiatives identified in paragraph*
 6 *(2)(C).*

7 “(D) *Results from the national study of*
 8 *rural households and businesses conducted under*
 9 *paragraph (4)(D).*

10 “(6) *AUTHORIZATION OF APPROPRIATIONS.—*
 11 *There are authorized to be appropriated to the Sec-*
 12 *retary to carry out this subsection not more than*
 13 *\$1,000,000 for each of the fiscal years 2008 through*
 14 *2012.’’.*

15 (j) *FUNDING.—Section 601(m) of such Act (7 U.S.C.*
 16 *950bb(l)) as so redesignated by subsections (g) through (i)*
 17 *of this section, is amended—*

18 (1) *by striking paragraph (1);*

19 (2) *by redesignating paragraphs (2), (3), and (4)*
 20 *as paragraphs (1), (2), and (3), respectively;*

21 (3) *in paragraph (1)(B) (as so redesignated), by*
 22 *striking “2007” and inserting “2012”;*

23 (4) *in paragraph (2) (as so redesignated), by*
 24 *striking “2003 through 2007” and inserting “2008*
 25 *through 2012”; and*

(5) in paragraph (3) (as so redesignated), by adding at the end the following:

“(D) *ELIGIBLE TRIBAL COMMUNITIES.*—Of the amounts made available under subparagraph (A) for a fiscal year, 10 percent shall be reserved for entities serving eligible tribal communities.

“(E) *UNOBLIGATED AMOUNTS.*—Any amounts in the reserve established for eligible tribal communities for a fiscal year under subparagraph (D) that are not obligated by June 30 of the fiscal year shall be available to the Secretary to make loans and loan guarantees under this section to eligible entities in any State, as determined by the Secretary.”.

(k) *EXTENSION OF AUTHORITY TO ISSUE LOANS.*—Section 601(n) of such Act (7 U.S.C. 950bb(m)), as so redesignated by subsections (f) through (h) of this section, is amended by striking “2007” and inserting “2012”.

SEC. 6024. COMMUNITY CONNECT GRANT PROGRAM.

Title VI of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended by adding at the end the following:

“SEC. 602. COMMUNITY CONNECT GRANT PROGRAM.

“(a) *ESTABLISHMENT.*—The Secretary shall establish a grant program to be known as the ‘Community Connect

1 *Grant Program’ to provide financial assistance to eligible*
2 *applicants to provide broadband transmission service that*
3 *fosters economic growth and delivers enhanced educational,*
4 *health care, and public safety services.*

5 “(b) *ELIGIBILITY.—To be eligible for a grant under*
6 *this section, the applicant must—*

7 “(1) *be legally organized as an incorporated trib-*
8 *al organization, an Indian tribe, or tribal organiza-*
9 *tion, as defined in subsections (b) and (c) of section*
10 *4 of the Indian Self-Determination and Education*
11 *Assistance Act (25 U.S.C. 450b(b) and (c)), a State*
12 *or local unit of government, or other legal entity, in-*
13 *cluding a cooperative, private corporation, or limited*
14 *liability company organized on a for-profit or not-*
15 *for-profit basis;*

16 “(2) *have the legal capacity and authority to*
17 *own and operate broadband facilities as proposed in*
18 *its application, to enter into contracts, and to other-*
19 *wise comply with applicable Federal statutes and reg-*
20 *ulations; or*

21 “(3) *be in an eligible rural community (as de-*
22 *finied in section 601(b)(2) of the Rural Electrification*
23 *Act of 1936).*

24 “(c) *INELIGIBLE GRANT PURPOSES.—A grant made*
25 *under this section may not be used—*

1 “(1) to finance the duplication of any broadband
2 transmission service provided by another entity; or

3 “(2) with respect to facilities, to provide local ex-
4 change telecommunications service to any person or
5 entity receiving the service.

6 “(d) *PRIORITY*.—In making grants under this section,
7 the Secretary shall give priority to grants that will enhance
8 community access to telemedicine and distance learning re-
9 sources.

10 “(e) *MATCHING CONTRIBUTIONS*.—

11 “(1) *IN GENERAL*.—To be eligible to receive a
12 grant under subsection (a), a grant applicant shall
13 provide a matching contribution of at least 15 percent
14 of the grant amount requested, in funds and in-kind
15 contributions in a proportion to be determined by the
16 Secretary.

17 “(2) *LIMITATIONS*.—

18 “(A) Costs incurred by or on behalf of an
19 applicant, for facilities, installed equipment, or
20 other services rendered before submission of a
21 completed application shall not be considered to
22 be for an eligible grant purpose or a matching
23 contribution.

24 “(B) Any financial assistance from Federal
25 sources shall not be considered to be a matching

1 *contribution for purposes of this section, unless*
 2 *there is a Federal statutory exception specifically*
 3 *authorizing the Federal financial assistance to be*
 4 *so considered.*

5 “(f) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 6 *authorized to be appropriated to the Secretary to carry out*
 7 *this section not more than \$25,000,000 for each of the fiscal*
 8 *years 2008 through 2012.”.*

9 **SEC. 6025. AGRICULTURE INNOVATION CENTER DEM-**
 10 **ONSTRATION PROGRAM.**

11 *Section 6402(i) of the Farm Security and Rural In-*
 12 *vestment Act of 2002 (7 U.S.C. 1621 note; Public Law 107–*
 13 *171) is amended to read as follows:*

14 “(i) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 15 *authorized to be appropriated to the Secretary to carry out*
 16 *this section \$6,000,000 for each of the fiscal years 2008*
 17 *through 2012.”.*

18 **SEC. 6026. RURAL FIREFIGHTERS AND EMERGENCY MED-**
 19 **ICAL SERVICE ASSISTANCE PROGRAM.**

20 *Section 6405 of the Farm Security and Rural Invest-*
 21 *ment Act of 2002 (7 U.S.C. 1621 note) is amended to read*
 22 *as follows:*

1 **“SEC. 6405. RURAL FIREFIGHTERS AND EMERGENCY MED-**
2 **ICAL SERVICE ASSISTANCE PROGRAM.**

3 “(a) *GRANTS.*—*The Secretary shall award grants to*
4 *eligible entities to—*

5 “(1) *enable the entities to provide for improved*
6 *emergency medical services in rural areas; and*

7 “(2) *pay the cost of training firefighters and*
8 *emergency medical personnel in firefighting, emer-*
9 *gency medical practices, and responding to hazardous*
10 *materials and bioagents in rural areas.*

11 “(b) *ELIGIBILITY.*—*To be eligible to receive a grant*
12 *under this section, an entity shall—*

13 “(1) *be—*

14 “(A) *a State emergency medical services of-*
15 *fice;*

16 “(B) *a State emergency medical services as-*
17 *sociation;*

18 “(C) *a State office of rural health;*

19 “(D) *a local government entity;*

20 “(E) *an Indian tribe (as defined in section*
21 *4 of the Indian Self-Determination and Edu-*
22 *cation Assistance Act (25 U.S.C. 450b));*

23 “(F) *a State or local ambulance provider;*

24 *or*

25 “(G) *any other entity determined appro-*
26 *priate by the Secretary; and*

1 “(2) prepare and submit to the Secretary an ap-
2 plication at such time, in such manner, and con-
3 taining such information as the Secretary may re-
4 quire, that includes—

5 “(A) a description of the activities to be
6 carried out under the grant; and

7 “(B) an assurance that the applicant will
8 comply with the matching requirement of sub-
9 section (e).

10 “(c) *USE OF FUNDS.*—An entity shall use amounts re-
11 ceived under a grant made under subsection (a) only in
12 rural areas to—

13 “(1) hire or recruit emergency medical service
14 personnel;

15 “(2) recruit or retain volunteer emergency med-
16 ical service personnel;

17 “(3) train emergency medical service personnel
18 in emergency response, injury prevention, safety
19 awareness, and other topics relevant to the delivery of
20 emergency medical services;

21 “(4) fund training to meet State or Federal cer-
22 tification requirements;

23 “(5) provide training for firefighters and emer-
24 gency medical personnel for improvements to the

1 *training facility, equipment, curricula, and per-*
2 *sonnel;*

3 “(6) *develop new ways to educate emergency*
4 *health care providers through the use of technology-en-*
5 *hanced educational methods (such as distance learn-*
6 *ing);*

7 “(7) *acquire emergency medical services vehicles,*
8 *including ambulances;*

9 “(8) *acquire emergency medical services equip-*
10 *ment, including cardiac defibrillators;*

11 “(9) *acquire personal protective equipment for*
12 *emergency medical services personnel as required by*
13 *the Occupational Safety and Health Administration;*
14 *and*

15 “(10) *educate the public concerning*
16 *cardiopulmonary resuscitation (CPR), first aid, in-*
17 *jury prevention, safety awareness, illness prevention,*
18 *and other related emergency preparedness topics.*

19 “(d) *PREFERENCE.—In awarding grants under this*
20 *section, the Secretary shall give preference to—*

21 “(1) *applications that reflect a collaborative ef-*
22 *fort by 2 or more of the entities described in subpara-*
23 *graphs (A) through (G) of subsection (b)(1); and*

24 “(2) *applications submitted by entities that in-*
25 *tend to use amounts provided under the grant to fund*

1 *activities described in any of paragraphs (1) through*
2 *(5) of subsection (c).*

3 “(e) *MATCHING REQUIREMENT.*—*The Secretary may*
4 *not make a grant under this section to an entity unless*
5 *the entity agrees that the entity will make available (di-*
6 *rectly or through contributions from other public or private*
7 *entities) non-Federal contributions toward the activities to*
8 *be carried out under the grant in an amount equal to 5*
9 *percent of the amount received under the grant.*

10 “(f) *EMERGENCY MEDICAL SERVICES.*—*In this sec-*
11 *tion, the term ‘emergency medical services’—*

12 “(1) *means resources used by a qualified public*
13 *or private nonprofit entity, or by any other entity*
14 *recognized as qualified by the State involved, to de-*
15 *liver medical care outside of a medical facility under*
16 *emergency conditions that occur as a result of—*

17 “(A) *the condition of the patient; or*

18 “(B) *a natural disaster or similar situa-*
19 *tion; and*

20 “(2) *includes (compensated or volunteer) services*
21 *delivered by an emergency medical services provider*
22 *or other provider recognized by the State involved*
23 *that is licensed or certified by the State as an emer-*
24 *gency medical technician or the equivalent (as deter-*
25 *mined by the State), a registered nurse, a physician*

1 *assistant, or a physician that provides services simi-*
 2 *lar to services provided by such an emergency medical*
 3 *services provider.*

4 “(g) *AUTHORIZATION OF APPROPRIATIONS.—*

5 “(1) *IN GENERAL.—There are authorized to be*
 6 *appropriated to the Secretary to carry out this sec-*
 7 *tion not more than \$30,000,000 for each of fiscal*
 8 *years 2008 through 2012.*

9 “(2) *ADMINISTRATIVE COSTS.—Not more than 10*
 10 *percent of the amount appropriated under paragraph*
 11 *(1) for a fiscal year may be used for administrative*
 12 *expenses.”.*

13 **SEC. 6027. VALUE-ADDED AGRICULTURAL MARKET DEVEL-**
 14 **OPMENT PROGRAM.**

15 “(a) *DEFINITION OF MID-TIER VALUE CHAIN.—Section*
 16 *231(a) of the Agricultural Risk Protection Act of 2000 (7*
 17 *U.S.C. 1621 note; Public Law 106–224) is amended by add-*
 18 *ing at the end the following:*

19 “(3) *MID-TIER VALUE CHAIN.—The term ‘mid-*
 20 *tier value chain’ means local and regional supply net-*
 21 *works that link independent producers with businesses*
 22 *and cooperatives that market value-added agricul-*
 23 *tural products in a manner that—*

24 “(A) *targets and strengthens the profit-*
 25 *ability and competitiveness of small and me-*

1 *dium-sized family farms, as defined in regula-*
 2 *tions pursuant to Section 302 of the Consoli-*
 3 *dated Farm and Rural Development Act; and*

4 *“(B) obtains agreement from the eligible ag-*
 5 *ricultural producer group, farmer or rancher co-*
 6 *operative, or majority-controlled producer-based*
 7 *business venture engaged in the value chain in*
 8 *the method for price determination.”.*

9 *(b) FUNDING; RESERVATION OF FUNDS; GRANT*
 10 *AWARD CRITERIA.—Section 231(b) of such Act (7 U.S.C.*
 11 *1621 note; Public Law 106–224) is amended—*

12 *(1) by striking paragraph (4) and inserting the*
 13 *following:*

14 *“(4) FUNDING.—Not later than 30 days after the*
 15 *date of the enactment of this paragraph, on October*
 16 *1, 2008, and on each October 1 thereafter through Oc-*
 17 *tober 1, 2012, of the funds of the Commodity Credit*
 18 *Corporation, the Secretary shall make available to*
 19 *carry out this subsection \$30,000,000, to remain*
 20 *available until expended.*

21 *“(5) RESERVATION OF FUNDS FOR PROJECTS TO*
 22 *BENEFIT BEGINNING FARMERS AND RANCHERS OR SO-*
 23 *CIALY DISADVANTAGED FARMERS AND RANCHERS*
 24 *AND MID-TIER VALUE CHAINS.—*

1 “(A) *IN GENERAL.*—*The Secretary shall re-*
2 *serve 10 percent of the amounts made available*
3 *under paragraph (4) to fund projects that benefit*
4 *beginning farmers and ranchers (as defined in*
5 *section 343(a)(11) of the Consolidated Farm and*
6 *Rural Development Act) or socially disadvan-*
7 *tagged farmers and ranchers (as defined in sec-*
8 *tion 355(e) of such Act).*

9 “(B) *MID-TIER VALUE CHAINS.*—*The Sec-*
10 *retary shall reserve 10 percent of the amounts*
11 *made available under paragraph (4) to fund ap-*
12 *plications of eligible entities described in para-*
13 *graph (1) that propose to develop mid-tier value*
14 *chains.*

15 “(C) *UNOBLIGATED AMOUNTS.*—*Any*
16 *amounts in the reserves established under sub-*
17 *paragraphs (A) and (B) that are not obligated*
18 *by June 30 of the fiscal year shall be available*
19 *to the Secretary to make grants under this sec-*
20 *tion to eligible entities in any State, as deter-*
21 *mined by the Secretary.”; and*

22 *(2) by adding at the end the following:*

23 “(6) *CRITERIA TO BE APPLIED IN AWARDING*
24 *GRANTS.*—*In awarding grants under this section, the*
25 *Secretary shall consider an application more favor-*

1 ably when compared to other applications to the ex-
 2 tent that the project contributes to increasing oppor-
 3 tunities for operators of small and medium-size farms
 4 and ranches structured as family farms (as defined in
 5 regulations prescribed under section 302 of the Con-
 6 solidated Farm and Rural Development Act).”.

7 **SEC. 6028. ASSISTANCE FOR RURAL PUBLIC TELEVISION**
 8 **STATIONS.**

9 Section 2333 of the Food, Agriculture, Conservation
 10 and Trade Act of 1990 (7 U.S.C. Sec. 950aaa-2) is amended
 11 by adding at the end the following:

12 “(j) **DIGITAL SERVICE TRANSITION ASSISTANCE FOR**
 13 **PUBLIC TELEVISION STATIONS.**—The Secretary may pro-
 14 vide grants under this section to noncommercial education
 15 television broadcast stations that serve rural areas for the
 16 purposes of developing digital facilities, equipment, and in-
 17 frastructure to enhance digital services to rural areas.”.

18 **SEC. 6029. TELEMEDICINE AND DISTANCE LEARNING SERV-**
 19 **ICES IN RURAL AREAS.**

20 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Section
 21 2335A of the Food, Agriculture, Conservation and Trade
 22 Act of 1990 (7 U.S.C. 950aaa-5) is amended by striking
 23 “2007” and inserting “2012”.

1 (b) *CONFORMING AMENDMENT.*—Section 1(b) of Public
2 Law 102–551 (7 U.S.C. 950aaa note) is amended by strik-
3 ing “2007” and inserting “2012”.

4 **SEC. 6030. GUARANTEES FOR BONDS AND NOTES ISSUED**
5 **FOR ELECTRIFICATION OR TELEPHONE PUR-**
6 **POSES.**

7 Section 313A(f) of the Rural Electrification Act of
8 1936 (7 U.S.C. 940c-1(f)) is amended by striking “2007”
9 and inserting “2012”.

10 **SEC. 6031. COMPREHENSIVE RURAL BROADBAND STRAT-**
11 **EGY.**

12 Not later than 180 days after the date of the enactment
13 of this Act, the Secretary of Agriculture shall submit to the
14 President, the Committee on Agriculture of the House of
15 Representatives, and the Committee on Agriculture, Nutri-
16 tion, and Forestry of the Senate a report describing a com-
17 prehensive rural broadband strategy that includes—

18 (1) recommendations—

19 (A) to promote interagency coordination of
20 Federal agencies in regards to policies, proce-
21 dures, and targeted resources, and to improve
22 and streamline the policies, programs, and serv-
23 ices;

24 (B) to coordinate among Federal agencies
25 regarding existing rural broadband or rural ini-

1 *tiatives that could be of value to rural broadband*
2 *development;*

3 *(C) to address both short- and long-term so-*
4 *lutions and needs assessments for a rapid build-*
5 *out of rural broadband solutions and applica-*
6 *tions for Federal, State, regional, and local gov-*
7 *ernment policy makers;*

8 *(D) to identify how specific Federal agency*
9 *programs and resources can best respond to*
10 *rural broadband requirements and overcome ob-*
11 *stacles that currently impede rural broadband*
12 *deployment; and*

13 *(E) to promote successful model deploy-*
14 *ments and appropriate technologies being used*
15 *in rural areas so that State, regional, and local*
16 *governments can benefit from the cataloging and*
17 *successes of other State, regional, and local gov-*
18 *ernments; and*

19 *(2) a description of goals and timeframes to*
20 *achieve the strategic plans and visions identified in*
21 *the report.*

22 **SEC. 6032. STUDY OF RAILROAD ISSUES.**

23 *(a) IN GENERAL.—The Secretary of Agriculture, in co-*
24 *ordination with the Secretary of Transportation, shall con-*
25 *duct a study of railroad issues regarding the movement of*

1 *agricultural products, domestically produced renewable*
2 *fuels and domestically produced resources for the production*
3 *of electricity for rural America, and economic development*
4 *in rural America. The study shall include an examination*
5 *of the following:*

6 *(1) The importance of freight railroads to—*

7 *(A) the delivery of equipment, seed, fer-*
8 *tilizer, and other such products important to the*
9 *development of agricultural commodities and*
10 *products;*

11 *(B) the movement of agricultural commod-*
12 *ities and products to market;*

13 *(C) the delivery of ethanol and other renew-*
14 *able fuels;*

15 *(D) the delivery of domestically produced*
16 *resources for use in the generation of electricity*
17 *for rural America;*

18 *(E) the location of grain elevators, ethanol*
19 *plants, and other facilities;*

20 *(F) the development of manufacturing fa-*
21 *cilities in rural America; and*

22 *(G) the vitality and economic development*
23 *of rural communities.*

24 *(2) The sufficiency in rural America of railroad*
25 *capacity, the sufficiency of competition in the rail-*

1 road system, the reliability of rail service, and the
2 reasonableness of railroad prices.

3 (3) *The accessibility to rail customers in rural*
4 *America of Federal processes for the resolution of rail*
5 *customer grievances with the railroads.*

6 (b) *REPORT TO THE CONGRESS.*—*Within 9 months*
7 *after the date of the enactment of this Act, the Secretary*
8 *of Agriculture shall submit to the Congress a report that*
9 *contains the results of the study required by subsection (a),*
10 *and the recommendations of the Secretary for new Federal*
11 *policies to address any problems identified by the study.*

12 **TITLE VII—RESEARCH**

Subtitle A—General Provisions

Sec. 7101. Definitions.

Sec. 7102. Budget submission and funding.

Sec. 7103. Additional purposes of agricultural research and extension.

Sec. 7104. National agricultural research program office.

Sec. 7105. Establishment of competitive grant programs under the National Institute for Food and Agriculture.

Sec. 7106. Merging of IFAFS and NRI.

Sec. 7107. Capacity building grants for ASCARR institutions.

Sec. 7108. Establishment of research laboratories for animal diseases.

Sec. 7109. Grazinglands research laboratory.

Sec. 7110. Researcher training.

Sec. 7111. Fort Reno Science Park research facility.

Sec. 7112. Assessing the nutritional composition of beef products.

Sec. 7113. Sense of Congress regarding funding for human nutrition research.

Subtitle B—National Agricultural Research, Extension, and Teaching Policy Act of 1977

Sec. 7201. Advisory board.

Sec. 7202. Advisory board termination.

Sec. 7203. Renewable energy committee.

Sec. 7204. Specialty crop committee report.

Sec. 7205. Inclusion of UDC in grants and fellowships for food and agricultural sciences education.

Sec. 7206. Grants and fellowships for food and agricultural sciences education.

- Sec. 7207. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.*
- Sec. 7208. Policy research centers.*
- Sec. 7209. Human nutrition intervention and health promotion research program.*
- Sec. 7210. Pilot research program to combine medical and agricultural research.*
- Sec. 7211. Nutrition education program.*
- Sec. 7212. Continuing animal health and disease research programs.*
- Sec. 7213. Cooperation among eligible institutions.*
- Sec. 7214. Appropriations for research on national or regional problems.*
- Sec. 7215. Authorization level of extension at 1890 land-grant colleges.*
- Sec. 7216. Authorization level for agricultural research at 1890 land-grant colleges.*
- Sec. 7217. Grants to upgrade agriculture and food sciences facilities at the District of Columbia Land Grant University.*
- Sec. 7218. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.*
- Sec. 7219. National research and training virtual centers.*
- Sec. 7220. Matching funds requirement for research and extension activities of 1890 institutions.*
- Sec. 7221. Hispanic-serving institutions.*
- Sec. 7222. Hispanic-serving agricultural colleges and universities.*
- Sec. 7223. International agricultural research, extension, and education.*
- Sec. 7224. Competitive grants for international agricultural science and education programs.*
- Sec. 7225. Limitation on indirect costs for agricultural research, education, and extension programs.*
- Sec. 7226. Research equipment grants.*
- Sec. 7227. University research.*
- Sec. 7228. Extension service.*
- Sec. 7229. Supplemental and alternative crops.*
- Sec. 7230. Aquaculture research facilities.*
- Sec. 7231. Rangeland research.*
- Sec. 7232. Special authorization for biosecurity planning and response.*
- Sec. 7233. Resident instruction and distance education grants program for insular area institutions of higher education.*

Subtitle C—Food, Agriculture, Conservation, and Trade Act of 1990

- Sec. 7301. National genetics resources program.*
- Sec. 7302. National agricultural weather information system.*
- Sec. 7303. Partnerships.*
- Sec. 7304. Aflatoxin research and extension.*
- Sec. 7305. High-priority research and extension areas.*
- Sec. 7306. High-priority research and extension initiatives.*
- Sec. 7307. Nutrient management research and extension initiative.*
- Sec. 7308. Agricultural telecommunications program.*
- Sec. 7309. Assistive technology program for farmers with disabilities.*
- Sec. 7310. Organic research.*
- Sec. 7311. National rural information center clearinghouse.*
- Sec. 7312. New era rural technology program.*

*Subtitle D—Agricultural Research, Extension, and Education Reform Act of
1998*

- Sec. 7401. Partnerships for high-value agricultural product quality research.*
- Sec. 7402. Precision agriculture.*
- Sec. 7403. Biobased products.*
- Sec. 7404. Thomas Jefferson initiative for crop diversification.*
- Sec. 7405. Integrated research, education, and extension competitive grants program.*
- Sec. 7406. Fusarium graminearum grants.*
- Sec. 7407. Bovine Johne's disease control program.*
- Sec. 7408. Grants for youth organizations.*
- Sec. 7409. Agricultural biotechnology research and development for developing countries.*
- Sec. 7410. Agricultural bioenergy and biobased products research initiative.*
- Sec. 7411. Specialty crop research initiative.*
- Sec. 7412. Office of pest management policy.*

Subtitle E—Other Laws

- Sec. 7501. Critical agricultural materials act.*
- Sec. 7502. Equity in Educational Land-Grant Status Act of 1994.*
- Sec. 7503. Agricultural experiment station Research Facilities Act.*
- Sec. 7504. National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985.*
- Sec. 7505. Competitive, Special, and Facilities Research Grant Act (national research initiative).*
- Sec. 7506. Agricultural Risk Protection Act of 2000 (carbon cycle research).*
- Sec. 7507. Renewable Resources Extension Act of 1978.*
- Sec. 7508. National Aquaculture Act of 1980.*
- Sec. 7509. Construction of a Chinese Garden at the National Arboretum.*
- Sec. 7510. Public education regarding use of biotechnology in producing food for human consumption.*
- Sec. 7511. Fresh cut produce safety grants.*
- Sec. 7512. UDC/EFNEP Eligibility.*
- Sec. 7513. Smith-Lever Act.*
- Sec. 7514. Hatch Act of 1987.*

Subtitle F—Additional Provisions

- Sec. 7601. Merit review of extension and educational grants.*
- Sec. 7602. Review of plan of work requirements.*
- Sec. 7603. Multistate and integration funding.*
- Sec. 7604. Expanded food and nutrition education program.*
- Sec. 7605. Grants to 1890 schools to expand extension capacity.*
- Sec. 7606. Borlaug international agricultural science and technology fellowship program.*
- Sec. 7607. Support for research regarding diseases of wheat, triticale, and barley caused by fusarium graminearum or by tilletia indica.*
- Sec. 7608. Cost Recovery.*
- Sec. 7609. Organic Food and Agricultural Systems Funding.*

1 ***Subtitle A—General Provisions***

2 ***SEC. 7101. DEFINITIONS.***

3 *For purposes of this title:*

4 (1) *CAPACITY PROGRAM.*—*The term “capacity*
5 *program” means the capacity program in subpara-*
6 *graph (M) and each of the following agricultural re-*
7 *search, extension, education, and related programs for*
8 *which the Secretary has administrative or other au-*
9 *thority as of the day before the date of enactment of*
10 *this Act:*

11 (A) *Each program providing funding to*
12 *any of the 1994 institutions under sections 533,*
13 *534(a), and 535 of the Equity in Educational*
14 *Land-Grant Status Act of 1994 (Public Law*
15 *103–382; 7 U.S.C. 301 note) (commonly known*
16 *as financial assistance, technical assistance, and*
17 *endowments to tribal colleges and the Navajo*
18 *Community College).*

19 (B) *The program established under section*
20 *536 of the Equity in Educational Land-Grant*
21 *Status Act of 1994 (Public Law 103–382; 7*
22 *U.S.C. 301 note) providing research grants for*
23 *1994 institutions.*

1 (C) *Each program established under sub-*
2 *sections (b), (c), and (d) of section 3 of the*
3 *Smith-Lever Act (7 U.S.C. 343).*

4 (D) *Each program established under the*
5 *Hatch Act of 1887 (7 U.S.C. 361a et seq.).*

6 (E) *Each program established under section*
7 *1417(b)(4) of the National Agricultural Re-*
8 *search, Extension, and Teaching Policy Act of*
9 *1977 (7 U.S.C. 3152(b)(4)), including grant pro-*
10 *grams under that section (commonly known as*
11 *the 1890 Institution Teaching and Research Ca-*
12 *capacity Building Grants Program).*

13 (F) *The animal health and disease research*
14 *program established under subtitle E of the Na-*
15 *tional Agricultural Research, Extension, and*
16 *Teaching Policy Act of 1977 (7 U.S.C. 3191 et*
17 *seq.).*

18 (G) *The program established under section*
19 *1445 of the National Agricultural Research, Ex-*
20 *tension, and Teaching Policy Act of 1977 (7*
21 *U.S.C. 3222) (commonly known as the Evans-*
22 *Allen Program).*

23 (H) *The program providing grants to up-*
24 *grade agricultural and food sciences facilities at*
25 *1890 Institutions established under section 1447*

1 *of the National Agricultural Research, Extension,*
2 *and Teaching Policy Act of 1977 (7 U.S.C.*
3 *3222b).*

4 *(I) The program providing distance edu-*
5 *cation grants for insular areas established under*
6 *section 1490 of the National Agricultural Re-*
7 *search, Extension, and Teaching Policy Act of*
8 *1977 (7 U.S.C. 3362).*

9 *(J) The program providing resident instruc-*
10 *tion grants for insular areas established under*
11 *section 1491 of the National Agricultural Re-*
12 *search, Extension, and Teaching Policy Act of*
13 *1977 (7 U.S.C. 3363).*

14 *(K) Each research and development and re-*
15 *lated program established under Public Law 87–*
16 *788 (commonly known as the McIntire-Stennis*
17 *Cooperative Forestry Act; 16 U.S.C. 582a et*
18 *seq.).*

19 *(L) Each program established under the Re-*
20 *newable Resources Extension Act of 1978 (16*
21 *U.S.C. 1671 et seq.).*

22 *(M) The capacity building grant program*
23 *for ASCARR Institutions established under this*
24 *Act.*

1 (N) *Such other programs or parts of pro-*
2 *grams as determined appropriate by the Sec-*
3 *retary.*

4 (O) *The program providing competitive ex-*
5 *tension grants to eligible 1994 institutions under*
6 *section 3(b)(3) of the Smith-Lever Act (7 U.S.C.*
7 *343(b)(3)).*

8 (2) *COMPETITIVE PROGRAMS.—The term “com-*
9 *petitive programs” means the competitive program in*
10 *subparagraph (N) and each of the following agricul-*
11 *tural research, extension, education, and related pro-*
12 *grams for which the Secretary has administrative or*
13 *other authority as of the day before the date of enact-*
14 *ment of this Act:*

15 (A) *Competitive grant programs authorized*
16 *or otherwise administered by the Department of*
17 *Agriculture under the terms of section 2(b) of the*
18 *Competitive, Special and Facilities Research*
19 *Grant (7 U.S.C. 450i).*

20 (B) *Institution Challenge Grants, adminis-*
21 *tered under 1417(j) of the National Agricultural*
22 *Research, Extension, and Teaching Policy Act of*
23 *1977, as amended (7 U.S.C. 3152(j)).*

24 (C) *Grants and related authorities author-*
25 *ized or otherwise administered by the Secretary*

1 *of Agriculture under section 1417(b)(5) of the*
2 *National Agricultural Research, Extension, and*
3 *Teaching Policy Act of 1977, as amended (7*
4 *U.S.C. 3152(b)(5)) (commonly known as the*
5 *Higher Education Multicultural Scholars Pro-*
6 *gram).*

7 *(D) Programs authorized or otherwise ad-*
8 *ministered under section 1455 of the National*
9 *Agricultural Research, Extension, and Teaching*
10 *Policy Act of 1977 (7 U.S.C. 3241(c)) (com-*
11 *monly known as educational grant programs for*
12 *Hispanic-serving institutions).*

13 *(E) Integrated research, education, or exten-*
14 *sion programs authorized or otherwise adminis-*
15 *tered under section 406 of the Agricultural Re-*
16 *search, Extension, and Education Reform Act of*
17 *1998 (7 U.S.C. 7626) except as provided under*
18 *subsection (a)(14).*

19 *(F) Sustainable Agriculture Research and*
20 *Education (7 U.S.C. 5811).*

21 *(G) Organic Research and Extension Ini-*
22 *tiative (7 U.S.C. 5925b).*

23 *(H) Higher Education Challenge Grants (7*
24 *U.S.C. 3152(b)(1)).*

1 (I) *Food and Agriculture Sciences National*
 2 *Needs Graduate and Postgraduate Fellowship*
 3 *Grants (7 U.S.C. 3152(b)(6)).*

4 (J) *International Science and Education*
 5 *Competitive Grants (7 U.S.C. 3292b).*

6 (K) *Community Food Projects Competitive*
 7 *Grants (7 U.S.C. 2034).*

8 (L) *Risk Management Education (7 U.S.C.*
 9 *1524).*

10 (M) *High Priority Research and Extension*
 11 *Areas (7 U.S.C. 5925).*

12 (N) *Such other programs or parts of pro-*
 13 *grams as determined appropriate by the Sec-*
 14 *retary.*

15 (3) *CAPACITY PROGRAM CRITICAL BASE FUND-*
 16 *ING.—The term “capacity program critical base fund-*
 17 *ing” means the aggregate amount of Federal funds*
 18 *made available for all or individual capacity pro-*
 19 *grams for fiscal year 2007, as appropriate.*

20 (4) *COMPETITIVE PROGRAM CRITICAL BASE*
 21 *FUNDING.—The term “competitive program critical*
 22 *base funding” means the aggregate amount of Federal*
 23 *funds made available for all or individual competitive*
 24 *programs for fiscal year 2007, as appropriate.*

25 (5) *ASCARR INSTITUTION.—*

1 (A) *IN GENERAL.*—The term “ASCARR In-
 2 stitution” means a public college or university
 3 offering a baccalaureate or higher degree in the
 4 study of agriculture.

5 (B) *EXCLUSIONS.*—The term “ASCARR In-
 6 stitution” does not include Hispanic-serving ag-
 7 ricultural colleges or any institution designated
 8 under—

9 (i) the Act of July 2, 1862 (commonly
 10 known as the “First Morrill Act”; 7 U.S.C.
 11 301 *et seq.*);

12 (ii) the Act of August 30, 1890 (com-
 13 monly known as the “Second Morrill Act”;
 14 7 U.S.C. 321 *et seq.*); or

15 (iii) the Equity in Educational Land-
 16 Grant Status Act of 1994 (Public Law 103–
 17 382; 7 U.S.C. 301 note).

18 (6) *SECRETARY.*—The term “Secretary” means
 19 the Secretary of Agriculture.

20 (7) *DIRECTORS.*—The term “Directors” refers to
 21 those directors appointed under section 7104.

22 (8) *UNDER SECRETARY.*—The term “Under Sec-
 23 retary” means the Under Secretary of Agriculture for
 24 Research, Education, and Economics.

1 (9) *HISPANIC-SERVING AGRICULTURAL COL-*
 2 *LEGE.—The term “Hispanic-serving agricultural col-*
 3 *lege” means a college or university that—*

4 *(A) qualifies as a “Hispanic-serving insti-*
 5 *tution” as defined in section 502(a)(5) of the*
 6 *Higher Education Act of 1965 (20 U.S.C.*
 7 *1101a(a)(5)); and*

8 *(B) offers a baccalaureate degree program*
 9 *in an agricultural or food science-related dis-*
 10 *cipline.*

11 **SEC. 7102. BUDGET SUBMISSION AND FUNDING.**

12 *(a) BUDGET REQUEST.—The President shall submit to*
 13 *Congress, together with the annual budget submission of the*
 14 *President, a single budget line item reflecting the total*
 15 *amount requested by the President for funding for capacity*
 16 *programs, and a single budget line item reflecting the total*
 17 *amount requested by the President for funding for competi-*
 18 *tive programs for that fiscal year and for the previous 5*
 19 *fiscal years.*

20 *(b) CAPACITY PROGRAM REQUEST.—*

21 *(1) CRITICAL BASE FUNDING.—Up to the*
 22 *amount of the capacity program critical base funding*
 23 *level, any funds requested for capacity programs in*
 24 *the budget submission single line item shall be appor-*
 25 *tioned among the capacity programs based on prior-*

ities established by the Under Secretary in conjunction with the Directors.

(2) *ADDITIONAL FUNDING.*—Of the funds requested for capacity programs in excess of the capacity program critical base funding level, budgetary emphasis should be placed on enhancing funding for the 1890, 1994, ASCARR Institutions, Hispanic-serving agricultural colleges, and small 1862 institutions.

(c) *COMPETITIVE PROGRAM REQUEST.*—

(1) *CRITICAL BASE FUNDING.*—Up to the amount of the competitive program critical base funding level, any funds requested for competitive programs in the budget submission single line item shall be apportioned among the competitive programs based on priorities established by the Under Secretary in conjunction with the Directors.

(2) *ADDITIONAL FUNDING.*—Of the funds requested for competitive programs in excess of the competitive program critical base funding level, budgetary emphasis shall be placed on enhancing funding for emerging problems and their solutions.

(d) *FUNDING.*—

(1) *CRITICAL BASE FUNDING.*—Up to the total aggregate amount of the capacity program critical base funding level and the competitive program crit-

1 ical base funding level, funds appropriated or other-
 2 wise made available shall be apportioned among each
 3 of the capacity programs and the competitive pro-
 4 grams based on priorities established by the Under
 5 Secretary in conjunction with the Directors.

6 (2) *ADDITIONAL FUNDING.*—

7 (A) *CAPACITY FUNDING.*—Of the funds ap-
 8 propriated or otherwise made available for ca-
 9 pacity programs in excess of the capacity pro-
 10 gram critical base funding level, funding empha-
 11 sis should be placed on enhancing funding for
 12 the 1890, 1994, ASCARR Institutions, Hispanic-
 13 serving agricultural colleges, and small 1862 in-
 14 stitutions.

15 (B) *COMPETITIVE FUNDING.*—Of the funds
 16 appropriated or otherwise made available for
 17 competitive programs in excess of the competitive
 18 program critical base funding level, budgetary
 19 emphasis shall be placed on enhancing funding
 20 for emerging problems and solutions.

21 (e) *AUTHORIZATION OF APPROPRIATIONS.*—There are
 22 authorized to be appropriated such sums as necessary to
 23 carry out this section.

24 (f) *COMPETITIVE PROGRAMS.*—For the purposes of this
 25 section, the term “competitive programs” includes only

1 *those programs for which annual appropriations are re-*
2 *quested in the President’s budget.*

3 **SEC. 7103. ADDITIONAL PURPOSES OF AGRICULTURAL RE-**
4 **SEARCH AND EXTENSION.**

5 *Section 1403 of the National Agricultural Research,*
6 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
7 *3102) is amended—*

8 *(1) in paragraph (6), by striking “and” at the*
9 *end;*

10 *(2) in paragraph (7), by striking the period and*
11 *inserting a semicolon; and*

12 *(3) by adding after paragraph (7) the following:*

13 *“(8) to integrate and organize the administra-*
14 *tion of the agricultural research, extension, education,*
15 *and related programs administered by the Secretary*
16 *of Agriculture to respond to 21st century challenges*
17 *and continue to meet the needs of society from a local,*
18 *tribal, State, national, and international perspective;*

19 *“(9) to minimize duplication, and maximize co-*
20 *ordination and integration, among all of the pro-*
21 *grams at all levels through a solution-based approach;*
22 *and*

23 *“(10) to position the agricultural research, exten-*
24 *sion, education, and related programs system to in-*

crease the contribution of the system to society through the expansion of the portfolio of the system.”.

SEC. 7104. NATIONAL AGRICULTURAL RESEARCH PROGRAM

OFFICE.

(a) *ESTABLISHMENT.*—The Under Secretary shall organize within the office of the Under Secretary 6 research Program Offices to be known collectively as the National Agricultural Research Program Office, which shall coordinate the programs and activities of the research agencies within the mission area in an integrated, multidisciplinary, interdisciplinary, interagency, and interinstitutional manner, to the maximum extent practicable. The Program Offices within the National Agricultural Research Program Office are as follows:

(1) *Renewable energy, natural resources, and environment.*

(2) *Food safety, nutrition, and health.*

(3) *Plant health and production.*

(4) *Animal health and production and animal products.*

(5) *Agriculture systems and technology.*

(6) *Agriculture economics and rural communities.*

(b) *QUALIFICATIONS OF DIRECTORS.*—

1 (1) *APPOINTMENT AND CLASSIFICATION.*—*The*
2 *Under Secretary shall appoint a Director for each*
3 *Program Office as a senior level position in the com-*
4 *petitive service.*

5 (2) *QUALIFICATIONS.*—*To be eligible for appoint-*
6 *ment as a Director, an individual shall have—*

7 (A) *conducted outstanding research, edu-*
8 *cation, or extension in the field of agriculture or*
9 *forestry;*

10 (B) *earned a doctoral level degree at an in-*
11 *stitution of higher education (as defined in sec-*
12 *tion 101 of Public Law 89–329 (20 U.S.C.*
13 *1001)); and*

14 (C) *met qualification standards prescribed*
15 *by the Director of the Office of Personnel Man-*
16 *agement for appointment to a senior level posi-*
17 *tion of the competitive service.*

18 (c) *DUTIES OF DIRECTORS.*—*Except as otherwise pro-*
19 *vided in this Act, each Director as appointed by the Sec-*
20 *retary shall—*

21 (1) *formulate programs in consultation with the*
22 *National Agricultural Research, Extension, Edu-*
23 *cation, and Economics Advisory Board (7 U.S.C.*
24 *3123) (hereinafter referred to as the “Board”);*

1 (2) *assess strategic workforce needs of research,*
2 *education, extension, and other fields;*

3 (3) *cooperate with the Board to plan programs*
4 *that assist in meeting the future personnel needs of*
5 *disciplines and programs;*

6 (4) *develop strategic planning for department-*
7 *wide research, education, extension, and related ac-*
8 *tivities;*

9 (5) *establish department-wide priorities for re-*
10 *search, education, extension, and related programs;*

11 (6) *communicate with research, education, and*
12 *extension beneficiaries to identify their needs; and*

13 (7) *perform such other duties deemed necessary*
14 *by the Secretary.*

15 (d) *ADMINISTRATION.—The Under Secretary, in con-*
16 *junction with the Directors and in consultation with the*
17 *Board, shall direct and coordinate research, education, and*
18 *extension programs within the relevant agencies of the De-*
19 *partment of Agriculture to focus those programs, and the*
20 *participants, grantees, and other beneficiaries of those pro-*
21 *grams, on—*

22 (1) *understanding important problem areas and*
23 *opportunities relating to a program;*

24 (2) *discovering and implementing solutions to*
25 *address those problem areas;*

1 (3) *exploring other opportunities provided under*
2 *the programs; and*

3 (4) *national, regional and local priorities.*

4 (e) *PROGRAM INTEGRATION AND COORDINATION.—*

5 (1) *IN GENERAL.—In accordance with applicable*
6 *law (including regulations), the Under Secretary, in*
7 *coordination with the Director of each Program Office*
8 *and taking into consideration the advice of the Board,*
9 *shall ensure, to the maximum extent practicable, that*
10 *the research, education, and extension programs are*
11 *administered, funded, and carried out—*

12 (A) *in an integrated, multidisciplinary,*
13 *interdisciplinary, interagency, and interinstitu-*
14 *tional manner that ensures—*

15 (i) *the most efficient collaborative use*
16 *of resources; and*

17 (ii) *the focus of all resources and ac-*
18 *tivities on strategic, priority, problem, op-*
19 *portunity, and solution areas identified by*
20 *the Under Secretary and the Directors, tak-*
21 *ing into consideration the advice of the*
22 *Board; and*

23 (B) *among applicable participants, grant-*
24 *ees, and beneficiaries, in a coordinated manner*
25 *that encourages and ensures—*

1 (i) the most efficient collaborative ap-
2 plication of resources; and

3 (ii) the focus of all resources and ac-
4 tivities on strategic, priority, problem, op-
5 portunity, and solution areas on a local,
6 State, tribal, regional, national, and inter-
7 national basis, as the Under Secretary and
8 each Director, taking into consideration the
9 advice of the Board, determine to be appro-
10 priate.

11 (2) *SCOPE.*—Each Director, in consultation with
12 the Under Secretary and the Board, shall ensure,
13 through the integration and coordination under para-
14 graph (1), that opportunities are maximized with re-
15 spect to—

16 (A) the use of appropriate authorities, agen-
17 cies, institutions, disciplines, and activities; and

18 (B) the inclusion of appropriate partici-
19 pants and other beneficiaries in those activities,
20 including intramural, extramural, Government,
21 university, extension, and international, as de-
22 termined by the Under Secretary.

23 (f) *FUNDING.*—The Under Secretary shall fund each
24 Program Office through the appropriations available to the
25 various agencies within the mission area. The aggregate

1 *staff for all Program Offices shall not exceed 30 full-time*
2 *equivalent positions and shall be filled by current full-time*
3 *equivalent positions.*

4 (g) *ORGANIZATION.—The Under Secretary shall inte-*
5 *grate leadership functions of the national program staff of*
6 *the research agencies into the National Agricultural Re-*
7 *search Program Office in such form as required to ensure*
8 *that the Directors of the Program Offices are the primary*
9 *program leaders for the mission areas of the integrated*
10 *agencies and that administrative duplication does not*
11 *occur.*

12 (h) *PRIORITIZING FEDERAL RESEARCH ACTIVITIES*
13 *FOR SPECIALTY CROPS.—The Under Secretary, in coordi-*
14 *nation with the Directors of relevant Program Offices,*
15 *shall—*

16 (1) *coordinate with and assist producers and or-*
17 *ganizations comprised of program beneficiaries work-*
18 *ing together to develop and implement applied re-*
19 *search and extension related to the United States spe-*
20 *cialty crop industry;*

21 (2) *facilitate in the delivery of information to*
22 *beneficiaries in a user-friendly form, in addition to*
23 *a standard research publication, and reward pro-*
24 *viders for their abilities to deliver information to both*
25 *the scientific community and the end-user; and*

1 (3) *ensure coordination among research initia-*
 2 *tives funded and sponsored by the Department of Ag-*
 3 *riculture.*

4 **SEC. 7105. ESTABLISHMENT OF COMPETITIVE GRANT PRO-**
 5 **GRAMS UNDER THE NATIONAL INSTITUTE**
 6 **FOR FOOD AND AGRICULTURE.**

7 *Any office established to administer competitive pro-*
 8 *grams under section 7101(b)(2), including the Agricultural*
 9 *Bioenergy and Biobased Products Research Initiative, the*
 10 *Specialty Crop Research Initiative, and Fresh Cut Produce*
 11 *Safety Grants created by this Act, shall be referred to as*
 12 *the National Institute of Food and Agriculture.*

13 **SEC. 7106. MERGING OF IFAFS AND NRI.**

14 (a) *AMENDMENT.*—Subsection (b) of the Competitive,
 15 *Special, and Facilities Research Grant Act (7 U.S.C.*
 16 *450i(b)) is amended to read as follows:*

17 “(b) *COMPETITIVE GRANT PROGRAMS.*—

18 “(1) *COMPETITIVE BASIS.*—The Secretary of Ag-
 19 *riculture is authorized to make competitive grants for*
 20 *the purposes and priorities established under this sub-*
 21 *section.*

22 “(2) *TERM.*—The term of a competitive grant
 23 *made under this subsection may not exceed 10 years.*

24 “(3) *GENERAL ADMINISTRATION.*—In making
 25 *grants under this subsection, the Secretary shall—*

1 “(A) seek and accept proposals for grants;

2 “(B) determine the relevance and merit of
3 proposals through a system of peer and merit re-
4 view in accordance with section 103 of the Agri-
5 cultural Research, Extension, and Education Re-
6 form Act of 1998 (7 U.S.C. 7613);

7 “(C) award grants on the basis of merit,
8 quality, and relevance to advancing the purposes
9 and priorities established under paragraphs (8)
10 and (12) of this subsection;

11 “(D) solicit and consider input from per-
12 sons who conduct or use agricultural research,
13 extension, or education in accordance with sec-
14 tion 102(b) of the Agricultural Research, Exten-
15 sion, and Education Reform Act of 1998 (7
16 U.S.C. 7612(b)); and

17 “(E) in seeking proposals for grants under
18 this subsection and in performing peer review
19 evaluations of such proposals, seek the widest
20 participation of qualified scientists in the Fed-
21 eral Government, colleges and universities, State
22 agricultural experiment stations, and the private
23 sector.

24 “(4) *ELIGIBLE ENTITIES*.—The Secretary may
25 make a grant under this subsection to State agricul-

1 *tural experiment stations, all colleges and univer-*
2 *sities, university research foundations, other research*
3 *institutions and organizations, Federal agencies, na-*
4 *tional laboratories, private organizations or corpora-*
5 *tions, and individuals, for research to further the pro-*
6 *grams of the Department of Agriculture.*

7 “(5) *ADMINISTRATIVE COSTS.*—Not more than 4
8 *percent of funds made available pursuant to this sub-*
9 *section may be retained by the Secretary to pay ad-*
10 *ministrative costs incurred by the Secretary in car-*
11 *rying out this subsection.*

12 “(6) *CONSTRUCTION PROHIBITED.*—Funds made
13 *available for grants under this subsection shall not be*
14 *used for the construction of a new building or facility*
15 *or the acquisition, expansion, remodeling, or alter-*
16 *ation of an existing building or facility (including*
17 *site grading and improvement and architect fees).*

18 “(7) *PURPOSES.*—The purposes of the programs
19 *established under paragraph (8) shall reflect the pur-*
20 *poses and additional purposes of agricultural re-*
21 *search, extension, and education reflected in sections*
22 *1402 and 1403 of the National Agricultural Research,*
23 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
24 *3101 and 3102).*

1 “(8) *BASIC AND APPLIED RESEARCH PRO-*
2 *GRAMS.—The Secretary shall establish 2 distinct pro-*
3 *grams of agricultural research, one to fund funda-*
4 *mental, basic research pursuant to paragraph (9) to*
5 *be known as the National Research Initiative and one*
6 *to fund applied, integrated research, education, and*
7 *extension pursuant to paragraph (10) to be known as*
8 *the Initiative for Future Agricultural and Food Sys-*
9 *tems.*

10 “(9) *NATIONAL RESEARCH INITIATIVE.—*

11 “(A) *ALLOCATION.—The allocation of funds*
12 *to the National Research Initiative shall be as*
13 *follows:*

14 “(i) *Not less than 30 percent shall be*
15 *available to make grants for research to be*
16 *conducted by multidisciplinary teams.*

17 “(ii) *Not less than 20 percent shall be*
18 *available to make grants for research to be*
19 *conducted by persons conducting mission-*
20 *linked systems research.*

21 “(iii) *Not less than 10 percent shall be*
22 *available to make grants under subpara-*
23 *graphs (D), (F), and (G) of paragraph (13)*
24 *for research and education strengthening*
25 *and research opportunity.*

1 “(iv) Not more than 2 percent may be
2 used for equipment grants under paragraph
3 (13)(D).

4 “(B) *MATCHING FUNDS.*—Except as pro-
5 vided in this subparagraph, the Secretary may
6 not take the offer or availability of matching
7 funds into consideration in making a grant
8 under this subsection. In the case of grants under
9 paragraph (13)(D), the amount provided under
10 this subsection may not exceed 50 percent of the
11 cost of the special research equipment or other
12 equipment acquired. The Secretary may waive
13 all or part of the matching requirement under
14 this subparagraph in the case of a college, uni-
15 versity, or research foundation maintained by a
16 college or university that ranks in the lowest one-
17 third of such colleges, universities, and research
18 foundations on the basis of Federal research
19 funds received if the equipment to be acquired
20 costs not more than \$25,000 and has multiple
21 uses within a single research project or is usable
22 in more than 1 research project.

23 “(10) *INITIATIVE FOR FUTURE AGRICULTURAL*
24 *AND FOOD SYSTEMS MATCHING FUNDS.*—As a condi-
25 tion of making a grant under this paragraph, the

1 *Secretary shall require the funding of the grant be*
2 *matched with equal matching funds from a non-Fed-*
3 *eral source if the grant is—*

4 *“(A) for applied research that is com-*
5 *modity-specific; and*

6 *“(B) not of national scope.*

7 *“(11) RESEARCH PRIORITIES.—The research pri-*
8 *orities for the programs established in paragraph (8)*
9 *shall be consistent with the priorities in effect for the*
10 *National Research Initiative (7 U.S.C. 450i(b)) and*
11 *Initiative for Future Agricultural and Food Systems*
12 *(7 U.S.C. 7621) on the day before the date of enact-*
13 *ment of this subsection. Priorities under the Initiative*
14 *for Future Agricultural and Food Systems shall in-*
15 *clude classical plant and animal breeding.*

16 *“(12) PROGRAM ADMINISTRATION.—To the great-*
17 *est extent possible, the Under Secretary, in conjunc-*
18 *tion with the Directors of the National Agricultural*
19 *Research Program Offices established in section 7104*
20 *of the Farm, Nutrition, and Bioenergy Act of 2007,*
21 *shall allocate these grants to high priority research*
22 *taking into consideration, when available, the deter-*
23 *minations made by the National Agricultural Re-*
24 *search, Extension, Education, and Economics Advi-*
25 *sory Board (as established under section 1408 of the*

1 *National Agricultural Research, Extension, and*
2 *Teaching Policy Act of 1977 (7 U.S.C. 3123).*

3 “(13) *SPECIAL CONSIDERATIONS.—In addition*
4 *to making research grants under paragraph (9), the*
5 *Secretary may conduct a program to improve re-*
6 *search capabilities in the agricultural, food, and envi-*
7 *ronmental sciences and award the following categories*
8 *of competitive grants. Grants may be awarded—*

9 “(A) *to a single investigator or coinvestiga-*
10 *tors within the same discipline;*

11 “(B) *to teams of researchers from different*
12 *areas of agricultural research and scientific dis-*
13 *ciplines;*

14 “(C) *to multidisciplinary teams that are*
15 *proposing research on long-term applied research*
16 *problems, with technology transfer a major com-*
17 *ponent of all such grant proposals;*

18 “(D) *to an institution to allow for the im-*
19 *provement of the research, development, tech-*
20 *nology transfer, and education capacity of the*
21 *institution through the acquisition of special re-*
22 *search equipment and the improvement of agri-*
23 *cultural education and teaching; however the*
24 *Secretary shall use not less than 25 percent of*
25 *the funds made available for grants under this*

1 *subparagraph to provide fellowships to out-*
2 *standing pre- and post-doctoral students for re-*
3 *search in the agricultural sciences;*

4 *“(E) to a single investigator or coinvestiga-*
5 *tors who are beginning their research careers and*
6 *do not have an extensive research publication*
7 *record; however, to be eligible for a grant under*
8 *this subparagraph, an individual shall be within*
9 *5 years of the individual’s initial career track*
10 *position;*

11 *“(F) to ensure that the faculty of small and*
12 *mid-sized institutions who have not previously*
13 *been successful in obtaining competitive grants*
14 *under this subsection receive a portion of the*
15 *grants; and*

16 *“(G) to improve research capabilities in*
17 *States (as defined in the National Agricultural*
18 *Research, Extension, and Teaching Policy Act of*
19 *1977 (7 U.S.C. 3101 et seq.)) in which institu-*
20 *tions have been less successful in receiving fund-*
21 *ing under this subsection, based on a 3-year roll-*
22 *ing average of funding levels.*

23 *“(14) DIVISION OF FUNDS.—Of the funds made*
24 *available to carry out this subsection, 60 percent shall*
25 *be used to fund programs under paragraph (9) and*

1 40 percent shall be used to fund programs under
2 paragraph (10).

3 “(15) *TRANSFER OF FUNDS FROM THE INITIA-*
4 *TIVE FOR FUTURE AGRICULTURE AND FOOD SYS-*
5 *TEMS.—Funds made available pursuant to section*
6 *401(b)(3)(D) of the Agricultural Research, Extension,*
7 *and Education Reform Act of 1998 (7 U.S.C. 7621*
8 *(b)(3)(D)) shall be transferred to the program estab-*
9 *lished under this subsection.*

10 “(16) *AUTHORIZATION OF APPROPRIATIONS.—*

11 “(A) *There is authorized to be appropriated*
12 *to carry out this subsection \$500,000,000 for*
13 *each of fiscal years 2008 through 2012.*

14 “(B) *Funds made available in each fiscal*
15 *year shall remain available until expended to*
16 *pay for obligations incurred in that fiscal year.”.*

17 (b) *REPEALS.—The following provisions are hereby re-*
18 *pealed:*

19 (1) *Section 401 of the Agricultural Research, Ex-*
20 *tension, and Education Reform Act of 1998 (7 U.S.C.*
21 *7621).*

22 (2) *Subsection (2)(d) of the Competitive, Special,*
23 *and Facilities Research Grant Act of 1965 (7 U.S.C.*
24 *450i(c)).*

1 **SEC. 7107. CAPACITY BUILDING GRANTS FOR ASCARR INSTI-**
2 **TUTIONS.**

3 (a) *GRANT PROGRAM.*—

4 (1) *IN GENERAL.*—*The Secretary shall make*
5 *competitive grants to ASCARR Institutions to assist*
6 *the ASCARR Institutions in maintaining and ex-*
7 *panding the capacity of the ASCARR Institutions to*
8 *conduct education, research, and outreach activities*
9 *relating to—*

10 (A) *agriculture;*

11 (B) *renewable resources; and*

12 (C) *other similar disciplines.*

13 (2) *USE OF FUNDS.*—*An ASCARR Institution*
14 *that receives a grant under subsection (a)(1) may use*
15 *the funds made available through the grant to main-*
16 *tain and expand the capacity of the ASCARR Insti-*
17 *tution—*

18 (A) *to successfully compete for funds from*
19 *Federal grants and other sources to carry out*
20 *educational, research, and outreach activities*
21 *that address priority concerns of national, re-*
22 *gional, State, and local interest;*

23 (B) *to disseminate information relating to*
24 *priority concerns to—*

1 (i) interested members of the agri-
2 culture, renewable resources, and other rel-
3 evant communities;

4 (ii) the public; and

5 (iii) any other interested entity;

6 (C) to encourage members of the agriculture,
7 renewable resources, and other relevant commu-
8 nities to participate in priority education, re-
9 search, and outreach activities by providing
10 matching funding to leverage grant funds; and

11 (D) through—

12 (i) the purchase or other acquisition of
13 equipment and other infrastructure (not in-
14 cluding alteration, repair, renovation, or
15 construction of buildings);

16 (ii) the professional growth and devel-
17 opment of the faculty of the ASCARR Insti-
18 tution; and

19 (iii) the development of graduate
20 assistantships.

21 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
22 *authorized to be appropriated to carry out this section such*
23 *sums as are necessary for each fiscal year 2008 through*
24 *2012.*

1 **SEC. 7108. ESTABLISHMENT OF RESEARCH LABORATORIES**
2 **FOR ANIMAL DISEASES.**

3 (a) *DEFINITIONS.—In this section—*

4 (1) *ANIMAL DISEASE.—The term “animal dis-*
5 *ease” has the meaning given the term by the Sec-*
6 *retary.*

7 (2) *IMPORT.—The term “import” means to move*
8 *from a place outside the territorial limits of the*
9 *United States to a place within the territorial limits*
10 *of the United States.*

11 (3) *LIVE VIRUS.—The term “live virus” means a*
12 *live virus of foot-and-mouth disease or a live virus of*
13 *any other animal disease that is a threat to the health*
14 *of livestock, as determined by the Secretary.*

15 (4) *SECRETARY.—The term “Secretary” means*
16 *the Secretary of Agriculture.*

17 (5) *STATE.—The term “State” means any of the*
18 *States, the District of Columbia, the Commonwealth*
19 *of Puerto Rico, Guam, the Commonwealth of the*
20 *Northern Mariana Islands, the Virgin Islands of the*
21 *United States, or any territory or possession of the*
22 *United States.*

23 (6) *UNITED STATES.—The term “United States”*
24 *means all of the States.*

25 (b) *ANIMAL DISEASE RESEARCH.—*

1 (1) *ESTABLISHMENT OF RESEARCH FACILI-*
 2 *TIES.—The Secretary is authorized to establish re-*
 3 *search laboratories, including the acquisition of nec-*
 4 *essary land, buildings, or facilities, for research on*
 5 *animal diseases in the United States.*

6 (2) *ACTIVITIES AUTHORIZED WHEN DISEASE*
 7 *THREATENS LIVESTOCK.—To the extent the Secretary*
 8 *determines that an animal disease constitutes a threat*
 9 *to the livestock industry, the Secretary is authorized*
 10 *to conduct research, diagnostics, and other activities*
 11 *related to the animal disease.*

12 (c) *RESTRICTIONS REGARDING LIVE VIRUS.—*

13 (1) *IN GENERAL.—Except as provided in para-*
 14 *graphs (2), (3), and (4), a person or State or Federal*
 15 *agency may not—*

16 (A) *import a live virus into the United*
 17 *States;*

18 (B) *transport a live virus within the United*
 19 *States; and*

20 (C) *store and maintain a live virus at a re-*
 21 *search facility.*

22 (2) *AUTHORITY OF THE SECRETARY.—The Sec-*
 23 *retary of Agriculture may—*

24 (A) *import a live virus into the United*
 25 *States;*

1 (B) transport a live virus within the United
2 States; and

3 (C) store and maintain a live virus at a re-
4 search facility.

5 (3) PERMITS.—

6 (A) IN GENERAL.—If the Secretary deter-
7 mines that it is in the public interest to do so,
8 the Secretary may issue a permit to allow a pri-
9 vate person or a State or Federal agency to—

10 (i) import a live virus into the United
11 States;

12 (ii) transport a live virus within the
13 United States; and

14 (iii) store and maintain a live virus at
15 a research facility.

16 (B) PERMIT TERMS.—A permit issued
17 under this paragraph shall be subject to terms
18 and conditions prescribed by the Secretary.

19 (4) LIMITATION.—Nothing in this section shall
20 apply to the importation, transportation, storage, and
21 maintenance of any live virus governed by regulations
22 promulgated pursuant to section 351A of the Public
23 Health Service Act (42 U.S.C. 262a) or the Agricul-
24 tural Bioterrorism Protection Act of 2002 (7 U.S.C.
25 8401).

1 (d) *AUTHORIZATION OF APPROPRIATIONS.*—*In addi-*
 2 *tion to funds otherwise available for the control or eradi-*
 3 *cation of animal diseases, there are authorized to be appro-*
 4 *priated such sums as necessary to carry out this section.*

5 **SEC. 7109. GRAZINGLANDS RESEARCH LABORATORY.**

6 *Notwithstanding any other provision of law, without*
 7 *specific authorization by an Act of Congress, the Federal*
 8 *land and facilities at El Reno, Oklahoma, currently admin-*
 9 *istered by the Secretary of Agriculture as the Grazinglands*
 10 *Research Laboratory, shall not at any time, in whole or*
 11 *part, be declared to be excess or surplus Federal property*
 12 *under chapter 5 of subtitle I of title 40, United States Code,*
 13 *or otherwise be conveyed or transferred in whole or in part.*

14 **SEC. 7110. RESEARCHER TRAINING.**

15 (a) *REQUIREMENT.*—*The Secretary shall require that*
 16 *persons receiving funds under section 1668(g)(2) of the*
 17 *Food, Agriculture, Conservation, and Trade Act of 1990 (7*
 18 *U.S.C. 5921(g)(2)) to conduct research concerning geneti-*
 19 *cally engineered plants, including seed and other propa-*
 20 *gative materials, complete a training program approved by*
 21 *the Secretary.*

22 (b) *CERTIFICATION OF THIRD-PARTY PROVIDERS.*—
 23 *Not later than 180 days after the date of the enactment of*
 24 *this Act, the Secretary shall establish a system for approv-*
 25 *ing individuals and entities to provide training under sub-*

1 *section (a), including criteria for the evaluation of trainers*
 2 *or potential trainers.*

3 *(c) EXPERTISE.—In establishing criteria for the eval-*
 4 *uation of potential trainers, the Secretary shall ensure that*
 5 *individuals and entities with expertise in quality manage-*
 6 *ment systems, plant breeding and genetics, and the tech-*
 7 *nical aspects of the Federal regulatory process for agricul-*
 8 *tural biotechnology, are eligible to become approved trainers*
 9 *under subsection (b).*

10 **SEC. 7111. FORT RENO SCIENCE PARK RESEARCH FACILITY.**

11 *The Secretary of Agriculture may lease land to the*
 12 *University of Oklahoma at the Grazinglands Research Lab-*
 13 *oratory at El Reno, Oklahoma, on such terms and condi-*
 14 *tions as the University and the Secretary may agree in fur-*
 15 *therance of cooperative research and existing easement ar-*
 16 *rangements.*

17 **SEC. 7112. ASSESSING THE NUTRITIONAL COMPOSITION OF**
 18 **BEEF PRODUCTS.**

19 *(a) STUDY.—Not later than 1 year after the date of*
 20 *the enactment of this Act, the Secretary shall award a*
 21 *grant, contract, or other agreement with an appropriate*
 22 *land-grant university to update the Department of Agri-*
 23 *culture's Nutrient Composition Handbook for Beef, also*
 24 *known as Handbook #8–13. The Handbook shall incor-*
 25 *porate accurate and current data collected by the university*

1 *to be used by Federal agencies, private industries, health*
 2 *organizations, and consumers to determine important diet*
 3 *and health-related issues associated with the consumption*
 4 *of beef and beef products.*

5 *(b) AUTHORIZATION OF APPROPRIATIONS.—There are*
 6 *authorized to be appropriated such sums as are necessary*
 7 *to carry out this section to be available until expended .*

8 **SEC. 7113. SENSE OF CONGRESS REGARDING FUNDING FOR**
 9 **HUMAN NUTRITION RESEARCH.**

10 *It is the sense of the Congress that—*

11 *(1) human nutrition research has the potential*
 12 *for improving the health status of the American pub-*
 13 *lic through studies that help determine—*

14 *(A) the food and beverage intakes of Ameri-*
 15 *cans and the nutrient composition of the food*
 16 *supply;*

17 *(B) the relationship between diet and obe-*
 18 *sity, particularly to prevent childhood obesity;*

19 *(C) the authoritative, peer-reviewed, science-*
 20 *based evidence that forms the basis for Federal*
 21 *nutrition policy, dietary guidelines and pro-*
 22 *grams; and*

23 *(D) the nutrient requirements for individ-*
 24 *uals at various stages in the lifespan and for*

1 vulnerable populations, particularly children
2 and the elderly;

3 (2) human nutrition research holds the potential
4 for identifying factors in crops and livestock that pro-
5 vide nutrition benefits to humans and add value for
6 producers;

7 (3) the potential cost savings to Federal health
8 programs, combined with the boost in revenues for
9 farmers who produce nutritionally enhanced foods,
10 justifies an increase in funding to a level sufficient to
11 conduct this essential research; and

12 (4) the USDA regional human nutritional re-
13 search centers have unique value in linking producer
14 and consumer interests into investigations of food and
15 human nutrition issues and conducting long-term nu-
16 trition studies; and activities at these centers should
17 be preserved and coordinated with other human nu-
18 trition research activities.

19 ***Subtitle B—National Agricultural***
20 ***Research, Extension, and Teach-***
21 ***ing Policy Act of 1977***

22 ***SEC. 7201. ADVISORY BOARD.***

23 Section 1408(g)(1) of the National Agricultural Re-
24 search, Extension, and Teaching Policy Act of 1977 (7

1 *U.S.C. 3123(g)(1)) is amended by striking “\$350,000” and*
2 *inserting “\$500,000”.*

3 **SEC. 7202. ADVISORY BOARD TERMINATION.**

4 *Section 1408(h) of the National Agricultural Research,*
5 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
6 *3123(h)) is amended by striking “2007” and inserting*
7 *“2012”.*

8 **SEC. 7203. RENEWABLE ENERGY COMMITTEE.**

9 *The National Agricultural Research, Extension, and*
10 *Teaching Policy Act of 1977 is amended by inserting after*
11 *section 1408A the following:*

12 **“SEC. 1408B. RENEWABLE ENERGY COMMITTEE.**

13 *“(a) INITIAL MEMBERS.—Not later than 90 days after*
14 *the date of the enactment of this section, the executive com-*
15 *mittee of the Advisory Board shall establish and appoint*
16 *the initial members of a permanent renewable energy com-*
17 *mittee that shall be responsible for studying the scope and*
18 *effectiveness of research, extension, and economics programs*
19 *affecting the renewable energy industry.*

20 *“(b) NON-ADVISORY BOARD MEMBERS.—Individuals*
21 *who are not members of the Advisory Board may be ap-*
22 *pointed as members of the renewable energy committee.*
23 *Members of the renewable energy committee shall serve at*
24 *the discretion of the executive committee.*

1 “(c) *REPORT BY RENEWABLE ENERGY COMMITTEE.*—
2 *Not later than 180 days after the establishment of the re-*
3 *newable energy committee, and annually thereafter, the re-*
4 *newable energy committee shall submit to the Advisory*
5 *Board a report containing the findings of its study under*
6 *subsection (a). The renewable energy committee shall in-*
7 *clude in each report its recommendations.*

8 “(d) *COORDINATION OF FUNCTIONS.*—*In carrying out*
9 *its functions, the Renewable Energy Committee shall co-*
10 *ordinate with the Biomass Research and Development Act*
11 *Committee.*

12 “(e) *MATTERS TO BE CONSIDERED IN BUDGET REC-*
13 *OMMENDATION.*—*In preparing the annual budget rec-*
14 *ommendations for the Department, the Secretary shall take*
15 *into consideration those findings and recommendations con-*
16 *tained in the most recent report of the renewable energy*
17 *committee that are adopted by the Advisory Committee.*

18 “(f) *REPORT BY THE SECRETARY.*—*In the budget ma-*
19 *terial submitted to Congress by the Secretary in connection*
20 *with the budget submitted pursuant to section 1105 of title*
21 *31, United States Code, for a fiscal year, the Secretary shall*
22 *include a report describing how the Secretary addressed*
23 *each recommendation of the renewable energy committee de-*
24 *scribed in subsection (e) of this section.”.*

1 **SEC. 7204. SPECIALTY CROP COMMITTEE REPORT.**

2 Section 1408A(c) of the National Agricultural Re-
3 search, Extension, and Teaching Policy Act of 1977 (7
4 U.S.C. 3123a(c)) is amended by adding at the end the fol-
5 lowing:

6 “(4) Analyses of the specialty crop sector, includ-
7 ing the impact of changes in domestic and inter-
8 national markets, production and new product tech-
9 nologies, alternative policies and macroeconomic con-
10 ditions on specialty crop production, use, farm and
11 retail prices, and farm income and financial stability
12 from a national, regional, and farm-level perspective.

13 “(5) Review of the economic state of the specialty
14 crop industry from a regional perspective.

15 “(6) Development of data that provides applied
16 information useful to specialty crop growers, their as-
17 sociations, and other interested beneficiaries in evalu-
18 ating that industry from a regional and national per-
19 spective.”.

20 **SEC. 7205. INCLUSION OF UDC IN GRANTS AND FELLOW-**
21 **SHIPS FOR FOOD AND AGRICULTURAL**
22 **SCIENCES EDUCATION.**

23 Section 1417 of the National Agricultural Research,
24 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
25 3152) is amended—

1 (1) in subsection (b), by inserting “including the
2 *University of the District of Columbia*,” after “uni-
3 *versities*,”; and

4 (2) in subsection (d)(2), by inserting “, includ-
5 *ing the University of the District of Columbia*,” after
6 “*universities*”

7 **SEC. 7206. GRANTS AND FELLOWSHIPS FOR FOOD AND AG-**
8 **RICULTURAL SCIENCES EDUCATION.**

9 (a) *EDUCATION TEACHING PROGRAMS*.—Section
10 1417(j) of the National Agricultural Research, Extension
11 and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)) is
12 amended—

13 (1) in the subsection heading, by striking “*SEC-*
14 *ONDARY EDUCATION AND 2-YEAR POSTSECONDARY*
15 *EDUCATION TEACHING PROGRAMS*” and inserting
16 “*SECONDARY EDUCATION, 2-YEAR POSTSECONDARY*
17 *EDUCATION, AND AGRICULTURE IN THE K–12 CLASS-*
18 *ROOM*”; and

19 (2) in paragraph (3)—

20 (A) by striking “secondary schools, and in-
21 stitutions of higher education that award an as-
22 sociate’s degree” and inserting “secondary
23 schools, institutions of higher education that
24 award an associate’s degree, other institutions of
25 higher education, and nonprofit organizations”;

1 (B) in subparagraph (E), by striking “and”
 2 at the end;

3 (C) in subparagraph (F), by striking the
 4 period at the end and inserting “; and”; and

5 (D) by adding at the end the following:

6 “(G) to support current agriculture in the
 7 classroom programs for grades K–12.”.

8 (b) *AUTHORIZATION OF APPROPRIATIONS.*—Section
 9 1417(l) of the National Agricultural Research, Extension,
 10 and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is
 11 amended by striking “2007” and inserting “2012”.

12 (c) *REPORT.*—Section 1417 of the National Agricul-
 13 tural Research, Extension and Teaching Policy Act of 1977
 14 is amended by adding at the end the following:

15 “(m) *REPORT.*—The Secretary shall submit an annual
 16 report to the Committee on Agriculture of the House of Rep-
 17 resentatives and the Committee on Agriculture, Nutrition
 18 and Forestry of the Senate detailing the distribution of
 19 funds used to implement the teaching programs under sub-
 20 section (j).”.

1 **SEC. 7207. GRANTS FOR RESEARCH ON PRODUCTION AND**
 2 **MARKETING OF ALCOHOLS AND INDUSTRIAL**
 3 **HYDROCARBONS FROM AGRICULTURAL COM-**
 4 **MODITIES AND FOREST PRODUCTS.**

5 *Section 1419(d) of the National Agricultural Research,*
 6 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
 7 *3154(d)) is amended by striking “2007” and inserting*
 8 *“2012”.*

9 **SEC. 7208. POLICY RESEARCH CENTERS.**

10 *Section 1419A of the National Agricultural Research,*
 11 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
 12 *3155) is amended—*

13 *(1) in subsection (b), by inserting “, including*
 14 *the Food Agricultural Policy Research Institute and*
 15 *the Agricultural and Food Policy Center” after “re-*
 16 *search institutions and organizations”; and*

17 *(2) in subsection (d), by striking “2007” and in-*
 18 *serting “2012”.*

19 **SEC. 7209. HUMAN NUTRITION INTERVENTION AND HEALTH**
 20 **PROMOTION RESEARCH PROGRAM.**

21 *Section 1424(d) of the National Agricultural Research,*
 22 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
 23 *3174(d)) is amended by striking “2007” and inserting*
 24 *“2012”.*

1 **SEC. 7210. PILOT RESEARCH PROGRAM TO COMBINE MED-**
 2 **ICAL AND AGRICULTURAL RESEARCH.**

3 *Section 1424A(d) of the National Agricultural Re-*
 4 *search, Extension, and Teaching Policy Act of 1977 (7*
 5 *U.S.C. 3174a(d)) is amended by striking “2007” and in-*
 6 *serting “2012”.*

7 **SEC. 7211. NUTRITION EDUCATION PROGRAM.**

8 *Section 1425(c)(3) of the National Agricultural Re-*
 9 *search, Extension, and Teaching Policy Act of 1977 (7*
 10 *U.S.C. 3175(c)(3)) is amended by striking “2007” and in-*
 11 *serting “2012”.*

12 **SEC. 7212. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
 13 **SEARCH PROGRAMS.**

14 *Section 1433(a) of the National Agricultural Research,*
 15 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
 16 *3195(a)) is amended in the first sentence by striking*
 17 *“2007” and inserting “2012”.*

18 **SEC. 7213. COOPERATION AMONG ELIGIBLE INSTITUTIONS.**

19 *Section 1433 of the National Agricultural Research,*
 20 *Extension, and Teaching Policy Act of 1977 is amended*
 21 *by adding at the end the following new subsection:*

22 *“(g) COOPERATION AMONG ELIGIBLE INSTITU-*
 23 *TIONS.—The Secretary, to the maximum extent practicable,*
 24 *shall encourage eligible institutions to cooperate in setting*
 25 *research priorities under this section through the conduct*
 26 *of regular regional and national meetings.”.*

1 **SEC. 7214. APPROPRIATIONS FOR RESEARCH ON NATIONAL**
2 **OR REGIONAL PROBLEMS.**

3 *Section 1434(a) of the National Agricultural Research,*
4 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
5 *3196(a)) is amended by striking “2007” and inserting*
6 *“2012”.*

7 **SEC. 7215. AUTHORIZATION LEVEL OF EXTENSION AT 1890**
8 **LAND-GRANT COLLEGES.**

9 *Section 1444(a)(2) of the National Agricultural Re-*
10 *search, Extension, and Teaching Policy Act of 1977 (7*
11 *U.S.C. 3221(a)(2)) is amended by striking “15 percent”*
12 *and inserting “20 percent”.*

13 **SEC. 7216. AUTHORIZATION LEVEL FOR AGRICULTURAL RE-**
14 **SEARCH AT 1890 LAND-GRANT COLLEGES.**

15 *Section 1445(a)(2) of the National Agricultural Re-*
16 *search, Extension, and Teaching Policy Act of 1977 (7*
17 *U.S.C. 3222(a)(2)) is amended by striking “25 percent”*
18 *and inserting “30 percent”.*

19 **SEC. 7217. GRANTS TO UPGRADE AGRICULTURE AND FOOD**
20 **SCIENCES FACILITIES AT THE DISTRICT OF**
21 **COLUMBIA LAND GRANT UNIVERSITY.**

22 *The National Agricultural Research, Extension, and*
23 *Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is*
24 *amended by inserting after section 1447 the following:*

1 **“SEC. 1447A. GRANTS TO UPGRADE AGRICULTURE AND**
 2 **FOOD SCIENCES FACILITIES AT THE DIS-**
 3 **TRICT OF COLUMBIA LAND GRANT UNIVER-**
 4 **SITY.**

5 “(a) *PURPOSE.*—*It is declared to be the intent of Con-*
 6 *gress to assist the land grant university in the District of*
 7 *Columbia, as established under section 208 of the District*
 8 *of Columbia Public Postsecondary Education Reorganiza-*
 9 *tion Act of October 26, 1974 (Public Law 93–471) in efforts*
 10 *acquire, alter, or repair facilities or relevant equipment*
 11 *necessary for conducting agricultural research.*

12 “(b) *AUTHORIZATION OF APPROPRIATIONS.*—*There*
 13 *are authorized to be appropriated for the purposes of car-*
 14 *rying out the provisions of this section \$750,000 for each*
 15 *of fiscal years 2008 through 2012.”.*

16 **SEC. 7218. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**
 17 **SCIENCES FACILITIES AT 1890 LAND-GRANT**
 18 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**
 19 **SITY.**

20 *Section 1447(b) of the National Agricultural Research,*
 21 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
 22 *3222b(b)) is amended by striking “2007” and inserting*
 23 *“2012”.*

1 **SEC. 7219. NATIONAL RESEARCH AND TRAINING VIRTUAL**
 2 **CENTERS.**

3 *Section 1448 of the National Agricultural Research,*
 4 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
 5 *3222c) is amended by striking “2007” each place it appears*
 6 *in subsections (a)(1) and (f) and inserting “2012”.*

7 **SEC. 7220. MATCHING FUNDS REQUIREMENT FOR RE-**
 8 **SEARCH AND EXTENSION ACTIVITIES OF 1890**
 9 **INSTITUTIONS.**

10 *Section 1449(c) of the National Agricultural Research,*
 11 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
 12 *3222d(c)) is amended in the first sentence by striking “for*
 13 *each of fiscal years 2003 through 2007,”.*

14 **SEC. 7221. HISPANIC-SERVING INSTITUTIONS.**

15 *Section 1455(c) of the National Agricultural Research,*
 16 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
 17 *3241(c)) is amended by striking “2007” and inserting*
 18 *“2012”.*

19 **SEC. 7222. HISPANIC-SERVING AGRICULTURAL COLLEGES**
 20 **AND UNIVERSITIES.**

21 *(a) IN GENERAL.—The National Agricultural Re-*
 22 *search, Extension and Teaching Policy Act of 1977 is*
 23 *amended by inserting after section 1455 the following:*

24 **“SEC. 1456. HISPANIC-SERVING AGRICULTURAL COLLEGES**
 25 **AND UNIVERSITIES.**

26 *“(a) DEFINITIONS.—As used in this section:*

1 “(1) *ENDOWMENT FUND.*—*The term ‘endowment*
 2 *fund’ means the Hispanic-Serving Agricultural Col-*
 3 *leges and Universities Fund established under sub-*
 4 *section (b).*

5 “(2) *HISPANIC-SERVING AGRICULTURAL COL-*
 6 *LEGE AND UNIVERSITIES.*—*The term ‘Hispanic-serv-*
 7 *ing agricultural colleges and universities’ means a*
 8 *college or university that—*

9 “(A) *qualifies as a ‘Hispanic-serving insti-*
 10 *tution’ as defined in section 502(a)(5) of the*
 11 *Higher Education Act of 1965 (20 U.S.C.*
 12 *1101a(a)(5)); and*

13 “(B) *offers associate, bachelor’s, or other ac-*
 14 *credited degree programs in agriculture-related*
 15 *fields.*

16 “(b) *ENDOWMENT.*—

17 “(1) *IN GENERAL.*—*In accordance with this sub-*
 18 *section, the Secretary of the Treasury shall establish*
 19 *a Hispanic-Serving Agricultural Colleges and Univer-*
 20 *sities Fund. The Secretary of the Treasury may enter*
 21 *into such agreements as are necessary to carry out*
 22 *this subsection.*

23 “(2) *DEPOSIT TO THE ENDOWMENT FUND.*—*The*
 24 *Secretary of the Treasury shall deposit in the endow-*
 25 *ment fund any—*

1 “(A) amounts made available through Acts
2 of appropriations, which shall be the endowment
3 fund corpus; and

4 “(B) interest earned on the endowment fund
5 corpus.

6 “(3) INVESTMENTS.—The Secretary of the Treas-
7 ury shall invest the endowment fund corpus and in-
8 come in interest-bearing obligations of the United
9 States.

10 “(4) WITHDRAWALS AND EXPENDITURES.—The
11 Secretary of the Treasury may not make a with-
12 drawal or expenditure from the endowment fund cor-
13 pus. On September 30, 2008, and each September 30
14 thereafter, the Secretary of the Treasury shall with-
15 draw the amount of the income from the endowment
16 fund for the fiscal year and warrant the funds to the
17 Secretary of Agriculture who, after making adjust-
18 ments for the cost of administering the endowment
19 fund, shall distribute the adjusted income as follows:

20 “(A) 60 percent distributed among the His-
21 panic-serving agricultural colleges and univer-
22 sities on a pro rata basis based on each institu-
23 tion’s Hispanic enrollment count.

1 “(B) 40 percent distributed in equal shares
2 to the Hispanic-serving agricultural colleges and
3 universities.

4 “(5) AUTHORIZATION OF APPROPRIATIONS.—

5 “(A) IN GENERAL.—For fiscal year 2008,
6 and for each fiscal year thereafter, there is au-
7 thorized to be appropriated to the Department of
8 Agriculture an amount equal to—

9 “(i) \$80,000; multiplied by

10 “(ii) the number of Hispanic-serving
11 agricultural colleges and universities.

12 “(B) PAYMENTS.—For fiscal year 2008, and
13 for each fiscal year thereafter, the Secretary of
14 the Treasury shall pay to the treasurer of each
15 Hispanic-Serving agricultural college and uni-
16 versity an amount equal to—

17 “(i) the total amount made available
18 by appropriations pursuant to paragraph
19 (1); divided by

20 “(ii) the number of Hispanic-serving
21 agricultural colleges and universities.

22 “(C) USE OF FUNDS.—Amounts authorized
23 to be appropriated under this subsection shall be
24 used in the same manner as is prescribed for col-
25 leges under the Act of August 30, 1890 (com-

monly known as the Second Morrill Act), and except as otherwise provided in this subsection, the requirements of such Act shall apply to the Hispanic-serving agricultural colleges and universities.

“(D) Amounts appropriated pursuant to this section shall be held and considered to have been granted to Hispanic-serving agricultural colleges and universities to establish an endowment pursuant to subsection (b).

“(c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—

“(1) PURPOSE AND ALLOWABLE USES.—For fiscal year 2008, and for each fiscal year thereafter, the Secretary shall make institutional capacity building grants to assist Hispanic-serving agricultural colleges and universities not including alteration, repair, renovation, or construction of buildings.

“(2) CRITERIA FOR INSTITUTIONAL CAPACITY BUILDING GRANTS.—

“(A) REQUIREMENTS FOR GRANTS.—The Secretary shall make grants under this subsection on the basis of a competitive application process under which Hispanic-serving agricultural colleges and universities may submit appli-

1 *cations to the Secretary in such form and man-*
2 *ner as the Secretary may prescribe.*

3 “(B) *BROADER PARTICIPATION AND GEO-*
4 *GRAPHIC DIVERSITY.*—*All Hispanic-serving agri-*
5 *cultural colleges and universities shall be eligible*
6 *to compete for grants under this subsection.*

7 “(C) *DEMONSTRATION OF NEED.*—*The Sec-*
8 *retary shall require as part of an application for*
9 *a grant under this subsection, a demonstration of*
10 *need based on criteria stated in subsection (b)(5).*
11 *The Secretary may award a grant under this*
12 *subsection only to an applicant that dem-*
13 *onstrates a failure to obtain funding for a*
14 *project after making a reasonable effort to other-*
15 *wise obtain the funding.*

16 “(D) *PAYMENT OF NON-FEDERAL SHARE.*—
17 *A grant awarded under this subsection shall be*
18 *made only if the recipient of the grant pays a*
19 *non-Federal share in an amount specified by the*
20 *Secretary and based upon assessed institutional*
21 *needs.*

22 “(3) *AUTHORIZATION OF APPROPRIATIONS.*—
23 *There are authorized to be appropriated to the Sec-*
24 *retary of Agriculture to carry out this subsection,*

1 *such sums as are necessary for fiscal year 2008, and*
2 *for each fiscal year thereafter.*

3 “(d) *COMPETITIVE GRANTS PROGRAM.*—*The Secretary*
4 *of Agriculture shall establish a competitive grants program*
5 *to fund basic and applied research at Hispanic-serving ag-*
6 *ricultural colleges and universities in agriculture, human*
7 *nutrition, food science, bioenergy, and environmental*
8 *science. There are authorized to be appropriated to the Sec-*
9 *retary such sums as are necessary to carry out this sub-*
10 *section for fiscal year 2008 and for each fiscal year there-*
11 *after.”.*

12 (b) *FUNDING.*—*Section 3 of the Act of May 8, 1914,*
13 *(commonly known as the Smith-Lever Act), is amended—*

14 (1) *in subsection (b), by adding at the end the*
15 *following new paragraph:*

16 “(4) *There are authorized to be appropriated for fiscal*
17 *year 2008, and for each fiscal year thereafter, such sums*
18 *as are necessary for the purposes set forth in section 4. Such*
19 *sums shall be in addition to the sums appropriated for the*
20 *several States and Puerto Rico, the Virgin Islands, and*
21 *Guam under the provisions of this section. Such sums shall*
22 *be distributed on the basis on a competitive application*
23 *process to be developed and implemented by the Secretary*
24 *and paid by the Secretary to the State institutions estab-*
25 *lished in accordance with the provisions of the Act of July*

1 2, 1862 (commonly known as the First Morrill Act) and
 2 administered by such institutions through cooperative
 3 agreements with the Hispanic-serving agricultural colleges
 4 and universities in the States of the institutions in accord-
 5 ance with regulations that the Secretary shall adopt.”; and
 6 (2) in subsection (f), by inserting “or Hispanic-
 7 serving agricultural colleges and universities” after
 8 “Institution”.

9 **SEC. 7223. INTERNATIONAL AGRICULTURAL RESEARCH, EX-**
 10 **TENSION, AND EDUCATION.**

11 Section 1458(a) of the National Agricultural Research,
 12 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
 13 3291(a)) is amended—

14 (1) in paragraph (1)—

15 (A) in subparagraph (A), by striking “and”
 16 after the semicolon;

17 (B) in subparagraph (B), by adding “and”
 18 at the end; and

19 (C) by adding at the end the following:

20 “(C) giving priority to those institutions
 21 with existing memorandums of understanding,
 22 agreements, or other formal ties to United States
 23 institutions, or State or Federal agencies;”;

(2) in paragraph (3), by inserting “Hispanic-serving agricultural colleges and universities,” after “universities,”;

(3) in paragraph (7)(A), by striking “and land-grant colleges and universities” and inserting “, land-grant colleges and universities, and Hispanic-serving agricultural colleges and universities”;

(4) in paragraph (9)(A), by striking “or other colleges and universities” and inserting “, or other colleges and universities, or Hispanic-serving agricultural colleges and universities”; and

(5) by adding at the end the following:

“(11) establish a program for the purpose of providing fellowships to United States or foreign students to study at foreign agricultural colleges and universities working under agreements provided for under paragraph (3).”.

SEC. 7224. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking “2007” and inserting “2012”.

1 **SEC. 7225. LIMITATION ON INDIRECT COSTS FOR AGRICUL-**
2 **TURAL RESEARCH, EDUCATION, AND EXTEN-**
3 **SION PROGRAMS.**

4 *Section 1462(a) of the National Agriculture Research,*
5 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
6 *3310(a)) is amended by striking “a competitive” and in-*
7 *serting “any”.*

8 **SEC. 7226. RESEARCH EQUIPMENT GRANTS.**

9 *Section 1462A(e) of the National Agricultural Re-*
10 *search, Extension, and Teaching Policy Act of 1977 (7*
11 *U.S.C. 3310a(e)) is amended by striking “2007” and insert-*
12 *ing “2012”.*

13 **SEC. 7227. UNIVERSITY RESEARCH.**

14 *Section 1463 of the National Agricultural Research,*
15 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
16 *3311) is amended by striking “2007” each place it appears*
17 *in subsections (a) and (b) and inserting “2012”.*

18 **SEC. 7228. EXTENSION SERVICE.**

19 *Section 1464 of the National Agricultural Research,*
20 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
21 *3312) is amended by striking “2007” and inserting “2012”.*

22 **SEC. 7229. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

23 *Section 1473D(a) of the National Agricultural Re-*
24 *search, Extension, and Teaching Policy Act of 1977 (7*
25 *U.S.C. 3319d(a)) is amended by striking “2007” and in-*
26 *serting “2012”.*

1 **SEC. 7230. AQUACULTURE RESEARCH FACILITIES.**

2 Section 1477 of the National Agricultural Research,
3 *Extension, and Teaching Policy Act of 1977* (7 U.S.C.
4 3324) is amended by striking “2007” and inserting “2012”.

5 **SEC. 7231. RANGELAND RESEARCH.**

6 Section 1483(a) of the National Agricultural Research,
7 *Extension, and Teaching Policy Act of 1977* (7 U.S.C.
8 3336(a)) is amended by striking “2007” and inserting
9 “2012”.

10 **SEC. 7232. SPECIAL AUTHORIZATION FOR BIOSECURITY**
11 **PLANNING AND RESPONSE.**

12 Section 1484(a) of the National Agricultural Research,
13 *Extension, and Teaching Policy Act of 1977* (7 U.S.C.
14 3351(a)) is amended by striking “2007” and inserting
15 “2012”.

16 **SEC. 7233. RESIDENT INSTRUCTION AND DISTANCE EDU-**
17 **CATION GRANTS PROGRAM FOR INSULAR**
18 **AREA INSTITUTIONS OF HIGHER EDUCATION.**

19 (a) *DISTANCE EDUCATION GRANTS FOR INSULAR*
20 *AREAS*.—Section 1490(f) of the National Agricultural Re-
21 search, *Extension, and Teaching Policy Act of 1977* (7
22 U.S.C. 3362(f)) is amended by striking “2007” and insert-
23 ing “2012”.

24 (b) *RESIDENT INSTRUCTION GRANTS FOR INSULAR*
25 *AREAS*.—Section 1491 of the National Agricultural Re-

1 *search, Extension, and Teaching Policy Act of 1977 (7*
 2 *U.S.C. 3363) is amended—*

3 *(1) by redesignating subsection (e) as subsection*
 4 *(c); and*

5 *(2) in subsection (c) (as so redesignated), by*
 6 *striking “2007” and inserting “2012”.*

7 ***Subtitle C—Food, Agriculture, Con-***
 8 ***servation, and Trade Act of 1990***

9 ***SEC. 7301. NATIONAL GENETICS RESOURCES PROGRAM.***

10 *Section 1635(b) of the Food, Agriculture, Conservation,*
 11 *and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by*
 12 *striking “2007” and inserting “2012”.*

13 ***SEC. 7302. NATIONAL AGRICULTURAL WEATHER INFORMA-***
 14 ***TION SYSTEM.***

15 *Section 1641(c) of the Food, Agriculture, Conservation,*
 16 *and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by*
 17 *striking “1991 through 1997” and inserting “2008 through*
 18 *2012”.*

19 ***SEC. 7303. PARTNERSHIPS.***

20 *Section 1672(d) of the Food, Agriculture, Conserva-*
 21 *tion, and Trade Act of 1990 (7 U.S.C. 5925(d)) is amended*
 22 *by striking “may” and inserting “shall”.*

23 ***SEC. 7304. AFLATOXIN RESEARCH AND EXTENSION.***

24 *Section 1672(e)(3) of the Food, Agriculture, Conserva-*
 25 *tion, and Trade Act of 1990 (7 U.S.C. 5925(e)(3)) is*

1 amended by striking “and controlling aflatoxin in the food
 2 and feed chains.” and inserting “improving, and eventually
 3 commercializing aflatoxin controls in corn and other af-
 4 fected agricultural products and crops.”.

5 **SEC. 7305. HIGH-PRIORITY RESEARCH AND EXTENSION**
 6 **AREAS.**

7 Section 1672(e) of the Food, Agriculture, Conservation,
 8 and Trade Act of 1990 (7 U.S.C. 5925(e)) is amended by
 9 adding the following:

10 “(46) *FARMED AND WILD CERVID DISEASE AND*
 11 *APPLIED GENETICS RESEARCH.*—Research grants
 12 may be made under this section for the purpose of in-
 13 vestigating the major infectious, parasitic and toxic
 14 diseases of importance to farmed and wild cervids.

15 “(47) *AIR EMISSIONS FROM LIVESTOCK OPER-*
 16 *ATIONS.*—Research and extension grants may be
 17 made under this section for the purpose of conducting
 18 field verification tests and developing mitigation op-
 19 tions for air emissions from animal feeding oper-
 20 ations.

21 “(48) *SWINE GENOME PROJECT.*—Research
 22 grants may be made under this section to conduct
 23 swine genome research and to map the swine genome.

24 “(49) *CATTLE FEVER TICK PROGRAM.*—Research
 25 and extension grants may be made to study cattle

1 *fever ticks to facilitate understanding of the role of*
2 *wildlife in the persistence and spread of cattle fever*
3 *ticks; to develop advanced methods for eradication of*
4 *cattle fever ticks; and to improve management of dis-*
5 *eases related to cattle fever ticks that are associated*
6 *with wildlife, livestock, and human health.*

7 “(50) *COLONY COLLAPSE DISORDER PROGRAM.*—
8 *Research and extension grants may be made to survey*
9 *and collect data of honey bee colony production and*
10 *health; research various factors possibly contributing*
11 *to or associated with colony collapse disorder; and de-*
12 *velop mitigative and preventative measures to im-*
13 *prove bee health.*

14 “(51) *SYNTHETIC GYPSUM FROM ELECTRIC*
15 *POWER PLANTS RESEARCH.*—*Research and extension*
16 *grants may be made to study the uses of synthetic*
17 *gypsum from electric power plants to remediate soil*
18 *and nutrient losses.*

19 “(52) *CRANBERRY RESEARCH PROGRAM.*—*Re-*
20 *search and extension grants may be made to study*
21 *new technologies to assist cranberry growers in com-*
22 *plying with Federal and State environmental regula-*
23 *tions, increase production, develop new growing tech-*
24 *niques, establish more efficient growing methodologies,*

1 *and educate farmers about sustainable growth prac-*
 2 *tices.*

3 “(53) *SORGHUM RESEARCH INITIATIVE.—Re-*
 4 *search and extension grants may be made to study the*
 5 *use of sorghum as a bioenergy feedstock, promote di-*
 6 *versification in, and the environmental sustainability*
 7 *of sorghum production, and promote water conserva-*
 8 *tion through the use of sorghum.*

9 “(54) *BEAN HEALTH RESEARCH PROGRAM.—Re-*
 10 *search and extension grants may be made to study*
 11 *bean-based solutions to chronic health and nutritional*
 12 *concerns in both developed and developing countries,*
 13 *and to increase bean consumption.”.*

14 **SEC. 7306. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
 15 **TIATIVES.**

16 *Section 1672(h) of the Food, Agriculture, Conserva-*
 17 *tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended*
 18 *by striking “2007” and inserting “2012”.*

19 **SEC. 7307. NUTRIENT MANAGEMENT RESEARCH AND EX-**
 20 **TENSION INITIATIVE.**

21 *Section 1672A of the Food, Agriculture, Conservation,*
 22 *and Trade Act of 1990 (7 U.S.C. 5925a) is amended—*

23 *(1) by redesignating subsection (g) as subsection*
 24 *(f);*

1 (2) *in subsection (d), by inserting “or address*
 2 *unique regional concerns” after “entities”;*

3 (3) *in subsection (e)(1)(B), by inserting “and*
 4 *dairy cattle waste” after “swine waste”; and*

5 (4) *in subsection (f) (as so redesignated in para-*
 6 *graph (1)), by striking “2007” and inserting “2012”.*

7 **SEC. 7308. AGRICULTURAL TELECOMMUNICATIONS PRO-**
 8 **GRAM.**

9 *Section 1673(h) of the Food, Agriculture, Conserva-*
 10 *tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended*
 11 *by striking “2007” and inserting “2012”.*

12 **SEC. 7309. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
 13 **ERS WITH DISABILITIES.**

14 *Section 1680(c)(1) of the Food, Agriculture, Conserva-*
 15 *tion, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is*
 16 *amended by striking “2007” and inserting “2012”.*

17 **SEC. 7310. ORGANIC RESEARCH.**

18 (a) *IN GENERAL.*—*The Organic Agriculture Research*
 19 *and Extension Initiative (section 1672B of the Food, Agri-*
 20 *culture, Conservation, and Trade Act of 1990 (7 U.S.C.*
 21 *5925b)) is amended—*

22 (1) *in subsection (a)—*

23 (A) *in paragraph (5), by striking “and”*
 24 *after the semicolon;*

1 (B) in paragraph (6), at the end by striking
2 the period and inserting a semicolon; and

3 (C) by adding at the end the following:

4 “(7) examining optimal conservation and envi-
5 ronmental outcomes relating to organically produced
6 agricultural products; and

7 “(8) developing new and improved seed varieties
8 that are particularly suited for organic agriculture.”;
9 and

10 (2) by adding at the end the following—

11 “(f) *AUTHORIZATION OF APPROPRIATIONS.*—There is
12 authorized to be appropriated \$25,000,000 for each of fiscal
13 years 2009 through 2012.

14 “(g) *ADDITIONAL FUNDING.*—In addition to funds
15 made available under subsection (f), of the funds of the
16 Commodity Credit Corporation, the Secretary shall make
17 available to carry out this section a total of \$25,000,000
18 for fiscal years 2008 through 2012.”.

19 (b) *COORDINATION.*—In carrying out this section, the
20 Secretary shall ensure that the Director of the applicable
21 Program Office established under section 7104(a) coordi-
22 nates projects and activities carried out under this section
23 to ensure, to the maximum extent practicable, that dupli-
24 cation of effort is eliminated or minimized.

1 **SEC. 7311. NATIONAL RURAL INFORMATION CENTER**
2 **CLEARINGHOUSE.**

3 *Section 2381(e) of the Food, Agriculture, Conservation,*
4 *and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by*
5 *striking “2007” and inserting “2012”.*

6 **SEC. 7312. NEW ERA RURAL TECHNOLOGY PROGRAM.**

7 *(a) FUNCTIONS.—*

8 *(1) The Secretary shall establish the “New Era*
9 *Rural Technology Program”, to make grants avail-*
10 *able for technology development, applied research, and*
11 *training to aid in the development of an agriculture-*
12 *based renewable energy workforce. This initiative*
13 *shall support the fields of bioenergy, pulp and paper*
14 *manufacturing, and for agriculture-based renewable*
15 *energy resources.*

16 *(2) To receive funding under this section an en-*
17 *tity—*

18 *(A) shall be a rural community college or*
19 *advanced technological center, in existence on the*
20 *date of the enactment of this Act, that partici-*
21 *pates in agricultural or bioenergy research and*
22 *applied research;*

23 *(B) shall have a proven record of develop-*
24 *ment and implementation of programs to meet*
25 *the needs of students, educators, and business*
26 *and industry to supply the agriculture-based, re-*

1 newable energy or pulp and paper manufac-
 2 turing fields with certified technicians as deter-
 3 mined by the Secretary of Agriculture; and

4 (C) shall have the ability to leverage exist-
 5 ing partnerships and occupational outreach and
 6 training programs for secondary schools, 4-year
 7 institutions and relevant non-profit organiza-
 8 tions.

9 (b) *LIMITATION ON AUTHORIZATION OF APPROPRIA-*
 10 *TIONS.—To carry out this section, there are authorized to*
 11 *be appropriated such sums as necessary for each of the fiscal*
 12 *years 2008 through 2012.*

13 (c) *COMMUNITY COLLEGES.—In this section, the term*
 14 *“community college” means an institution of higher edu-*
 15 *cation—*

16 (1) *that admits as regular students persons who*
 17 *are beyond the age of compulsory school attendance in*
 18 *the State in which the institution is located and who*
 19 *have the ability to benefit from the training offered by*
 20 *the institution;*

21 (2) *that does not provide an educational pro-*
 22 *gram for which it awards a bachelor’s degree, or an*
 23 *equivalent degree; and*

24 (3) *that—*

1 (A) provides an educational program of not
 2 less than two years that is acceptable for full
 3 credit toward such a degree; or

4 (B) offers a two-year program in engineer-
 5 ing, technology, mathematics, or the physical,
 6 chemical or biological sciences, designed to pre-
 7 pare a student to work as a technician or at the
 8 semiprofessional level in engineering, scientific,
 9 or other technological fields requiring the under-
 10 standing and application of basic engineering,
 11 scientific, or mathematical principles of knowl-
 12 edge.

13 (d) *GRANT PRIORITY.*—Preference shall be given to
 14 rural community colleges working in partnership to im-
 15 prove information sharing capacity and to maximize the
 16 ability to meet the requirements of this section.

17 ***Subtitle D—Agricultural Research,***
 18 ***Extension, and Education Re-***
 19 ***form Act of 1998***

20 ***SEC. 7401. PARTNERSHIPS FOR HIGH-VALUE AGRICUL-***
 21 ***TURAL PRODUCT QUALITY RESEARCH.***

22 Section 402(g) of the Agricultural Research, Exten-
 23 sion, and Education Reform Act of 1998 (7 U.S.C. 7622(g))
 24 is amended by striking “2007” and inserting “2012”.

1 **SEC. 7402. PRECISION AGRICULTURE.**

2 *Section 403(i)(1) of the Agricultural Research, Exten-*
3 *sion, and Education Reform Act of 1998 (7 U.S.C.*
4 *7623(i)(1)) is amended by striking “2007” and inserting*
5 *“2012”.*

6 **SEC. 7403. BIOBASED PRODUCTS.**

7 *(a) PILOT PROJECT.—Section 404(e)(2) of the Agricul-*
8 *tural Research, Extension, and Education Reform Act of*
9 *1998 (7 U.S.C. 7624(e)(2)) is amended by striking “2007”*
10 *and inserting “2012”.*

11 *(b) AUTHORIZATION OF APPROPRIATIONS.—Section*
12 *404(h) of the Agricultural Research, Extension, and Edu-*
13 *cation Reform Act of 1998 (7 U.S.C. 7624(h)) is amended*
14 *by striking “2007” and inserting “2012”.*

15 **SEC. 7404. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**
16 **VERSIFICATION.**

17 *Section 405(h) of the Agricultural Research, Exten-*
18 *sion, and Education Reform Act of 1998 (7 U.S.C. 7625(h))*
19 *is amended by striking “2007” and inserting “2012”.*

20 **SEC. 7405. INTEGRATED RESEARCH, EDUCATION, AND EX-**
21 **TENSION COMPETITIVE GRANTS PROGRAM.**

22 *Section 406(f) of the Agricultural Research, Extension,*
23 *and Education Reform Act of 1998 (7 U.S.C. 7626(f)) is*
24 *amended by striking “2007” and inserting “2012”.*

1 **SEC. 7406. FUSARIUM GRAMINEARUM GRANTS.**

2 *Section 408 of the Agricultural Research, Extension,*
 3 *and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is*
 4 *amended—*

5 *(1) in the heading for such section, by striking*
 6 *“GRANT” and inserting “GRANTS”; and*

7 *(2) in subsection (e), by striking “2007” and in-*
 8 *serting “2012”.*

9 **SEC. 7407. BOVINE JOHNE’S DISEASE CONTROL PROGRAM.**

10 *Section 409(b) of the Agricultural Research, Exten-*
 11 *sion, and Education Reform Act of 1998 (7 U.S.C. 7629(b))*
 12 *is amended by striking “2007” and inserting “2012”.*

13 **SEC. 7408. GRANTS FOR YOUTH ORGANIZATIONS.**

14 *Section 410 of the Agricultural Research, Extension,*
 15 *and Education Reform Act of 1998 (7 U.S.C. 7630) is*
 16 *amended by striking subsections (b) and (c) and inserting*
 17 *the following:*

18 *“(b) FLEXIBILITY.—The Secretary shall provide max-*
 19 *imum flexibility in content delivery to each organization*
 20 *receiving funds under this section so as to ensure that the*
 21 *unique goals of each organization, as well as the local com-*
 22 *munity needs are fully met.*

23 *“(c) REDISTRIBUTION OF FUNDING WITHIN ORGANI-*
 24 *ZATIONS AUTHORIZED.—Recipients of funds under this sec-*
 25 *tion are authorized to redistribute all or part of the funds*
 26 *received to individual councils or local chapters within such*

1 organization without further need of approval from the Sec-
2 retary.

3 “(d) *AUTHORIZATION OF APPROPRIATIONS.*—There
4 are authorized to be appropriated to carry out this section
5 such sums as are necessary for each of fiscal years 2008
6 through 2012.”.

7 **SEC. 7409. AGRICULTURAL BIOTECHNOLOGY RESEARCH**
8 **AND DEVELOPMENT FOR DEVELOPING COUN-**
9 **TRIES.**

10 Section 411(c) of the Agricultural Research, Extension,
11 and Education Reform Act of 1998 (7 U.S.C. 7631(c)) is
12 amended by striking “2007” and inserting “2012”.

13 **SEC. 7410. AGRICULTURAL BIOENERGY AND BIOBASED**
14 **PRODUCTS RESEARCH INITIATIVE.**

15 Title IV of the Agricultural Research, Extension, and
16 Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is
17 amended by adding at the end the following:

18 **“SEC. 412. AGRICULTURAL BIOENERGY AND BIOBASED**
19 **PRODUCTS RESEARCH INITIATIVE.**

20 “(a) *DEFINITION.*—For the purposes of this section, the
21 term ‘Initiative’ means the agricultural bioenergy and
22 biobased products research initiative established by sub-
23 section (b).

24 “(b) *ESTABLISHMENT.*—There is established within
25 the Department a bioenergy and biobased products research

1 *initiative to enhance the production, sustainability, and*
2 *conversion of biomass to renewable fuels and related prod-*
3 *ucts.*

4 “(c) *LABORATORY NETWORK.*—

5 “(1) *IN GENERAL.*—*The Secretary shall carry*
6 *out the Initiative through a bioenergy and biobased*
7 *product laboratory network that may consist of—*

8 “(A) *Federal agencies;*

9 “(B) *national laboratories;*

10 “(C) *colleges and universities;*

11 “(D) *research institutions and organiza-*
12 *tions;*

13 “(E) *private organizations or corporations;*

14 “(F) *State agricultural experiment stations;*

15 *and*

16 “(G) *individuals.*

17 “(2) *RESEARCH AND DEVELOPMENT OBJEC-*
18 *TIVES.*—*The laboratory network shall focus on im-*
19 *proving biomass production and sustainability, and*
20 *improving biomass conversion in biorefineries, by—*

21 “(A) *leveraging the broad scientific capa-*
22 *bilities of the Department in—*

23 “(i) *plant genetics and breeding;*

24 “(ii) *crop production;*

25 “(iii) *soil and water science;*

- 1 “(iv) use of agricultural waste;
2 “(v) carbohydrate, lipid, protein, and
3 lignin chemistry and biochemistry;
4 “(vi) enzyme development;
5 “(vii) fermentation;
6 “(viii) microbiology;
7 “(ix) cellulosic gasification; and
8 “(x) ethanol by-product utilization.

9 “(B) supporting bioenergy and biobased
10 product research that will enhance the produc-
11 tion, sustainability, and conversion of biomass to
12 renewable fuels and related products; and

13 “(C) supporting bioenergy and biobased
14 product research, and the dissemination of that
15 research, that will assist in achieving the goals
16 of this section.

17 “(d) COORDINATION.—In carrying out the Initiative,
18 the Secretary shall ensure that the Director of the applicable
19 Program office established under section 7104(a)(1) shall
20 coordinate projects and activities carried out under the Ini-
21 tiative with projects and activities under the Biomass Re-
22 search and Development Act of 2000 (7 U.S.C. 8601 et seq)
23 to ensure, to the maximum extent practicable, that—

24 “(1) duplication of effort is eliminated or mini-
25 mized; and

1 “(2) *the respective strengths of the Department*
2 *and the Department of Energy are maximized.*

3 “(e) *RESEARCH PROJECTS.—In carrying out this sec-*
4 *tion, the Secretary shall award grants on a competitive*
5 *basis.*

6 “(f) *ADMINISTRATION.—*

7 “(1) *IN GENERAL.—For grants awarded under*
8 *subsection (e)(2), the Secretary shall—*

9 “(A) *seek and accept proposals for grants;*

10 “(B) *determine the relevance and merit of*
11 *proposals through a system of peer review in ac-*
12 *cordance with (7 U.S.C. 7613); and*

13 “(C) *award grants on the basis of merit,*
14 *quality, and relevance.*

15 “(2) *TERM.—A grant under this section shall*
16 *have a term that does not exceed 5 years.*

17 “(3) *OTHER CONDITIONS.—The Secretary may*
18 *set such other conditions on the award of a grant*
19 *under this section as the Secretary determines appro-*
20 *priate.*

21 “(g) *BUILDINGS AND FACILITIES.—Funds made avail-*
22 *able under this section shall not be used for the construction*
23 *of a new building or facility or the acquisition, expansion,*
24 *remodeling, or alteration of an existing building or facility*

1 *(including site grading and improvement and architect*
 2 *fees).*

3 “(h) *FUNDING.*—*There is authorized to be appro-*
 4 *priated \$50,000,000 for each of fiscal years 2008 through*
 5 *2012 to carry out this section.*”.

6 **SEC. 7411. SPECIALTY CROP RESEARCH INITIATIVE.**

7 (a) *IN GENERAL.*—*Title IV of the Agricultural Re-*
 8 *search, Extension, and Education Reform Act of 1998 (7*
 9 *U.S.C. 7621 et seq.), as amended by section 7410, is further*
 10 *amended by adding at the end the following:*

11 **“SEC. 413. SPECIALTY CROP RESEARCH INITIATIVE.**

12 “(a) *DEFINITIONS.*—*In this section:*

13 “(1) *INITIATIVE.*—*The term ‘Initiative’ means*
 14 *the specialty crop research initiative established by*
 15 *subsection (b).*

16 “(2) *SPECIALTY CROP.*—*The term ‘specialty*
 17 *crop’ shall have the meaning given that term in sec-*
 18 *tion 3(1) of the Specialty Crops Competitiveness Act*
 19 *of 2004 (7 U.S.C. 1621).*

20 “(b) *ESTABLISHMENT.*—*There is established within*
 21 *the Department a specialty crop research initiative to ad-*
 22 *dress the critical needs of the specialty crop industry by*
 23 *developing and disseminating science-based tools to address*
 24 *needs of specific crops and their regions, including—*

25 “(1) *research in—*

1 “(A) *plant breeding, genetics, and genomics*
2 *to improve crop characteristics, such as—*
3 “(i) *product appearance;*
4 “(ii) *environmental responses and tol-*
5 *erances;*
6 “(iii) *nutrient management;*
7 “(iv) *pest and disease management;*
8 *and*
9 “(v) *enhanced phytonutrient content;*
10 “(B) *safety;*
11 “(C) *quality;*
12 “(D) *yield;*
13 “(E) *taste; and*
14 “(F) *shelf life;*
15 “(2) *efforts to identify and address threats from*
16 *invasive species;*
17 “(3) *efforts to improve agricultural production*
18 *by developing more technologically efficient and effec-*
19 *tive applications of water, nutrients, and pesticides;*
20 “(4) *new innovations and technology, such as en-*
21 *hancing mechanization and reducing reliance on*
22 *labor; and*
23 “(5) *production efficiency, productivity, profit-*
24 *ability and marketing.*

1 “(c) *ELIGIBLE ENTITIES.*—*The Secretary may carry*
 2 *out the Initiative through—*

3 “(1) *Federal agencies;*

4 “(2) *national laboratories;*

5 “(3) *colleges and universities;*

6 “(4) *research institutions and organizations;*

7 “(5) *private organizations or corporations;*

8 “(6) *State agricultural experiment stations; and*

9 “(7) *individuals.*

10 “(d) *RESEARCH PROJECTS.*—*In carrying out this sec-*
 11 *tion, the Secretary shall award grants on a competitive*
 12 *basis.*

13 “(e) *ADMINISTRATION.*—

14 “(1) *IN GENERAL.*—*For grants awarded under*
 15 *subsection (d) the Secretary shall—*

16 “(A) *seek and accept proposals for grants;*

17 “(B) *determine the relevance and merit of*
 18 *proposals through a system of peer review in ac-*
 19 *cordance with section 103; and*

20 “(C) *award grants on the basis of merit,*
 21 *quality, and relevance.*

22 “(2) *TERM.*—*A grant under this section shall*
 23 *have a term that does not exceed 5 years.*

24 “(3) *OTHER CONDITIONS.*—*The Secretary may*
 25 *set such other conditions on the award of a grant*

1 *under this section as the Secretary determines appro-*
2 *priate.*

3 “(f) *BUILDINGS AND FACILITIES.—Funds made avail-*
4 *able under this section shall not be used for the construction*
5 *of a new building or facility or the acquisition, expansion*
6 *remodeling, or alteration of an existing building or facility*
7 *(including site grading and improvement and architect*
8 *fees).*

9 “(g) *FUNDING.—There is authorized to be appro-*
10 *priated \$100,000,000 for each of fiscal years 2008 through*
11 *2012 to carry out this section.*

12 “(h) *ADDITIONAL FUNDING.—In addition to funds*
13 *made available under subsection (g), of the funds of the*
14 *Commodity Credit Corporation, the Secretary shall make*
15 *available to carry out this section a total of \$215,000,000*
16 *for fiscal years 2008 through 2012.”.*

17 (b) *COORDINATION.— In carrying out this section, the*
18 *Secretary shall ensure that the Director of the applicable*
19 *Program Office established under section 7104(a) coordi-*
20 *nates projects and activities carried out under this section*
21 *to ensure, to the maximum extent practicable, that duplica-*
22 *tion of effort is eliminated or minimized.*

1 **SEC. 7412. OFFICE OF PEST MANAGEMENT POLICY.**

2 *Section 614(f) of the Agricultural Research, Extension,*
 3 *and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is*
 4 *amended by striking “2007” and inserting “2012”.*

5 ***Subtitle E—Other Laws***

6 **SEC. 7501. CRITICAL AGRICULTURAL MATERIALS ACT.**

7 *Section 16(a) of the Critical Agricultural Materials*
 8 *Act (7 U.S.C. 178n(a)) is amended by striking “2007” and*
 9 *inserting “2012”.*

10 **SEC. 7502. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**

11 **ACT OF 1994.**

12 *(a) ENDOWMENT FOR 1994 INSTITUTIONS.—Section*
 13 *533(b) of the Equity in Educational Land-Grant Status*
 14 *Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is*
 15 *amended in the first sentence by striking “2007” and in-*
 16 *serting “2012”.*

17 *(b) INSTITUTIONAL CAPACITY BUILDING GRANTS.—*
 18 *Section 535 of the Equity in Educational Land-Grant Sta-*
 19 *tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)*
 20 *is amended by striking “2007” each place it appears and*
 21 *inserting “2012”.*

22 *(c) RESEARCH GRANTS.—Section 536(c) of the Equity*
 23 *in Educational Land-Grant Status Act of 1994 (7 U.S.C.*
 24 *301 note; Public Law 103–382) is amended in the first sen-*
 25 *tence by striking “2007” and inserting “2012”.*

1 **SEC. 7503. AGRICULTURAL EXPERIMENT STATION RE-**
 2 **SEARCH FACILITIES ACT.**

3 *Section 6(a) of the Research Facilities Act (7 U.S.C.*
 4 *390d(a)) is amended by striking “2007” and inserting*
 5 *“2012”.*

6 **SEC. 7504. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
 7 **SION, AND TEACHING POLICY ACT AMEND-**
 8 **MENTS OF 1985.**

9 *Section 1431 of the National Agricultural Research,*
 10 *Extension, and Teaching Policy Act Amendments of 1985*
 11 *(Public Law 99–198; 99 Stat. 1556) is amended by striking*
 12 *“2007” and inserting “2012”.*

13 **SEC. 7505. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
 14 **SEARCH GRANT ACT (NATIONAL RESEARCH**
 15 **INITIATIVE).**

16 *Section 2 of the Competitive, Special, and Facilities*
 17 *Research Grant Act (7 U.S.C. 450i) is amended—*

18 *(1) in subsection (b)(10), by striking “2007” and*
 19 *inserting “2012”; and*

20 *(2) by striking subsection (g).*

21 **SEC. 7506. AGRICULTURAL RISK PROTECTION ACT OF 2000**
 22 **(CARBON CYCLE RESEARCH).**

23 *Section 221(g) of the Agricultural Risk Protection Act*
 24 *of 2000 (7 U.S.C. 6711(g)) is amended by striking “2007”*
 25 *and inserting “2012”.*

1 **SEC. 7507. RENEWABLE RESOURCES EXTENSION ACT OF**
 2 **1978.**

3 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section 6
 4 of the Renewable Resources Extension Act of 1978 (16
 5 U.S.C. 1675) is amended by striking “2007” and inserting
 6 “2012”.

7 (b) *TERMINATION DATE.*—Section 8 of the Renewable
 8 Resources Extension Act of 1978 (16 U.S.C. 1671 note; Pub-
 9 lic Law 95–306) is amended by striking “2007” and insert-
 10 ing “2012”.

11 **SEC. 7508. NATIONAL AQUACULTURE ACT OF 1980.**

12 Section 10 of the National Aquaculture Act of 1980
 13 (16 U.S.C. 2809) is amended by striking “2007” each place
 14 it appears and inserting “2012”.

15 **SEC. 7509. CONSTRUCTION OF A CHINESE GARDEN AT THE**
 16 **NATIONAL ARBORETUM.**

17 The Act of March 4, 1927 (20 U.S.C. 191 et seq.), is
 18 amended by adding at the end the following:

19 **“SEC. 197. CONSTRUCTION OF A CHINESE GARDEN AT THE**
 20 **NATIONAL ARBORETUM.**

21 “A Chinese Garden may be constructed at the National
 22 Arboretum established under this Act with—

23 “(1) funds accepted under the provisions of sec-
 24 tion 195 (20 U.S.C. 195);

25 “(2) authorities provided to the Secretary of Ag-
 26 riculture under section 196 (20 U.S.C. 196); and

1 “(3) appropriations provided for this purpose.”.

2 **SEC. 7510. PUBLIC EDUCATION REGARDING USE OF BIO-**
 3 **TECHNOLOGY IN PRODUCING FOOD FOR**
 4 **HUMAN CONSUMPTION.**

5 *Section 10802(b) of the Farm Security and Rural In-*
 6 *vestment Act of 2002 (7 U.S.C. 5921a(b)) is amended by*
 7 *striking “2007” and inserting “2012”.*

8 **SEC. 7511. FRESH CUT PRODUCE SAFETY GRANTS.**

9 *(a) IN GENERAL.—The Secretary may award competi-*
 10 *tive research and extension grants to eligible entities to en-*
 11 *able such entities to design, implement, and evaluate inno-*
 12 *vative, cost-effective programs to improve and enhance the*
 13 *safety of fresh cut produce.*

14 *(b) ELIGIBLE ENTITIES.—To be eligible to receive a*
 15 *grant under subsection (a) an entity shall—*

16 *(1) be a university, college, or other entity des-*
 17 *ignated by the Secretary; and*

18 *(2) have developed partnerships with producers*
 19 *of fresh cut produce.*

20 *(c) USE OF FUNDS.—An entity shall use funds re-*
 21 *ceived under a grant under this section to—*

22 *(1) improve sanitation and food safety practices*
 23 *in the processing of fresh cut produce;*

24 *(2) develop improved techniques to monitor and*
 25 *inspect fresh cut produce;*

1 (3) *develop efficient, rapid and sensitive methods*
2 *to detect contaminants in fresh cut produce;*

3 (4) *determine the sources of contamination in*
4 *fresh cut produce;*

5 (5) *develop methods to reduce or destroy harmful*
6 *pathogens before, during, and after processing of fresh*
7 *cut produce; and*

8 (6) *conduct other research as determined appro-*
9 *priate by the Secretary.*

10 (d) *MATCHING FUNDS REQUIRED.—The Secretary*
11 *shall require the recipient of a grant under this section to*
12 *provide funds or in-kind support from non-Federal sources*
13 *in an amount at least equal to the amount provided by*
14 *the Federal Government.*

15 (e) *COORDINATION.—In carrying out this section, the*
16 *Secretary shall ensure that the Director of the applicable*
17 *Program Office established under section 7104(a) coordi-*
18 *nates projects and activities carried out under this section*
19 *to ensure, to the maximum extent practicable, that duplica-*
20 *tion of effort is eliminated or minimized.*

21 (f) *AUTHORIZATION OF APPROPRIATIONS.—There are*
22 *authorized to be appropriated such sums as are necessary*
23 *to carry out this section for each of fiscal years 2008*
24 *through 2012.*

1 (g) *ADDITIONAL FUNDING.*—*In addition to funds*
 2 *made available under subsection (f), of the funds of the*
 3 *Commodity Credit Corporation, the Secretary shall make*
 4 *available to carry out this section a total of \$25,000,000*
 5 *for fiscal years 2008 through 2012.*

6 **SEC. 7512. UDC/EFNEP ELIGIBILITY.**

7 *Section 208 of the District of Columbia Public Postsec-*
 8 *ondary Education Reorganization Act (Public Law 93–*
 9 *471) is amended—*

10 (1) *in subsection (b)(2), by striking “, except”*
 11 *and all that follows through the period and inserting*
 12 *a period; and*

13 (2) *in subsection (c), by striking “section 3” each*
 14 *place it appears and inserting “section 3(c)”.*

15 **SEC. 7513. SMITH-LEVER ACT.**

16 *Section 3(e)(4) of the Smith-Lever Act (7 U.S.C.*
 17 *343(e)(4)) is amended—*

18 (1) *in the paragraph heading, by inserting “AND*
 19 *THE DISTRICT OF COLUMBIA” after “AREAS”;*

20 (2) *in subparagraph (A), by inserting “and the*
 21 *District of Columbia” after “United States”;*

22 (3) *in subparagraph (A), by inserting “and the*
 23 *District of Columbia” after “respectively,”; and*

24 (4) *in subparagraph (B), by inserting “or the*
 25 *District of Columbia” after “area”.*

1 **SEC. 7514. HATCH ACT OF 1987.**

2 *Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C.*
 3 *351c(d)(4)) is amended—*

4 *(1) in the paragraph heading, by inserting “AND*
 5 *THE DISTRICT OF COLUMBIA” after “AREAS”;*

6 *(2) in subparagraph (A), by inserting “and the*
 7 *District of Columbia” after “United States”;*

8 *(3) in subparagraph (A), by inserting “and the*
 9 *District of Columbia” after “respectively,”; and*

10 *(4) in subparagraph (B), by inserting “or the*
 11 *District of Columbia” after “area”.*

12 ***Subtitle F—Additional Provisions***

13 **SEC. 7601. MERIT REVIEW OF EXTENSION AND EDU-**
 14 **CATIONAL GRANTS.**

15 *Section 103 of the Agricultural Research, Extension,*
 16 *and Education Reform Act of 1998 (7 U.S.C. 7613) is*
 17 *amended in subsection (a)(2)(A), by striking “Cooperative*
 18 *State Research, Education, and Extension Service of the*
 19 *Department” and inserting “the National Institute for*
 20 *Food and Agriculture.”.*

21 **SEC. 7602. REVIEW OF PLAN OF WORK REQUIREMENTS.**

22 *(a) REVIEW.—The Secretary shall work with univer-*
 23 *sity partners in extension and research to review and iden-*
 24 *tify measures to streamline the submission, reporting under,*
 25 *and implementation of plan of work requirements including*
 26 *those under—*

1 (1) *section 1444 and 1444(d) and 1445(c) of the*
2 *National Agricultural Research, Extension, and*
3 *Teaching Policy Act of 1977 (7 U.S.C. 3221(d) and*
4 *3222(c), respectively);*

5 (2) *section 7 of the Hatch Act of 1887 (7 U.S.C.*
6 *361g); and*

7 (3) *section 4 of the Smith-Lever Act (7 U.S.C.*
8 *344).*

9 (b) *REPORT.—Not later than 180 days after the date*
10 *of the enactment of this Act, the Secretary shall provide to*
11 *the Committee on Agriculture of the House of Representa-*
12 *tives and the Committee on Agriculture, Nutrition, and*
13 *Forestry of the Senate a report regarding the review carried*
14 *out under subsection (a). The report shall include rec-*
15 *ommendations—*

16 (1) *to reduce the administrative burden and*
17 *workload upon institutions associated with plan of*
18 *work compliance while meeting Department reporting*
19 *needs for inputs, outputs, and outcome indicators;*

20 (2) *to streamline the submission and reporting*
21 *requirements of the plan of work such that it is of*
22 *practical utility to both the department and the insti-*
23 *tution; and*

24 (3) *for any legislative changes necessary to carry*
25 *out the plan of work improvements.*

1 (c) *CONSULTATION*.—*In carrying out the review and*
 2 *formulating and compiling the recommendations, the Sec-*
 3 *retary shall consult with the land grant institutions.*

4 **SEC. 7603. MULTISTATE AND INTEGRATION FUNDING.**

5 (a) *FUNDS EXPENDED ON INTEGRATION OF RE-*
 6 *SEARCH AND EXTENSION*.—*Section 3 of the Hatch Act of*
 7 *1887 (7 U.S.C. 361c) is amended—*

8 (1) *in subsection (i)(2)(B), by striking “the lesser*
 9 *of” and inserting “25 percent”; and*

10 (2) *by striking clauses (i) and (ii).*

11 (b) *FUNDS EXPENDED ON MULTISTATE COOPERATIVE*
 12 *EXTENSION ACTIVITIES*.—*Section 3 of the Smith Lever Act*
 13 *(7 U.S.C. 343) is amended—*

14 (1) *in subsection (h)(2)(B), by striking “the less-*
 15 *er of” and inserting “25 percent”; and*

16 (2) *by striking clauses (i) and (ii).*

17 **SEC. 7604. EXPANDED FOOD AND NUTRITION EDUCATION**
 18 **PROGRAM.**

19 (a) *FUNDING TO 1862, 1890, AND INSULAR AREA IN-*
 20 *STITUTIONS*.—*Section 1425(c)(2)(B) of the National Agri-*
 21 *culture Research, Extension, and Teaching Policy Act of*
 22 *1977 (7 U.S.C. 3175(c)(2)(B)) is amended—*

23 (1) *in the prefatory material, by striking*
 24 *“among the States”;*

1 (2) *by striking clause (i) and inserting the fol-*
2 *lowing:*

3 “(i) \$100,000 shall be distributed to
4 each of the land grant colleges and univer-
5 sities;”;

6 (3) *by redesignating clause (ii) as clause (iii);*

7 (4) *by inserting after clause (i) the following:*

8 “(ii) subject to subsection (d), of the re-
9 mainder, 10 percent in fiscal year 2008, 11
10 percent in fiscal year 2009, 12 percent in
11 fiscal year 2010, 13 percent in fiscal year
12 2011, 14 percent in fiscal year 2012, and
13 15 percent in fiscal year 2013 and each fis-
14 cal year thereafter, shall be allocated to each
15 1890 Institution (as defined in section 2 of
16 the Agricultural Research, Extension, and
17 Education Reform Act of 1998) in an
18 amount that bears the same ratio to the
19 total amount to be allocated under this
20 clause as the population of the State living
21 at or below 125 percent of the income pov-
22 erty guidelines prescribed by the Office of
23 Management and Budget (adjusted pursu-
24 ant to section 673(2) of the Omnibus Budg-
25 et Reconciliation Act of 1981 (42 U.S.C.

1 9902)), bears to the total population of all
2 the States that have 1890 Institutions living
3 at or below 125 percent of the income pov-
4 erty guidelines, as determined by the last
5 preceding decennial census at the time each
6 such additional amount is first appro-
7 priated: Provided, That the total allocated
8 under this clause shall not exceed (I) the
9 amount of the funds appropriated for the
10 conduct of the expanded food and nutrition
11 education program for the fiscal year that
12 are in excess of the amount appropriated
13 for the conduct of the program for the fiscal
14 year ending September 30, 2007, reduced by
15 (II) any amounts expended pursuant to any
16 adjustment under subsection (d); and”; and
17 (5) by amending clause (iii), as redesignated—
18 (A) by striking “allocated to each State”
19 and inserting “allocated to the institution eligi-
20 ble to receive funds under the Act of July 2, 1862
21 (and including the appropriate insular area in-
22 stitution) in each State (and the University of
23 the District of Columbia, notwithstanding sec-
24 tion 208(c) of Public Law 93–471)”; and

1 (B) by striking “subparagraph.” and insert-
 2 ing “subparagraph: Provided, That the total al-
 3 located under this clause to the University of the
 4 District of Columbia shall not exceed (I) the
 5 amount described in the proviso to clause (ii),
 6 reduced further by (II) the amount allocated
 7 under clause (ii).”.

8 (b) *AUTHORIZATION.*—Section 1425(c)(3) of the Na-
 9 tional Agriculture Research, Extension, and Teaching Pol-
 10 icy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by strik-
 11 ing “\$83,000,000 for each of fiscal years 1996 through 2007”
 12 and inserting “\$90,000,000 for each of fiscal years 2008
 13 through 2014”.

14 (c) *EFFECTIVE DATE.*—The amendments made by this
 15 section take effect on October 1, 2007.

16 **SEC. 7605. GRANTS TO 1890 SCHOOLS TO EXPAND EXTEN-**
 17 **SION CAPACITY.**

18 Section 1417(b)(4) of the National Agricultural Re-
 19 search, Extension, and Teaching Policy Act of 1977 (7
 20 U.S.C. 3152(b)(4)) is amended by striking “teaching and
 21 research” and inserting “teaching, research, and extension”.

22 **SEC. 7606. BORLAUG INTERNATIONAL AGRICULTURAL**
 23 **SCIENCE AND TECHNOLOGY FELLOWSHIP**
 24 **PROGRAM.**

25 (a) *ESTABLISHMENT.*—

1 (1) *IN GENERAL.*—*The Secretary of Agriculture*
2 *shall establish a fellowship program to be known as*
3 *the “Borlaug International Agricultural Science and*
4 *Technology Fellowship Program,” to provide fellow-*
5 *ships for scientific training to individuals from eligi-*
6 *ble countries (as described under subsection (b)) who*
7 *specialize in agricultural education, research, and ex-*
8 *tension for study in the United States.*

9 (2) *PROGRAMS.*—*The Secretary shall carry out*
10 *the program established under paragraph (1) through*
11 *3 programs designed to assist individual fellowship*
12 *recipients as follows:*

13 (A) *A Graduate Studies Program in Agri-*
14 *culture to assist individuals who participate in*
15 *graduate agricultural degree training at a*
16 *United States institution.*

17 (B) *An Individual Career Improvement*
18 *Program to assist agricultural scientists from de-*
19 *veloping countries to upgrade skills and under-*
20 *standing in agricultural science and technology.*

21 (C) *The Borlaug Agricultural Policy Execu-*
22 *tive Leadership Course to assist senior agricul-*
23 *tural policy makers from eligible countries with*
24 *an initial focus on sub-Saharan Africa and from*

1 *the newly independent states of the former Soviet*
2 *Union.*

3 **(b) ELIGIBLE COUNTRIES.**—*Developing countries, as*
4 *determined by the Secretary using a gross national income*
5 *per capita test, shall be eligible to participate in the pro-*
6 *gram established under this section.*

7 **(c) PURPOSE OF FELLOWSHIPS.**—*Fellowships under*
8 *this section shall promote food security and economic*
9 *growth in eligible countries by educating a new generation*
10 *of agricultural scientists, increasing scientific knowledge*
11 *and collaborative research to improve agricultural produc-*
12 *tivity, and extending this knowledge to users and their*
13 *intermediaries in the market place. Fellowships shall sup-*
14 *port—*

15 *(1) training and collaborative research opportu-*
16 *nities through exchanges for entry-level international*
17 *agricultural research scientists, faculty, and policy-*
18 *makers from eligible countries;*

19 *(2) collaborative research to improve agricultural*
20 *productivity;*

21 *(3) the transfer of new science and agricultural*
22 *technologies to strengthen agricultural practice; and*

23 *(4) the reduction of barriers to technology adop-*
24 *tion.*

25 **(d) FELLOWSHIP RECIPIENTS.**—

1 (1) *ELIGIBLE CANDIDATES.*—*The Secretary may*
2 *provide fellowships under the program authorized by*
3 *this section to individuals from eligible countries who*
4 *specialize in or have experience in agricultural edu-*
5 *cation, research, extension, or related fields, including*
6 *individuals from the public and private sectors, and*
7 *private agricultural producers.*

8 (2) *CANDIDATE IDENTIFICATION.*—*The Secretary*
9 *shall utilize the expertise of United States land-grant*
10 *and similar universities, international organizations*
11 *working in agricultural research and outreach, and*
12 *national agricultural research organizations to help*
13 *identify program candidates for fellowships under*
14 *this section from both the public and private sectors*
15 *of eligible countries.*

16 (e) *USE OF FELLOWSHIPS.*—*Fellowships shall promote*
17 *collaborative programs between agricultural professionals of*
18 *eligible countries with those of the United States and the*
19 *international agricultural research system and, as appro-*
20 *priate, with United States entities conducting research.*
21 *They will be used to support fellowship recipients through*
22 *the Graduate Studies Program in Agriculture established*
23 *under subsection (a)(2)(A).*

24 (f) *PROGRAM IMPLEMENTATION.*—*The Secretary shall*
25 *provide for the management, coordination, evaluation and*

1 *monitoring of the overall Borlaug International Agricul-*
 2 *tural Science and Technology Fellowship Program and for*
 3 *the individual programs described in subsection (a)(2), ex-*
 4 *cept that the Secretary may contract out to one or more*
 5 *collaborating universities the management of one or more*
 6 *of the fellowship programs.*

7 (g) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 8 *authorized to be appropriated without fiscal year limitation*
 9 *such sums as may be necessary to carry out the program*
 10 *established under this section.*

11 **SEC. 7607. SUPPORT FOR RESEARCH REGARDING DISEASES**
 12 **OF WHEAT, TRITICALE, AND BARLEY CAUSED**
 13 **BY FUSARIUM GRAMINEARUM OR BY**
 14 **TILLETIA INDICA.**

15 Section 408(e) of the Agricultural Research, Extension,
 16 and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is
 17 amended by striking “2007” and inserting “2012”.

18 **SEC. 7608. COST RECOVERY.**

19 Section 1473A of the National Agricultural Research,
 20 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
 21 3319a) is amended by striking “not exceeding 10 percent
 22 of the direct cost” and inserting “not exceeding 19 percent
 23 of the direct cost”.

1 **SEC. 7609. ORGANIC FOOD AND AGRICULTURAL SYSTEMS**

2 **FUNDING.**

3 *It is the sense of Congress that the Secretary of Agri-*
 4 *culture should use a share of Agricultural Research Serv-*
 5 *ice's total annual funding for research specific to organic*
 6 *food and agricultural systems that is at least commensurate*
 7 *with the organic sector's market, in order to facilitate the*
 8 *development of this growing sector. A portion of these*
 9 *funds should be used to disseminate research results through*
 10 *the National Agriculture Library's Alternative Farming*
 11 *Systems Information Center.*

12 **TITLE VIII—FORESTRY**

Subtitle A—Cooperative Forestry Assistance Act of 1978

Sec. 8001. National priorities for private forest conservation.

Sec. 8002. Long-term, State-wide assessments and strategies for forest resources.

*Sec. 8003. Assistance to the Federated States of Micronesia, the Republic of the
 Marshall Islands, and the Republic of Palau.*

Sec. 8004. Changes to Forest Resource Coordinating Committee.

Sec. 8005. Changes to State Forest Stewardship Coordinating Committees.

*Sec. 8006. Competition in programs under Cooperative Forestry Assistance Act of
 1978.*

Sec. 8007. Cooperative forest innovation partnership projects.

Subtitle B—Amendments to Other Laws

Sec. 8101. Healthy forest reserve program.

Sec. 8102. Emergency forest restoration program.

Sec. 8103. Office of International Forestry.

Sec. 8104. Rural revitalization technologies.

Subtitle C—Miscellaneous Provisions

*Sec. 8201. Hispanic-serving institution agricultural land national resources lead-
 ership program.*

1 ***Subtitle A—Cooperative Forestry***
2 ***Assistance Act of 1978***

3 ***SEC. 8001. NATIONAL PRIORITIES FOR PRIVATE FOREST***
4 ***CONSERVATION.***

5 *Section 2 of the Cooperative Forestry Assistance Act*
6 *of 1978 (16 U.S.C. 2101) is amended—*

7 *(1) by redesignating subsections (c) and (d) as*
8 *subsections (e) and (f), respectively; and*

9 *(2) by inserting after subsection (b) the following*
10 *new subsections:*

11 *“(c) PRIORITIES.—In allocating funds appropriated*
12 *or otherwise made available under this Act, the Secretary*
13 *shall focus on the following national private forest conserva-*
14 *tion priorities, notwithstanding other priorities specified*
15 *elsewhere in this Act:*

16 *“(1) Conserving and managing working forest*
17 *landscapes for multiple values and uses.*

18 *“(2) Protecting forests from threats, including*
19 *wildfire, hurricane, tornado, windstorm, snow or ice*
20 *storm, flooding, drought, invasive species, or insect or*
21 *disease outbreak, and restoring appropriate forest*
22 *types in response to such threats.*

23 *“(3) Enhancing public benefits from private for-*
24 *ests, including air and water quality, soil conserva-*
25 *tion, biological diversity, carbon storage, forest prod-*

1 *ucts, forestry-related jobs, production of renewable en-*
 2 *ergy, wildlife and wildlife habitat, and recreation.*

3 *“(d) REPORTING REQUIREMENT.—Not later than Sep-*
 4 *tember 30, 2011, the Secretary shall submit to Congress a*
 5 *report describing how funding was used under this Act and*
 6 *through other programs administered by the Secretary to*
 7 *address the national priorities specified in subsection (c)*
 8 *and the outcomes achieved in meeting the national prior-*
 9 *ities.”.*

10 **SEC. 8002. LONG-TERM, STATE-WIDE ASSESSMENTS AND**
 11 **STRATEGIES FOR FOREST RESOURCES.**

12 *The Cooperative Forestry Assistance Act of 1978 is*
 13 *amended by inserting after section 2 (16 U.S.C. 2101) the*
 14 *following new section:*

15 **“SEC. 2A. STATE-WIDE ASSESSMENT AND STRATEGIES FOR**
 16 **FOREST RESOURCES.**

17 *“(a) ASSESSMENT AND STRATEGIES FOR FOREST RE-*
 18 *SOURCES.—For a State to be eligible to receive funds under*
 19 *the authorities of this Act, the State forester of the State*
 20 *or equivalent State official shall develop and submit to the*
 21 *Secretary, not later than two years after the date of the*
 22 *enactment of the Farm, Nutrition, and Bioenergy Act of*
 23 *2007, the following:*

24 *“(1) A State-wide assessment of forest resource*
 25 *conditions, including—*

1 “(A) *the conditions and trends of forest re-*
2 *sources in that State;*

3 “(B) *the threats to forest lands and re-*
4 *sources in that State consistent with the national*
5 *priorities specified in section 2(c);*

6 “(C) *any areas or regions of that State that*
7 *are of priority; and*

8 “(D) *any areas, known as multi-State*
9 *areas, that are of priority to more than just that*
10 *State.*

11 “(2) *A State-wide forest resource strategy, in-*
12 *cluding—*

13 “(A) *strategies for addressing threats to for-*
14 *est resources in the State outlined in the assess-*
15 *ment required by paragraph (1); and*

16 “(B) *a description of the resources available*
17 *to the State forester or equivalent State official*
18 *from all sources to address the State-wide strat-*
19 *egy required by subparagraph (A).*

20 “(b) *UPDATING.—The State forester or equivalent*
21 *State official shall submit the State-wide strategy required*
22 *by subsection (a)(2) on an annual basis. The State-wide*
23 *assessment of forest resource conditions required by sub-*
24 *section (a)(1) shall be updated as the Secretary or State*

1 *Forester or equivalent State official determines to be nec-*
 2 *essary.*

3 “(c) *COORDINATION.*—*In developing the State-wide as-*
 4 *essment and annual strategy under subsection (a), the*
 5 *State forester or equivalent State official shall coordinate*
 6 *with—*

7 “(1) *the State Forest Stewardship Coordinating*
 8 *Committee established for the State under section*
 9 *19(b);*

10 “(2) *the State wildlife agency to incorporate any*
 11 *overlapping priorities included in State wildlife ac-*
 12 *tion plans; and*

13 “(3) *the State Technical Committee.*

14 “(d) *FUNDING.*—*Of the funds available under this Act*
 15 *for a fiscal year, the Secretary may not use more than*
 16 *\$10,000,000 to implement this section for that fiscal year.*
 17 *Use of funds for implementing this section shall be con-*
 18 *sistent with the original authorities for such funds.”.*

19 **SEC. 8003. ASSISTANCE TO THE FEDERATED STATES OF MI-**
 20 **CRONESIA, THE REPUBLIC OF THE MARSHALL**
 21 **ISLANDS, AND THE REPUBLIC OF PALAU.**

22 *Section 13(d)(1) of the Cooperative Forestry Act of*
 23 *1978 (16 U.S.C. 2109(d)(1)) is amended by striking “the*
 24 *Trust Territory of the Pacific Islands,” and inserting “the*

1 *Federated States of Micronesia, the Republic of the Marshall*
 2 *Islands, the Republic of Palau,”.*

3 **SEC. 8004. CHANGES TO FOREST RESOURCE COORDI-**
 4 **NATING COMMITTEE.**

5 *Section 19 of the Cooperative Forestry Assistance Act*
 6 *of 1978 (16 U.S.C. 2113) is amended by striking subsection*
 7 *(a) and inserting the following new subsection:*

8 “(a) *FOREST RESOURCE COORDINATING COM-*
 9 *MITTEE.*—

10 “(1) *ESTABLISHMENT.*—*The Secretary shall es-*
 11 *tablish a committee, to be known as the ‘Forest Re-*
 12 *source Coordinating Committee’ (in this section re-*
 13 *ferred to as the ‘Coordinating Committee’), to coordi-*
 14 *nate private non-industrial forestry activities within*
 15 *the Department of Agriculture and with the private*
 16 *sector.*

17 “(2) *COMPOSITION.*—*The Coordinating Com-*
 18 *mittee shall be composed of the following:*

19 “(A) *The Chief of the Forest Service.*

20 “(B) *The Chief of the Natural Resources*
 21 *Conservation Service.*

22 “(C) *The Director of the Farm Service*
 23 *Agency.*

1 “(D) *The Administrator of the Cooperative*
2 *State Research, Education, and Extension Serv-*
3 *ice.*

4 “(E) *A representative from a State Tech-*
5 *nical Committee established under section 1261*
6 *of the Food Security Act of 1985 (16 U.S.C.*
7 *3861).*

8 “(F) *Non-Federal representatives appointed*
9 *by the Secretary to 3 year terms, although ini-*
10 *tial appointees shall have staggered terms, in-*
11 *cluding the following persons:*

12 “(i) *At least three State foresters or*
13 *equivalent State officials from geographi-*
14 *cally diverse regions of the United States.*

15 “(ii) *A representative of a State fish*
16 *and wildlife agency.*

17 “(iii) *A private non-industrial forest*
18 *landowner.*

19 “(iv) *A forest industry representative.*

20 “(v) *A conservation organization rep-*
21 *resentative.*

22 “(vi) *A land-grant university or college*
23 *representative.*

24 “(vii) *A private forestry consultant.*

1 “(viii) *A representative of a State fish*
2 *and wildlife agency.*

3 “(ix) *Such other persons as determined*
4 *by the Secretary to be appropriate.*

5 “(3) *CHAIRPERSON.—The Chief of the Forest*
6 *Service shall serve as chairperson of the Coordinating*
7 *Committee.*

8 “(4) *DUTIES.—The Coordinating Committee*
9 *shall—*

10 “(A) *provide direction and coordination of*
11 *actions within the Department of Agriculture,*
12 *and coordination with State agencies and the*
13 *private sector, to effectively address the national*
14 *priorities specified in section 2(c), with specific*
15 *focus on private non-industrial forest land-*
16 *owners;*

17 “(B) *clarify individual agency responsibil-*
18 *ities of each agency represented on the Coordinating*
19 *Committee concerning the national prior-*
20 *ities specified in section 2(c), with specific focus*
21 *on private non-industrial forested land;*

22 “(C) *provide advice on the allocation of*
23 *funds, including the competitive funds set-aside*
24 *by sections 8005 and 8006 of the Farm, Nutri-*
25 *tion, and Bioenergy Act of 2007; and*

1 “(D) assist the Secretary in developing and
2 reviewing the report required by section 2(d).

3 “(5) *MEETING.*—The Coordinating Committee
4 shall meet biannually to discuss progress in address-
5 ing the national priorities specified in section 2(c)
6 and issues regarding non-industrial private forest
7 land.

8 “(6) *COMPENSATION.*—

9 “(A) *FEDERAL MEMBERS.*—Members of the
10 Coordinating Committee who are full-time offi-
11 cers or employees of the United States shall re-
12 ceive no additional pay, allowances, or benefits
13 by reason of their service on the Committee.

14 “(B) *NON-FEDERAL MEMBERS.*—Non-fed-
15 eral members of the Coordinating Committee
16 shall serve without pay, but may be reimbursed
17 for reasonable costs incurred while performing
18 their duties on behalf of the Committee.”.

19 **SEC. 8005. CHANGES TO STATE FOREST STEWARDSHIP CO-**
20 **ORDINATING COMMITTEES.**

21 Section 19(b) of the Cooperative Forestry Assistance
22 Act of 1978 (16 U.S.C. 2113(b)) is amended—

23 (1) in paragraph (1)(B)(ii)—

24 (A) by striking “and” at the end of sub-
25 clause (VII); and

1 (B) by adding at the end the following new
2 subclause:

3 “(IX) the State Technical Com-
4 mittee.”.

5 (2) in paragraph (2)(C), by striking “a Forest
6 Stewardship Plan under paragraph (3)” and insert-
7 ing “the State-wide assessment and strategy regard-
8 ing forest resource conditions under section 2A”;
9 (3) by striking paragraphs (3) and (4); and
10 (4) by redesignating paragraphs (5) and (6) as
11 paragraphs (3) and (4), respectively.

12 **SEC. 8006. COMPETITION IN PROGRAMS UNDER COOPERA-**
13 **TIVE FORESTRY ASSISTANCE ACT OF 1978.**

14 (a) *COMPETITION*.—Beginning not later than three
15 years after the date of the enactment of this Act, the Sec-
16 retary of Agriculture shall competitively allocate a portion,
17 to be determined by the Secretary, of the funds available
18 under the Cooperative Forestry Assistance Act of 1978 (16
19 U.S.C. 2101 et seq.) to State foresters or equivalent State
20 officials.

21 (b) *DETERMINATION*.—In determining the competitive
22 allocation of funds under subsection (a), the Secretary shall
23 consult with the Forest Resource Coordinating Committee
24 established by section 19(a) of the Cooperative Forestry As-
25 sistance Act of 1978 (16 U.S.C. 2113(a)).

1 (c) *PRIORITY.*—*The Secretary shall give priority for*
 2 *funding to States for which the strategies submitted under*
 3 *section 2A(a)(2) of the Cooperative Forestry Assistance Act*
 4 *of 1978 will best promote the national priorities specified*
 5 *in section 2(c) of such Act.*

6 **SEC. 8007. COOPERATIVE FOREST INNOVATION PARTNER-**
 7 **SHIP PROJECTS.**

8 (a) *COOPERATIVE FOREST INNOVATION PARTNERSHIP*
 9 *PROJECTS.*—*The Secretary of Agriculture may competi-*
 10 *tively allocate not more than 5 percent of funding available*
 11 *under the Cooperative Forestry Assistance Act of 1978 (16*
 12 *U.S.C. 2101 et seq.) to support innovative national, re-*
 13 *gional, or local education, outreach, or technology transfer*
 14 *projects that the Secretary determines would substantially*
 15 *increase the ability of the Department of Agriculture to ad-*
 16 *dress the national priorities specified in section 2(c) of such*
 17 *Act.*

18 (b) *ELIGIBILITY.*—*Notwithstanding the eligibility lim-*
 19 *itations contained within the Cooperative Forestry Assist-*
 20 *ance Act of 1978, any State or local government, Indian*
 21 *tribe, land-grant college or university, or private entity*
 22 *shall be eligible for funds under subsection (a).*

23 (c) *COST-SHARE REQUIREMENT.*—*In carrying out*
 24 *subsection (a), the Secretary shall not cover more than 50*
 25 *percent of the total cost of a project under such subsection.*

1 *In calculating the total cost of a project and contributions*
 2 *made with regard to the project, the Secretary shall include*
 3 *in-kind contributions.*

4 ***Subtitle B—Amendments to Other***
 5 ***Laws***

6 ***SEC. 8101. HEALTHY FOREST RESERVE PROGRAM.***

7 *Section 508 of the Healthy Forests Restoration Act of*
 8 *2003 (16 U.S.C. 6578) is amended to read as follows:*

9 ***“SEC. 508. FUNDING.***

10 *“Notwithstanding any other provision of law, of the*
 11 *funds of the Commodity Credit Corporation, the Secretary*
 12 *shall make available to carry out this title \$17,000,000 for*
 13 *each of fiscal years 2008 through 2012. Such funds shall*
 14 *remain available until expended.”.*

15 ***SEC. 8102. EMERGENCY FOREST RESTORATION PROGRAM.***

16 *(a) ESTABLISHMENT.—Title IV of the Agricultural*
 17 *Credit Act of 1978 (16 U.S.C. 2201–2205) is amended—*

18 *(1) by redesignating sections 404, 405, and 406*
 19 *as sections 405, 406, and 407, respectively; and*

20 *(2) by inserting after section 403 the following*
 21 *new section:*

22 ***“SEC. 404. EMERGENCY FOREST RESTORATION PROGRAM.***

23 *“(a) AVAILABILITY OF ASSISTANCE.—The Secretary of*
 24 *Agriculture is authorized to provide financial and technical*
 25 *assistance to an owner of non-industrial private forest*

1 *lands to assist with developing and implementing an ap-*
2 *proved plan in accordance with subsection (c)(2).*

3 “(b) *AMOUNT OF ASSISTANCE.*—

4 “(1) *COST SHARE.*—*Payments under subsection*
5 *(a) may not cover more than 75 percent of the total*
6 *cost of measures implemented pursuant to an ap-*
7 *proved plan in accordance with subsection (c)(2).*

8 “(2) *ANNUAL LIMIT.*—*An owner of non-indus-*
9 *trial private forest lands may not receive more than*
10 *\$50,000 per year under this section.*

11 “(c) *ELIGIBILITY.*—*To be eligible for assistance under*
12 *this section, a landowner must—*

13 “(1) *have suffered a loss of, or damage to, non-*
14 *industrial private forest land due to events, including*
15 *wildfires, hurricanes, drought, windstorms, insect and*
16 *disease, ice storms, or invasive species, as determined*
17 *by the Secretary; and*

18 “(2) *develop a plan, in cooperation with the Sec-*
19 *retary, and agree to implement the plan during the*
20 *10-year period beginning on the date of the loss,*
21 *that—*

22 “(A) *provides for reforestation, rehabilita-*
23 *tion, and related measures for the non-industrial*
24 *private forest land;*

1 “(B) restores the land and related natural
2 resources;

3 “(C) uses best management practices on the
4 forest land, in accordance with the best manage-
5 ment practices as determined by the Secretary;
6 and

7 “(D) incorporates good stewardship and
8 conservation practices on the land, while main-
9 taining the land in a forested state.

10 “(d) *NON-INDUSTRIAL PRIVATE FOREST LAND DE-*
11 *FINED.*—In this section, the term ‘non-industrial private
12 forest land’ means rural lands, as determined by the Sec-
13 retary, that—

14 “(1) have existing tree cover or had tree cover
15 within the preceding 10 years; and

16 “(2) are owned by any non-industrial private
17 individual, group, association, corporation, Indian
18 tribe, or other private legal entity so long as the indi-
19 vidual, group, association, corporation, tribe, or enti-
20 ty has definitive decision-making authority over the
21 lands.”.

22 “(b) *REGULATIONS.*—Not later than one year after the
23 date of the enactment of this Act, the Secretary of Agri-
24 culture shall issue regulations to carry out section 404 of

1 *the Agricultural Credit Act of 1978, as added by subsection*
 2 *(a).*

3 **SEC. 8103. OFFICE OF INTERNATIONAL FORESTRY.**

4 *Section 2405(d) of the Global Climate Change Preven-*
 5 *tion Act of 1990 (7 U.S.C. 6704(d)) is amended by striking*
 6 *“2007” and inserting “2012”.*

7 **SEC. 8104. RURAL REVITALIZATION TECHNOLOGIES.**

8 *Section 2371(d)(2) of the Food, Agriculture, Conserva-*
 9 *tion, and Trade Act of 1990 (7 U.S.C. 6601(d)(2)) is*
 10 *amended by striking “2004 through 2008” and inserting*
 11 *“2008 through 2012”.*

12 ***Subtitle C—Miscellaneous***
 13 ***Provisions***

14 **SEC. 8201. HISPANIC-SERVING INSTITUTION AGRICUL-**
 15 **TURAL LAND NATIONAL RESOURCES LEADER-**
 16 **SHIP PROGRAM.**

17 *(a) GRANT AUTHORITY.—The Secretary of Agriculture*
 18 *may make grants, on a competitive basis, to Hispanic-serv-*
 19 *ing institutions for the purpose of establishing an under-*
 20 *graduate scholarship program to assist in the recruitment,*
 21 *retention, and training of Hispanics and other under-rep-*
 22 *resented groups in forestry and related fields.*

23 *(b) USE OF GRANT FUNDS.—Grants made under this*
 24 *section shall be used to recruit, retain, train, and develop*
 25 *professionals to work in forestry and related fields with*

1 *Federal agencies, such as the Forest Service, State agencies,*
 2 *and private-sector entities.*

3 (c) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 4 *authorized to be appropriated to the Secretary for each of*
 5 *fiscal years 2008 through 2012 such sums as may be nec-*
 6 *essary to carry out this section.*

7 ***TITLE IX—ENERGY***

Sec. 9001. Table of contents.

Sec. 9002. Federal procurement of biobased products.

Sec. 9003. Loan guarantees for biorefineries and biofuel production plants.

Sec. 9004. Energy audit and renewable energy development program.

Sec. 9005. Renewable energy systems and energy efficiency improvements.

Sec. 9006. Biomass Research and Development Act of 2000.

Sec. 9007. Adjustments to the bioenergy program.

Sec. 9008. Research, extension, and educational programs on biobased energy technologies and products.

Sec. 9009. Energy Council of the Department of Agriculture.

Sec. 9010. Farm energy production pilot program.

Sec. 9011. Rural energy self-sufficiency initiative.

Sec. 9012. Agricultural biofuels from biomass internship pilot program.

Sec. 9013. Feedstock flexibility program for bioenergy producers.

Sec. 9014. Dedicated ethanol pipeline feasibility studies.

Sec. 9015. Biomass inventory report.

Sec. 9016. Future farmsteads program.

Sec. 9017. Sense of Congress on renewable energy.

8 ***SEC. 9001. TABLE OF CONTENTS.***

9 *Title IX of the Farm Security and Rural Investment*
 10 *Act of 2002 (7 U.S.C. 8101 et seq.) is amended by inserting*
 11 *before section 9001 the following new section:*

12 ***“SEC. 9000. TABLE OF CONTENTS.***

13 *“The table of contents of this title is as follows:*

“TITLE IX - ENERGY

“Sec. 9000. Short title; table of contents.

“Sec. 9001. Definitions.

“Sec. 9002. Federal procurement of biobased products.

“Sec. 9003. Biorefinery development grants.

“Sec. 9004. Biodiesel fuel education program.

“Sec. 9005. Energy audit and renewable energy development program.

- “Sec. 9006. *Rural energy for America program.*
- “Sec. 9007. *Hydrogen and fuel cell technologies.*
- “Sec. 9008. *Biomass Research and Development Act of 2000.*
- “Sec. 9009. *Cooperative research and extension projects.*
- “Sec. 9010. *Continuation of bioenergy program.*
- “Sec. 9011. *Research, extension, and educational programs on biobased energy technologies and products.*
- “Sec. 9012. *Energy Council of the Department of Agriculture.*
- “Sec. 9013. *Farm energy production pilot program.*
- “Sec. 9014. *Rural energy self-sufficiency initiative.*
- “Sec. 9015. *Agricultural Biofuels from Biomass Internship Pilot Program.*
- “Sec. 9016. *Feedstock flexibility program for bioenergy producers.*”.

1 **SEC. 9002. FEDERAL PROCUREMENT OF BIOBASED PROD-**
 2 **UCTS.**

3 (a) *COMPOSITION OF BIOBASED PRODUCTS.*—Section
 4 9002(c)(1) of the *Farm Security and Rural Investment Act*
 5 of 2002 (7 U.S.C. 8102(c)(1)) is amended by inserting “,
 6 composed of at least five percent of intermediate ingredients
 7 and feedstocks (such as biopolymers, methyl soyate, and soy
 8 polyols) as designated by the Secretary,” after “highest per-
 9 centage of biobased products practicable”.

10 (b) *PROCUREMENT GUIDELINE CONSIDERATIONS.*—
 11 Section 9002(e)(2)(B) of the *Farm Security and Rural In-*
 12 vestment Act of 2002 (7 U.S.C. 8102(e)(2)(B)) is amended
 13 by striking “life cycle costs” and inserting “information on
 14 life cycle costs if such information is appropriate and avail-
 15 able”.

16 (c) *LABELING REQUIREMENTS AND REVISED DEAD-*
 17 *LINE.*—Section 9002(h) of the *Farm Security and Rural*
 18 *Investment Act of 2002* (7 U.S.C. 8102(h)) is amended—
 19 (1) in paragraph (2)—

1 (A) by striking “Within one year after the
 2 date of enactment of this Act” and inserting
 3 “Not later than 90 days after the date of enact-
 4 ment of the **【Farm, Nutrition, and Bioenergy**
 5 **Act of 2007】**,”; and

6 (B) by adding at the end the following:
 7 “Criteria shall be issued for finished products
 8 and intermediate ingredients and feedstocks.”;

9 (2) by redesignating paragraphs (3) and (4) as
 10 paragraphs (4) and (5), respectively, and inserting
 11 after paragraph (2) the following:

12 “(3) CONSULTATION.—In developing the eligi-
 13 bility criteria for the labeling program under this sec-
 14 tion, the Secretary shall consult with other Federal
 15 agencies and with non-governmental groups with an
 16 interest in biobased products including small and
 17 large producers of biobased materials and products,
 18 industry, trade organizations, academia, consumer
 19 organizations, and environmental organizations.”.

20 (d) AUTHORIZATION OF APPROPRIATIONS.—

21 (1) IN GENERAL.—Paragraph (1) of section
 22 9002(k) of the Farm Security and Rural Investment
 23 Act of 2002 (7 U.S.C. 8102(k)) is amended to read as
 24 follows:

25 “(1) AUTHORIZATION OF APPROPRIATIONS.—

1 “(A) *FEDERAL PROCUREMENT.*—*There are*
 2 *authorized to be appropriated \$1,000,000 for*
 3 *each of fiscal years 2008 through 2013 to imple-*
 4 *ment the provisions of this section other than*
 5 *subsection (h).*

6 “(B) *LABELING.*—*There are authorized to*
 7 *be appropriated \$1,000,000 for each of fiscal*
 8 *years 2008 through 2013 to implement sub-*
 9 *section (h) of this section.”.*

10 (2) *FUNDING FOR TESTING OF BIOBASED PROD-*
 11 *UCTS.*—*Paragraph (2)(A) of such section is amended*
 12 *by striking “\$1,000,000 for each of fiscal years 2002*
 13 *through 2007” and inserting “\$2,000,000 for each of*
 14 *fiscal years 2008 through 2013”.*

15 (e) *REPORT REQUIREMENTS.*—

16 (1) *REPORT BY AGENCIES TO ADMINISTRATOR*
 17 *FOR FEDERAL PROCUREMENT POLICY.*—*Subsection (f)*
 18 *of section 9002 of the Farm Security and Rural In-*
 19 *vestment Act of 2002 (7 U.S.C. 8102) is amended—*

20 (A) *by striking “The Office of” and insert-*
 21 *ing “(1) The Administrator for”; and*

22 (B) *by adding at the end the following new*
 23 *paragraph:*

24 “(2) *To assist the Administrator for Federal Procure-*
 25 *ment Policy in preparing the report to Congress required*

1 under paragraph (1), each procuring agency each year shall
 2 submit to the Administrator a report covering the following:

3 “(A) Actions taken to implement subsections (c),
 4 (d), and (g) of this section.

5 “(B) The results of the annual review and moni-
 6 toring program established under subsection (g)(2)(C).

7 “(C) The number of contracts entered into by the
 8 agency during the year covered by the report that in-
 9 clude the procurement of biobased products.

10 “(D) A list of the biobased products procured by
 11 the agency during the year covered by the report.”.

12 (2) *REPORT BY SECRETARY TO CONGRESS ON IM-*
 13 *PLEMENTATION OF SECTION.*—Section 9002 of the
 14 *Farm Security and Rural Investment Act of 2002* (7
 15 *U.S.C. 8102*) is amended by adding at the end the fol-
 16 lowing new subsection:

17 “(l) *REPORT BY SECRETARY TO CONGRESS ON IMPLE-*
 18 *MENTATION OF SECTION.*—Not later than six months after
 19 the date of the enactment of the *Farm, Nutrition, and Bio-*
 20 *energy Act of 2007*, and each year thereafter, the Secretary
 21 shall submit to Congress a report on the implementation
 22 of this section. The report shall include the following:

23 “(1) A comprehensive management plan defining
 24 tasks, milestones, and funding allocations for fully
 25 implementing this section.

1 *respectively, and inserting after subsection (c) the fol-*
 2 *lowing:*

3 “(d) *LOAN GUARANTEES.*—

4 “(1) *IN GENERAL.*—*The Secretary shall make*
 5 *loan guarantees to eligible entities to assist in paying*
 6 *the cost of development and construction of biorefin-*
 7 *eries and biofuel production plants (including retro-*
 8 *fitting) to carry out projects to demonstrate the com-*
 9 *mercial viability of 1 or more processes for converting*
 10 *biomass to fuels or chemicals.*

11 “(2) *LIMITATIONS.*—

12 “(A) *MAXIMUM PERCENTAGE OF LOAN*
 13 *GUARANTEED.*—*A loan guarantee under para-*
 14 *graph (1) shall be for not more than 90 percent*
 15 *of the principal and interest due on the loan.*

16 “(B) *TOTAL AMOUNTS GUARANTEED.*—*The*
 17 *total amount of principal and interest guaran-*
 18 *teed under paragraph (1) shall not exceed—*

19 “(i) *\$1,000,000,000, in the case of*
 20 *loans valued at not more than*
 21 *\$100,000,000; or*

22 “(ii) *\$1,000,000,000, in the case of*
 23 *loans valued at more than \$100,000,000 but*
 24 *not more than \$250,000,000.*

1 “(C) *MAXIMUM TERM OF LOAN GUARAN-*
 2 *TEED.—The Secretary shall determine the max-*
 3 *imum term of a loan guarantee provided under*
 4 *paragraph (1).”;*

5 *(4) in subsection (f) (as so redesignated)—*

6 *(A) in paragraph (2)(B)—*

7 *(i) by striking “and” at the end of*
 8 *clause (viii);*

9 *(ii) by striking the period at the end of*
 10 *clause (ix) and inserting “; and”; and*

11 *(iii) by adding at the end the fol-*
 12 *lowing:*

13 *“(x) The level of local ownership.”; and*

14 *(B) by adding at the end the following:*

15 “(3) *PRIORITY IN AWARDING LOAN GUARAN-*
 16 *TEES.—In selecting projects to receive loan guaran-*
 17 *tees under subsection (d), the Secretary shall give pri-*
 18 *ority to projects based on the criteria set forth in*
 19 *paragraph (2)(B) of this subsection.”; and*

20 *(5) in subsection (i) (as so redesignated), by*
 21 *striking “2007” and inserting “2012”.*

1 **SEC. 9004. ENERGY AUDIT AND RENEWABLE ENERGY DE-**
 2 **VELOPMENT PROGRAM.**

3 *Section 9005(i) of the Farm Security and Rural In-*
 4 *vestment Act of 2002 (7 U.S.C. 8105) is amended by strik-*
 5 *ing “2007” and inserting “2012”.*

6 **SEC. 9005. RENEWABLE ENERGY SYSTEMS AND ENERGY EF-**
 7 **FICIENCY IMPROVEMENTS.**

8 *Section 9006 of the Farm Security and Rural Invest-*
 9 *ment Act of 2002 (7 U.S.C. 8106) is amended—*

10 *(1) by striking the section heading and inserting*
 11 *the following:*

12 **“SEC. 9006. RURAL ENERGY FOR AMERICA PROGRAM.”;**

13 *(2) in subsection (a)—*

14 *(A) in the matter preceding paragraph (1),*
 15 *by inserting “, other agricultural producer” after*
 16 *“rancher”;*

17 *(B) in paragraph (1), by striking “and” at*
 18 *the end;*

19 *(C) in paragraph (2), by striking the period*
 20 *and inserting “; and”; and*

21 *(D) by adding at the end the following new*
 22 *paragraph:*

23 *“(3) produce and sell electricity generated by*
 24 *new renewable energy systems.”;*

25 *(3) in subsection (b), by inserting “, other agri-*
 26 *cultural producer” after “rancher”;*

1 (4) *in subsection (c)—*

2 (A) *in paragraph (1)—*

3 (i) *in subparagraph (B), by striking*
4 *“50 percent” and inserting “75 percent”;*
5 *and*

6 (ii) *by redesignating subparagraph (B)*
7 *as subparagraph (C) and inserting after*
8 *subparagraph (A) the following:*

9 “(B) *LOAN GUARANTEES.—*

10 “(i) *MAXIMUM AMOUNT.—The amount*
11 *of a loan guaranteed under this section*
12 *shall not exceed \$25,000,000.*

13 “(ii) *MAXIMUM PERCENTAGE.—A loan*
14 *guaranteed under this section shall not ex-*
15 *ceed 75 percent of the cost of the activity*
16 *funded under subsection (a).”;* *and*

17 (B) *by adding at the end the following new*
18 *paragraph:*

19 “(3) *PRIORITIZATION.—The Secretary shall give*
20 *the greatest priority for grants under subsection (a)*
21 *to activities for which the least percentage of the total*
22 *cost of such activities is requested by the farmer,*
23 *rancher, other agricultural producer, or rural small*
24 *business.”.*

1 (5) *by redesignating subsections (e) and (f) as*
2 *subsection (g) and (h), respectively; and*

3 (6) *by inserting after subsection (d) the following*
4 *new subsections:*

5 “(e) *FEASIBILITY STUDIES.*—

6 “(1) *IN GENERAL.*—*The Secretary may provide*
7 *assistance to a farmer, rancher, other agricultural*
8 *producer, or rural small business to conduct a feasi-*
9 *bility study of a project for which assistance may be*
10 *provided under this section.*

11 “(2) *LIMITATION.*—*The Secretary shall use not*
12 *more than 10 percent of the funds made available to*
13 *carry out this section to provide assistance described*
14 *in paragraph (1).*

15 “(3) *CRITERIA.*—*The Secretary shall issue regu-*
16 *lations establishing criteria for the receipt of assist-*
17 *ance under this subsection.*

18 “(4) *AVOIDANCE OF DUPLICATIVE ASSISTANCE.*—
19 *An farmer, rancher, other agricultural producer, or*
20 *rural small business that receives assistance to carry*
21 *out a feasibility study for a project under this sub-*
22 *section shall not be eligible for assistance to carry out*
23 *a feasibility study for the project under any other*
24 *provision of law.*

25 “(f) *SMALL ACTIVITIES.*—

1 “(1) *LIMITATION ON USE OF FUNDS.*—The Sec-
 2 retary shall use not less than 15 percent of the funds
 3 made available under subsection (h) to provide grants
 4 for activities that have a cost of \$50,000 or less.

5 “(2) *EXCEPTION.*—Beginning on the first day of
 6 the third quarter of a fiscal year, the limitation on
 7 the use of funds under paragraph (1) shall not apply
 8 to funds made available under subsection (h) for such
 9 fiscal year.”.

10 **SEC. 9006. BIOMASS RESEARCH AND DEVELOPMENT ACT OF**
 11 **2000.**

12 (a) *RESTATEMENT OF ACT.*—Section 9008 of the Farm
 13 Security and Rural Investment Act of 2002 (116 Stat. 486)
 14 is amended to read as follows:

15 **“SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT ACT**
 16 **OF 2000.**

17 “(a) *SHORT TITLE.*—This section may be cited as the
 18 ‘Biomass Research and Development Act of 2000’.

19 “(b) *FINDINGS.*—Congress finds that—

20 “(1) conversion of biomass into biobased indus-
 21 trial products offers outstanding potential for benefit
 22 to the national interest through—

23 “(A) improved strategic security and bal-
 24 ance of payments;

25 “(B) healthier rural economies;

1 “(C) improved environmental quality;

2 “(D) near-zero net greenhouse gas emis-
3 sions;

4 “(E) technology export; and

5 “(F) sustainable resource supply;

6 “(2) the key technical challenges to be overcome
7 in order for biobased industrial products to be cost-
8 competitive are finding new technology and reducing
9 the cost of technology for converting biomass into de-
10 sired biobased industrial products;

11 “(3) biobased fuels have the clear potential to be
12 sustainable, low cost, and high performance fuels that
13 are compatible with both current and future transpor-
14 tation systems and provide near-zero net greenhouse
15 gas emissions;

16 “(4) biobased chemicals have the clear potential
17 for environmentally benign product life cycles;

18 “(5) biobased power can—

19 “(A) provide environmental benefits;

20 “(B) promote rural economic development;
21 and

22 “(C) diversify energy resource options;

23 “(6) many biomass feedstocks suitable for indus-
24 trial processing show the clear potential for sustain-

1 *able production, in some cases resulting in improved*
2 *soil fertility and carbon sequestration;*

3 *“(7)(A) grain processing mills are biorefineries*
4 *that produce a diversity of useful food, chemical, feed,*
5 *and fuel products; and*

6 *“(B) technologies that result in further diver-*
7 *sification of the range of value-added biobased indus-*
8 *trial products can meet a key need for the grain proc-*
9 *essing industry;*

10 *“(8)(A) cellulosic feedstocks are attractive be-*
11 *cause of their low cost and widespread availability;*
12 *and*

13 *“(B) research resulting in cost-effective tech-*
14 *nology to overcome the recalcitrance of cellulosic bio-*
15 *mass would allow biorefineries to produce fuels and*
16 *bulk chemicals on a very large scale, with a commen-*
17 *surately large realization of the benefit described in*
18 *paragraph (1);*

19 *“(9) research into the fundamentals to under-*
20 *stand important mechanisms of biomass conversion*
21 *can be expected to accelerate the application and ad-*
22 *vancement of biomass processing technology by—*

23 *“(A) increasing the confidence and speed*
24 *with which new technologies can be scaled up;*
25 *and*

1 “(B) giving rise to processing innovations
2 based on new knowledge;

3 “(10) the added utility of biobased industrial
4 products developed through improvements in proc-
5 essing technology would encourage the design of feed-
6 stocks that would meet future needs more effectively;

7 “(11) the creation of value-added biobased indus-
8 trial products would create new jobs in construction,
9 manufacturing, and distribution, as well as new high-
10 er-valued exports of products and technology;

11 “(12)(A) because of the relatively short-term time
12 horizon characteristic of private sector investments,
13 and because many benefits of biomass processing are
14 in the national interest, it is appropriate for the Fed-
15 eral Government to provide precommercial investment
16 in fundamental research and research-driven innova-
17 tion in the biomass processing area; and

18 “(B) such an investment would provide a valu-
19 able complement to ongoing and past governmental
20 support in the biomass processing area; and

21 “(13) several prominent studies, including stud-
22 ies by the President’s Committee of Advisors on
23 Science and Technology and the National Research
24 Council—

1 “(A) support the potential for large re-
2 search-driven advances in technologies for pro-
3 duction of biobased industrial products as well
4 as associated benefits; and

5 “(B) document the need for a focused, inte-
6 grated, and innovation-driven research effort to
7 provide the appropriate progress in a timely
8 manner.

9 “(c) *DEFINITIONS.*—*In this section:*

10 “(1) *ADVISORY COMMITTEE.*—*The term ‘Advi-*
11 *sory Committee’ means the Biomass Research and De-*
12 *velopment Technical Advisory Committee established*
13 *by this section.*

14 “(2) *BIOBASED FUEL.*—*The term ‘biobased fuel’*
15 *means any transportation fuel produced from bio-*
16 *mass.*

17 “(3) *BIOBASED PRODUCT.*—*The term ‘biobased*
18 *product’ means an industrial product (including*
19 *chemicals, materials, and polymers) produced from*
20 *biomass, or a commercial or industrial product (in-*
21 *cluding animal feed and electric power) derived in*
22 *connection with the conversion of biomass to fuel.*

23 “(4) *BIOMASS.*—*The term ‘biomass’ means any*
24 *organic matter that is available on a renewable or re-*
25 *curring basis, including agricultural crops and trees,*

1 *wood and wood wastes and residues, plants (includ-*
2 *ing aquatic plants), grasses, residues, fibers, and ani-*
3 *mal wastes, municipal wastes, and other waste mate-*
4 *rials.*

5 “(5) *BOARD.*—*The term ‘Board’ means the Bio-*
6 *mass Research and Development Board established by*
7 *this section.*

8 “(6) *DEMONSTRATION.*—*The term ‘demonstra-*
9 *tion’ means demonstration of technology in a pilot*
10 *plant or semi-works scale facility.*

11 “(7) *INITIATIVE.*—*The term ‘Initiative’ means*
12 *the Biomass Research and Development Initiative es-*
13 *tablished under this section.*

14 “(8) *INSTITUTION OF HIGHER EDUCATION.*—*The*
15 *term ‘institution of higher education’ has the meaning*
16 *given the term in section 102(a) of the Higher Edu-*
17 *cation Act of 1965 (20 U.S.C. 1002(a)).*

18 “(9) *NATIONAL LABORATORY.*—*The term ‘Na-*
19 *tional Laboratory’ has the meaning given that term*
20 *in section 2 of the Energy Policy Act of 2005.*

21 “(10) *POINT OF CONTACT.*—*The term ‘point of*
22 *contact’ means a point of contact designated under*
23 *this section.*

24 “(d) *COOPERATION AND COORDINATION IN BIOMASS*
25 *RESEARCH AND DEVELOPMENT.*—

1 “(1) *IN GENERAL.*—*The Secretary of Agriculture*
2 *and the Secretary of Energy shall cooperate with re-*
3 *spect to, and coordinate, policies and procedures that*
4 *promote research and development leading to the pro-*
5 *duction of biobased fuels and biobased products.*

6 “(2) *POINTS OF CONTACT.*—

7 “(A) *IN GENERAL.*—*To coordinate research*
8 *and development programs and activities relat-*
9 *ing to biobased fuels and biobased products that*
10 *are carried out by their respective Depart-*
11 *ments—*

12 “(i) *the Secretary of Agriculture shall*
13 *designate, as the point of contact for the De-*
14 *partment of Agriculture, an officer of the*
15 *Department of Agriculture appointed by the*
16 *President to a position in the Department*
17 *before the date of the designation, by and*
18 *with the advice and consent of the Senate;*
19 *and*

20 “(ii) *the Secretary of Energy shall des-*
21 *ignate, as the point of contact for the De-*
22 *partment of Energy, an officer of the De-*
23 *partment of Energy appointed by the Presi-*
24 *dent to a position in the Department before*

1 the date of the designation, by and with the
2 advice and consent of the Senate.

3 “(B) *DUTIES.*—The points of contact shall
4 jointly—

5 “(i) assist in arranging interlabora-
6 tory and site-specific supplemental agree-
7 ments for research and development projects
8 relating to biobased fuels and biobased
9 products;

10 “(ii) serve as cochairpersons of the
11 Board;

12 “(iii) administer the Initiative; and

13 “(iv) respond in writing to each rec-
14 ommendation of the Advisory Committee
15 made under subsection (f).

16 “(e) *BIOMASS RESEARCH AND DEVELOPMENT*
17 *BOARD.*—

18 “(1) *ESTABLISHMENT.*—There is established the
19 Biomass Research and Development Board, which
20 shall supersede the Interagency Council on Biobased
21 Products and Bioenergy established by Executive
22 Order No. 13134, to coordinate programs within and
23 among departments and agencies of the Federal Gov-
24 ernment for the purpose of promoting the use of
25 biobased fuels and biobased products by—

1 “(A) maximizing the benefits deriving from
2 Federal grants and assistance; and

3 “(B) bringing coherence to Federal strategic
4 planning.

5 “(2) MEMBERSHIP.—The Board shall consist
6 of—

7 “(A) the point of contact of the Department
8 of Energy designated under subsection (d), who
9 shall serve as cochairperson of the Board;

10 “(B) the point of contact of the Department
11 of Agriculture designated under subsection (d),
12 who shall serve as cochairperson of the Board;

13 “(C) a senior officer of each of the Depart-
14 ment of the Interior, the Environmental Protec-
15 tion Agency, the National Science Foundation,
16 and the Office of Science and Technology Policy,
17 each of whom shall—

18 “(i) be appointed by the head of the re-
19 spective agency; and

20 “(ii) have a rank that is equivalent to
21 the rank of the points of contact; and

22 “(D) at the option of the Secretary of Agri-
23 culture and the Secretary of Energy, other mem-
24 bers appointed by the Secretaries (after consulta-

1 *tion with the members described in subpara-*
2 *graphs (A) through (C)).*

3 “(3) *DUTIES.—The Board shall—*

4 *“(A) coordinate research and development*
5 *activities relating to biobased fuels and biobased*
6 *products—*

7 *“(i) between the Department of Agri-*
8 *culture and the Department of Energy; and*

9 *“(ii) with other departments and agen-*
10 *cies of the Federal Government;*

11 *“(B) provide recommendations to the points*
12 *of contact concerning administration of this title;*

13 *“(C) ensure that—*

14 *“(i) solicitations are open and com-*
15 *petitive with awards made annually; and*

16 *“(ii) objectives and evaluation criteria*
17 *of the solicitations are clearly stated and*
18 *minimally prescriptive, with no areas of*
19 *special interest; and*

20 *“(D) ensure that the panel of scientific and*
21 *technical peers assembled under subsection (g) to*
22 *review proposals is composed predominantly of*
23 *independent experts selected from outside the De-*
24 *partments of Agriculture and Energy.*

1 “(4) *FUNDING.*—*Each agency represented on the*
 2 *Board is encouraged to provide funds for any purpose*
 3 *under this section.*

4 “(5) *MEETINGS.*—*The Board shall meet at least*
 5 *quarterly to enable the Board to carry out the duties*
 6 *of the Board under paragraph (3).*

7 “(f) *BIOMASS RESEARCH AND DEVELOPMENT TECH-*
 8 *NICAL ADVISORY COMMITTEE.*—

9 “(1) *ESTABLISHMENT.*—*There is established the*
 10 *Biomass Research and Development Technical Advi-*
 11 *sory Committee, which shall supersede the Advisory*
 12 *Committee on Biobased Products and Bioenergy es-*
 13 *tablished by Executive Order No. 13134—*

14 “(A) *to advise the Secretary of Energy, the*
 15 *Secretary of Agriculture, and the points of con-*
 16 *tact concerning—*

17 “(i) *the technical focus and direction of*
 18 *requests for proposals issued under the Ini-*
 19 *tiative; and*

20 “(ii) *procedures for reviewing and*
 21 *evaluating the proposals;*

22 “(B) *to facilitate consultations and partner-*
 23 *ships among Federal and State agencies, agricul-*
 24 *tural producers, industry, consumers, the re-*
 25 *search community, and other interested groups*

1 *to carry out program activities relating to the*
2 *Initiative; and*

3 “(C) *to evaluate and perform strategic*
4 *planning on program activities relating to the*
5 *Initiative.*

6 “(2) *MEMBERSHIP.—*

7 “(A) *IN GENERAL.—The Advisory Com-*
8 *mittee shall consist of—*

9 “(i) *an individual affiliated with the*
10 *biofuels industry;*

11 “(ii) *an individual affiliated with the*
12 *biobased industrial and commercial prod-*
13 *ucts industry;*

14 “(iii) *an individual affiliated with an*
15 *institution of higher education who has ex-*
16 *pertise in biobased fuels and biobased prod-*
17 *ucts;*

18 “(iv) *two prominent engineers or sci-*
19 *entists from government or academia who*
20 *have expertise in biobased fuels and*
21 *biobased products;*

22 “(v) *an individual affiliated with a*
23 *commodity trade association;*

24 “(vi) *2 individuals affiliated with an*
25 *environmental or conservation organization;*

1 “(vii) an individual associated with
2 State government who has expertise in
3 biobased fuels and biobased products;

4 “(viii) an individual with expertise in
5 energy and environmental analysis;

6 “(ix) an individual with expertise in
7 the economics of biobased fuels and biobased
8 products;

9 “(x) an individual with expertise in
10 agricultural economics;

11 “(xi) an individual with expertise in
12 agronomy, crop science, or soil science; and

13 “(xii) at the option of the points of
14 contact, other members.

15 “(B) APPOINTMENT.—The members of the
16 Advisory Committee shall be appointed by the
17 points of contact.

18 “(3) DUTIES.—The Advisory Committee shall—

19 “(A) advise the points of contact with re-
20 spect to the Initiative; and

21 “(B) evaluate whether, and make rec-
22 ommendations in writing to the Board to ensure
23 that—

24 “(i) funds authorized for the Initiative
25 are distributed and used in a manner that

1 *is consistent with the objectives, purposes,*
2 *and considerations of the Initiative;*

3 “(ii) *solicitations are open and com-*
4 *petitive with awards made annually and*
5 *that objectives and evaluation criteria of the*
6 *solicitations are clearly stated and mini-*
7 *mally prescriptive, with no areas of special*
8 *interest;*

9 “(iii) *the points of contact are funding*
10 *proposals under this title that are selected*
11 *on the basis of merit, as determined by an*
12 *independent panel of scientific and tech-*
13 *nical peers predominantly from outside the*
14 *Departments of Agriculture and Energy;*
15 *and*

16 “(iv) *activities under this section are*
17 *carried out in accordance with this section.*

18 “(4) *COORDINATION.—To avoid duplication of*
19 *effort, the Advisory Committee shall coordinate its ac-*
20 *tivities with those of other Federal advisory commit-*
21 *tees working in related areas.*

22 “(5) *MEETINGS.—The Advisory Committee shall*
23 *meet at least quarterly to enable the Advisory Com-*
24 *mittee to carry out the duties of the Advisory Com-*
25 *mittee.*

1 “(6) *TERMS.*—*Members of the Advisory Com-*
2 *mittee shall be appointed for a term of 3 years, except*
3 *that—*

4 “(A) *one-third of the members initially ap-*
5 *pointed shall be appointed for a term of 1 year;*
6 *and*

7 “(B) *one-third of the members initially ap-*
8 *pointed shall be appointed for a term of 2 years.*

9 “(g) *BIOMASS RESEARCH AND DEVELOPMENT INITIA-*
10 *TIVE.*—

11 “(1) *IN GENERAL.*—*The Secretary of Agriculture*
12 *and the Secretary of Energy, acting through their re-*
13 *spective points of contact and in consultation with*
14 *the Board, shall establish and carry out a Biomass*
15 *Research and Development Initiative under which*
16 *competitively awarded grants, contracts, and finan-*
17 *cial assistance are provided to, or entered into with,*
18 *eligible entities to carry out research on, and develop-*
19 *ment and demonstration of, biobased fuels and*
20 *biobased products, and the methods, practices and*
21 *technologies, for their production.*

22 “(2) *OBJECTIVES.*—*The objectives of the Initia-*
23 *tive are to develop—*

1 “(A) technologies and processes necessary
2 for abundant commercial production of biobased
3 fuels at prices competitive with fossil fuels;

4 “(B) high-value biobased products—

5 “(i) to enhance the economic viability
6 of biobased fuels and power;

7 “(ii) as substitutes for petroleum-based
8 feedstocks and products; and

9 “(iii) to enhance the value of coprod-
10 ucts arise from such technologies and proc-
11 esses; and

12 “(C) a diversity of sustainable domestic
13 sources of biomass for conversion to biobased
14 fuels and biobased products.

15 “(3) PURPOSES.—The purposes of the Initiative
16 are—

17 “(A) to increase the energy security of the
18 United States;

19 “(B) to create jobs and enhance the eco-
20 nomic development of the rural economy;

21 “(C) to enhance the environment and public
22 health; and

23 “(D) to diversify markets for raw agricul-
24 tural and forestry products.

1 “(4) *TECHNICAL AREAS.*—To advance the objec-
2 tives and purposes of the Initiative, the Secretary of
3 Agriculture and the Secretary of Energy, in consulta-
4 tion with the Administrator of the Environmental
5 Protection Agency and heads of other appropriate de-
6 partments and agencies (referred to in this subsection
7 as the ‘Secretaries’), shall direct research, develop-
8 ment, and commercial applications toward—

9 “(A) *feedstocks and feedstock systems rel-*
10 *evant to production of raw materials for conver-*
11 *sion to biobased fuels and biobased products, in-*
12 *cluding—*

13 “(i) *development of advanced and dedi-*
14 *cated crops and other biomass sources with*
15 *desired features, including enhanced pro-*
16 *ductivity, broader site range, low require-*
17 *ments for chemical inputs, and enhanced*
18 *processing;*

19 “(ii) *advanced crop production meth-*
20 *ods to achieve the features described in*
21 *clause (i);*

22 “(iii) *feedstock harvest, handling,*
23 *transport, and storage;*

1 “(iv) strategies for integrating feed-
2 stock production into existing managed
3 land; and

4 “(v) improving the value and quality
5 of coproducts, including materials used for
6 animal feeding;

7 “(B) overcoming recalcitrance of cellulosic
8 biomass through developing technologies for con-
9 verting cellulosic biomass into intermediates that
10 can subsequently be converted into biobased fuels
11 and biobased products, including—

12 “(i) pretreatment in combination with
13 enzymatic or microbial hydrolysis;

14 “(ii) thermochemical approaches, in-
15 cluding gasification and pyrolysis; and

16 “(iii) self-processing crops that express
17 enzymes capable of degrading cellulosic bio-
18 mass;

19 “(C) product diversification through tech-
20 nologies relevant to production of a range of
21 biobased products (including chemicals, animal
22 feeds, and cogenerated power) that eventually
23 can increase the feasibility of fuel production in
24 a biorefinery, including—

1 “(i) catalytic processing, including
2 thermochemical fuel production;

3 “(ii) metabolic engineering, enzyme en-
4 gineering, and fermentation systems for bio-
5 logical production of desired products, co-
6 products, or cogeneration of power;

7 “(iii) product recovery;

8 “(iv) power production technologies;

9 “(v) integration into existing biomass
10 processing facilities, including starch eth-
11 anol plants, sugar processing or refining
12 plants, paper mills, and power plants; and

13 “(vi) enhancement of products and co-
14 products, including dried distillers grains
15 (including substantially elevated starch con-
16 tent, increased oil content, improved fatty
17 acid profiles, and improved resistance to
18 mold and mycotoxins; and

19 “(D) analysis that provides strategic guid-
20 ance for the application of biomass technologies
21 in accordance with realization of improved sus-
22 tainability and environmental quality, cost effec-
23 tiveness, security, and rural economic develop-
24 ment, usually featuring system-wide approaches.

1 “(5) *ADDITIONAL CONSIDERATIONS.*—Within the
2 *technical areas described in paragraph (4), and in*
3 *addition to advancing the purposes described in para-*
4 *graph (3) and the objectives described in paragraph*
5 *(2), the Secretaries shall support research and devel-*
6 *opment—*

7 “(A) *to create continuously expanding op-*
8 *portunities for participants in existing biofuels*
9 *production by seeking synergies and continuity*
10 *with current technologies and practices, such as*
11 *improvements in dried distillers grains as a*
12 *bridge feedstock;*

13 “(B) *to maximize the environmental, eco-*
14 *nomie, and social benefits of production of*
15 *biobased fuels and biobased products on a large*
16 *scale through life-cycle economic and environ-*
17 *mental analysis and other means; and*

18 “(C) *to assess the potential of Federal land*
19 *and land management programs as feedstock re-*
20 *sources for biobased fuels and biobased products,*
21 *consistent with the integrity of soil and water re-*
22 *sources and with other environmental consider-*
23 *ations.*

1 “(6) *ELIGIBLE ENTITIES.*—To be eligible for a
2 *grant, contract, or assistance under this subsection,*
3 *an applicant shall be—*

4 “(A) *an institution of higher education;*

5 “(B) *a National Laboratory;*

6 “(C) *a Federal research agency;*

7 “(D) *a State research agency;*

8 “(E) *a private sector entity;*

9 “(F) *a nonprofit organization; or*

10 “(G) *a consortium of two or more entities*
11 *described in subparagraphs (A) through (F).*

12 “(7) *ADMINISTRATION.*—

13 “(A) *IN GENERAL.*—After consultation with
14 *the Board, the points of contact shall—*

15 “(i) *publish annually one or more joint*
16 *requests for proposals for grants, contracts,*
17 *and assistance under this subsection;*

18 “(ii) *require that grants, contracts,*
19 *and assistance under this section be award-*
20 *ed competitively, on the basis of merit, after*
21 *the establishment of procedures that provide*
22 *for scientific peer review by an independent*
23 *panel of scientific and technical peers; and*

24 “(iii) *give some preference to applica-*
25 *tions that—*

1 “(I) involve a consortia of experts
2 from multiple institutions;

3 “(II) encourage the integration of
4 disciplines and application of the best
5 technical resources; and

6 “(III) increase the geographic di-
7 versity of demonstration projects.

8 “(B) *DISTRIBUTION OF FUNDING BY TECH-*
9 *NICAL AREA.*—Of the funds authorized to be ap-
10 propriated for activities described in this sub-
11 section, funds shall be distributed for each of fis-
12 cal years 2007 through 2012 so as to achieve an
13 approximate distribution of—

14 “(i) 20 percent of the funds to carry
15 out activities for feedstock production under
16 paragraph (4)(A);

17 “(ii) 45 percent of the funds to carry
18 out activities for overcoming recalcitrance of
19 cellulosic biomass under paragraph (4)(B),
20 of which not less than 10 percent shall be
21 used for activities referred to in each clause
22 of paragraph (4)(B);

23 “(iii) 30 percent of the funds to carry
24 out activities for product diversification
25 under paragraph (4)(C); and

1 “(iv) 5 percent of the funds to carry
2 out activities for strategic guidance under
3 paragraph (4)(D).

4 “(C) *DISTRIBUTION OF FUNDING WITHIN*
5 *EACH TECHNICAL AREA.*—Within each technical
6 area described in subparagraphs (A) through (C)
7 of paragraph (4), funds shall be distributed for
8 each of fiscal years 2007 through 2012 so as to
9 achieve an approximate distribution of—

10 “(i) 15 percent of the funds for applied
11 fundamentals;

12 “(ii) 35 percent of the funds for inno-
13 vation; and

14 “(iii) 50 percent of the funds for dem-
15 onstration and commercial applications.

16 “(D) *MATCHING FUNDS.*—

17 “(i) *IN GENERAL.*—A minimum 20
18 percent funding match shall be required for
19 demonstration projects under this section.

20 “(ii) *COMMERCIAL APPLICATIONS.*—A
21 minimum of 50 percent funding match shall
22 be required for commercial application
23 projects under this section.

24 “(E) *TECHNOLOGY AND INFORMATION*
25 *TRANSFER TO AGRICULTURAL USERS.*—The Ad-

1 *ministrator of the Cooperative State Research,*
2 *Education, and Extension Service and the Chief*
3 *of the Natural Resources Conservation Service*
4 *shall ensure that applicable research results and*
5 *technologies from the Initiative are adapted,*
6 *made available, and disseminated through those*
7 *services, as appropriate.*

8 “(h) *ADMINISTRATIVE SUPPORT AND FUNDS.*—

9 “(1) *IN GENERAL.*—*To the extent administrative*
10 *support and funds are not provided by other agencies*
11 *under paragraph (2)(b), the Secretary of Energy and*
12 *the Secretary of Agriculture may provide such admin-*
13 *istrative support and funds of the Department of En-*
14 *ergy and the Department of Agriculture to the Board*
15 *and the Advisory Committee as are necessary to en-*
16 *able the Board and the Advisory Committee to carry*
17 *out their duties under this section.*

18 “(2) *OTHER AGENCIES.*—*The heads of the agen-*
19 *cies referred to in subsection (e)(2)(C), and the other*
20 *members appointed under subsection (e)(2)(D), may,*
21 *and are encouraged to, provide administrative sup-*
22 *port and funds of their respective agencies to the*
23 *Board and the Advisory Committee.*

24 “(3) *LIMITATION.*—*Not more than 4 percent of*
25 *the amount appropriated for each fiscal year under*

1 subsection (g)(6) may be used to pay the administra-
2 tive costs of carrying out this section.

3 “(i) *REPORTS*.—

4 “(1) *ANNUAL REPORTS*.—For each fiscal year for
5 which funds are made available to carry out this sec-
6 tion, the Secretary of Energy and the Secretary of
7 Agriculture shall jointly submit to Congress a detailed
8 report on—

9 “(A) the status and progress of the Initia-
10 tive, including a report from the Advisory Com-
11 mittee on whether funds appropriated for the
12 Initiative have been distributed and used in a
13 manner that—

14 “(i) is consistent with the objectives,
15 purposes, and additional considerations de-
16 scribed in paragraphs (2) through (5) of
17 subsection (g);

18 “(ii) uses the set of criteria established
19 in the initial report submitted under title
20 III of the Agricultural Risk Protection Act
21 of 2000;

22 “(iii) achieves the distribution of funds
23 described in subparagraphs (B) and (C) of
24 subsection (g)(7); and

1 “(iv) takes into account any rec-
2 ommendations that have been made by the
3 Advisory Committee;

4 “(B) the general status of cooperation and
5 research and development efforts carried out at
6 each agency with respect to biobased fuels and
7 biobased products, including a report from the
8 Advisory Committee on whether the points of
9 contact are funding proposals that are selected
10 under subsection (g)(3)(B)(iii); and

11 “(C) the plans of the Secretary of Energy
12 and the Secretary of Agriculture for addressing
13 concerns raised in the report, including concerns
14 raised by the Advisory Committee.

15 “(2) *UPDATES.*—The Secretary and the Sec-
16 retary of Energy shall update the Vision and Road-
17 map documents prepared for Federal biomass re-
18 search and development activities.

19 “(3) *MANAGEMENT PLAN.*—The Secretary shall
20 every five years, in consultation with the Secretary of
21 Energy, submit to Congress a detailed management
22 plan for the implementation of this section. The man-
23 agement plan shall include—

24 “(A) consideration of the contribution of the
25 section towards achieving the objectives referred

1 to in paragraphs (2) and (3) of subsection (g)
 2 and in achieving the goals of the biomass pro-
 3 gram of the Department of Energy;

4 “(B) consideration of input solicited from
 5 the Advisory Committee, State, and private
 6 sources; and

7 “(C) specific and quantifiable near and
 8 long-term goals.

9 “(j) *AUTHORIZATION OF APPROPRIATIONS.*—There are
 10 authorized to be appropriated to carry out this section
 11 \$200,000,000 for each of fiscal years 2006 through 2015.”.

12 (b) *REPEAL.*—Title III of the Agricultural Risk Pro-
 13 tection Act of 2000 (Public Law 106-224) is hereby re-
 14 pealed.

15 (c) *MANAGEMENT PLAN SUBMISSION DATE.*—The first
 16 management plan required to be submitted under section
 17 9008(i)(3) of the Biomass Research and Development Act
 18 of 2000, as added by subsection (a), shall be submitted not
 19 later than 180 days after the date of the enactment of this
 20 Act.

21 **SEC. 9007. ADJUSTMENTS TO THE BIOENERGY PROGRAM.**

22 Section 9010 of the Farm Security and Rural Invest-
 23 ment Act of 2002 (7 U.S.C. 8108) is amended—

24 (1) in subsection (a)—

25 (A) in paragraph (1)—

1 (i) in subparagraph (A), by striking
2 “and”;

3 (ii) in subparagraph (B), by striking
4 the final period and inserting a semicolon;
5 and

6 (iii) by adding at the end the following
7 new subparagraphs:

8 “(C) production of heat and power at a
9 biofuels plant;

10 “(D) biomass gasification;

11 “(E) hydrogen made from cellulosic com-
12 modities for fuel cells;

13 “(F) renewable diesel;

14 “(G) such other items as the Secretary con-
15 siders appropriate.”;

16 (B) by striking paragraph (3) and inserting
17 the following:

18 “(3) *ELIGIBLE FEEDSTOCK*.—

19 “(A) *IN GENERAL*.—The term ‘eligible feed-
20 stock’ means—

21 “(i) any plant material grown or col-
22 lected for the purpose of being converted to
23 energy (including aquatic plants);

24 “(ii) any organic byproduct or residue
25 from agriculture and forestry, including

1 *mill residues and pulping residues that can*
2 *be converted into energy;*

3 *“(iii) any waste material that can be*
4 *converted to energy and is derived from*
5 *plant material, including—*

6 *“(I) wood waste and residue;*

7 *“(II) specialty crop waste, includ-*
8 *ing waste derived from orchard trees,*
9 *vineyard crops, and nut crops; or*

10 *“(III) other fruit and vegetable*
11 *byproducts or residues; or*

12 *“(iv) animal waste and byproducts.*

13 *“(B) EXCLUSION.—The term ‘eligible feed-*
14 *stock’ does not include corn starch.”;*

15 *(C) in paragraph (4), by striking “an eligi-*
16 *ble commodity” and inserting “eligible feed-*
17 *stock”; and*

18 *(D) by adding at the end the following new*
19 *paragraph:*

20 *“(5) RENEWABLE DIESEL.—The term ‘renewable*
21 *diesel’ means any type of biobased renewable fuel de-*
22 *derived from plant or animal matter that may be used*
23 *as a substitute for standard diesel fuel and meets the*
24 *requirements of an appropriate American Society for*
25 *Testing and Material standard. Such term does not*

1 *include any fuel derived from coprocessing an eligible*
 2 *feedstock with a feedstock that is not biomass.”; and*

3 *(2) in subsection (b)—*

4 *(A) in paragraph (1)—*

5 *(i) by striking “The Secretary shall*
 6 *continue” and all that follows through “the*
 7 *Secretary makes” and inserting “The Sec-*
 8 *retary shall make”; and*

9 *(ii) by striking “eligible commodities”*
 10 *and inserting “eligible feedstock”;*

11 *(B) in paragraph (2)(B), by striking “eligi-*
 12 *ble commodities” and inserting “eligible feed-*
 13 *stock”;*

14 *(C) in paragraph (3), by striking subpara-*
 15 *graphs (B) and (C) and inserting the following:*

16 *“(B) PRIORITY.—In making payments*
 17 *under this paragraph, the Secretary shall give*
 18 *priority to contracts by considering the factors*
 19 *referred to in section 9003(e)(2)(B).”; and*

20 *(D) by striking paragraph (6) and insert-*
 21 *ing the following:*

22 *“(6) LIMITATION.—The Secretary may limit the*
 23 *amount of payments that may be received by an eligi-*
 24 *ble producer under this section as the Secretary con-*
 25 *siders appropriate.”.*

1 **SEC. 9008. RESEARCH, EXTENSION, AND EDUCATIONAL**
2 **PROGRAMS ON BIOBASED ENERGY TECH-**
3 **NOLOGIES AND PRODUCTS.**

4 *Section 9011(j)(1)(C) of the Farm Security and Rural*
5 *Investment Act of 2002 (7 U.S.C. 8109(j)(1)(C)) is amended*
6 *by striking “2010” and inserting “2012”.*

7 **SEC. 9009. ENERGY COUNCIL OF THE DEPARTMENT OF AG-**
8 **RICULTURE.**

9 *Title IX of the Farm Security and Rural Investment*
10 *Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by*
11 *adding at the end the following new section:*

12 **“SEC. 9012. ENERGY COUNCIL OF THE DEPARTMENT OF AG-**
13 **RICULTURE.**

14 *“(a) IN GENERAL.—The Secretary of Agriculture shall*
15 *establish an energy council in the Office of the Secretary*
16 *(in this section referred to as the ‘Council’) to coordinate*
17 *the energy policy of the Department of Agriculture and con-*
18 *sult with other departments and agencies of the Federal*
19 *Government.*

20 *“(b) MEMBERSHIP.—*

21 *“(1) IN GENERAL.—The Secretary shall appoint*
22 *the members of the Council from among the staff of*
23 *the agencies and mission areas of the Department of*
24 *Agriculture with responsibilities relating to energy*
25 *programs or policies.*

1 “(2) *CHAIR.*—*The chief economist and the Under*
 2 *Secretary for Rural Development of the Department*
 3 *of Agriculture shall serve as the Chairs of the Council.*

4 “(c) *DUTIES OF OFFICE OF ENERGY POLICY AND NEW*
 5 *USES.*—*The Office of Energy Policy and New Uses of the*
 6 *Department of Agriculture shall support the activities of the*
 7 *Council.”.*

8 **SEC. 9010. FARM ENERGY PRODUCTION PILOT PROGRAM.**

9 *Title IX of the Farm Security and Rural Investment*
 10 *Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by*
 11 *adding at the end the following new section:*

12 **“SEC. 9013. FARM ENERGY PRODUCTION PILOT PROGRAM.**

13 “(a) *PROGRAM.*—*The Secretary of Agriculture shall es-*
 14 *tablish a pilot program to provide grants to farmers for*
 15 *the purpose of demonstrating the feasibility of making a*
 16 *farm energy neutral using existing technologies.*

17 “(b) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
 18 *authorized to be appropriated to carry out this section*
 19 *\$5,000,000 for fiscal years 2008 through 2012.”.*

20 **SEC. 9011. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.**

21 *Title IX of the Farm Security and Rural Investment*
 22 *Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by*
 23 *adding at the end the following new section:*

24 **“SEC. 9014. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.**

25 “(a) *GRANT AUTHORITY.*—

1 “(1) *IN GENERAL.*—*The Secretary of Agriculture*
 2 *(in this section referred to as the ‘Secretary’)* may
 3 *make grants in accordance with this section to enable*
 4 *eligible rural communities to substantially increase*
 5 *their energy self-sufficiency.*

6 “(2) *ELIGIBLE RURAL COMMUNITY DEFINED.*—*In*
 7 *this section, the term ‘eligible rural community’*
 8 *means a community that has a population of fewer*
 9 *than 25,000 individuals, and is not located in a met-*
 10 *ropolitan statistical area (as defined by the Bureau*
 11 *of the Census).*

12 “(b) *APPLICATIONS.*—

13 “(1) *IN GENERAL.*—*A community desiring to re-*
 14 *ceive a grant under this section shall submit to the*
 15 *Secretary an application for the grant, which con-*
 16 *tains a description of how the community would use*
 17 *the grant to develop an integrated renewable energy*
 18 *system to substantially increase its energy self-suffi-*
 19 *ciency.*

20 “(2) *INTEGRATED RENEWABLE ENERGY SYS-*
 21 *TEM.*—*In paragraph (1), the term ‘integrated renew-*
 22 *able energy system’ includes—*

23 “(A) *the use of biofuels;*

24 “(B) *the use of biomass to produce elec-*
 25 *tricity;*

1 “(C) *the use of animal manure to produce*
2 *biogas as a substitute for natural gas;*

3 “(D) *the use of new technologies to provide*
4 *highly energy efficient lighting, buildings, or ve-*
5 *hicles;*

6 “(E) *the use of wind power to produce elec-*
7 *tricity and hydrogen; and*

8 “(F) *the use of solar energy.*

9 “(c) *CONSIDERATION OF APPLICATIONS.—*

10 “(1) *EVALUATION.—In making grants under this*
11 *section, the Secretary shall evaluate applications*
12 *based on their ability to demonstrate—*

13 “(A) *integration of different renewable en-*
14 *ergy sources at lowest total cost;*

15 “(B) *integration of different renewable en-*
16 *ergy sources with greatest potential for commer-*
17 *cialization; and*

18 “(C) *development of best practices, and*
19 *models for viable rural energy self-sufficiency.*

20 “(2) *PREFERENCE.—In making grants under*
21 *this section, the Secretary shall give preference to*
22 *those which propose a project developed or carried out*
23 *in coordination with—*

24 “(A) *universities or their non-profit founda-*
25 *tions;*

1 “(B) *Federal, State, or local government*
2 *agencies;*

3 “(C) *public or private power generation en-*
4 *tities; or*

5 “(D) *government entities with responsibility*
6 *for water or natural resources.*

7 “(d) *GRANTS.—*

8 “(1) *COST-SHARING.—The amount of a grant*
9 *under this section with respect to an application shall*
10 *not exceed 75 percent of the cost of the activities de-*
11 *scribed in the application.*

12 “(2) *NUMBER OF GRANTS PER YEAR.—The Sec-*
13 *retary may make not more than 5 grants under this*
14 *section in each fiscal year.*

15 “(e) *USE OF GRANTS.—A community to which a grant*
16 *is made under this section shall use the grant to develop*
17 *an integrated renewable energy system to improve the en-*
18 *ergy efficiency of the community, and shall document any*
19 *energy savings resulting from the use of the grant.*

20 “(f) *REPORT TO THE CONGRESS.—The Secretary shall*
21 *submit to the Committee on Agriculture of the House of*
22 *Representatives and the Committee on Agriculture, Nutri-*
23 *tion, and Forestry of the Senate a report that document*
24 *the best practices and approaches used by grantees receiving*
25 *funds under this section.*

1 “(g) *LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*
 2 *TIONS.—For grants under this section, there are authorized*
 3 *to be appropriated to the Secretary not more than*
 4 *\$5,000,000 for fiscal year 2008, and such sums as may be*
 5 *necessary for fiscal years 2009 through 2012.*”.

6 **SEC. 9012. AGRICULTURAL BIOFUELS FROM BIOMASS IN-**
 7 **TERNSHIP PILOT PROGRAM.**

8 *Title IX of the Farm Security and Rural Investment*
 9 *Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by*
 10 *adding at the end the following new section:*

11 **“SEC. 9015. AGRICULTURAL BIOFUELS FROM BIOMASS IN-**
 12 **TERNSHIP PILOT PROGRAM.**

13 “(a) *ESTABLISHMENT.—The Secretary of Agriculture*
 14 *shall establish a structured, academically-oriented intern-*
 15 *ship pilot program (in this section referred to as the ‘Pro-*
 16 *gram’)* to provide students from universities in California,
 17 *Iowa, Missouri, Georgia, Minnesota, and other states with*
 18 *substantial farm-based economies with the opportunity to*
 19 *work within the Department of Agriculture, Congress and*
 20 *legislative branch agencies, other Federal departments and*
 21 *agencies, corporations, and nonprofit institutions on mat-*
 22 *ters pertaining to policies regarding renewable energy, in-*
 23 *cluding the conversion of biomass and other agricultural*
 24 *products to produce ethanol and other biofuels.*

1 “(b) *ELIGIBILITY.—To be eligible for an internship*
2 *under subsection (a) a student shall—*

3 “(1) *be a third or fourth year undergraduate stu-*
4 *dent or a graduate student at an accredited college or*
5 *university in California, Iowa, Missouri, Georgia,*
6 *Minnesota, or another State with a substantial farm-*
7 *based economy that commits matching funds in ac-*
8 *cordance with subsection (g);*

9 “(2) *be a United States citizen;*

10 “(3) *be pursuing an undergraduate or graduate*
11 *program in agriculture and related supporting sub-*
12 *jects with direct relevance to the subject of biorefinery,*
13 *biofuels, and renewable energy; and*

14 “(4) *meet any other conditions or requirements*
15 *that the Secretary considers necessary.*

16 “(c) *PRIORITIES OF INTERNSHIP PILOT PROGRAM.—*
17 *In administering the Program (including in the selection*
18 *of students to participate in the Program), the Secretary*
19 *shall prioritize the following activities and placements:*

20 “(1) *Structured internship experiences that fea-*
21 *ture direct, hands-on assistance to policy makers en-*
22 *gaged in the development and implementation of ag-*
23 *riculture and related supporting policies and legisla-*
24 *tion, with direct relevance to the subject of bio-*
25 *refinery, biofuels, and renewable energy.*

1 “(2) *Internship and academic seminar programs*
2 *that provide a combination of workforce training, ex-*
3 *periential education, and leadership development de-*
4 *signed specifically for the Department of Agriculture*
5 *and Congress, with regard to agriculture-based bio-*
6 *refinery, biofuels, and related renewable energy poli-*
7 *cies.*

8 “(3) *Establishment of regional and state net-*
9 *works that partner with the agricultural business,*
10 *government and academic communities to enhance the*
11 *prospects for providing financial assistance to stu-*
12 *dents, particularly minority students, from colleges*
13 *and universities in each participating State who are*
14 *from economically disadvantaged backgrounds.*

15 “(4) *Internship and academic seminar programs*
16 *that focus on agriculture-based research, development,*
17 *and policies addressing new technologies to enhance*
18 *agriculture production and enhanced economic devel-*
19 *opment in the agriculture sector of the United States.*

20 “(d) *ADMINISTRATION OF THE PILOT PROGRAM.—The*
21 *Secretary, in consultation with other executive and legisla-*
22 *tive branch officials, shall administer the Program. The*
23 *Secretary may engage the services of an experienced, non-*
24 *profit, nonpartisan professional internship and academic*
25 *seminar organization with extensive experience in devel-*

1 *oping and carrying out Washington-based or other State-*
 2 *based internship programs and State-based financial assist-*
 3 *ance initiatives for interns to assist in carrying out the*
 4 *Program.*

5 “(e) *SCHOLARSHIPS AND OTHER ASSISTANCE FOR IN-*
 6 *TERNSHIPS.*—*The Secretary may make available to under-*
 7 *graduate and graduate students participating in the Pro-*
 8 *gram scholarships or other types of financial assistance, in-*
 9 *cluding funds to cover the cost of housing, per diem living*
 10 *expenses, transportation, tuition and other educational ex-*
 11 *penses, and related costs, that would allow participation*
 12 *by eligible undergraduate and graduate students from eco-*
 13 *nomically-disadvantaged backgrounds within the Program*
 14 *States.*

15 “(f) *LONGITUDINAL STUDIES AND REPORTING RE-*
 16 *QUIREMENTS.*—

17 “(1) *LONGITUDINAL STUDIES AND EVALUATION*
 18 *OF INTERNSHIP PROGRAM.*—*In developing and imple-*
 19 *menting the Program, the Secretary shall carry out*
 20 *such longitudinal studies and program evaluations as*
 21 *he or she deems appropriate to ensure that the pro-*
 22 *gram is administered in a cost-effective manner and*
 23 *has specific milestones, objectives, and results quan-*
 24 *tified with regard to such Program.*

1 “(2) *REPORTING REQUIREMENTS.*—*The Sec-*
2 *retary shall submit to the Committee on Agriculture*
3 *of the House of Representatives and the Committee on*
4 *Agriculture, Nutrition, and Forestry of the Senate*
5 *periodic reports regarding the development and im-*
6 *plementation of the Program, including the longitu-*
7 *dinal studies and evaluations required under para-*
8 *graph (1).*

9 “(g) *STATE MATCHING REQUIREMENT.*—*As a condi-*
10 *tion of receiving an internship under the Program, the*
11 *State in which the student receiving the internship is pur-*
12 *suing an undergraduate or graduate degree shall provide*
13 *matching funds in the amount of one dollar for every two*
14 *dollars provided by the Secretary under the Program.*

15 “(h) *FEDERAL CONTRIBUTION LIMIT.*—*The Secretary*
16 *may not expend more than \$200,000 in any fiscal year to*
17 *provide internships to students pursuing an undergraduate*
18 *or graduate degree in any particular State.*

19 “(i) *APPLICATION OF FUNDS.*—*The Secretary shall, to*
20 *the maximum extent practicable, use funds made available*
21 *under subsection (j) to provide scholarships and the other*
22 *forms of financial assistance described in subsection (e) di-*
23 *rectly attributable to the participation in the Program by*
24 *students from rural, economically-disadvantaged back-*
25 *grounds.*

1 “(j) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
 2 *authorized to be appropriated such sums as may be nec-*
 3 *essary to carry out this section.*”.

4 **SEC. 9013. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**
 5 **ENERGY PRODUCERS.**

6 *Title IX of the Farm Security and Rural Investment*
 7 *Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by*
 8 *adding at the end the following new section:*

9 **“SEC. 9016. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**
 10 **ENERGY PRODUCERS.**

11 “(a) *DEFINITIONS.*—*In this section:*

12 “(1) *BIOENERGY.*—*The term ‘bioenergy’ means*
 13 *fuel grade ethanol and other biofuel.*

14 “(2) *BIOENERGY PRODUCER.*—*The term ‘bio-*
 15 *energy producer’ means a producer of bioenergy that*
 16 *uses an eligible commodity to produce bioenergy*
 17 *under this section.*

18 “(3) *ELIGIBLE COMMODITY.*—*The term ‘eligible*
 19 *commodity’ means a form of raw or refined sugar or*
 20 *in-process sugar that is eligible to be marketed in the*
 21 *United States for human consumption or to be used*
 22 *for the extraction of sugar for human consumption.*

23 “(4) *ELIGIBLE ENTITY.*—*The term ‘eligible enti-*
 24 *ty’ means an entity located in the United States that*
 25 *markets an eligible commodity in the United States.*

1 “(b) *FEEDSTOCK FLEXIBILITY PROGRAM.*—

2 “(1) *IN GENERAL.*—

3 “(A) *PURCHASES AND SALES.*—*For each of*
4 *fiscal years 2008 through 2012, the Secretary*
5 *shall purchase eligible commodities from eligible*
6 *entities and sell such commodities to bioenergy*
7 *producers for the purpose of producing bioenergy*
8 *in a manner that ensures that 156 of the Federal*
9 *Agricultural Improvement and Reform Act (7*
10 *U.S.C. 7272) is operated at no cost to the Fed-*
11 *eral Government by avoiding forfeitures to the*
12 *Commodity Credit Corporation.*

13 “(B) *COMPETITIVE PROCEDURES.*—*In car-*
14 *rying out the purchases and sales required under*
15 *subparagraph (A), the Secretary shall, to the*
16 *maximum extent practicable, use competitive*
17 *procedures, including the receiving, offering, and*
18 *accepting of bids, when entering into contracts*
19 *with eligible entities and bioenergy producers,*
20 *provided that such procedures are consistent with*
21 *the purposes of subparagraph (A).*

22 “(C) *LIMITATION.*—*The purchase and sale*
23 *of eligible commodities under subparagraph (A)*
24 *shall only be made in fiscal years in which such*
25 *purchases and sales are necessary to ensure that*

1 *the program authorized under section 156 of the*
2 *Federal Agriculture Improvement and Reform*
3 *Act (7 U.S.C. 7272) is operated at no cost to the*
4 *Federal Government by avoiding forfeitures to*
5 *the Commodity Credit Corporation.*

6 “(2) NOTICE.—

7 “(A) IN GENERAL.—Not later than Sep-
8 *tember 1, 2007, and each September 1 thereafter*
9 *through fiscal year 2011, the Secretary shall pro-*
10 *vide notice to eligible entities and bioenergy pro-*
11 *ducers of the quantity of eligible commodities*
12 *that shall be made available for purchase and*
13 *sale for the subsequent fiscal year under this sec-*
14 *tion.*

15 “(B) REESTIMATES.—Not later than the
16 *first day of each of the second through fourth*
17 *quarters of each of fiscal years 2008 through*
18 *2012, the Secretary shall reestimate the quantity*
19 *of eligible commodities determined under sub-*
20 *paragraph (A), and provide notice and make*
21 *purchases and sales based on such reestimates.*

22 “(3) COMMODITY CREDIT CORPORATION INVEN-
23 *TORY.—To the extent that an eligible commodity is*
24 *owned and held in inventory by the Commodity Cred-*
25 *it Corporation (accumulated pursuant to the program*

1 *authorized under section 156 of the Federal Agri-*
 2 *culture Improvement and Reform Act (7 U.S.C.*
 3 *7272)), the Secretary shall sell such commodity to bio-*
 4 *energy producers under this section.*

5 *“(4) TRANSFER RULE; STORAGE FEES.—*

6 *“(A) GENERAL TRANSFER RULE.—Except*
 7 *as provided in subparagraph (C), the Secretary*
 8 *shall ensure that bioenergy producers that pur-*
 9 *chase eligible commodities pursuant to this sub-*
 10 *section take possession of such commodities with-*
 11 *in 30 calendar days of the date of such purchase*
 12 *from the Commodity Credit Corporation.*

13 *“(B) PAYMENT OF STORAGE FEES PROHIB-*
 14 *ITED.—*

15 *“(i) IN GENERAL.—The Secretary*
 16 *shall, to the greatest extent practicable,*
 17 *carry out this subsection in a manner that*
 18 *ensures no storage fees are paid by the Com-*
 19 *modity Credit Corporation in the adminis-*
 20 *tration of this subsection.*

21 *“(ii) EXCEPTION.—Clause (i) shall not*
 22 *apply with respect to any commodities*
 23 *owned and held in inventory by the Com-*
 24 *modity Credit Corporation (accumulated*
 25 *pursuant to the program authorized under*

1 *section 156 of the Federal Agriculture Im-*
 2 *provement and Reform Act (7 U.S.C.*
 3 *7272)).*

4 “(C) *OPTION TO PREVENT STORAGE*
 5 *FEES.—*

6 “(i) *IN GENERAL.—The Secretary may*
 7 *enter into contracts with bioenergy pro-*
 8 *ducers to sell eligible commodities to such*
 9 *producers prior in time to entering into*
 10 *contracts with eligible entities to purchase*
 11 *such commodities to be used to satisfy the*
 12 *contracts entered into with the bioenergy*
 13 *producers.*

14 “(ii) *SPECIAL TRANSFER RULE.—If the*
 15 *Secretary makes a sale and purchase re-*
 16 *ferred to in clause (i), the Secretary shall*
 17 *ensure that the bioenergy producer that pur-*
 18 *chased eligible commodities takes possession*
 19 *of such commodities within 30 calendar*
 20 *days of the date the Commodity Credit Cor-*
 21 *poration purchases such commodities.*

22 “(5) *RELATION TO OTHER LAWS.—If sugar that*
 23 *is subject to a marketing allotment under part VII of*
 24 *subtitle B of title III of the Agricultural Adjustment*
 25 *Act of 1938 (7 U.S.C. 1359aa et seq.) is the subject*

1 of a payment under this section, such sugar shall be
 2 considered marketed and shall count against a proc-
 3 essor's allocation of an allotment under such part, as
 4 applicable.

5 “(6) *FUNDING.*—The Secretary shall use the
 6 funds, facilities, and authorities of the Commodity
 7 Credit Corporation, including the use of such sums as
 8 are necessary, to carry out this section.”.

9 **SEC. 9014. DEDICATED ETHANOL PIPELINE FEASIBILITY**
 10 **STUDIES.**

11 (a) *IN GENERAL.*—The Secretary of Agriculture, in co-
 12 ordination with the Secretary of Energy and the Secretary
 13 of Transportation, shall spend up to \$1,000,000 to fund fea-
 14 sibility studies for the construction of dedicated ethanol
 15 pipelines.

16 (b) *CONDUCT OF STUDIES.*—

17 (1) *IN GENERAL.*—The Secretary of Agriculture
 18 shall—

19 (A) through a competitive solicitation proc-
 20 ess, select 1 or more firms having capabilities in
 21 the planning, development, and construction of
 22 dedicated pipelines to carry out the feasibility
 23 studies described in subsection (a); or

24 (B) carry out the feasibility studies in con-
 25 junction with such firms.

1 (2) *TIMING.*—

2 (A) *IN GENERAL.*—Not later than 120 days
3 after the Secretary selects 1 or more firms under
4 paragraph (1)(A) and funding is made available
5 under subsection (f), the Secretary shall award
6 funding under this section.

7 (B) *STUDIES.*—As a condition of receiving
8 funds under this section, a recipient of funding
9 shall agree to submit to the Secretary a com-
10 pleted feasibility study not later than one year
11 after the date on which the recipient is awarded
12 funds pursuant to paragraph (1)(A).

13 (c) *STUDY FACTORS.*—Feasibility studies funded
14 under this section shall include consideration of—

15 (1) *existing or potential barriers to dedicated*
16 *ethanol pipelines, including technical, siting, financ-*
17 *ing, and regulatory barriers;*

18 (2) *potential evolutionary pathways for the de-*
19 *velopment of an ethanol pipeline transport system,*
20 *such as starting with localized gathering networks as*
21 *compared to major interstate ethanol pipelines to*
22 *carry larger volumes from the Midwest to the East or*
23 *West coast;*

24 (3) *market risk, including throughput risk, and*
25 *ways of mitigating the risk;*

1 (4) *regulatory, financing, and siting options that*
2 *would mitigate risk in these areas and help ensure the*
3 *construction of dedicated ethanol pipelines;*

4 (5) *financial incentives that may be necessary*
5 *for the construction of dedicated ethanol pipelines, in-*
6 *cluding the return on equity that sponsors of the first*
7 *dedicated ethanol pipelines will require to invest in*
8 *the pipelines;*

9 (6) *ethanol production of 20,000,000,000,*
10 *30,000,000,000, and 40,000,000,000 gallons per year*
11 *by 2020; and*

12 (7) *such other factors that the Secretary con-*
13 *siders to be appropriate.*

14 (d) *CONFIDENTIALITY.—If a recipient of funding*
15 *under this section requests confidential treatment for crit-*
16 *ical energy infrastructure information or commercially-sen-*
17 *sitive data contained in a feasibility study submitted by*
18 *the recipient under subsection (b)(2)(B), the Secretary shall*
19 *offer to enter into a confidentiality agreement with the re-*
20 *cipient to maintain the confidentiality of the submitted in-*
21 *formation.*

22 (e) *REVIEW; REPORT.—The Secretary of Agriculture*
23 *shall—*

1 (1) *review the feasibility studies submitted under*
 2 *subsection (b)(2)(B) or carried out under subsection*
 3 *(b)(1)(B); and*

4 (2) *not later than 90 days after the date on*
 5 *which all studies are completed under subsection (b),*
 6 *submit to Congress a report that includes—*

7 (A) *information about the potential benefits*
 8 *of constructing dedicated ethanol pipelines; and*

9 (B) *recommendations for legislation that*
 10 *could help provide for the construction of dedi-*
 11 *cated ethanol pipelines.*

12 (f) *FUNDING.—There are authorized to be appro-*
 13 *priated to the Secretary of Agriculture to carry out this*
 14 *section \$1,000,000 for fiscal year 2008, to remain available*
 15 *until expended.*

16 **SEC. 9015. BIOMASS INVENTORY REPORT.**

17 (a) *INVENTORY REQUIRED.—The Secretary of Agri-*
 18 *culture shall conduct an inventory of biomass resources on*
 19 *a county-by-county basis.*

20 (b) *REPORT.—Not later than one year after the date*
 21 *of the enactment of this Act, the Secretary shall submit to*
 22 *the Committee on Agriculture of the House of Representa-*
 23 *tives and the Committee on Agriculture, Nutrition, and*
 24 *Forestry of the Senate a report containing—*

1 (1) *the results of the inventory conducted under*
2 *subsection (a); and*

3 (2) *an estimate of the amount of unused crop*
4 *land in the United States that could be used for dedi-*
5 *cated energy crops.*

6 (c) *BIOMASS RESOURCES DEFINED.*—*In this section,*
7 *the term “biomass resource” has the meaning given the term*
8 *“eligible commodity” in section 9010(a)(3) of the Farm Se-*
9 *curity and Rural Investment Act of 2002 (7 U.S.C.*
10 *8108(a)(3)).*

11 **SEC. 9016. FUTURE FARMSTEADS PROGRAM.**

12 (a) *ESTABLISHMENT.*—*The Secretary of Agriculture*
13 *shall establish a program to equip, in each of 5 regions of*
14 *the country chosen to represent different farming practices,*
15 *a farm house and its surrounding fields, facilities, and for-*
16 *ested areas with technologies to—*

17 (1) *improve farm energy production and energy*
18 *use efficiencies;*

19 (2) *provide working examples to farmers; and*

20 (3) *serve as an education, demonstration, and re-*
21 *search facility that will teach graduate students whose*
22 *focus of research is related to either renewable energy*
23 *or energy conservation technologies.*

24 (b) *GOALS.*—*The goals of the program established*
25 *under subsection (a) shall be to—*

1 (1) *advance farm energy use efficiencies and the*
2 *on-farm production of renewable energies, along with*
3 *advanced communication and control technologies*
4 *with the latest in energy capture and conversion tech-*
5 *niques, thereby enhancing rural energy independence*
6 *and creating new revenues for rural economies;*

7 (2) *accelerate private sector and university re-*
8 *search into the efficient on-farm production of renew-*
9 *able fuels and help educate the farming industry, stu-*
10 *dents, and the general public; and*

11 (3) *accelerate energy independence, including the*
12 *production and the conservation of renewable energies*
13 *on farms.*

14 (c) *COLLABORATION PARTNERS.—The program under*
15 *this section shall be carried out in partnership with re-*
16 *gional land grant institutions, agricultural commodity*
17 *commissions, biofuels companies, sensor and controls com-*
18 *panies, and internet technology companies.*

19 (d) *AUTHORIZATION OF APPROPRIATIONS.—There are*
20 *authorized to be appropriated such sums as may be nec-*
21 *essary to carry out this section.*

22 **SEC. 9017. SENSE OF CONGRESS ON RENEWABLE ENERGY.**

23 *It is the sense of Congress that—*

1 (1) *energy demand in the United States is pro-*
2 *jected to increase by more than 30 percent over the*
3 *next two decades;*

4 (2) *increased production of renewable energy and*
5 *growth of its infrastructure would assist the United*
6 *States in meeting the growing energy demand;*

7 (3) *continued, and even accelerated, development*
8 *of renewable energy inputs and technologies provide*
9 *numerous benefits to the United States, including im-*
10 *proved national security and economic growth;*

11 (4) *while it should be a priority of the Federal*
12 *Government to continue to promote policies and in-*
13 *centives to stimulate growth and development of re-*
14 *newable energy infrastructure, it should be recognized*
15 *that the marketplace is also an important instrument*
16 *to determine which renewable energy sources and*
17 *technologies will provide the most efficient and effec-*
18 *tive energy production;*

19 (5) *renewable energy inputs and technology must*
20 *be available in abundant quantities and provide en-*
21 *ergy at competitive prices in a reliable manner for*
22 *the American consumer; and*

23 (6) *it is in the interest of the United States to*
24 *diversify its energy portfolio and increase the energy*

1 *independence of the United States by further devel-*
 2 *oping alternative forms of energy.*

3 ***TITLE X—HORTICULTURE AND***
 4 ***ORGANIC AGRICULTURE***

Subtitle A—Honey and Bees

Sec. 10001. Annual report on response to honey bee colony collapse disorder.

Subtitle B—Horticulture Provisions

Sec. 10101. Tree assistance program.

Sec. 10102. Specialty crop block grants.

*Sec. 10103. Additional section 32 funds for purchase of fruits, vegetables, and
 nuts to support domestic nutrition assistance programs.*

*Sec. 10104. Independent evaluation of Department of Agriculture commodity pur-
 chase process.*

Sec. 10105. Quality requirements for clementines.

Sec. 10106. Implementation of food safety programs under marketing orders.

Sec. 10107. Inclusion of specialty crops in census of agriculture.

Sec. 10108. Maturity requirements for Hass avocados.

Sec. 10109. Mushroom promotion, research, and consumer information.

Sec. 10110. Fresh produce education initiative.

Subtitle C—Pest and Disease Management

Sec. 10201. Pest and disease program.

Sec. 10202. Multi-species fruit fly research and sterile fly production.

Subtitle D—Organic Agriculture

Sec. 10301. National organic certification cost-share program.

Sec. 10302. Organic production and market data.

Sec. 10303. Organic conversion, technical, and educational assistance.

Subtitle E—Miscellaneous Provisions

*Sec. 10401. Restoration of import and entry agricultural inspection functions to
 the Department of Agriculture.*

Sec. 10402. Grant program to improve movement of specialty crops.

*Sec. 10403. Authorization of appropriations for market news activities regarding
 specialty crops.*

Sec. 10404. Farmers' market promotion program.

Sec. 10405. National Clean Plant Network.

1 ***Subtitle A—Honey and Bees***

2 ***SEC. 10001. ANNUAL REPORT ON RESPONSE TO HONEY BEE***

3 ***COLONY COLLAPSE DISORDER.***

4 *The Secretary of Agriculture shall submit to Congress*
 5 *an annual report describing the progress made by the De-*
 6 *partment of Agriculture in investigating the cause or causes*
 7 *of honey bee colony collapse and in finding appropriate*
 8 *strategies to reduce colony loss.*

9 ***Subtitle B—Horticulture Provisions***

10 ***SEC. 10101. TREE ASSISTANCE PROGRAM.***

11 *(a) INCLUSION OF NURSERY TREE GROWERS.—*

12 *(1) ELIGIBILITY.—Section 10201 of the Farm*
 13 *Security and Rural Investment Act of 2002 (7 U.S.C.*
 14 *8201) is amended—*

15 *(A) by redesignating paragraphs (3) and*
 16 *(4) as paragraphs (4) and (5), respectively; and*
 17 *(B) by inserting after paragraph (2) the fol-*
 18 *lowing new paragraph:*

19 *“(3) NURSERY TREE GROWER.—The term ‘nurs-*
 20 *ery tree grower’ means a person who produces nurs-*
 21 *ery, ornamental, fruit, nut, or Christmas trees for*
 22 *commercial sale, as determined by the Secretary.”.*

23 *(2) CONFORMING AMENDMENTS.—Subtitle C of*
 24 *title X of the Farm Security and Rural Investment*
 25 *Act of 2002 is amended—*

1 (A) in section 10202 (7 U.S.C. 8202)—

2 (i) in subsection (a), by inserting “and
3 nursery tree growers” after “eligible or-
4 chardists”; and

5 (ii) in subsection (b), by inserting “or
6 nursery tree grower” after “eligible orchard-
7 ist”; and

8 (B) in section 10203 (7 U.S.C. 8203), by
9 inserting “and nursery tree growers” after “eli-
10 gible orchardists”.

11 (b) ANNUAL PAYMENT LIMITATION.—Section 10204(a)
12 of the Farm Security and Rural Investment Act of 2002
13 (7 U.S.C. 8204(a)) is amended by striking “\$75,000” and
14 inserting “\$150,000 per year”.

15 (c) APPLICABILITY.—The amendments made by this
16 section shall apply with respect to any natural disaster oc-
17 ccurring after the date of the enactment of this Act for which
18 assistance is provided by the Secretary of Agriculture under
19 the tree assistance program.

20 **SEC. 10102. SPECIALTY CROP BLOCK GRANTS.**

21 (a) EXTENSION OF PROGRAM.—Subsection (a) of sec-
22 tion 101 of the Specialty Crops Competitiveness Act of 2004
23 (Public Law 108–465; 7 U.S.C. 1621 note) is amended by
24 striking “2009” and inserting “2012”.

1 (b) *AVAILABILITY OF FUNDS.*—Subsection (i) of sec-
 2 tion 101 of the Specialty Crops Competitiveness Act of 2004
 3 is amended to read as follows:

4 “(i) *FUNDING.*—Of the funds of the Commodity Credit
 5 Corporation, the Secretary of Agriculture shall make grants
 6 under this section, using—

7 “(1) \$60,000,000 in fiscal year 2008;

8 “(2) \$65,000,000 in fiscal year 2009;

9 “(3) \$70,000,000 in fiscal year 2010;

10 “(4) \$75,000,000 in fiscal year 2011; and

11 “(5) \$95,000,000 in fiscal year 2012.”.

12 (c) *CONFORMING AMENDMENTS.*—Section 101 of the
 13 Specialty Crops Competitiveness Act of 2004 (Public Law
 14 108–465; 7 U.S.C. 1621 note) is further amended—

15 (1) in subsection (a), by striking “Subject to the
 16 appropriation of funds to carry out this section” and
 17 inserting “Using the funds made available under sub-
 18 section (i)”;

19 (2) in subsection (b), by striking “appropriated
 20 pursuant to the authorization of appropriations in”
 21 and inserting “made available under”; and

22 (3) in subsection (c), by striking “Subject to the
 23 appropriation of sufficient funds to carry out this
 24 subsection, each” and inserting “Each”.

1 (d) *DEFINITION OF SPECIALTY CROP.*—Section 3(1) of
 2 the Specialty Crops Competitiveness Act of 2004 (Public
 3 Law 108–465; 7 U.S.C. 1621 note) is amended by inserting
 4 “horticulture and” before “nursery”.

5 **SEC. 10103. ADDITIONAL SECTION 32 FUNDS FOR PUR-**
 6 **CHASE OF FRUITS, VEGETABLES, AND NUTS**
 7 **TO SUPPORT DOMESTIC NUTRITION ASSIST-**
 8 **ANCE PROGRAMS.**

9 (a) *FUNDING FOR ADDITIONAL PURCHASES OF*
 10 *FRUITS, VEGETABLES, AND NUTS.*—In addition to the pur-
 11 chases of fruits, vegetables, and nuts required by section
 12 10603 of the Farm Security and Rural Investment Act of
 13 2002 (7 U.S.C. 612c–4), the Secretary of Agriculture shall
 14 purchase fruits, vegetables, and nuts for the purpose of pro-
 15 viding nutritious foods for use in domestic nutrition assist-
 16 ance programs, using, of the funds made available under
 17 section 32 of the Act of August 24, 1935 (7 U.S.C. 612c),
 18 the following amounts:

- 19 (1) \$190,000,000 in fiscal year 2008.
- 20 (2) \$193,000,000 in fiscal year 2009.
- 21 (3) \$199,000,000 in fiscal year 2010.
- 22 (4) \$203,000,000 in fiscal year 2011.
- 23 (5) \$206,000,000 in fiscal year 2012 and each
- 24 fiscal year thereafter.

1 (b) *FORM OF PURCHASES.*—*Fruits, vegetables, and*
 2 *nuts may be purchased under this section in the form of*
 3 *frozen, canned, dried, or fresh fruits, vegetables, and nuts.*

4 (c) *VALUE ADDED PRODUCTS.*—*The Secretary may*
 5 *consider offering value-added products containing fruits,*
 6 *vegetables or nuts under this section, taking into account—*

7 (1) *whether demand exists for the value-added*
 8 *product; and*

9 (2) *the interests of entities that receive fruits,*
 10 *vegetables, and nuts under this section.*

11 **SEC. 10104. INDEPENDENT EVALUATION OF DEPARTMENT**
 12 **OF AGRICULTURE COMMODITY PURCHASE**
 13 **PROCESS.**

14 (a) *EVALUATION REQUIRED.*—*The Secretary of Agri-*
 15 *culture shall arrange to have performed an independent*
 16 *evaluation of the commodity purchasing processes (and the*
 17 *statutory and regulatory authority underlying such proc-*
 18 *esses) used by the Department of Agriculture to remove sur-*
 19 *plus commodities from the market and support commodity*
 20 *prices and producer incomes, especially with regard to ac-*
 21 *tivities under section 32 of the Act of August 24, 1935 (7*
 22 *U.S.C. 612c) and the importance of increasing purchases*
 23 *of specialty crops.*

24 (b) *SUBMISSION OF RESULTS.*—*Not later than one*
 25 *year after the date of the enactment of this Act, the Sec-*

1 *retary of Agriculture shall submit to Congress a report on*
 2 *the results of the evaluation.*

3 **SEC. 10105. QUALITY REQUIREMENTS FOR CLEMENTINES.**

4 *Section 8e(a) of the Agricultural Adjustment Act (7*
 5 *U.S.C. 608e-1(a)), reenacted with amendments by the Agri-*
 6 *cultural Marketing Agreement Act of 1937, is amended in*
 7 *the first sentence by inserting after “nectarines,” the fol-*
 8 *lowing: “clementines,”.*

9 **SEC. 10106. IMPLEMENTATION OF FOOD SAFETY PROGRAMS**
 10 **UNDER MARKETING ORDERS.**

11 *Section 8c(6) of the Agricultural Adjustment Act (7*
 12 *U.S.C. 608c(6)), reenacted with amendments by the Agri-*
 13 *cultural Marketing Agreement Act of 1937, is amended by*
 14 *adding at the end the following:*

15 *“(K) In the case of an order related to a specialty crop*
 16 *(as such term is defined in section 3(1) of the Specialty*
 17 *Crops Competitiveness Act of 2004 (Public Law 108-465;*
 18 *118 Stat. 3883)), authorizing the implementation of qual-*
 19 *ity-related food safety programs designed to enhance the*
 20 *safety of the specialty crop and products derived from spe-*
 21 *cialty crops.”.*

22 **SEC. 10107. INCLUSION OF SPECIALTY CROPS IN CENSUS**
 23 **OF AGRICULTURE.**

24 *Section 2(a) of the Census of Agriculture Act of 1997*
 25 *(7 U.S.C. 2204g(a) is amended by adding at the end the*

1 *following new sentence: “Beginning with the census of agri-*
 2 *culture required to be conducted in 2008, the Secretary shall*
 3 *conduct as part of each census of agriculture a census of*
 4 *specialty crops (as such term is defined in section 3(1) of*
 5 *the Specialty Crops Competitiveness Act of 2004 (Public*
 6 *Law 108-465; 118 Stat. 3883)).”.*

7 **SEC. 10108. MATURITY REQUIREMENTS FOR HASS AVOCA-**
 8 **DOS.**

9 *Subtitle A of the Agricultural Marketing Act of 1946*
 10 *is amended by adding at the end the following new section:*

11 **“SEC. 209. MATURITY REQUIREMENTS FOR HASS AVOCA-**
 12 **DOS.**

13 *“(a) MINIMUM PERCENTAGE OF DRY MATTER.—Not*
 14 *later than 180 days after the date of the enactment of the*
 15 *Farm, Nutrition, and Bioenergy Act of 2007, the Secretary*
 16 *of Agriculture shall issue final regulations to require that*
 17 *all Hass avocados sold to consumers in the United States*
 18 *meet the minimum maturity standard of not less than 20.8*
 19 *percent dry matter.*

20 *“(b) EXCEPTIONS.—Subsection (a) and the regulations*
 21 *issued pursuant to such subsection shall not apply to Hass*
 22 *avocados—*

23 *“(1) intended for consumption by charitable in-*
 24 *stitutions;*

25 *“(2) intended for distribution by relief agencies;*

1 “(3) *intended for commercial processing into*
2 *products; or*

3 “(4) *that the Secretary determines should not be*
4 *subject to such subsection or such regulations.*

5 “(c) *USE OF EXISTING INSPECTORS.—The Secretary*
6 *shall, to the greatest extent practicable, use inspectors that*
7 *inspect avocados for compliance with section 8e of the Agri-*
8 *cultural Adjustment Act (7 U.S.C. 608e-1), reenacted with*
9 *amendments by the Agricultural Marketing Agreement Act*
10 *of 1937, to conduct inspections under this section.*

11 “(d) *CIVIL PENALTIES.—The Secretary may require*
12 *any person who violates this section or the regulations*
13 *issued pursuant to this section to—*

14 “(1) *forfeit to the United States a sum equal to*
15 *the value of the commodity at the time of violation,*
16 *which forfeiture shall be recoverable in a civil suit*
17 *bought in the name of the United States; or*

18 “(2) *on conviction, be fined not less than \$50 or*
19 *more than \$5,000 for each violation.*

20 “(e) *DIVERSION.—In the case of any Hass avocados*
21 *that do not meet the requirements of this section or the regu-*
22 *lations issued pursuant to this section, the Secretary may—*

23 “(1) *provide for the reinspection of the Hass avo-*
24 *cados; or*

1 “(2) authorized the diversion, export, or repack-
2 ing of the Hass avocados.

3 “(f) *FEES*.—The Secretary may prescribe and collect
4 fees to cover the costs of providing for the inspection of Hass
5 avocados under this section. All fees and penalties collected
6 shall be credited to the accounts that incur such costs and
7 shall remain available until expended without fiscal year
8 limitation.

9 “(g) *AUTHORIZATION OF APPROPRIATIONS*.—There
10 are authorized to be appropriated such sums as may be nec-
11 essary to carry out this section.”.

12 **SEC. 10109. MUSHROOM PROMOTION, RESEARCH, AND CON-**
13 **SUMER INFORMATION.**

14 (a) *REGIONS AND MEMBERS*.—Section 1925(b)(2) of
15 the Mushroom Promotion, Research, and Consumer Infor-
16 mation Act of 1990 (subtitle B of title XIX of Public Law
17 101–624; 7 U.S.C. 6104(b)(2)) is amended—

18 (1) in subparagraph (B), by striking “4 regions”
19 and inserting “3 regions”;

20 (2) in subparagraph (D), by striking
21 “35,000,000 pounds” and inserting “50,000,000
22 pounds”; and

23 (3) by striking subparagraph (E), and inserting
24 the following new subparagraph:

1 “(E) *ADDITIONAL MEMBERS.*—*In addition*
2 *to the members appointed pursuant to para-*
3 *graph (1), and subject to the nine-member limit*
4 *of members on the council provided in such*
5 *paragraph, the Secretary shall appoint addi-*
6 *tional members to the council from a region*
7 *which attains additional pounds of production*
8 *as follows:*

9 “(i) *If a region’s annual production is*
10 *greater than 110,000,000 pounds, but less*
11 *than or equal to 180,000,000 pounds, the re-*
12 *gion shall be represented by one additional*
13 *member.*

14 “(ii) *If a region’s annual production is*
15 *greater than 180,000,000 pounds, but less*
16 *than or equal to 260,000,000 pounds, the re-*
17 *gion shall be represented by two additional*
18 *members.*

19 “(iii) *If a region’s annual production*
20 *is greater than 260,000,000 pounds, the re-*
21 *gion shall be represented by three additional*
22 *members.’’.*

23 (b) *POWERS AND DUTIES OF COUNCIL.*—*Section*
24 1925(c) *of the Mushroom Promotion, Research, and Con-*

1 *sumer Information Act of 1990 (subtitle B of title XIX of*
2 *Public Law 101–624; 7 U.S.C. 6104(c)) is amended—*

3 *(1) by redesignating paragraphs (6), (7), and (8)*
4 *as paragraphs (7), (8), and (9), respectively; and*

5 *(2) by inserting after paragraph (5), the fol-*
6 *lowing new paragraph (6):*

7 *“(6) to develop a program for good agricultural*
8 *practices and good handling practices for mush-*
9 *rooms;”.*

10 ***SEC. 10110. FRESH PRODUCE EDUCATION INITIATIVE.***

11 *(a) INITIATIVE AUTHORIZED.—The Secretary of Agri-*
12 *culture may carry out a program to educate persons in-*
13 *volved in the fresh produce industry and the public about—*

14 *(1) scientifically proven practices for reducing*
15 *microbiological pathogens on fresh produce; and*

16 *(2) methods of reducing the threat of cross-con-*
17 *tamination of fresh produce through unsanitary han-*
18 *dling practices.*

19 *(b) COOPERATION.—The Secretary may carry out the*
20 *program in cooperation with public or private partners.*

21 *(c) FUNDING.—There are authorized to be appro-*
22 *priated such sums as are necessary for each of fiscal years*
23 *2008 through 2012 to carry out this section.*

***Subtitle C—Pest and Disease
Management***

SEC. 10201. PEST AND DISEASE PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a program to—

(1) conduct early pest detection and surveillance activities in cooperation with state departments of agriculture;

(2) determine and prioritize pest and disease threats to domestic production of specialty crops; and

(3) create an audit-based certification approach to protect against the spread of plant pests and to facilitate the interstate movement of plants and plant products.

(b) EARLY PEST DETECTION AND SURVEILLANCE IMPROVEMENT PROGRAM.—

(1) COOPERATIVE AGREEMENTS.—The Secretary of Agriculture shall enter into cooperative agreements with State departments of agriculture to provide grants to such State departments of agriculture for early pest detection and surveillance activities.

(2) APPLICATION.—A State department of agriculture seeking to enter into a cooperative agreement under this subsection shall submit to the Secretary an application containing such information as the Sec-

retary may require. The Secretary shall notify applicants of the following:

(A) The requirements to be imposed on a department of agriculture for auditing of, and reporting on, the use of any funds provided by the Secretary under the cooperative agreement.

(B) The criteria to be used to ensure that early pest detection and surveillance activities supported under the cooperative agreement are based on sound scientific data or thorough risk assessments.

(C) The means of identifying pathways of pest introductions.

(3) *USE OF FUNDS.*—

(A) *PEST DETECTION AND SURVEILLANCE ACTIVITIES.*—A State department of agriculture that receives funds under this section shall use the funds to carry out early pest detection and surveillance activities approved by the Secretary to prevent the introduction or spread of a pest.

(B) *SUBAGREEMENTS.*—A State department of agriculture may use funds received under this section to enter into subagreements with political subdivisions in such State that have legal re-

1 *sponsibilities relating to agricultural pest and*
2 *disease surveillance.*

3 (4) *SPECIAL FUNDING CONSIDERATIONS.—The*
4 *Secretary shall provide, subject to the availability of*
5 *funds under subsection (j), funds to a State depart-*
6 *ment of agriculture that the Secretary determines is*
7 *in a State that has a high risk of being affected by*
8 *one or more pest, based on the following factors:*

9 (A) *The number of international airports*
10 *and maritime facilities in that State.*

11 (B) *The volume of international passenger*
12 *and cargo entry into that State.*

13 (C) *The geographic location of that State*
14 *and if such location is conducive to agricultural*
15 *pest and disease establishment due to the climate*
16 *or crop diversity of that State.*

17 (D) *The types of agricultural commodities*
18 *or plants produced in that State and if the com-*
19 *modities or plants produced are conducive to ag-*
20 *ricultural pest and disease establishment due to*
21 *the climate or crop diversity of that State.*

22 (E) *Whether the Secretary has declared an*
23 *emergency in that State pursuant to section 442*
24 *of the Plant Protection Act (7 U.S.C. 7772) due*

1 to an agricultural pest or disease of Federal con-
2 cern.

3 (F) Such other factors as the Secretary con-
4 siders appropriate.

5 (5) COST-SHARE.—

6 (A) FEDERAL COST SHARE; FORM OF NON-
7 FEDERAL COST SHARE.—Except as provided in
8 subparagraph (B), a cooperative agreement en-
9 tered into under paragraph (1) shall provide
10 that—

11 (i) the Federal share of carrying out
12 the cooperative agreement shall not exceed
13 75 percent of the total cost;

14 (ii) the non-Federal share of the cost of
15 carrying out the agreement may be provided
16 in-kind; and

17 (iii) in-kind costs may include indirect
18 costs as considered appropriate by the Sec-
19 retary.

20 (B) ABILITY TO PROVIDE FUNDS.—The Sec-
21 retary shall not take the ability to provide non-
22 Federal costs to carry out a cooperative agree-
23 ment entered into under paragraph (1) into con-
24 sideration when deciding whether to enter into a

1 *cooperative agreement with a State department*
2 *of agriculture.*

3 (C) *SPECIAL FUNDING CONSIDERATIONS.*—

4 *The non-federal share of carrying out paragraph*
5 *(4) shall not exceed 40 percent of the total costs*
6 *of carrying out such paragraph.*

7 (6) *REPORTING REQUIREMENT.*—*Not later than*
8 *180 days after the date of completion of an early pest*
9 *detection and surveillance activity conducted by a*
10 *State department of agriculture using funds provided*
11 *under this section, the department of agriculture shall*
12 *submit to the Secretary a report that describes the*
13 *purposes and results of the activities, including any*
14 *activities conducted pursuant to a subagreement re-*
15 *ferred to in paragraph (3)(B).*

16 (c) *THREAT IDENTIFICATION AND MITIGATION PRO-*
17 *GRAM.*—

18 (1) *IN GENERAL.*—*In conducting the program es-*
19 *tablished under subsection (a), the Secretary shall—*

20 (A) *develop risk assessments of the existing*
21 *and potential threat to the specialty crop indus-*
22 *try in the United States from pests and disease;*

23 (B) *prepare a list prioritizing pest and dis-*
24 *ease threats to the specialty crop industry;*

1 (C) develop action plans, in consultation
2 with State departments of agriculture and other
3 State or regional resource partnerships, that ef-
4 fectively address pest and disease threats to the
5 specialty crop industry, including pathway
6 analysis, domestic and offshore mitigation meas-
7 ures, and comprehensive exclusion measures at
8 ports of entry and other key distribution centers,
9 in addition to strategies to employ if a pest or
10 disease is introduced;

11 (D) implement such action plans as soon as
12 they are developed to test the effectiveness of such
13 action plans and help prevent new foreign and
14 domestic pest and disease threats from being in-
15 troduced or widely disseminated in the United
16 States; and

17 (E) collaborate with the nursery industry,
18 research institutions, and other appropriate enti-
19 ties to develop a nursery pest risk management
20 system to identify nursery pests and diseases,
21 prevent the introduction, establishment, and
22 spread of such pests and diseases, and reduce the
23 risk of, prioritize, mitigate, and eradicate such
24 pests and diseases.

1 (2) *REPORTS.*—Not later than one year after the
2 date of the enactment of this Act, and annually there-
3 after, the Secretary shall update and submit to Con-
4 gress the priority list and action plans described in
5 paragraph (1), including an accounting of funds ex-
6 pended on the action plans.

7 (d) *AUDIT-BASED APPROACH TO SPECIALTY CROP*
8 *PHYTOSANITARY CERTIFICATION.*—In conducting the pro-
9 gram established under subsection (a), the Secretary shall
10 provide funds and technical assistance to specialty crop
11 growers, organizations representing such growers, and State
12 and local agencies working with such growers and organiza-
13 tions for the development and implementation of certifi-
14 cation systems based on audit-based approaches, such as
15 best management practices or nursery pest risk manage-
16 ment systems, to address plant pests and to mitigate the
17 risk of plant pests in the movement of plants and plant
18 products.

19 (e) *COOPERATIVE AGREEMENTS.*—The Secretary may
20 enter into cooperative agreements with other Federal de-
21 partments or agencies, States or political subdivisions of
22 States, national governments, local governments of other
23 nations, domestic or international organizations, domestic
24 or international associations, and other persons to carry
25 out this section.

1 (f) *CONSULTATION.*—*The Secretary shall consult with*
2 *the National Plant Board, State departments of agriculture,*
3 *and specialty crop grower organizations to establish fund-*
4 *ing priorities under this section for each fiscal year.*

5 (g) *ADMINISTRATIVE COSTS.*—*Not more than 5 per-*
6 *cent of the funds provided under this section may be used*
7 *for administrative costs.*

8 (h) *DEFINITIONS.*—*In this section:*

9 (1) *EARLY PEST DETECTION AND SURVEIL-*
10 *LANCE.*—*The term “early pest detection and surveil-*
11 *lance” means the full range of activities undertaken*
12 *to find newly introduced pests, whether new to the*
13 *United States or new to certain areas of the United*
14 *States, before the pests become established, or before*
15 *pest infestations become too large and costly to eradi-*
16 *cate or control.*

17 (2) *PEST.*—*The term “pest” has the meaning*
18 *given the term “plant pest” in section 403(14) of the*
19 *Plant Protection Act (7 U.S.C. 7702(14)).*

20 (3) *SPECIALTY CROP.*—*The term “specialty*
21 *crop” has the meaning given the term in section 3(1)*
22 *of the Specialty Crop Competitiveness Act of 2004*
23 *(Public Law 108-465; 118 Stat. 3883; 7 U.S.C. 1621*
24 *note).*

1 (4) *STATE DEPARTMENT OF AGRICULTURE.*—*The*
 2 *term “State department of agriculture” means an*
 3 *agency of a State that has a legal responsibility to*
 4 *perform early pest detection and surveillance activi-*
 5 *ties.*

6 (i) *SECRETARIAL DISCRETION.*—*Section 442(c) of the*
 7 *Plant Protection Act (7 U.S.C. 7772(c)) is amended by*
 8 *striking “of longer than 60 days”.*

9 (j) *FUNDING.*—*Of the funds fo the Commodity Credit*
 10 *Corporation, the Secretary shall make available to carry*
 11 *out this section—*

12 (1) *\$10,000,000 for fiscal year 2008;*

13 (2) *\$25,000,000 for fiscal year 2009;*

14 (3) *\$40,000,000 for fiscal year 2010;*

15 (4) *\$55,000,000 for fiscal year 2011; and*

16 (5) *\$70,000,000 for fiscal year 2012.*

17 **SEC. 10202. MULTI-SPECIES FRUIT FLY RESEARCH AND**
 18 **STERILE FLY PRODUCTION.**

19 (a) *CONSTRUCTION.*—*The Secretary of Agriculture*
 20 *shall construct a warehouse and irradiation containment*
 21 *facility in Waimanalo, Hawaii, to support fruit fly rearing*
 22 *and sterilization activities.*

23 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
 24 *authorized to be appropriated—*

1 (1) \$15,000,000 for the construction of a ware-
 2 house and irradiation containment facility pursuant
 3 to subsection (a); and

4 (2) \$1,000,000 for fiscal year 2008 and each sub-
 5 sequent fiscal year for maintenance to the facilities
 6 constructed pursuant to this section.

7 ***Subtitle D—Organic Agriculture***

8 ***SEC. 10301. NATIONAL ORGANIC CERTIFICATION COST-*** 9 ***SHARE PROGRAM.***

10 *Section 10606 of the Farm Security and Rural Invest-*
 11 *ment Act of 2002 (7 U.S.C. 6523) is amended—*

12 (1) in subsection (a), by striking “\$5,000,000 for
 13 fiscal year 2002” and inserting “\$22,000,000 for fis-
 14 cal year 2008”; and

15 (2) in subsection (b)(2), by striking “\$500” and
 16 inserting “\$750”.

17 ***SEC. 10302. ORGANIC PRODUCTION AND MARKET DATA.***

18 ***(a) NEW DATA REQUIREMENTS.***—*Section 7407 of the*
 19 *Farm Security and Rural Investment Act of 2002 (7 U.S.C.*
 20 *5925c) is amended to read as follows:*

21 ***“SEC. 7407. ORGANIC DATA COLLECTION AND PUBLICA-*** 22 ***TION.***

23 ***“(a) DATA COLLECTION AND PUBLICATION.***—*To assist*
 24 *organic farmers in making informed production and mar-*
 25 *keting decisions, the Secretary of Agriculture shall collect*

1 *and publish segregated data and survey information about*
 2 *the price, production, and marketing of major organically*
 3 *produced commodities, as determined by the Secretary.*

4 “(b) *FUNDING.*—*The Secretary of Agriculture shall use*
 5 *\$3,000,000 of funds of the Commodity Credit Corporation*
 6 *to carry out this section during fiscal year 2008, and such*
 7 *funds shall remain available until expended.”.*

8 (b) *IMPLEMENTATION REPORT.*—*Not later than 180*
 9 *days after the date of the enactment of this Act, the Sec-*
 10 *retary of Agriculture shall submit to Congress a report re-*
 11 *garding the progress made in implementing the amendment*
 12 *made by subsection (a).*

13 **SEC. 10303. ORGANIC CONVERSION, TECHNICAL, AND EDU-**
 14 **CATIONAL ASSISTANCE.**

15 (a) *ESTABLISHMENT.*—*Not later than 180 days after*
 16 *the date of the enactment of this section, the Secretary shall*
 17 *establish a program to provide cost share and incentive*
 18 *payments and technical and educational assistance to pro-*
 19 *ducers to promote conservation practices and activities for*
 20 *production systems undergoing transition, in whole or in*
 21 *part, to organic production in accordance with the Organic*
 22 *Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).*

23 (b) *ORGANIC TRANSITION COST SHARE AND INCEN-*
 24 *TIVE PAYMENTS.*—

1 (1) *IN GENERAL.*—*The Secretary shall enter into*
2 *contracts with eligible producers referred to in para-*
3 *graph (2) to provide cost-share and incentive pay-*
4 *ments to assist in the transition to organic produc-*
5 *tion systems.*

6 (2) *ELIGIBLE PRODUCERS.*—*A producer is an el-*
7 *igible producer under this paragraph if such producer*
8 *agrees to—*

9 (A) *develop and carry out environmental*
10 *and conservation activities consistent with an*
11 *organic plan that protect soil, water, wildlife,*
12 *air, and other natural resources as defined by*
13 *the Secretary;*

14 (B) *receive technical and education assist-*
15 *ance from the Secretary, or from organizations,*
16 *institutions, and consultants with cooperative*
17 *agreements with the Secretary, relating to—*

18 (i) *the development and implementa-*
19 *tion of conservation practices and activities*
20 *that are part of an organic plan; or*

21 (ii) *other aspects of transition to or-*
22 *ganic production, including marketing,*
23 *credit, business, and risk management*
24 *plans;*

1 (C) submit to annual verification by a cer-
2 tifying agent accredited by the Department of
3 Agriculture under section 2115 of the Organic
4 Foods Production Act of 1990 (7 U.S.C. 6514) to
5 determine compliance of the producer with or-
6 ganic certification requirements; and

7 (D) develop marketing, credit, business, and
8 risk management plans, as appropriate.

9 (3) CONTRACT.—A contract entered into under
10 paragraph (1) shall provide that—

11 (A) payments provided to a producer under
12 the contract shall only be used for—

13 (i) conservation management and vege-
14 tative and structural practices and activi-
15 ties during transition to certified organic
16 production that—

17 (I) are consistent with an organic
18 plan; and

19 (II) protect soil, water, wildlife,
20 air, and other natural resources, as re-
21 quired under the Organic Foods Pro-
22 duction Act of 1990 (7 U.S.C. 6501 et
23 seq.);

24 (ii) animal production measures con-
25 sistent with an organic plan; and

1 (iii) such other measures as the Sec-
2 retary determines are appropriate and con-
3 sistent with an organic plan;

4 (B) subject to subparagraph (C), the con-
5 tract shall terminate after a period of not more
6 than three years;

7 (C) the Secretary may terminate the con-
8 tract if the Secretary determines the eligible pro-
9 ducer is not pursuing organic certification under
10 the Organic Foods Production Act of 1990 (7
11 U.S.C. 6501 et seq.); and

12 (D) the Secretary may require repayment
13 in whole of payments already received if the Sec-
14 retary determines the eligible producer is not
15 pursuing organic certification under the Organic
16 Foods Production Act of 1990 (7 U.S.C. 6501 et.
17 seq).

18 (4) LIMITATIONS ON PAYMENTS.—An eligible
19 producer may not receive payments under paragraph
20 (1)—

21 (A) for a total period of more than three
22 years;

23 (B) an amount not to exceed \$50 per acre
24 for crop land, or \$25 per acre for grazing land;
25 and

1 (C) in an amount more than \$10,000 in a
2 fiscal year.

3 (c) *TECHNICAL AND EDUCATIONAL ASSISTANCE.*—The
4 Secretary shall provide producers with technical and edu-
5 cational assistance, including through the use of competitive
6 cooperative agreements with non-profit organizations, non-
7 governmental organizations, institutes of higher education,
8 or consultants with expertise in advisory services for or-
9 ganic producers on organic production systems, and the
10 planning for and marketing of organic products.

11 (d) *USE OF FUNDS.*—The Secretary shall use 50 per-
12 cent of the funds made available pursuant to the authoriza-
13 tion of appropriations under subsection (f) to provide tech-
14 nical and educational assistance under subsection (c).

15 (e) *DEFINITIONS.*—In this section:

16 (1) *ORGANIC PLAN.*—The term “organic plan”
17 means an organic plan submitted under section
18 2114(a) of the Organic Foods Production Act of 1990
19 (7 U.S.C. 6513(a)) and agreed to by the producer and
20 handler of a product and a certifying agent under
21 such section.

22 (2) *TECHNICAL AND EDUCATIONAL ASSIST-*
23 *ANCE.*—The term “technical and educational assist-
24 ance” means the conveyance of information and coun-
25 sel regarding economic and business planning, mar-

1 *keting, and organic practices, such as entomological*
 2 *practices and pest and weed control and prevention*
 3 *that satisfy organic practices.*

4 (f) *FUNDING.*—*There is authorized to be appropriated*
 5 *to carry out this section \$50,000,000, which shall remain*
 6 *available until expended.*

7 ***Subtitle E—Miscellaneous***
 8 ***Provisions***

9 ***SEC. 10401. RESTORATION OF IMPORT AND ENTRY AGRI-***
 10 ***CULTURAL INSPECTION FUNCTIONS TO THE***
 11 ***DEPARTMENT OF AGRICULTURE.***

12 (a) *REPEAL OF TRANSFER OF FUNCTIONS.*—*Section*
 13 *421 of the Homeland Security Act of 2002 (6 U.S.C. 231)*
 14 *is repealed.*

15 (b) *CONFORMING AMENDMENT TO FUNCTIONS OF SEC-*
 16 *RETARY OF HOMELAND SECURITY.*—*Section 402 of the*
 17 *Homeland Security Act of 2002 (6 U.S.C. 202) is amend-*
 18 *ed—*

19 (1) *by striking paragraph (7); and*

20 (2) *by redesignating paragraph (8) as para-*
 21 *graph (7).*

22 (c) *TRANSFER AGREEMENT.*—

23 (1) *IN GENERAL.*—*Not later than the effective*
 24 *date specified in subsection (g), the Secretary of Agri-*
 25 *culture and the Secretary of Homeland Security shall*

1 *enter into an agreement to effectuate the return of*
2 *functions required by the amendments made by this*
3 *section.*

4 (2) *USE OF CERTAIN EMPLOYEES.*—*The agree-*
5 *ment may include authority for the Secretary of Agri-*
6 *culture to use employees of the Department of Home-*
7 *land Security to carry out authorities delegated to the*
8 *Animal and Plant Health Inspection Service regard-*
9 *ing the protection of domestic livestock and plants.*

10 (d) *RESTORATION OF DEPARTMENT OF AGRICULTURE*
11 *EMPLOYEES.*—*Not later than the effective date specified in*
12 *subsection (g), all full-time equivalent positions of the De-*
13 *partment of Agriculture transferred to the Department of*
14 *Homeland Security under section 421(g) of the Homeland*
15 *Security Act of 2002 (6 U.S.C. 231(g)) (as in effect on the*
16 *day before such effective date) shall be restored to the De-*
17 *partment of Agriculture.*

18 (e) *AUTHORITY OF APHIS.*—

19 (1) *ESTABLISHMENT OF PROGRAM.*—*The Sec-*
20 *retary of Agriculture shall establish within the Ani-*
21 *mal and Plant Health Inspection Service a program,*
22 *to be known as the “International Agricultural In-*
23 *spection Program”, under which the Administrator of*
24 *the Animal and Plant Health Inspection Service (re-*
25 *ferred to in this subsection as the “Administrator”)*

1 *shall carry out import and entry agricultural inspec-*
2 *tions.*

3 (2) *INFORMATION GATHERING AND INSPEC-*
4 *TIONS.—In carrying out the program under para-*
5 *graph (1), the Administrator shall have full access*
6 *to—*

7 (A) *each secure area of any terminal for*
8 *screening passengers or cargo under the control*
9 *of the Department of Homeland Security on the*
10 *day before the date of enactment of this Act for*
11 *purposes of carrying out inspections and gath-*
12 *ering information; and*

13 (B) *each database (including any database*
14 *relating to cargo manifests or employee and*
15 *business records) under the control of the Depart-*
16 *ment of Homeland Security on the day before the*
17 *date of enactment of this Act for purposes of*
18 *gathering information.*

19 (3) *INSPECTION ALERTS.—The Administrator*
20 *may issue inspection alerts, including by indicating*
21 *cargo to be held for immediate inspection.*

22 (4) *INSPECTION USER FEES.—The Administrator*
23 *may, as applicable—*

24 (A) *continue to collect any agricultural*
25 *quarantine inspection user fee; and*

1 (B) administer any reserve account for the
2 fees.

3 (5) CAREER TRACK PROGRAM.—

4 (A) IN GENERAL.—The Administrator shall
5 establish a program, to be known as the “import
6 and entry agriculture inspector career track pro-
7 gram”, to support the development of long-term
8 career professionals with expertise in import and
9 entry agriculture inspection.

10 (B) STRATEGIC PLAN AND TRAINING.—In
11 carrying out the program under this paragraph,
12 the Administrator, in coordination with the Sec-
13 retary of Agriculture, shall—

14 (i) develop a strategic plan to incor-
15 porate import and entry agricultural in-
16 spectors into the infrastructure protecting
17 food, fiber, forests, bioenergy, and the envi-
18 ronment of the United States from animal
19 and plant pests, diseases, and noxious
20 weeds; and

21 (ii) as part of the plan under clause
22 (i), provide training for import and entry
23 agricultural inspectors participating in the
24 program not less frequently than once each
25 year to improve inspection skills.

1 (f) *DUTIES OF SECRETARY OF AGRICULTURE.*—

2 (1) *OPERATING PROCEDURES AND TRACKING*
3 *SYSTEM.*—*The Secretary of Agriculture shall—*

4 (A) *develop standard operating procedures*
5 *for inspection, monitoring, and auditing relating*
6 *to import and entry agricultural inspections, in*
7 *accordance with recommendations from the*
8 *Comptroller General of the United States and re-*
9 *ports of interagency advisory groups, as applica-*
10 *ble; and*

11 (B) *ensure that the Animal and Plant*
12 *Health Inspection Service has a national elec-*
13 *tronic system with real-time tracking capability*
14 *for monitoring, tracking, and reporting inspec-*
15 *tion activities of the Service.*

16 (2) *FEDERAL AND STATE COOPERATION.*—

17 (A) *COMMUNICATION SYSTEM.*—*The Sec-*
18 *retary of Agriculture shall develop and maintain*
19 *an integrated, real-time communication system*
20 *with respect to import and entry agricultural in-*
21 *spections to alert State departments of agri-*
22 *culture of significant inspection findings of the*
23 *Animal and Plant Health Inspection Service.*

24 (3) *FUNDING.*—*The Secretary of Agriculture*
25 *shall pay the costs of each import and entry agricul-*

1 *tural inspector employed by the Animal and Plant*
2 *Health Inspection Service from amounts made avail-*
3 *able to the Department of Agriculture for the applica-*
4 *ble fiscal year.*

5 *(g) EFFECTIVE DATE.—The amendments made by this*
6 *section take effect on the date that is 180 days after the*
7 *date of enactment of this Act.*

8 **SEC. 10402. GRANT PROGRAM TO IMPROVE MOVEMENT OF**
9 **SPECIALTY CROPS.**

10 *(a) GRANTS AUTHORIZED.—The Secretary of Agri-*
11 *culture may make grants under this section to an eligible*
12 *entity described in subsection (b)—*

13 *(1) to improve the cost-effective movement of spe-*
14 *cialty crops to local, regional, national, and inter-*
15 *national markets; and*

16 *(2) to address regional intermodal transpor-*
17 *tation deficiencies that adversely affect the movement*
18 *of specialty crops to markets inside or outside the*
19 *United States.*

20 *(b) ELIGIBLE GRANT RECIPIENTS.—Grants may be*
21 *made under this section to any of the following (or a com-*
22 *bination thereof):*

23 *(1) State and local governments.*

24 *(2) Grower cooperatives.*

1 (3) *State or regional producer and shipper orga-*
 2 *nizations.*

3 (4) *Other entities as determined to be appro-*
 4 *priate by the Secretary.*

5 (c) *MATCHING FUNDS.*—*The recipient of a grant*
 6 *under this section shall contribute an amount of non-Fed-*
 7 *eral funds toward the project for which the grant is pro-*
 8 *vided that is at least equal to the amount of grant funds*
 9 *received by the recipient under this section.*

10 (d) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
 11 *authorized to be appropriated such sums as may be nec-*
 12 *essary for each of fiscal years 2008 through 2012 to carry*
 13 *out this section.*

14 **SEC. 10403. AUTHORIZATION OF APPROPRIATIONS FOR**
 15 **MARKET NEWS ACTIVITIES REGARDING SPE-**
 16 **CIALTY CROPS.**

17 *There are authorized to be appropriated to the Sec-*
 18 *retary of Agriculture such sums as may be necessary for*
 19 *each of the fiscal years 2008 through 2012 to support the*
 20 *market news activities regarding specialty crops (as such*
 21 *term is defined in section 3(1) of the Specialty Crops Com-*
 22 *petitiveness Act of 2004 (Public Law 108-465; 118 Stat.*
 23 *3883)).*

24 **SEC. 10404. FARMERS' MARKET PROMOTION PROGRAM.**

25 (a) *FINDINGS.*—*Congress finds that—*

1 (1) *agricultural direct farmer-to-consumer mar-*
 2 *keting activities, including farmers’ markets, roadside*
 3 *stands, community supported agriculture, internet,*
 4 *mail-order, and other similar direct order marketing*
 5 *activities, significantly enhance the ability of agricul-*
 6 *tural producers to retain a greater share of their*
 7 *products’ retail value;*

8 (2) *direct farmer-to-consumer marketing activi-*
 9 *ties are a crucial component of the current and future*
 10 *viability of small and mid-sized farms and ranches*
 11 *and beginning and socially disadvantaged farmers*
 12 *and ranchers; and*

13 (3) *agricultural direct marketing activities con-*
 14 *tribute to the health and well-being of consumers in*
 15 *rural, urban, and tribal communities by providing*
 16 *access to healthy, fresh, and affordable food.*

17 (b) *PROGRAM.—Section 6 of the Farmer-to-Consumer*
 18 *Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended—*

19 (1) *in subsection (a)—*

20 (A) *by striking “Farmers’ Market Pro-*
 21 *motion Program” and inserting “Farmer Mar-*
 22 *keting Assistance Program”; and*

23 (B) *by striking “promote farmers’ markets”*
 24 *and inserting “direct producer to consumer mar-*
 25 *keting”;*

1 (2) in subsection (b)(1)—

2 (A) in subparagraph (A), by striking “, do-
3 mestic farmers’ markets, roadside stands, com-
4 munity-supported agriculture programs, and
5 other”; and

6 (B) in subparagraph (B), by striking
7 “farmers’ markets, roadside stands, community-
8 supported agriculture programs, and other direct
9 producer-to-consumer infrastructure” and insert-
10 ing “direct producer-to-consumer marketing and
11 infrastructure opportunities”;

12 (3) in subsection (c)—

13 (A) by redesignating paragraphs (1)
14 through (7) as paragraphs (2) through (8), re-
15 spectively;

16 (B) by inserting before paragraph (2) the
17 following new paragraph:

18 “(1) two or more farmers or farm vendors who
19 sell products through a common channel of distribu-
20 tion;”; and

21 (C) in paragraph (2) (as so redesignated)
22 by striking “an agricultural cooperative” and
23 inserting “an agricultural cooperative or pro-
24 ducer network or association”;

1 (4) *by striking subsection (e) and inserting the*
2 *following new subsections:*

3 “(e) *ELIGIBLE ACTIVITIES.—A recipient of a grant*
4 *under this section may use the funds for the following ac-*
5 *tivities:*

6 “(1) *Farmers markets.*

7 “(2) *Roadside stands.*

8 “(3) *Community supported agriculture oper-*
9 *ations, through which a farmer agrees to deliver a*
10 *certain quantity of agricultural products to con-*
11 *sumers at a set price.*

12 “(4) *The purchase of equipment or other activi-*
13 *ties supporting the use of electronic benefit transfer*
14 *systems at farmers markets.*

15 “(5) *Agritourism activities facilitating the direct*
16 *sale of agricultural products, including operations*
17 *where the consumer picks their own agricultural*
18 *products.*

19 “(6) *Other activities as determined appropriate*
20 *by the Secretary.*

21 “(f) *FUNDING.—*

22 “(1) *IN GENERAL.—Of the funds of the Com-*
23 *modity Credit Corporation, the Secretary of Agri-*
24 *culture use to carry out this section—*

1 “(A) \$5,000,000 in each of fiscal year
2 2008, 2009, and 2010; and

3 “(B) \$10,000,000 in each of fiscal years
4 2011 and 2012.

5 “(2) *USE OF FUNDS.*—Not less than 10 percent
6 of the funds used to carry out this section in a fiscal
7 year under paragraph (1) shall be used to support the
8 use of electronic benefits transfers at farmers’ mar-
9 kets.”.

10 **SEC. 10405. NATIONAL CLEAN PLANT NETWORK.**

11 (a) *ESTABLISHMENT.*—There is established in the De-
12 partment of Agriculture a program to be known as the “Na-
13 tional Clean Plant Network”.

14 (b) *NETWORK.*—The Secretary of Agriculture shall use
15 the network—

16 (1) to develop a sustainable national funding
17 source for clean planting stock programs for horti-
18 cultural crops determined by the Secretary to be of
19 priority for the United States; and

20 (2) to enter into cooperative agreements to enti-
21 ties that have the expertise, facilities, and climate
22 necessary to efficiently produce, maintain, and dis-
23 tribute healthy planting stock for specialty crops.

24 (c) *FUNDING.*—

1 (1) *COMMODITY CREDIT CORPORATION.*—*Of the*
 2 *funds of the Commodity Credit Corporation, the Sec-*
 3 *retary shall make available to carry out this section*
 4 *\$20,000,000 for fiscal years 2008 through 2012.*

5 (2) *AUTHORIZATION OF APPROPRIATIONS.*—
 6 *There are authorized to be appropriated such sums as*
 7 *are necessary for each of fiscal years 2008 through*
 8 *2012 to carry out this section.*

9 ***TITLE XI—MISCELLANEOUS***
 10 ***PROVISIONS***

Subtitle A—Federal Crop Insurance

- Sec. 11001. Availability of supplemental crop insurance based on area yield and loss plan of insurance or area revenue plan of insurance.*
- Sec. 11002. Premiums and reinsurance requirements.*
- Sec. 11003. Catastrophic risk protection administrative fee.*
- Sec. 11004. Funding for reimbursements, contracting, risk management education, and information technology.*
- Sec. 11005. Reimbursement of research and development costs related to new crop insurance products.*
- Sec. 11006. Research and development contracts for organic production coverage improvements.*
- Sec. 11007. Targeting risk management education for beginning farmers and ranchers and certain other farmers and ranchers.*
- Sec. 11008. Crop insurance ineligibility related to crop production on noncropland.*
- Sec. 11009. Funds for data mining.*
- Sec. 11010. Noninsured crop assistance program.*
- Sec. 11011. Change in due date for Corporation payments for underwriting gains.*
- Sec. 11012. Sesame insurance pilot program.*

Subtitle B—Livestock and Poultry

- Sec. 11101. Sense of Congress regarding pseudorabies eradication program.*
- Sec. 11102. Arbitration of livestock and poultry contracts.*
- Sec. 11103. State-inspected meat and poultry.*
- Sec. 11104. Country of origin labeling.*
- Sec. 11105. Sense of Congress regarding State inspected meat and poultry products.*
- Sec. 11106. Sense of Congress regarding the voluntary control program for low pathogenic avian influenza.*
- Sec. 11107. Sense of Congress regarding the cattle fever tick eradication program.*

Subtitle C—Socially Disadvantaged Producers and Limited Resource Producers

- Sec. 11201. Outreach and technical assistance for socially disadvantaged farmers and ranchers and limited resource farmers and ranchers.*
- Sec. 11202. Improved program delivery by Department of Agriculture on Indian reservations.*
- Sec. 11203. Transparency and accountability for socially disadvantaged farmers and ranchers.*
- Sec. 11204. Beginning farmer and rancher development program.*
- Sec. 11205. Provision of receipt for service or denial of service.*
- Sec. 11206. Tracking of socially disadvantaged farmers and ranchers and limited resource farmers and ranchers in Census of Agriculture and certain studies.*
- Sec. 11207. Farmworker coordinator.*
- Sec. 11208. Office of Outreach relocation.*
- Sec. 11209. Minority farmer advisory committee.*
- Sec. 11210. Coordinator for chronically underserved rural areas.*

Subtitle D—Other Miscellaneous Provisions

- Sec. 11301. Designation of separate cotton-producing States under Cotton Research and Promotion Act.*
- Sec. 11302. Cotton classification services.*
- Sec. 11303. Availability of excess and surplus computers in rural areas.*
- Sec. 11304. Permanent debarment from participation in Department of Agriculture programs for fraud.*
- Sec. 11305. No discrimination against use of registered pesticide products or classes of pesticide products.*
- Sec. 11306. Prohibition on closure or relocation of county offices for the Farm Service Agency, Rural Development Agency, and Natural Resources Conservation Service.*
- Sec. 11308. Regulation of exports of plants, plant products, biological control organisms, and noxious weeds.*
- Sec. 11309. Grants to reduce production of methamphetamines from anhydrous ammonia.*
- Sec. 11310. USDA Graduate School.*

1 *Subtitle A—Federal Crop Insurance*

2 *SEC. 11001. AVAILABILITY OF SUPPLEMENTAL CROP INSUR-*

3 *ANCE BASED ON AREA YIELD AND LOSS PLAN*

4 *OF INSURANCE OR AREA REVENUE PLAN OF*

5 *INSURANCE.*

6 (a) IN GENERAL.—*Section 508(c) of the Federal Crop*

7 *Insurance Act (7 U.S.C. 1508(c)) is amended by adding*

8 *at the end the following new paragraph:*

9 “(11) SUPPLEMENTAL AREA COVERAGE.—

1 “(A) *AVAILABILITY OF COVERAGE.*—Not-
2 withstanding paragraph (4), if area coverage is
3 available in an area (as determined by the Cor-
4 poration under paragraph (3)), the Corporation
5 shall provide eligible producers in that area with
6 the option to purchase supplemental insurance
7 coverage based on—

8 “(i) *an area yield and loss plan of in-*
9 *surance; or*

10 “(ii) *an area revenue plan of insur-*
11 *ance that includes coverage for a loss in*
12 *yield.*

13 “(B) *ELIGIBLE PRODUCERS.*—To be eligible
14 to obtain supplemental coverage under this para-
15 graph, a producer must purchase either an indi-
16 vidual yield and loss plan of insurance or a rev-
17 enue plan of insurance that includes coverage for
18 a loss in yield at an additional coverage level for
19 the same crop to be covered by the supplemental
20 coverage.

21 “(C) *LIMITATION.*—In providing supple-
22 mental coverage to a producer under this para-
23 graph, the sum of the following shall not exceed
24 100 percent:

1 “(i) *The coverage level expressed in*
2 *percentage terms for the individual yield*
3 *and loss plan of insurance or the revenue*
4 *plan of insurance that includes coverage for*
5 *a loss in yield that is purchased by the pro-*
6 *ducer for the same crop covered by the sup-*
7 *plemental coverage, as required by subpara-*
8 *graph (B).*

9 “(ii) *The share expressed in percentage*
10 *terms of the area yield and loss plan of in-*
11 *surance or the area revenue plan of insur-*
12 *ance (at whatever coverage level is selected)*
13 *that is used to determine the level of supple-*
14 *mental insurance coverage provided the pro-*
15 *ducer under this paragraph.*

16 “(D) *PAYMENT OF PORTION OF PREMIUM.—*
17 *As provided in subsection (e), the Corporation*
18 *shall pay a portion of the premium for supple-*
19 *mental coverage under this paragraph and the*
20 *associated individual area yield and loss plan of*
21 *insurance or revenue plan of insurance that in-*
22 *cludes coverage for a loss in yield.*

23 “(E) *AMOUNT OF INDEMNITY PAID UNDER*
24 *SUPPLEMENTAL COVERAGE.—The indemnity*

1 *payable under supplemental coverage provided*
2 *under this paragraph shall be calculated as—*

3 *“(i) the total indemnity for the area*
4 *yield and loss plan of insurance or area*
5 *revenue plan of insurance, at the coverage*
6 *level chosen by the producer; multiplied by*

7 *“(ii) the share of the coverage of the*
8 *area yield and loss plan of insurance or*
9 *area revenue plan of insurance selected by*
10 *the producer.*

11 *“(F) SPECIAL RULE RELATING TO QUALI-*
12 *FYING LOSSES.—In the case of a qualifying loss*
13 *in an area (as determined by the Corporation)*
14 *under supplemental coverage provided under this*
15 *paragraph, subject to the applicable coverage*
16 *limits, the total amount of the indemnity shall*
17 *be available to the producer regardless of the loss*
18 *incurred under the individual yield and loss*
19 *plan of insurance or the revenue plan of insur-*
20 *ance that includes coverage for a loss in yield of*
21 *the producer.*

22 *“(G) REINSURANCE YEAR.—Subject to the*
23 *availability of area yield and loss or revenue*
24 *coverage for an insurable crop in an area (as de-*
25 *termined by the Corporation), the Corporation*

1 *shall provide supplemental coverage under this*
2 *paragraph not later than the 2008 reinsurance*
3 *year.”.*

4 **(b) CONFORMING AMENDMENTS.**—*Section 508(d)(2) of*
5 *the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is*
6 *amended—*

7 *(1) by striking “additional coverage” in the mat-*
8 *ter preceding subparagraph (A) and inserting “addi-*
9 *tional and supplemental coverages”; and*

10 *(2) by adding at the end the following new sub-*
11 *paragraph:*

12 *“(C) In the case of supplemental coverage*
13 *provided under subsection (c)(11) that, in com-*
14 *bination with either the individual yield and*
15 *loss coverage, or a comparable coverage for a pol-*
16 *icy or plan of insurance that is not based on in-*
17 *dividual yield and does not insure more than*
18 *100 percent of the recorded or appraised average*
19 *yield indemnified at not greater than 100 per-*
20 *cent of the expected market price, the amount of*
21 *the premium shall—*

22 *“(i) be sufficient to cover anticipated*
23 *losses and a reasonable reserve; and*

24 *“(ii) include an amount for operating*
25 *and administrative expenses, as determined*

1 by the Corporation, on an industry-wide
 2 basis as a percentage of the amount of the
 3 premium used to define loss ratio.”.

4 (c) *OFFSET.*—The Federal Crop Insurance Corpora-
 5 tion shall take such actions, including the establishment of
 6 adequate premiums, as are necessary to improve the actu-
 7 arial soundness of Federal multiperil crop insurance to
 8 achieve, on and after October 1, 2008, an overall projected
 9 loss ratio of not greater than 1.00.

10 **SEC. 11002. PREMIUMS AND REINSURANCE REQUIREMENTS.**

11 (a) *PREMIUM ADJUSTMENTS.*—Section 508(a) of the
 12 Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended
 13 by adding at the end the following new paragraph:

14 “(9) *PREMIUM ADJUSTMENTS.*—

15 “(A) *PROHIBITION.*—Except as provided in
 16 subparagraph (B), the paying, allowing, or giv-
 17 ing, or offering to pay, allow, or give, directly or
 18 indirectly, either as an inducement to procure
 19 insurance or after insurance has been procured,
 20 any rebate, discount, abatement, credit, or reduc-
 21 tion of the premium named in an insurance pol-
 22 icy or any other valuable consideration or in-
 23 ducement whatsoever not specified in the policy,
 24 is strictly prohibited under this title.

1 “(B) *EXCEPTIONS.*—Subparagraph (A) does
2 not apply with respect to the following:

3 “(i) A rebate authorized under sub-
4 section (b)(5)(B).

5 “(ii) A performance-based discount au-
6 thorized under subsection (d)(3).”.

7 (b) *PAYMENT OF CATASTROPHIC RISK PROTECTION*
8 *FEE ON BEHALF OF PRODUCERS.*—Section 508(b)(5)(B) of
9 the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)(B))
10 is amended—

11 (1) in the subparagraph heading, by inserting
12 “OF CATASTROPHIC RISK PROTECTION FEE” after
13 “PAYMENT”;

14 (2) in clause (i)—

15 (A) by striking “or other payment”; and

16 (B) by striking “with catastrophic risk pro-
17 tection or additional coverage”; and inserting
18 “through the payment of all or a portion of cata-
19 strophic risk protection administrative fees”;

20 (3) in clause (ii)—

21 (A) by striking “or other payment made by
22 an insurance provider” and inserting “payment
23 made pursuant to clause (i) by an insurance
24 provider”;

1 (B) by striking “issuance of catastrophic
2 risk protection or additional coverage to” and
3 inserting “payment of catastrophic risk protec-
4 tion administrative fees on behalf of”; and

5 (C) by striking “or other payment” the sec-
6 ond place it appears;

7 (4) in clause (iv), by striking “A policy or plan
8 of insurance” and inserting “Catastrophic risk pro-
9 tection coverage”;

10 (5) in clause (v)—

11 (A) by striking “licensing fee or other ar-
12 rangement under this subparagraph” and insert-
13 ing “licensing fee arrangement”; and

14 (B) by striking “levels of additional cov-
15 erage” and inserting “levels of coverage”; and

16 (6) by striking clause (vi).

17 (c) *CHANGE IN DUE DATE FOR POLICYHOLDER PRE-*
18 *MIUMS.*—Section 508 of the Federal Crop Insurance Act (7
19 U.S.C. 1508) is amended—

20 (1) in subsection (b)(5)(C), by striking “the date
21 that premium” and inserting “the same date on
22 which the premium”;

23 (2) in subsection (c)(10)(B)—

24 (A) by inserting “; TIME FOR PAYMENT”
25 after “WAIVER”; and

1 (B) by adding at the end the following new
 2 sentence: “Subparagraph (C) of such subsection
 3 shall apply with respect to the collection date for
 4 policy premiums.”; and

5 (3) in subsection (d), by adding at the end the
 6 following new paragraph:

7 “(4) *BILLING DATE FOR PREMIUMS.*—Beginning
 8 with the 2012 reinsurance year, the Corporation shall
 9 establish August 1 as the billing date for premiums.”.

10 (d) *REINSURANCE.*—

11 (1) *REIMBURSEMENT RATE.*—Section
 12 508(k)(4)(A) of the Federal Crop Insurance Act (7
 13 U.S.C. 1508(k)(4)(A)) is amended by striking clause
 14 (ii) and inserting the following new clause:

15 “(ii) for the 2009 and subsequent rein-
 16 surance years, 2 percentage points below the
 17 rates, in effect as of the date of the enact-
 18 ment of this Act of the Farm, Nutrition,
 19 and Bioenergy Act of 2007, for all crop in-
 20 surance policies used to define loss ratio.”.

21 (2) *RENEGOTIATION OF STANDARD REINSURANCE*
 22 *AGREEMENT.*—Section 508(k) of the Federal Crop In-
 23 surance Act (7 U.S.C. 1508(k)) is amended by adding
 24 at the end the following new paragraph:

1 “(8) *RENEGOTIATION OF STANDARD REINSUR-*
2 *ANCE AGREEMENT.*—

3 “(A) *PERIODIC RENEGOTIATION.*—*Fol-*
4 *lowing the reinsurance year ending June 30,*
5 *2012, the Corporation may renegotiate the finan-*
6 *cial terms of the standard reinsurance agreement*
7 *during the next reinsurance year and once dur-*
8 *ing each period of five reinsurance years there-*
9 *after.*

10 “(B) *EFFECT OF FEDERAL LAW*
11 *CHANGES.*—*If changes in Federal law are en-*
12 *acted that require revisions in the financial*
13 *terms of the standard reinsurance agreement,*
14 *and such changes in the agreement are made on*
15 *a mandatory basis by the Corporation, such*
16 *changes will not be deemed to be a renegotiation*
17 *of the agreement for purposes of subparagraph*
18 *(A).*

19 “(C) *CONSULTATION.*—*Approved insurance*
20 *providers and their representatives may confer*
21 *with each other, and collectively with the Cor-*
22 *poration, during the renegotiation process under*
23 *subparagraph (A).”.*

24 “(3) *TREATMENT OF 2008 REINSURANCE YEAR.*—
25 *Clause (ii) of section 508(k)(4)(A) of the Federal Crop*

1 *Insurance Act (7 U.S.C. 1508(k)(4)(A)), as in effect*
 2 *on the day before the date of the enactment of this*
 3 *Act, shall continue to apply with respect to the 2008*
 4 *reinsurance year.*

5 *(e) CHANGE IN DUE DATE FOR ADMINISTRATIVE AND*
 6 *OPERATING EXPENSE PAYMENT.—Section 516(b) of the*
 7 *Federal Crop Insurance Act (7 U.S.C. 1516(b)) is amended*
 8 *by adding at the end the following new paragraph:*

9 “(3) *DUE DATE FOR ADMINISTRATIVE AND OPER-*
 10 *ATING EXPENSE PAYMENT.—Beginning with the 2012*
 11 *reinsurance year, the Corporation shall make pay-*
 12 *ments pursuant to paragraph (1)(B) during October*
 13 *2012, and for subsequent reinsurance years, every Oc-*
 14 *tober thereafter.”.*

15 *(f) CONFORMING AMENDMENTS.—*

16 *(1) PREMIUM REDUCTION AUTHORITY.—Sub-*
 17 *section 508(e) of the Federal Crop Insurance Act (7*
 18 *U.S.C. 1508(e)) is amended—*

19 *(A) in paragraph (2) by striking “para-*
 20 *graph (4)” and inserting “paragraph (3)”;*

21 *(B) by striking paragraph (3); and*

22 *(C) by redesignating paragraphs (4) and*
 23 *(5) as paragraphs (3) and (4), respectively.*

1 (2) *PREMIUM RATE REDUCTION PILOT PRO-*
 2 *GRAM.*—Section 523 of the Federal Crop Insurance
 3 Act (7 U.S.C. 1523) is amended—

4 (A) by striking subsection (d); and

5 (B) by redesignating subsection (e) as sub-
 6 section (d).

7 (3) *SUBMISSION OF POLICIES AND MATERIALS.*—
 8 Section 508(h)(1)(A) of the Federal Crop Insurance
 9 Act (7 U.S.C. 1508(h)(1)(A)) is amended by striking
 10 “; and” and inserting “; or”.

11 **SEC. 11003. CATASTROPHIC RISK PROTECTION ADMINIS-**
 12 **TRATIVE FEE.**

13 Section 508(b)(5)(A) of the Federal Crop Insurance
 14 Act (7 U.S.C. 1508(b)(5)(A)) is amended by striking “\$100
 15 per crop per county” and inserting in its place “\$200 per
 16 crop per county”.

17 **SEC. 11004. FUNDING FOR REIMBURSEMENTS, CON-**
 18 **TRACTING, RISK MANAGEMENT EDUCATION,**
 19 **AND INFORMATION TECHNOLOGY.**

20 (a) *FUNDING.*—Section 516 of the Federal Crop Insur-
 21 ance Act (7 U.S.C. 1516) is amended by adding at the end
 22 the following new subsections:

23 “(d) *FUNDING FOR REIMBURSEMENTS, CONTRACTING,*
 24 *RISK MANAGEMENT EDUCATION, AND INFORMATION TECH-*
 25 *NOLOGY.*—Of the amounts made available from the insur-

1 *ance fund established under subsection (c), the Corporation*
 2 *shall use not more than \$30,000,000 in each fiscal year to*
 3 *carry out the following:*

4 “(1) *Reimbursement of research and development*
 5 *and maintenance costs described under section 522(b).*

6 “(2) *Research and development contracting de-*
 7 *scribed under section 522(c).*

8 “(3) *Partnerships for risk management and im-*
 9 *plementation described under section 522(d).*

10 “(4) *Education and information programs de-*
 11 *scribed in section 524(a)(2).*

12 “(5) *Partnerships for risk management edu-*
 13 *cation program described in section 524(a)(3).*

14 “(6) *Information technology, as determined by*
 15 *the Corporation.*

16 “(e) *UNDERSERVED STATES.—Of the amount made*
 17 *available under subsection (d), the Corporation shall use not*
 18 *more than \$5,000,000 in each fiscal year to carry out con-*
 19 *tracting for research and development described in section*
 20 *522(c)(1)(A).”*

21 (b) *CONFORMING AMENDMENTS.—*

22 (1) *FORMER FUNDING PROVISION.—Section 522*
 23 *of the Federal Crop Insurance Act (7 U.S.C. 1522) is*
 24 *amended by striking subsection (e) and inserting the*
 25 *following new subsection:*

1 “(e) *PROHIBITED RESEARCH AND DEVELOPMENT BY*
2 *CORPORATION.*—

3 “(1) *NEW POLICIES.*—*Notwithstanding sub-*
4 *section (d), the Corporation shall not conduct research*
5 *and development for any new policy for an agricul-*
6 *tural commodity offered under this title.*

7 “(2) *EXISTING POLICIES.*—*Any policy developed*
8 *by the Corporation under this title before October 1,*
9 *2000, may continue to be offered for sale to pro-*
10 *ducers.”*

11 “(2) *CROSS REFERENCE.*—*Section 523(c)(1) of the*
12 *Federal Crop Insurance Act (7 U.S.C. 1523(c)(1)) is*
13 *amended by striking “section 522(e)(4)” and insert-*
14 *ing “section 522(e)”.*

15 “(3) *EDUCATION ASSISTANCE FUNDING.*—*Section*
16 *524(a) of the Federal Crop Insurance Act (7 U.S.C.*
17 *1524(a)) is amended as follows:*

18 “(A) *in paragraph (1), by striking “para-*
19 *graph (4)” and inserting “section 516(d)”;* and

20 “(B) *by striking paragraph (4).*

1 **SEC. 11005. REIMBURSEMENT OF RESEARCH AND DEVELOP-**
 2 **MENT COSTS RELATED TO NEW CROP INSUR-**
 3 **ANCE PRODUCTS.**

4 (a) *REIMBURSEMENT AUTHORIZED.*—Paragraph (1)
 5 of section 522(b) of the Federal Crop Insurance Act (7
 6 U.S.C. 1522(b)) is amended to read as follows:

7 “(1) *RESEARCH AND DEVELOPMENT REIMBURSE-*
 8 *MENT.*—The Corporation shall provide a payment to
 9 reimburse an applicant for research and development
 10 costs directly related to a policy that—

11 “(A) is submitted to the Board pursuant to
 12 an FCIC Reimbursement Grant under para-
 13 graph (7); or

14 “(B) is submitted to the Board and ap-
 15 proved by the Board under section 508(h) for re-
 16 insurance and, if applicable, offered for sale to
 17 producers.”.

18 (b) *FCIC REIMBURSEMENT GRANTS.*—Section 522(b)
 19 of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is
 20 amended by adding at the end the following new paragraph:

21 “(7) *FCIC REIMBURSEMENT GRANTS.*—

22 “(A) *GRANTS AUTHORIZED.*—The Corpora-
 23 tion shall provide FCIC Reimbursement Grants
 24 to persons proposing to prepare for submission to
 25 the Board crop insurance policies and provisions
 26 under subparagraphs (A) and (B) of section

1 508(h)(1), who apply and are approved for such
2 FCIC Reimbursement Grants under the terms
3 and conditions of this paragraph.

4 “(B) SUBMISSION OF APPLICATION.—The
5 Board shall receive and consider applications for
6 FCIC Reimbursement Grants at least once annu-
7 ally. An application to receive an FCIC Reim-
8 bursement Grant from the Corporation shall con-
9 sist of such materials as the Board may require,
10 including—

11 “(i) a concept paper that describes the
12 proposal in sufficient detail for the Board
13 to determine whether it satisfies the require-
14 ments of subparagraph (C);

15 “(ii) a summary of —

16 “(I) the need for the product, in-
17 cluding an assessment of marketability
18 and expected demand among affected
19 producers;

20 “(II) support from producers, pro-
21 ducer organizations, lenders, or other
22 interested parties;

23 “(III) the impact the product
24 would have on producers and on the
25 crop insurance delivery system; and

1 “(IV) that no products are offered
2 by the private sector providing the
3 same benefits and risk management
4 services as the proposal.

5 “(iii) a summary of data sources
6 available demonstrating that the product
7 can reasonably be developed and properly
8 rated; and

9 “(iv) identification of the risks the pro-
10 posed product will cover and that the risks
11 are insurable under the Act

12 “(C) APPROVAL CONDITIONS.—Approval of
13 an application for a FCIC Reimbursement
14 Grant shall be by majority vote of the Board.
15 The Board shall approve the application only if
16 the Board finds that—

17 “(i) the proposal contained in the ap-
18 plication—

19 “(I) provides coverage to a crop or
20 region not traditionally served by the
21 Federal crop insurance program;

22 “(II) provides crop insurance cov-
23 erage in a significantly improved form;

24 “(III) addresses a recognized flaw
25 or problem in the program;

1 “(IV) introduces a significant new
2 concept or innovation to the program;
3 or

4 “(V) provides coverage, benefits, or
5 risk management services not available
6 from the private sector;

7 “(ii) the applicant demonstrates the
8 necessary qualifications to complete the
9 project successfully in a timely manner
10 with high quality;

11 “(iii) the proposal is in the interests of
12 producers and can reasonably be expected to
13 be actuarially appropriate;

14 “(iv) the Board determines that the
15 Corporation has sufficient available funding
16 to award the FCIC Reimbursement Grant;
17 and

18 “(v) the proposed budget and timetable
19 are reasonable.

20 “(D) *PARTICIPATION.*—In reviewing pro-
21 posals under this paragraph, the Board may use
22 the services of persons it deems appropriate for
23 expert review. All proposals submitted under this
24 paragraph will be treated as confidential in ac-
25 cordance with section 508(h)(4).

1 “(E) *ENTERING INTO AGREEMENT.*—Upon
2 *approval of the application, the Board shall*
3 *enter into an agreement with the person for the*
4 *development of a formal submission meeting the*
5 *requirements for a complete submission estab-*
6 *lished by the Board under section 508(h).*

7 “(F) *FEASIBILITY STUDIES.*—In appro-
8 *priate cases, the Corporation may structure the*
9 *FCIC Reimbursement Grant to require, as an*
10 *initial step within the overall process, the sub-*
11 *mitter to complete a feasibility study and report*
12 *the results of such study to the Corporation prior*
13 *to proceeding with further development. The Cor-*
14 *poration may require such other reports as nec-*
15 *essary to monitor the development efforts.*

16 “(G) *RATES.*—Payment for work performed
17 *under this paragraph shall be based on rates de-*
18 *termined by the Corporation for products sub-*
19 *mitted under section 508(h) of the Act or for*
20 *those contracted by the Corporation under sec-*
21 *tion 522(c) of the Act.*

22 “(H) *TERMINATION.*—The Corporation or
23 *the submitter may terminate any FCIC Reim-*
24 *bursement Grant to reimburse expenses at any*
25 *time for just cause. If the Corporation or the sub-*

mitter terminates the FCIC Reimbursement Grant before final approval of the product covered thereby, the submitter shall be entitled to reimbursement of all costs incurred to that point, or, in the case of a fixed rate agreement, to payment of an appropriate percentage. If the submitter terminates development without just cause, the Corporation may deny reimbursement.

“(I) CONSIDERATION OF PRODUCTS.—The Board shall consider any product submitted to it developed under this paragraph under the rules it has established for products submitted under section 508(h) of this Act.”.

**SEC. 11006. RESEARCH AND DEVELOPMENT CONTRACTS
FOR ORGANIC PRODUCTION COVERAGE IM-
PROVEMENTS.**

Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended—

(1) by redesignating paragraph (10) as paragraph (11); and

(2) by inserting after paragraph (9) the following new paragraph:

“(10) CONTRACTS FOR ORGANIC PRODUCTION COVERAGE IMPROVEMENTS.—

1 “(A) *CONTRACT REQUIRED.*—Not later than
2 180 days after the date of the enactment of the
3 *Farm, Nutrition, and Bioenergy Act of 2007*, the
4 *Corporation* shall enter into one or more con-
5 tracts for the development of improvements in
6 *Federal crop insurance policies* covering crops
7 produced in compliance with standards issued by
8 the *Department of Agriculture* under the *Na-*
9 *tional Organic Program*.

10 “(B) *REVIEW OF UNDERWRITING, RISK, AND*
11 *LOSS EXPERIENCE.*—

12 “(i) *REVIEW REQUIRED.*—A contract
13 under subparagraph (A) shall include a re-
14 view of the underwriting, risk, and loss ex-
15 perience of organic crops covered by the
16 *Corporation*, as compared with the same
17 crops produced in the same counties and
18 during the same time periods using non-or-
19 ganic methods. The review should be de-
20 signed to allow the *Corporation* to deter-
21 mine whether significant, consistent, or sys-
22 temic variations in loss history exist be-
23 tween organic and non-organic production,
24 and shall include the widest available range
25 of data, including loss history under exist-

1 *ing crop insurance policies, collected by the*
2 *National Agricultural Statistics Service,*
3 *and other sources of information.*

4 *“(ii) EFFECT ON PREMIUM SUR-*
5 *CHARGE.—Unless the review under this sub-*
6 *paragraph documents the existence of such*
7 *significant, consistent, and systemic vari-*
8 *ations in loss history between organic and*
9 *non-organic crops, either collectively or on*
10 *an individual basis, the Corporation shall*
11 *eliminate or reduce the premium surcharge*
12 *that the Corporation charges for coverage*
13 *for organic crops*

14 *“(C) ADDITIONAL PRICE ELECTION.—A con-*
15 *tract under subparagraph (A) shall include the*
16 *development of a procedure, including any asso-*
17 *ciated changes in policy terms or materials re-*
18 *quired for implementation of the procedure, to*
19 *offer producers of organic crops an additional*
20 *price election that would reflect the actual retail*
21 *or wholesale prices, as appropriate, received by*
22 *organic producers for their crops, as established*
23 *using data collected and maintained by the Agri-*
24 *cultural Marketing Service or other sources. The*
25 *development of the procedure shall be completed*

1 *in a timely manner to allow the Corporation to*
2 *begin offering the additional price election for*
3 *organic crops with sufficient data for the 2009*
4 *crop year, and expand it thereafter as the Agri-*
5 *cultural Marketing Service expands its data col-*
6 *lection and availability for prices of organic*
7 *crops.*

8 “(D) *REPORTING REQUIREMENTS.—The*
9 *Corporation shall submit to the Committee on*
10 *Agriculture of the House of Representatives and*
11 *the Committee on Agriculture, Nutrition, and*
12 *Forestry of the Senate an annual report on the*
13 *progress made in developing and improving Fed-*
14 *eral crop insurance for organic crops, including*
15 *the numbers and varieties of organic crops in-*
16 *sured, the development of new insurance ap-*
17 *proaches, and the progress of the initiatives*
18 *mandated under this paragraph. The report shall*
19 *also include such recommendations as the Cor-*
20 *poration considers appropriate regarding addi-*
21 *tional opportunities to improve Federal crop in-*
22 *surance coverage for such crops.”.*

1 **SEC. 11007. TARGETING RISK MANAGEMENT EDUCATION**
2 **FOR BEGINNING FARMERS AND RANCHERS**
3 **AND CERTAIN OTHER FARMERS AND RANCH-**
4 **ERS.**

5 *Section 524(a) of the Federal Crop Insurance Act (7*
6 *U.S.C. 1524(a)) is amended—*

7 *(1) by redesignating paragraph (4) as para-*
8 *graph (5); and*

9 *(2) by inserting after paragraph (3) the fol-*
10 *lowing new paragraph:*

11 *“(4) TARGETING RISK MANAGEMENT EDUCATION*
12 *FOR CERTAIN FARMERS AND RANCHERS.—*

13 *“(A) IN GENERAL.—In carrying out the*
14 *education and information program established*
15 *under paragraph (2) and the partnerships for*
16 *risk management education program under*
17 *paragraph (3), the Secretary shall include a spe-*
18 *cial emphasis on risk management strategies and*
19 *education and outreach specifically targeted at*
20 *farmers and ranchers described in subparagraph*
21 *(B).*

22 *“(B) COVERED FARMERS AND RANCHERS.—*
23 *Subparagraph (A) applies with respect to the fol-*
24 *lowing:*

25 *“(i) Beginning farmers and ranchers.*

1 “(ii) *Immigrant farmers and ranchers*
 2 *who are attempting to become established*
 3 *producers in the United States.*

4 “(iii) *Socially disadvantaged farmers*
 5 *and ranchers.*

6 “(iv) *Farmers and ranchers who are*
 7 *preparing to retire and are using transition*
 8 *strategies to help new farmers and ranchers*
 9 *get started.*

10 “(v) *Farmers and ranchers who are*
 11 *converting their current production and*
 12 *marketing systems to pursue new markets.”.*

13 **SEC. 11008. CROP INSURANCE INELIGIBILITY RELATED TO**
 14 **CROP PRODUCTION ON NONCROPLAND.**

15 *Section 502 of the Federal Crop Insurance Act (7*
 16 *U.S.C. 1502) is amended by adding at the end the following*
 17 *new subsection:*

18 “(e) **CROP INSURANCE INELIGIBILITY RELATED TO**
 19 **CROP PRODUCTION ON NONCROPLAND.—**

20 “(1) **NONCROPLAND DEFINED.**—*In this sub-*
 21 *section, the term ‘noncropland’ means native grass-*
 22 *land and pasture the Secretary determines has never*
 23 *been used for crop production*

24 “(2) **INELIGIBILITY.**—*Noncropland acreage on*
 25 *which an agricultural commodity for which a policy*

1 *or plan of insurance is available under this title is*
 2 *planted shall be ineligible for crop insurance under*
 3 *this title for the first 4 years of planting, as deter-*
 4 *mined by the Secretary.*

5 *“(3) YIELD DETERMINATION BASED ON COUNTY*
 6 *ACTUAL PRODUCTION HISTORY.—*

7 *“(A) IN GENERAL.—If an agricultural com-*
 8 *modity ineligible for insurance as described in*
 9 *paragraph (2) is planted for 4 years, beginning*
 10 *with the fifth year in which the commodity is*
 11 *planted, the producer of the commodity may pro-*
 12 *cure crop insurance for the commodity under*
 13 *this title. The yield for such crop insurance shall*
 14 *be determined only—*

15 *“(i) by using the actual production*
 16 *history for the farm; and*

17 *“(ii) for each year in which the farm*
 18 *does not have an actual production history,*
 19 *by using the average actual production his-*
 20 *tory for the commodity in the county in*
 21 *which the farm is located.*

22 *“(B) EXCEPTION.—If an agricultural com-*
 23 *modity is planted on noncropland acreage and is*
 24 *eligible for insurance as provided in paragraph*

1 (2), then the yield for such crop insurance shall
2 be determined only—

3 “(i) by using the actual production
4 history for the farm; and

5 “(ii) for each year in which the farm
6 does not have an actual production history,
7 by using the average actual production his-
8 tory for the commodity in the county in
9 which the farm is located.

10 “(4) *EFFECTIVE DATE.*—This subsection shall
11 apply to crop years following the 2007 crop year.”.

12 **SEC. 11009. FUNDS FOR DATA MINING.**

13 Section 515(k) of the Federal Crop Insurance Act (7
14 U.S.C. 1515(k)) is amended by striking paragraph (1) and
15 inserting the following new paragraph:

16 “(1) *AVAILABLE FUNDS.*—To carry out this sec-
17 tion, the Corporation may use, from amounts made
18 available from the insurance fund established under
19 section 516(c)—

20 “(A) not more than \$11,000,000 during fis-
21 cal year 2008; and

22 “(B) not more than \$7,000,000 during fis-
23 cal year 2009 and each subsequent year there-
24 after.”.

1 **SEC. 11010. NONINSURED CROP ASSISTANCE PROGRAM.**

2 *Section 196(k)(1) of the Agricultural Market Transi-*
 3 *tion Act (7 U.S.C. 7333(k)(1)) is amended by striking sub-*
 4 *paragraphs (A) and (B) and inserting the following new*
 5 *subparagraphs:*

6 “(A) \$200 per crop per county; or

7 “(B) \$600 per producer per county, but not
 8 to exceed a total of \$1,800 per producer.”.

9 **SEC. 11011. CHANGE IN DUE DATE FOR CORPORATION PAY-**
 10 **MENTS FOR UNDERWRITING GAINS.**

11 *Effective beginning with the 2011 reinsurance year,*
 12 *the Federal Crop Insurance Corporation shall make pay-*
 13 *ments for underwriting gains under the Federal Crop In-*
 14 *surance Act (7 U.S.C. 1501 et seq.)—*

15 (1) *for the 2011 reinsurance year on October 1,*
 16 *2012; and*

17 (2) *for each reinsurance year thereafter on the*
 18 *October 1 of the next calendar year.*

19 **SEC. 11012. SESAME INSURANCE PILOT PROGRAM.**

20 (a) **PILOT PROGRAM REQUIRED.**—*The Secretary of*
 21 *Agriculture shall establish and carry out a pilot program*
 22 *under which a producer of non-dehiscent sesame under con-*
 23 *tract may elect to obtain multi-peril crop insurance, as de-*
 24 *termined by the Secretary.*

1 (b) *TERMS AND CONDITIONS.*—*The multi-peril crop*
 2 *insurance offered under the sesame insurance pilot program*
 3 *shall—*

4 (1) *be offered through reinsurance arrangements*
 5 *with private insurance companies;*

6 (2) *be actuarially sound; and*

7 (3) *require the payment of premiums and ad-*
 8 *ministrative fees by a producer obtaining the insur-*
 9 *ance.*

10 (c) *LOCATION.*—*The sesame insurance pilot program*
 11 *shall be carried out only in the State of Texas.*

12 (d) *RELATION TO PROHIBITION ON RESEARCH AND*
 13 *DEVELOPMENT BY CORPORATION.*—*Section 522(e)(4) of the*
 14 *Federal Crop Insurance Act (7 U.S.C. 1522(e)(4)) shall*
 15 *apply with respect to the sesame insurance pilot program.*

16 (e) *DURATION.*—*The Secretary shall commence the ses-*
 17 *ame insurance pilot program as soon as practicable after*
 18 *the date of the enactment of this Act and continue the pro-*
 19 *gram through the 2012 crop year.*

20 ***Subtitle B—Livestock and Poultry***

21 ***SEC. 11101. SENSE OF CONGRESS REGARDING*** 22 ***PSEUDORABIES ERADICATION PROGRAM.***

23 *It is the sense of Congress that—*

24 (1) *the Secretary should recognize the threat feral*
 25 *swine pose to the domestic swine population;*

1 (2) *keeping the United States commercial swine*
 2 *herd free of pseudorabies is essential to maintaining*
 3 *and growing pork export markets;*

4 (3) *the establishment of a swine surveillance sys-*
 5 *tem will assist the swine industry in the monitoring,*
 6 *surveillance, and eradication of pseudorabies; and*

7 (4) *pseudorabies eradication is a high priority*
 8 *that the Secretary should carry out under the authori-*
 9 *ties of the Animal Health Protection Act.*

10 **SEC. 11102. ARBITRATION OF LIVESTOCK AND POULTRY**

11 **CONTRACTS.**

12 *The Packers and Stockyards Act, 1921 (7 U.S.C. 181*
 13 *et seq.) is amended—*

14 (1) *by redesignating section 416 as section 417;*
 15 *and*

16 (2) *by inserting after section 415 the following*
 17 *new section:*

18 **“SEC. 416. ARBITRATION OF LIVESTOCK AND POULTRY**

19 **CONTRACTS.**

20 “(a) **ISSUANCE OF REGULATIONS.**—*The Secretary of*
 21 *Agriculture shall promulgate regulations to establish stand-*
 22 *ards related to the inclusion of arbitration provisions in*
 23 *livestock and poultry production contracts.*

24 “(b) **CONTENT.**—*Such regulations shall—*

1 “(1) establish permissible agreements with re-
 2 spect to venue of arbitration, allocation of arbitration
 3 costs, number and appointment of arbitrators, and
 4 any other element of an arbitration agreement that
 5 the Secretary determines to be necessary;

6 “(2) permit a producer to seek relief in a small
 7 claims court in lieu of arbitration for disputes or
 8 claims within the jurisdiction of a small claims court,
 9 despite the existence of an arbitration agreement; and

10 “(3) require any person appointed or to be ap-
 11 pointed as an arbitrator to disclose any circumstance
 12 likely to raise doubt as to the arbitrator’s impar-
 13 tiality.”.

14 **SEC. 11103. STATE-INSPECTED MEAT AND POULTRY.**

15 (a) *REVIEW OF STATE MEAT AND POULTRY INSPEC-*
 16 *TION PROGRAMS.—*

17 (1) *REPORT.—*Not later than 30 days after the
 18 date of the enactment of this Act, the Secretary of Ag-
 19 riculture shall submit to Congress a report containing
 20 the results of a review by the Secretary of each State
 21 meat and poultry inspection program. Such report
 22 shall include—

23 (A) a determination of the effectiveness of
 24 each State meat and poultry inspection pro-
 25 gram; and

1 *(B) an identification of changes that are*
 2 *necessary to enable future transition to a State*
 3 *program of enforcing Federal inspection require-*
 4 *ments as described in the amendments made by*
 5 *subsections (b) and (c).*

6 *(2) AUTHORIZATION OF APPROPRIATIONS.—*

7 *(A) IN GENERAL.—There are authorized to*
 8 *be appropriated such sums as are necessary to*
 9 *carry out this section.*

10 *(B) AVAILABLE FUNDS.—Notwithstanding*
 11 *any other provision of law, only funds specifi-*
 12 *cally appropriated under subparagraph (A) may*
 13 *be used to carry out this subsection.*

14 *(b) STATE MEAT INSPECTION PROGRAMS.—*

15 *(1) IN GENERAL.—Title III of the Federal Meat*
 16 *Inspection Act (21 U.S.C. 661 et seq.) is amended to*
 17 *read as follows:*

18 **“TITLE III—STATE MEAT**
 19 **INSPECTION PROGRAMS**

20 **“SEC. 301. POLICY AND FINDINGS.**

21 **“(a) POLICY.—It is the policy of Congress to protect**
 22 **the public from meat and meat food products that are adul-**
 23 **terated or misbranded and to assist in efforts by State and**
 24 **other government agencies to accomplish that policy.**

25 **“(b) FINDINGS.—Congress finds that—**

1 “(1) the goal of a safe and wholesome supply of
2 meat and meat food products throughout the United
3 States would be better served if a consistent set of re-
4 quirements, established by the Federal Government,
5 were applied to all meat and meat food products,
6 whether produced under State inspection or Federal
7 inspection;

8 “(2) under such a system, State and Federal
9 meat inspection programs would function together to
10 create a seamless inspection system to ensure food
11 safety and inspire consumer confidence in the food
12 supply in interstate commerce; and

13 “(3) such a system would ensure the viability of
14 State meat inspection programs, which should help to
15 foster the viability of small establishments.

16 **“SEC. 302. APPROVAL OF STATE MEAT INSPECTION PRO-**
17 **GRAMS.**

18 “(a) *IN GENERAL.*—Notwithstanding any other provi-
19 sion of this Act, the Secretary may approve a State meat
20 inspection program and allow the shipment in commerce
21 of carcasses, parts of carcasses, meat, and meat food prod-
22 ucts inspected under the State meat inspection program in
23 accordance with this title.

24 “(b) *ELIGIBILITY.*—

1 “(1) *IN GENERAL.*—*To receive or maintain ap-*
2 *proval from the Secretary for a State meat inspection*
3 *program in accordance with subsection (a), a State*
4 *shall—*

5 “(A) *implement a State meat inspection*
6 *program that enforces the mandatory ante-*
7 *mortem and postmortem inspection, reinspection,*
8 *sanitation, and related Federal requirements of*
9 *titles I, II, and IV (including the regulations, di-*
10 *rectives, notices, policy memoranda, and other*
11 *regulatory requirements issued under those ti-*
12 *ties); and*

13 “(B) *enter into a cooperative agreement*
14 *with the Secretary in accordance with subsection*
15 *(c).*

16 “(2) *ADDITIONAL REQUIREMENTS.*—

17 “(A) *IN GENERAL.*—*In addition to the re-*
18 *quirements described in paragraph (1), a State*
19 *meat inspection program reviewed in accordance*
20 *with section 11103(a) of the Farm, Nutrition,*
21 *and Bioenergy Act of 2007 shall implement, not*
22 *later than 180 days after the date on which the*
23 *report is submitted under subsection (b) of such*
24 *section, all recommendations from the review, in*
25 *a manner approved by the Secretary.*

1 “(B) *REVIEW OF NEW STATE MEAT INSPEC-*
2 *TION PROGRAMS.*—

3 “(i) *REVIEW REQUIREMENT.*—*Not*
4 *later than one year after the date on which*
5 *the Secretary approves a new State meat*
6 *inspection program, the Secretary shall con-*
7 *duct a review of the new State meat inspec-*
8 *tion program, which shall include—*

9 “(I) *a determination of the effec-*
10 *tiveness of the new State meat inspec-*
11 *tion program; and*

12 “(II) *identification of changes*
13 *necessary to ensure enforcement of Fed-*
14 *eral inspection requirements.*

15 “(ii) *IMPLEMENTATION REQUIRE-*
16 *MENTS.*—*In addition to the requirements*
17 *described in paragraph (1), to continue to*
18 *be an approved State meat inspection pro-*
19 *gram, a new State meat inspection program*
20 *shall implement all recommendations from*
21 *the review conducted in accordance with*
22 *this subparagraph, in a manner approved*
23 *by the Secretary.*

24 “(iii) *DEFINITION OF NEW STATE*
25 *MEAT INSPECTION PROGRAM.*—*In this sub-*

1 paragraph, the term ‘new State meat in-
2 spection program’ means a State meat in-
3 spection program that is not approved in
4 accordance with subsection (a) between the
5 effective date of the Farm, Nutrition, and
6 Bioenergy Act of 2007 and the date that is
7 one year after the effective date of such Act.

8 “(c) COOPERATIVE AGREEMENT.—Notwithstanding
9 chapter 63 of title 31, United States Code, the Secretary
10 may enter into a cooperative agreement with a State that—

11 “(1) establishes the terms governing the relation-
12 ship between the Secretary and the State meat inspec-
13 tion program;

14 “(2) provides that the State will adopt (includ-
15 ing adoption by reference) provisions identical to ti-
16 tles I, II, and IV (including the regulations, direc-
17 tives, notices, policy memoranda, and other regu-
18 latory requirements issued under those titles);

19 “(3) provides that State-inspected and passed
20 meat and meat food products shall be marked with a
21 mark of State inspection, which shall be deemed to be
22 an official mark, in accordance with requirements
23 issued by the Secretary;

24 “(4) provides that the State will comply with all
25 labeling requirements issued by the Secretary gov-

1 *erning meat and meat food products inspected under*
2 *the State meat inspection program;*

3 *“(5) provides that the Secretary shall have au-*
4 *thority—*

5 *“(A) to detain and seize livestock, carcasses,*
6 *parts of carcasses, meat, and meat food products*
7 *under the State meat inspection program;*

8 *“(B) to obtain access to facilities, records,*
9 *livestock, carcasses, parts of carcasses, meat, and*
10 *meat food products of any person, firm, or cor-*
11 *poration that slaughters, processes, handles,*
12 *stores, transports, or sells meat or meat food*
13 *products inspected under the State meat inspec-*
14 *tion program to determine compliance with this*
15 *Act (including the regulations issued under this*
16 *Act); and*

17 *“(C) to direct the State to conduct any ac-*
18 *tivity authorized to be conducted by the Sec-*
19 *retary under this Act (including the regulations*
20 *issued under this Act); and*

21 *“(6) includes such other terms as the Secretary*
22 *determines to be necessary to ensure that the actions*
23 *of the State and the State meat inspection program*
24 *are consistent with this Act (including the regula-*

1 *tions, directives, notices, policy memoranda, and*
2 *other regulatory requirements issued under this Act).*

3 “(d) *RESTRICTION ON ESTABLISHMENT SIZE.*—After
4 *the date that is 90 days after the effective date of the Farm,*
5 *Nutrition, and Bioenergy Act of 2007, establishments with*
6 *more than 50 employees may not be accepted into a State*
7 *meat inspection program. Any establishment that is subject*
8 *to state inspection on such date, may remain subject to*
9 *State inspection.*

10 “(e) *REIMBURSEMENT OF STATE COSTS.*—The Sec-
11 *retary may reimburse a State for not more than 50 percent*
12 *of the State’s costs of meeting the Federal requirements for*
13 *the State meat inspection program.*

14 “(f) *SAMPLING.*—A duly authorized representative of
15 *the Secretary shall be afforded access to State inspected es-*
16 *tablishments to take reasonable samples of the inventory of*
17 *such establishments upon payment of the fair market value*
18 *therefor.*

19 “(g) *NONCOMPLIANCE.*—If the Secretary determines
20 *that a State meat inspection program does not comply with*
21 *this title or the cooperative agreement under subsection (c),*
22 *the Secretary shall take such action as the Secretary deter-*
23 *mines to be necessary to ensure that the carcasses, parts*
24 *of carcasses, meat, and meat food products in the State are*
25 *inspected in a manner that effectuates this Act (including*

1 *the regulations, directives, notices, policy memoranda, and*
 2 *other regulatory requirements issued under this Act).*

3 **“SEC. 303. AUTHORITY TO TAKE OVER STATE MEAT INSPEC-**
 4 **TION PROGRAMS.**

5 “(a) *NOTIFICATION.*—*If the Secretary has reason to be-*
 6 *lieve that a State is not in compliance with this Act (in-*
 7 *cluding the regulations, directives, notices, policy memo-*
 8 *randa, and other regulatory requirements issued under this*
 9 *Act) or the cooperative agreement under section 302(c) and*
 10 *is considering the revocation or temporary suspension of the*
 11 *approval of the State meat inspection program, the Sec-*
 12 *retary shall promptly notify and consult with the Governor*
 13 *of the State.*

14 “(b) *SUSPENSION AND REVOCATION.*—

15 “(1) *IN GENERAL.*—*The Secretary may revoke or*
 16 *temporarily suspend the approval of a State meat in-*
 17 *spection program and take over a State meat inspec-*
 18 *tion program if the Secretary determines that the*
 19 *State meat inspection program is not in compliance*
 20 *with this Act (including the regulations, directives,*
 21 *notices, policy memoranda, and other regulatory re-*
 22 *quirements issued under this Act) or the cooperative*
 23 *agreement under section 302(c).*

24 “(2) *PROCEDURES FOR REINSTATEMENT.*—*A*
 25 *State meat inspection program that has been the sub-*

1 *ject of a revocation may be reinstated as an approved*
 2 *State meat inspection program under this Act only in*
 3 *accordance with the procedures under section*
 4 *302(b)(2)(B).*

5 *“(c) PUBLICATION.—If the Secretary revokes or tempo-*
 6 *rarily suspends the approval of a State meat inspection*
 7 *program in accordance with subsection (b), the Secretary*
 8 *shall publish notice of the revocation or temporary suspen-*
 9 *sion under that subsection in the Federal Register.*

10 *“(d) INSPECTION OF ESTABLISHMENTS.—Not later*
 11 *than 30 days after the date of publication of a determina-*
 12 *tion under subsection (c), an establishment subject to a*
 13 *State meat inspection program with respect to which the*
 14 *Secretary makes a determination under subsection (b) shall*
 15 *be inspected by the Secretary.*

16 **“SEC. 304. EXPEDITED AUTHORITY TO TAKE OVER INSPEC-**
 17 **TION OF STATE-INSPECTED ESTABLISH-**
 18 **MENTS.**

19 *“Notwithstanding any other provision of this title, if*
 20 *the Secretary determines that an establishment operating*
 21 *under a State meat inspection program is not operating*
 22 *in accordance with this Act (including the regulations, di-*
 23 *rectives, notices, policy memoranda, and other regulatory*
 24 *requirements issued under this Act) or the cooperative*
 25 *agreement under section 302(c), and the State, after notifi-*

1 cation by the Secretary to the Governor, has not taken ap-
 2 propriate action within a reasonable time as determined
 3 by the Secretary, the Secretary may immediately determine
 4 that the establishment is an establishment that shall be in-
 5 spected by the Secretary, until such time as the Secretary
 6 determines that the State will meet the requirements of this
 7 Act (including the regulations, directives, notices, policy
 8 memoranda, and other regulatory requirements) and the co-
 9 operative agreement with respect to the establishment.

10 **“SEC. 305. ANNUAL REVIEW.**

11 “(a) *IN GENERAL.*—The Secretary shall develop and
 12 implement a process to annually review each State meat
 13 inspection program approved under this title and to certify
 14 the State meat inspection programs that comply with the
 15 cooperative agreement entered into with the State under sec-
 16 tion 302(c).

17 “(b) *COMMENT FROM INTERESTED PARTIES.*—In de-
 18 veloping the review process described in subsection (a), the
 19 Secretary shall solicit comment from interested parties.

20 **“SEC. 306. FEDERAL INSPECTION OPTION.**

21 “(a) *IN GENERAL.*—An establishment that operates in
 22 a State with an approved State meat inspection program
 23 may apply for inspection under the State meat inspection
 24 program or for Federal inspection.

1 “(b) *LIMITATION.*—An establishment shall not make
 2 an application under subsection (a) more than once every
 3 four years.”.

4 (2) *RESTAURANTS AND RETAIL STORES.*—Title
 5 IV of the Federal Meat Inspection Act is amended—
 6 (A) by redesignating section 411 (21 U.S.C.
 7 681) as section 414; and
 8 (B) by inserting after section 410 (21
 9 U.S.C. 680) the following:

10 **“SEC. 411. RESTAURANTS AND RETAIL STORES.**

11 “(a) *LIMITATION ON APPLICABILITY OF INSPECTION*
 12 *REQUIREMENTS.*—The provisions of this Act requiring in-
 13 spection of the slaughter of animals and the preparation
 14 of carcasses, parts of carcasses, meat, and meat food prod-
 15 ucts shall not apply to operations of types traditionally and
 16 usually conducted at retail stores and restaurants, as deter-
 17 mined by the Secretary, if the operations are conducted at
 18 a retail store, restaurant, or similar retail establishment for
 19 sale of such prepared articles in normal retail quantities
 20 or for service of the articles to consumers at such an estab-
 21 lishment.

22 “(b) *CENTRAL KITCHEN FACILITIES.*—

23 “(1) *IN GENERAL.*—For the purposes of this sec-
 24 tion, operations conducted at a central kitchen facil-
 25 ity of a restaurant shall be considered to be conducted

1 *at a restaurant if the central kitchen of the restaurant*
2 *prepares meat or meat food products that are ready*
3 *to eat when they leave the facility and are served in*
4 *meals or as entrees only to customers at restaurants*
5 *owned or operated by the same person, firm, or cor-*
6 *poration that owns or operates the facility.*

7 “(2) *EXCEPTION.*—A facility described in para-
8 *graph (1) shall be subject to section 202 and may be*
9 *subject to the inspection requirements of title I for as*
10 *long as the Secretary determines to be necessary, if*
11 *the Secretary determines that the sanitary conditions*
12 *or practices of the facility or the processing proce-*
13 *dures or methods at the facility are such that any of*
14 *the meat or meat food products of the facility are ren-*
15 *dered adulterated.*

16 **“SEC. 412. ACCEPTANCE OF INTERSTATE SHIPMENTS OF**
17 **MEAT AND MEAT FOOD PRODUCTS.**

18 *“Notwithstanding any provision of State law, a State*
19 *or local government shall not prohibit or restrict the move-*
20 *ment or sale of meat or meat food products that have been*
21 *inspected and passed in accordance with this Act for inter-*
22 *state commerce.*

1 **“SEC. 413. ADVISORY COMMITTEES FOR FEDERAL AND**
 2 **STATE PROGRAMS.**

3 *“The Secretary may appoint advisory committees con-*
 4 *sisting of such representatives of appropriate State agencies*
 5 *as the Secretary and the State agencies may designate to*
 6 *consult with the Secretary concerning State and Federal*
 7 *programs with respect to meat inspection and other matters*
 8 *within the scope of this Act.”.*

9 *(c) STATE POULTRY INSPECTION PROGRAMS.—*

10 *(1) IN GENERAL.—The Poultry Products Inspec-*
 11 *tion Act (21 U.S.C. 451 et seq.) is amended by strik-*
 12 *ing section 5 and inserting the following:*

13 **“SEC. 5. STATE POULTRY INSPECTION PROGRAMS.**

14 *“(a) POLICY.—It is the policy of Congress to protect*
 15 *the public from poultry products that are adulterated or*
 16 *misbranded and to assist in efforts by State and other gov-*
 17 *ernment agencies to accomplish that policy.*

18 *“(b) FINDINGS.—Congress finds that—*

19 *“(1) the goal of a safe and wholesome supply of*
 20 *poultry products throughout the United States would*
 21 *be better served if a consistent set of requirements, es-*
 22 *tablished by the Federal Government, were applied to*
 23 *all poultry products, whether produced under State*
 24 *inspection or Federal inspection;*

25 *“(2) under such a system, State and Federal*
 26 *poultry inspection programs would function together*

1 to create a seamless inspection system to ensure food
2 safety and inspire consumer confidence in the food
3 supply in interstate commerce; and

4 “(3) such a system would ensure the viability of
5 State poultry inspection programs, which should help
6 to foster the viability of small official establishments.

7 “(c) *APPROVAL OF STATE POULTRY INSPECTION PRO-*
8 *GRAMS.*—

9 “(1) *IN GENERAL.*—Notwithstanding any other
10 provision of this Act, the Secretary may approve a
11 State poultry inspection program and allow the ship-
12 ment in commerce of poultry products inspected
13 under the State poultry inspection program in ac-
14 cordance with this section and section 5A.

15 “(2) *ELIGIBILITY.*—

16 “(A) *IN GENERAL.*—To receive or maintain
17 approval from the Secretary for a State poultry
18 inspection program in accordance with para-
19 graph (1), a State shall—

20 “(i) implement a State poultry inspec-
21 tion program that enforces the mandatory
22 antemortem and postmortem inspection, re-
23 inspection, sanitation, and related Federal
24 requirements of sections 1 through 4 and 6
25 through 33 (including the regulations, direc-

1 *tives, notices, policy memoranda, and other*
2 *regulatory requirements issued under those*
3 *sections); and*

4 *“(ii) enter into a cooperative agree-*
5 *ment with the Secretary in accordance with*
6 *paragraph (3).*

7 *“(B) ADDITIONAL REQUIREMENTS.—*

8 *“(i) IN GENERAL.—In addition to the*
9 *requirements described in subparagraph*
10 *(A), a State poultry inspection program re-*
11 *viewed in accordance with section 11103(a)*
12 *of the Farm, Nutrition, and Bioenergy Act*
13 *of 2007 shall implement, not later 180 days*
14 *after the date on which the report is sub-*
15 *mitted under subsection (b) of such section,*
16 *all recommendations from the review, in a*
17 *manner approved by the Secretary.*

18 *“(ii) REVIEW OF NEW STATE POULTRY*
19 *INSPECTION PROGRAMS.—*

20 *“(I) REVIEW REQUIREMENT.—Not*
21 *later than one year after the date on*
22 *which the Secretary approves a new*
23 *State poultry inspection program, the*
24 *Secretary shall conduct a review of the*

1 *new State poultry inspection program,*
2 *which shall include—*

3 *“(aa) a determination of the*
4 *effectiveness of the new State poul-*
5 *try inspection program; and*

6 *“(bb) identification of*
7 *changes necessary to ensure en-*
8 *forcement of Federal inspection*
9 *requirements.*

10 *“(II) IMPLEMENTATION REQUIRE-*
11 *MENTS.—In addition to the require-*
12 *ments described in subparagraph (A),*
13 *to continue to be an approved State*
14 *poultry inspection program, a new*
15 *State poultry inspection program shall*
16 *implement all recommendations from*
17 *the review conducted in accordance*
18 *with this clause, in a manner ap-*
19 *proved by the Secretary.*

20 *“(III) DEFINITION OF NEW STATE*
21 *POULTRY INSPECTION PROGRAM.—In*
22 *this clause, the term ‘new State poultry*
23 *inspection program’ means a State*
24 *poultry inspection program that is not*
25 *approved in accordance with para-*

1 *graph (1) between the effective date of*
2 *the Farm, Nutrition, and Bioenergy*
3 *Act of 2007 and the date that is one*
4 *year after the effective date of such Act.*

5 “(3) COOPERATIVE AGREEMENT.—Notwith-
6 *standing chapter 63 of title 31, United States Code,*
7 *the Secretary may enter into a cooperative agreement*
8 *with a State that—*

9 “(A) *establishes the terms governing the re-*
10 *lationship between the Secretary and the State*
11 *poultry inspection program;*

12 “(B) *provides that the State will adopt (in-*
13 *cluding adoption by reference) provisions iden-*
14 *tical to sections 1 through 4 and 6 through 33*
15 *(including the regulations, directives, notices,*
16 *policy memoranda, and other regulatory require-*
17 *ments issued under those sections);*

18 “(C) *provides that State-inspected and*
19 *passed poultry products may be marked with the*
20 *mark of State inspection, which shall be deemed*
21 *to be an official mark, in accordance with re-*
22 *quirements issued by the Secretary;*

23 “(D) *provides that the State will comply*
24 *with all labeling requirements issued by the Sec-*

1 *retary governing poultry products inspected*
2 *under the State poultry inspection program;*

3 *“(E) provides that the Secretary shall have*
4 *authority—*

5 *“(i) to detain and seize poultry and*
6 *poultry products under the State poultry*
7 *inspection program;*

8 *“(ii) to obtain access to facilities,*
9 *records, and poultry products of any person*
10 *that slaughters, processes, handles, stores,*
11 *transports, or sells poultry products in-*
12 *spected under the State poultry inspection*
13 *program to determine compliance with this*
14 *Act (including the regulations issued under*
15 *this Act); and*

16 *“(iii) to direct the State to conduct*
17 *any activity authorized to be conducted by*
18 *the Secretary under this Act (including the*
19 *regulations issued under this Act); and*

20 *“(F) includes such other terms as the Sec-*
21 *retary determines to be necessary to ensure that*
22 *the actions of the State and the State poultry in-*
23 *spection program are consistent with this Act*
24 *(including the regulations, directives, notices,*

1 *policy memoranda, and other regulatory require-*
2 *ments issued under this Act).*

3 “(4) *RESTRICTION ON ESTABLISHMENT SIZE.*—

4 *After the date that is 90 days after the effective date*
5 *of the Farm, Nutrition, and Bioenergy Act of 2007,*
6 *establishments with more than 50 employees may not*
7 *be accepted into a State meat inspection program.*
8 *Any establishment that is subject to state inspection*
9 *on such date may remain subject to state inspection.*

10 “(5) *REIMBURSEMENT OF STATE COSTS.*—*The*

11 *Secretary may reimburse a State for not more than*
12 *60 percent of the State’s costs of meeting the Federal*
13 *requirements for the State poultry inspection pro-*
14 *gram.*

15 “(6) *SAMPLING.*—*A duly authorized representa-*
16 *tive of the Secretary shall be afforded access to State*
17 *inspected establishments to take reasonable samples of*
18 *their inventory upon payment of the fair market*
19 *value therefor.*

20 “(7) *NONCOMPLIANCE.*—*If the Secretary deter-*

21 *mines that a State poultry inspection program does*
22 *not comply with this section, section 5A, or the coop-*
23 *erative agreement under paragraph (3), the Secretary*
24 *shall take such action as the Secretary determines to*
25 *be necessary to ensure that the poultry products in the*

1 *State are inspected in a manner that effectuates this*
2 *Act (including the regulations, directives, notices, pol-*
3 *icy memoranda, and other regulatory requirements*
4 *issued under this Act).*

5 “(d) *ANNUAL REVIEW.*—

6 “(1) *IN GENERAL.*—*The Secretary shall develop*
7 *and implement a process to annually review each*
8 *State poultry inspection program approved under*
9 *this section and to certify the State poultry inspection*
10 *programs that comply with the cooperative agreement*
11 *entered into with the State under subsection (c)(3).*

12 “(2) *COMMENT FROM INTERESTED PARTIES.*—*In*
13 *developing the review process described in paragraph*
14 *(1), the Secretary shall solicit comment from inter-*
15 *ested parties.*

16 “(e) *FEDERAL INSPECTION OPTION.*—

17 “(1) *IN GENERAL.*—*An official establishment*
18 *that operates in a State with an approved State poul-*
19 *try inspection program may apply for inspection*
20 *under the State poultry inspection program or for*
21 *Federal inspection.*

22 “(2) *LIMITATION.*—*An official establishment*
23 *shall not make an application under paragraph (1)*
24 *more than once every 4 years.*

1 **“SEC. 5A. AUTHORITY TO TAKE OVER STATE POULTRY IN-**
2 **SPECTION ACTIVITIES.**

3 *“(a) AUTHORITY TO TAKE OVER STATE POULTRY IN-*
4 *SPECTION PROGRAMS.—*

5 *“(1) NOTIFICATION.—If the Secretary has reason*
6 *to believe that a State is not in compliance with this*
7 *Act (including the regulations, directives, notices, pol-*
8 *icy memoranda, and other regulatory requirements*
9 *issued under this Act) or the cooperative agreement*
10 *under section 5(c)(3) and is considering the revoca-*
11 *tion or temporary suspension of the approval of the*
12 *State poultry inspection program, the Secretary shall*
13 *promptly notify and consult with the Governor of the*
14 *State.*

15 *“(2) SUSPENSION AND REVOCATION.—*

16 *“(A) IN GENERAL.—The Secretary may re-*
17 *voke or temporarily suspend the approval of a*
18 *State poultry inspection program and take over*
19 *a State poultry inspection program if the Sec-*
20 *retary determines that the State poultry inspec-*
21 *tion program is not in compliance with this Act*
22 *(including the regulations, directives, notices,*
23 *policy memoranda, and other regulatory require-*
24 *ments issued under this Act) or the cooperative*
25 *agreement.*

1 “(B) *PROCEDURES FOR REINSTATEMENT.*—

2 *A State poultry inspection program that has*
3 *been the subject of a revocation may be rein-*
4 *stated as an approved State poultry inspection*
5 *program under this Act only in accordance with*
6 *the procedures under section 5(c)(2)(B)(ii).*

7 “(3) *PUBLICATION.*—*If the Secretary revokes or*
8 *temporarily suspends the approval of a State poultry*
9 *inspection program in accordance with paragraph*
10 *(2), the Secretary shall publish notice of the revoca-*
11 *tion or temporary suspension under that paragraph*
12 *in the Federal Register.*

13 “(4) *INSPECTION OF ESTABLISHMENTS.*—*Not*
14 *later than 30 days after the date of publication of a*
15 *determination under paragraph (3), an official estab-*
16 *lishment subject to a State poultry inspection pro-*
17 *gram with respect to which the Secretary makes a de-*
18 *termination under paragraph (2) shall be inspected*
19 *by the Secretary.*

20 “(b) *EXPEDITED AUTHORITY TO TAKE OVER INSPEC-*
21 *TION OF STATE-INSPECTED OFFICIAL ESTABLISHMENTS.*—
22 *Notwithstanding any other provision of this title, if the Sec-*
23 *retary determines that an official establishment operating*
24 *under a State poultry inspection program is not operating*
25 *in accordance with this Act (including the regulations, di-*

1 *rectives, notices, policy memoranda, and other regulatory*
 2 *requirements issued under this Act) or the cooperative*
 3 *agreement under section 5(c)(3), and the State, after notifi-*
 4 *cation by the Secretary to the Governor, has not taken ap-*
 5 *propriate action within a reasonable time as determined*
 6 *by the Secretary, the Secretary may immediately determine*
 7 *that the official establishment is an establishment that shall*
 8 *be inspected by the Secretary, until such time as the Sec-*
 9 *retary determines that the State will meet the requirements*
 10 *of this Act (including the regulations, directives, notices,*
 11 *policy memoranda, and other regulatory requirements) and*
 12 *the cooperative agreement with respect to the official estab-*
 13 *lishment.”.*

14 (2) *RESTAURANTS AND RETAIL STORES, ACCEPT-*
 15 *ANCE OF INTERSTATE SHIPMENTS OF POULTRY PROD-*
 16 *UCTS, AND ADVISORY COMMITTEES FOR FEDERAL AND*
 17 *STATE PROGRAMS.—The Poultry Products Inspection*
 18 *Act (21 U.S.C. 451 et seq.) is amended by inserting*
 19 *after section 30 the following:*

20 **“SEC. 31. RESTAURANTS AND RETAIL STORES.**

21 **“(a) LIMITATION ON APPLICABILITY OF INSPECTION**
 22 **REQUIREMENTS.—***The provisions of this Act requiring in-*
 23 *spection of the slaughter of poultry and the processing of*
 24 *poultry products shall not apply to operations of types tra-*
 25 *ditionally and usually conducted at retail stores and res-*

1 *taurants, if the operations are conducted at a retail store,*
2 *restaurant, or similar retail establishment for sale of such*
3 *prepared articles in normal retail quantities or for service*
4 *of the articles to consumers at such an establishment.*

5 “(b) *CENTRAL KITCHEN FACILITIES.*—

6 “(1) *IN GENERAL.*—*For the purposes of this sec-*
7 *tion, operations conducted at a central kitchen facil-*
8 *ity of a restaurant shall be considered to be conducted*
9 *at a restaurant if the central kitchen of the restaurant*
10 *prepares poultry products that are ready to eat when*
11 *they leave the facility and are served in meals or as*
12 *entrees only to customers at restaurants owned or op-*
13 *erated by the same person that owns or operates the*
14 *facility.*

15 “(2) *EXCEPTION.*—*A facility described in para-*
16 *graph (1) shall be subject to section 11(b) and may*
17 *be subject to the inspection requirements of this Act*
18 *for as long as the Secretary determines to be nec-*
19 *essary, if the Secretary determines that the sanitary*
20 *conditions or practices of the facility or the processing*
21 *procedures or methods at the facility are such that*
22 *any of the poultry products of the facility are ren-*
23 *dered adulterated.*

1 **“SEC. 32. ACCEPTANCE OF INTERSTATE SHIPMENTS OF**
2 **POULTRY PRODUCTS.**

3 *“Notwithstanding any provision of State law, a State*
4 *or local government shall not prohibit or restrict the move-*
5 *ment or sale of poultry products that have been inspected*
6 *and passed in accordance with this Act for interstate com-*
7 *merce.*

8 **“SEC. 33. ADVISORY COMMITTEES FOR FEDERAL AND**
9 **STATE PROGRAMS.**

10 *“The Secretary may appoint advisory committees con-*
11 *sisting of such representatives of appropriate State agencies*
12 *as the Secretary and the State agencies may designate to*
13 *consult with the Secretary concerning State and Federal*
14 *programs with respect to poultry product inspection and*
15 *other matters within the scope of this Act”.*

16 *(d) REGULATIONS.—Not later than 180 days after the*
17 *date of the enactment of this Act, the Secretary of Agri-*
18 *culture shall promulgate such regulations as are necessary*
19 *to implement the amendments made by subsections (b) and*
20 *(c).*

21 *(e) EFFECTIVE DATE.—The amendments made by sub-*
22 *sections (b) and (c) of this Act shall take effect on the date*
23 *that is 180 days after the date of the enactment of this Act.*

24 **SEC. 11104. COUNTRY OF ORIGIN LABELING.**

25 *Subtitle D of the Agricultural Marketing Act of 1946*
26 *(7 U.S.C. 1638 et seq.) is amended—*

1 (1) *in section 281(2)(A)—*

2 (A) *in clause (v) by striking “and”;*

3 (B) *in clause (vi), by striking “peanuts.”*

4 *and inserting “peanuts; and”; and*

5 (C) *by adding at the end the following new*

6 *clause:*

7 “(vii) *meat produced from goats.*”;

8 (2) *in section 282—*

9 (A) *in subsection (a), by striking para-*
10 *graphs (2) and (3) and inserting the following:*

11 “(2) *DESIGNATION OF COUNTRY OF ORIGIN FOR*
12 *BEEF, LAMB, PORK, AND GOAT.—*

13 “(A) *UNITED STATES COUNTRY OF ORI-*
14 *GIN.—A retailer of a covered commodity that is*
15 *beef, lamb, pork, or goat may designate the cov-*
16 *ered commodity as exclusively having a United*
17 *States country of origin only if the covered com-*
18 *modity is derived from an animal that was—*

19 “(i) *exclusively born, raised, and*
20 *slaughtered in the United States; or*

21 “(ii) *born and raised in Alaska or Ha-*
22 *waii and transported for a period of not*
23 *more than 60 days through Canada to the*
24 *United States and slaughtered in the*
25 *United States.*

1 “(B) *MULTIPLE COUNTRIES OF ORIGIN.*—A
 2 retailer of a covered commodity that is beef,
 3 lamb, pork, or goat that is derived from an ani-
 4 mal that is—

5 “(i) *not exclusively born, raised, and*
 6 *slaughtered in the United States,*

7 “(ii) *born, raised, or slaughtered in the*
 8 *United States, and*

9 “(iii) *not imported into the United*
 10 *States for immediate slaughter,*
 11 *may designate the country of origin of such cov-*
 12 *ered commodity as all of the countries in which*
 13 *the animal may have been born, raised, or*
 14 *slaughtered.*

15 “(C) *IMPORTED FOR IMMEDIATE SLAUGH-*
 16 *TER.*—A retailer of a covered commodity that is
 17 beef, lamb, pork, or goat that is derived from an
 18 animal that is imported into the United States
 19 for immediate slaughter must designate the ori-
 20 gin of such covered commodity as—

21 “(i) *the country from which the animal*
 22 *was imported; and*

23 “(ii) *the United States.*

24 “(D) *FOREIGN COUNTRY OF ORIGIN.*—A re-
 25 tailer of a covered commodity that is beef, lamb,

1 *pork, or goat that is derived from an animal*
2 *that is not born, raised, or slaughtered in the*
3 *United States must designate a country other*
4 *than the United States as the country of origin*
5 *of such commodity.*

6 *“(E) GROUND BEEF, PORK, AND LAMB.—*
7 *The notice of country of origin for ground beef,*
8 *ground pork, or ground lamb shall include—*

9 *“(i) a list of all countries of origin of*
10 *such ground beef, ground pork, or ground*
11 *lamb; or*

12 *“(ii) a list of all reasonably possible*
13 *countries of origin of such ground beef,*
14 *ground pork, or ground lamb.*

15 *“(3) DESIGNATION OF COUNTRY OF ORIGIN FOR*
16 *FISH.—*

17 *“(A) IN GENERAL.—A retailer of a covered*
18 *commodity that is farm-raised fish or wild fish*
19 *may designate the covered commodity as having*
20 *a United States country of origin only if the cov-*
21 *ered commodity—*

22 *“(i) in the case of farm-raised fish, is*
23 *hatched, raised, harvested, and processed in*
24 *the United States; and*

25 *“(ii) in the case of wild fish, is—*

1 “(I) harvested in the United
 2 States, a territory of the United States,
 3 or a State, or by a vessel that is docu-
 4 mented under chapter 121 of title 46,
 5 United States Code, or registered in the
 6 United States; and

7 “(II) processed in the United
 8 States, a territory of the United States,
 9 or a State, including the waters there-
 10 of.

11 “(B) DESIGNATION OF WILD FISH AND
 12 FARM-RAISED FISH.—The notice of country of
 13 origin for wild fish and farm-raised fish shall
 14 distinguish between wild fish and farm-raised
 15 fish.

16 “(4) DESIGNATION OF PERISHABLE AGRICUL-
 17 TURAL COMMODITIES AND PEANUTS.—A retailer of a
 18 covered commodity that is a perishable agricultural
 19 commodity or peanut may designate the covered com-
 20 modity as having a United States country of origin
 21 only if the covered commodity is exclusively produced
 22 in the United States.”; and

23 (B) by striking subsection (d) and inserting
 24 the following:

25 “(d) AUDIT VERIFICATION SYSTEM.—

1 “(1) *IN GENERAL.*—*The Secretary may conduct*
2 *an audit of any person that prepares, stores, handles,*
3 *or distributes a covered commodity for retail sale to*
4 *verify compliance with this subtitle (including the*
5 *regulations promulgated under section 284(b)).*

6 “(2) *RECORD REQUIREMENTS.*—

7 “(A) *IN GENERAL.*—*A person subject to an*
8 *audit under paragraph (1) shall provide the Sec-*
9 *retary with verification of the country of origin*
10 *of covered commodities. Records maintained in*
11 *the course of the normal conduct of the business*
12 *of such person, including animal health papers,*
13 *import or customs documents, or producer affi-*
14 *davits, may serve as such verification.*

15 “(B) *PROHIBITION ON REQUIREMENT OF*
16 *ADDITIONAL RECORDS.*—*The Secretary may not*
17 *require a person that prepares, stores, handles,*
18 *or distributes a covered commodity to maintain*
19 *a record of the country of origin of a covered*
20 *commodity other than those maintained in the*
21 *course of the normal conduct of the business of*
22 *such person.”;*

23 (3) *in section 283—*

24 (A) *by striking subsections (a) and (c);*

1 (B) by redesignating subsection (b) sub-
2 section (a);

3 (C) in subsection (a) (as so redesignated),
4 by striking “retailer” and inserting “retailer or
5 person engaged in the business of supplying a
6 covered commodity to a retailer”; and

7 (D) by adding at the end the following new
8 subsection:

9 “(b) *FINES.*—If, on completion of the 30-day period
10 described in subsection (a)(2), the Secretary determines that
11 the retailer or person engaged in the business of supplying
12 a covered commodity to a retailer has—

13 “(1) not made a good faith effort to comply with
14 section 282, and

15 “(2) continues to willfully violate section 282
16 with respect to the violation about which the retailer
17 or person received notification under subsection
18 (a)(1),

19 after providing notice and an opportunity for a hearing
20 before the Secretary with respect to the violation, the Sec-
21 retary may fine the retailer or person in an amount of not
22 more than \$1,000 for each violation.”; and

23 (4) in section 285—

1 (A) by striking “This subtitle” and insert-
2 ing “(a) *IN GENERAL*.—Subject to subsection (b),
3 this subtitle”; and

4 (B) by adding at the end the following new
5 subsection:

6 “(b) *ANIMALS IN THE UNITED STATES ON JANUARY*
7 1, 2008.—Notwithstanding subsection (a), this subtitle shall
8 not apply to a covered commodity that is derived from an
9 animal that is in the United States on January 1, 2008.”.

10 **SEC. 11105. SENSE OF CONGRESS REGARDING STATE IN-**
11 **SPECTED MEAT AND POULTRY PRODUCTS.**

12 *It is the sense of Congress that—*

13 (1) *the food supply in the United States con-*
14 *tinues to be the safest in the world;*

15 (2) *State inspected meat and poultry products*
16 *are safe and wholesome, and should be available to*
17 *consumers nationwide to increase the economic viabil-*
18 *ity of small establishments and allow States to broad-*
19 *ly market their products; and*

20 (3) *the Federal and State meat and poultry in-*
21 *spection systems should function seamlessly to ensure*
22 *food safety and inspire consumer confidence in the*
23 *food supply.*

1 **SEC. 11106. SENSE OF CONGRESS REGARDING THE VOL-**
2 **UNTARY CONTROL PROGRAM FOR LOW PATH-**
3 **OGENIC AVIAN INFLUENZA.**

4 *It is the sense of Congress that—*

5 *(1) the voluntary control program for low patho-*
6 *genic avian influenza is a critical component of the*
7 *animal health protection system of the United States,*
8 *as well as a safeguard against highly pathogenic*
9 *avian influenza; and*

10 *(2) the Secretary of Agriculture has appro-*
11 *priately provided for the payment of compensation to*
12 *owners of poultry and cooperating State agencies of*
13 *100 percent of eligible costs, and the Secretary should*
14 *continue to provide such payments at 100 percent of*
15 *such costs.*

16 **SEC. 11107. SENSE OF CONGRESS REGARDING THE CATTLE**
17 **FEVER TICK ERADICATION PROGRAM.**

18 *It is the sense of Congress that—*

19 *(1) the cattle fever tick and the southern cattle*
20 *tick are vectors of the causal agent of babesiosis, a se-*
21 *vere and often fatal disease of cattle; and*

22 *(2) implementing a national strategic plan for*
23 *the cattle fever tick eradication program is a high*
24 *priority that the secretary should carry out in order*
25 *to—*

1 (A) prevent the entry of cattle fever ticks
2 into the United States;

3 (B) enhance and maintain an effective sur-
4 veillance program to rapidly detect any cattle
5 fever tick incursions; and

6 (C) research, identify, and procure the tools
7 and knowledge necessary to prevent and eradi-
8 cate cattle fever ticks in the United States.

9 ***Subtitle C—Socially Disadvantaged***
10 ***Producers and Limited Resource***
11 ***Producers***

12 ***SEC. 11201. OUTREACH AND TECHNICAL ASSISTANCE FOR***
13 ***SOCIALLY DISADVANTAGED FARMERS AND***
14 ***RANCHERS AND LIMITED RESOURCE FARM-***
15 ***ERS AND RANCHERS.***

16 (a) *IN GENERAL.*—Section 2501 of the Food, Agri-
17 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
18 2279) is amended—

19 (1) in subsection (a)—

20 (A) by striking paragraph (2) and inserting
21 the following new paragraph:

22 “(2) *REQUIREMENTS.*—The outreach and tech-
23 nical assistance program under paragraph (1) shall
24 be used—

1 “(A) to enhance coordination of the out-
 2 reach, technical assistance, and education efforts
 3 authorized under agriculture programs; and

4 “(B) to assist the Secretary in—

5 “(i) reaching socially disadvantaged or
 6 limited resource farmers and ranchers and
 7 prospective socially disadvantaged or lim-
 8 ited resource farmers and ranchers in an
 9 appropriate manner; and

10 “(ii) improving the participation of
 11 those farmers and rancher in Department
 12 programs, as determined under section
 13 2501A.”;

14 (B) in paragraph (3)—

15 (i) in subparagraph (A), by striking
 16 “entity to provide information” and insert-
 17 ing “entity that has demonstrated an abil-
 18 ity to carry out the requirements described
 19 in paragraph (2) to provide outreach”; and

20 (ii) by adding at the end the following
 21 new subparagraphs:

22 “(D) *ADDITIONAL CONTRACTING AUTHOR-*
 23 *ITY.*—

24 “(i) *IN GENERAL.*—Any agency of the
 25 Department of Agriculture may make

1 *grants and enter into contracts and cooper-*
2 *ative agreements with a community-based*
3 *organization that meets the definition of an*
4 *eligible entity under subsection (e) in order*
5 *to utilize the community-based organization*
6 *to provide outreach and technical assist-*
7 *ance.*

8 “(ii) *MATCHING FUNDS.*—*As a condi-*
9 *tion of any grant made, or any contract or*
10 *any cooperative agreement entered into*
11 *under this subparagraph, the Secretary*
12 *shall require the eligible entity to match not*
13 *less than 25 percent of the total amount of*
14 *the funds provided by the grant, contract, or*
15 *cooperative agreement.*

16 “(E) *REPORT.*—*The Secretary shall submit*
17 *to the Committee on Agriculture of the House of*
18 *Representatives and the Committee on Agri-*
19 *culture, Nutrition, and Forestry of the Senate,*
20 *and make publicly available, an annual report*
21 *that includes a list of the following:*

22 “(i) *The recipients of funds made*
23 *available under the program.*

24 “(ii) *The activities undertaken and*
25 *services provided.*

1 “(iii) *The number of producers served*
2 *and outcomes of such service.*

3 “(iv) *The problems and barriers identi-*
4 *fied by entities in trying to increase par-*
5 *ticipation by socially disadvantaged farm-*
6 *ers and ranchers.*”; and

7 (C) in paragraph (4)—

8 (i) by striking subparagraph (A), and
9 inserting the following new subparagraph:

10 “(A) *AVAILABILITY OF FUNDS.—Of the*
11 *funds of the Commodity Credit Corporation, the*
12 *Secretary shall make available \$15,000,000 for*
13 *each of the fiscal years 2008 through 2012 to*
14 *carry out this subsection.*”;

15 (ii) in subparagraph (B), by striking
16 “authorized to be appropriated under sub-
17 paragraph (A)” and inserting “made avail-
18 able under subparagraph (A)”; and

19 (iii) by adding at the end the following
20 new subparagraph:

21 “(C) *LIMITATION ON USE OF FUNDS FOR*
22 *ADMINISTRATIVE EXPENSES.—Not more than 5*
23 *percent of the amounts made available under*
24 *subparagraph (A) for a fiscal year may be used*

1 *for expenses related to administering the pro-*
2 *gram under this section.”; and*

3 *(2) in subsection (e)(5)(A)(ii)—*

4 *(A) by inserting “and on behalf of” before*
5 *“socially”; and*

6 *(B) by striking “2-year” and inserting “3-*
7 *year”.*

8 *(b) COORDINATION WITH OUTREACH.—*

9 *(1) IN GENERAL.—Not more than 18 months*
10 *after the date of enactment of this Act, the Secretary*
11 *shall develop a plan to join and relocate—*

12 *(A) the outreach and technical assistance*
13 *program established under section 2501 of the*
14 *Food, Agriculture, Conservation, and Trade Act*
15 *of 1990 (7 U.S.C. 2279); and*

16 *(B) the Office of Outreach of the Depart-*
17 *ment of Agriculture.*

18 *(2) REPORT.—After the relocation described in*
19 *this subsection is completed, the Secretary shall sub-*
20 *mit to Congress a report that include information de-*
21 *scribing the new location of the program.*

1 **SEC. 11202. IMPROVED PROGRAM DELIVERY BY DEPART-**
 2 **MENT OF AGRICULTURE ON INDIAN RES-**
 3 **ERVATIONS.**

4 *Section 2501(g)(1) of the Food, Agriculture, Conserva-*
 5 *tion, and Trade Act of 1990 (7 U.S.C. 2279(g)(1)) is*
 6 *amended—*

7 *(1) in the first sentence, by striking “where there*
 8 *is a demonstrated demand for service” after “offices”;*
 9 *and*

10 *(2) by striking the second sentence.*

11 **SEC. 11203. TRANSPARENCY AND ACCOUNTABILITY FOR SO-**
 12 **cially Disadvantaged Farmers and**
 13 **Ranchers.**

14 *Section 2501A of the Food, Agriculture, Conservation,*
 15 *and Trade Act of 1990 (7 U.S.C. 2279–1) is amended by*
 16 *striking subsection (c) and inserting the following new sub-*
 17 *sections:*

18 *“(c) COMPILATION OF PROGRAM PARTICIPATION*
 19 *DATA.—*

20 *“(1) ANNUAL REQUIREMENT.—For each county*
 21 *and State in the United States, the Secretary of Agri-*
 22 *culture (referred to in this section as the ‘Secretary’)*
 23 *shall annually compile program application and par-*
 24 *ticipation rate data regarding socially disadvantaged*
 25 *farmers and ranchers by computing for each program*

1 *of the Department of Agriculture that serves agricul-*
2 *tural producers and landowners—*

3 “(A) *raw numbers of applicants and par-*
4 *ticipants by race, ethnicity, and gender, subject*
5 *to appropriate privacy protections, as deter-*
6 *mined by the Secretary; and*

7 “(B) *the application and participation*
8 *rate, by race, ethnicity, and gender, as a percent-*
9 *age of the total participation rate of all agricul-*
10 *tural producers and landowners.*

11 “(2) *AUTHORITY TO COLLECT DATA.—The heads*
12 *of the agencies of the Department of Agriculture shall*
13 *collect and transmit to the Secretary any data, in-*
14 *cluding data on race, gender, and ethnicity, that the*
15 *Secretary determines to be necessary to carry out*
16 *paragraph (1).*

17 “(3) *REPORT.—Using the technologies and sys-*
18 *tems of the National Agricultural Statistics Service,*
19 *the Secretary shall compile and present the data com-*
20 *piled under paragraph (1) for each program described*
21 *in that paragraph in a manner that includes the raw*
22 *numbers and participation rates for—*

23 “(A) *the entire United States;*

24 “(B) *each State; and*

25 “(C) *each county in each State.*

1 “(4) *PUBLIC AVAILABILITY OF REPORT.*—The
 2 *Secretary shall maintain and make readily available*
 3 *to the public, via website and otherwise in electronic*
 4 *and paper form, the report described in paragraph*
 5 *(3).*

6 “(d) *LIMITATIONS ON USE OF DATA.*—

7 “(1) *PRIVACY PROTECTIONS.*—In carrying out
 8 *this section, the Secretary shall not disclose the names*
 9 *or individual data of any program participant.*

10 “(2) *AUTHORIZED USES.*—The data under this
 11 *section shall be used exclusively for the purposes de-*
 12 *scribed in subsection (a).*

13 “(3) *LIMITATION.*—Except as otherwise provided,
 14 *the data under this section shall not be used for the*
 15 *evaluation of individual applications for assistance.”.*

16 **SEC. 11204. BEGINNING FARMER AND RANCHER DEVELOP-**
 17 **MENT PROGRAM.**

18 *Section 7405 of the Farm Security and Rural Invest-*
 19 *ment Act of 2002 (7 U.S.C. 3319f) is amended by striking*
 20 *subsection (h) and inserting the following new subsection:*

21 “(h) *AVAILABILITY OF FUNDS.*—Of the funds of the
 22 *Commodity Credit Corporation, the Secretary shall make*
 23 *available \$15,000,000 for each of the fiscal years 2008*
 24 *through 2012 to carry out this section.”.*

1 **SEC. 11205. PROVISION OF RECEIPT FOR SERVICE OR DE-**
2 **NIAL OF SERVICE.**

3 *In any case in which a producer or landowner, or pro-*
4 *spective producer or landowner, requests from the Depart-*
5 *ment of Agriculture any benefit or service offered by the*
6 *Department to agricultural producers or landowners, the*
7 *Secretary of Agriculture shall provide for the issuance, on*
8 *the date on which the producer or landowner, or prospective*
9 *producer or landowner, makes the request, a receipt con-*
10 *taining—*

11 *(1) the date, place, and subject of the request;*
12 *and*

13 *(2) the action taken, not taken, or recommenda-*
14 *tions made in response to the request.*

15 **SEC. 11206. TRACKING OF SOCIALLY DISADVANTAGED**
16 **FARMERS AND RANCHERS AND LIMITED RE-**
17 **SOURCE FARMERS AND RANCHERS IN CEN-**
18 **SUS OF AGRICULTURE AND CERTAIN STUD-**
19 **IES.**

20 *The Secretary of Agriculture shall ensure, to the max-*
21 *imum extent practicable, that the Census of Agriculture and*
22 *studies carried out by the Economic Research Service accu-*
23 *rately document the number, location, and economic con-*
24 *tributions of socially disadvantaged farmers and ranchers*
25 *and limited resource farmers and ranchers in agricultural*
26 *production.*

1 **SEC. 11207. FARMWORKER COORDINATOR.**

2 (a) *ESTABLISHMENT.*—*The Secretary of Agriculture*
3 *shall establish the position of Farmworker Coordinator (in*
4 *this section referred to as the “Coordinator”), which shall*
5 *be located in the Office of Outreach of the Department of*
6 *Agriculture.*

7 (b) *DUTIES.*—*The Secretary may delegate to the Coor-*
8 *dinator responsibility for any or all of the following:*

9 (1) *Assisting in administering the program es-*
10 *tablished by section 2281 of the Food, Agriculture,*
11 *Conservation, and Trade Act of 1990 (42 U.S.C.*
12 *5177a).*

13 (2) *Serving as a liaison to community-based*
14 *non-profit organizations that represent, and have*
15 *demonstrated experience serving, low-income migrant*
16 *and seasonal farmworkers.*

17 (3) *Coordinating with the Department of Agri-*
18 *culture and State and local governments to assure*
19 *that farmworker needs are assessed and met during*
20 *declared disasters and other emergencies.*

21 (4) *Consulting with the Office of Small Farm*
22 *Coordination, Office of Outreach, Outreach Coordina-*
23 *tors, and other entities to better integrate farmworker*
24 *perspectives, concerns, and interests into the ongoing*
25 *programs of the Department.*

1 (5) *Consulting with Hispanic-serving institu-*
 2 *tions on research, program improvements, or agricul-*
 3 *tural education opportunities that assist low-income*
 4 *and migrant seasonal farmworkers.*

5 (5) *Assuring that farmworkers have access to*
 6 *services and support to enter agriculture as pro-*
 7 *ducers.*

8 (c) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 9 *authorized to be appropriated to the Secretary such sums*
 10 *as necessary to carry out this section for fiscal years 2008*
 11 *through 2012.*

12 **SEC. 11208. OFFICE OF OUTREACH RELOCATION.**

13 (a) *RELOCATION PROPOSAL.—Not more than 18*
 14 *months after the date of enactment of the Act, the Secretary*
 15 *shall develop a proposal to relocate the Office of Outreach*
 16 *of the Department of Agriculture.*

17 (b) *ADMINISTRATION.—The Office of Outreach shall be*
 18 *responsible for the administration of—*

19 (1) *the outreach and technical assistance pro-*
 20 *gram established under section 2501 of the Food, Ag-*
 21 *riculture, Conservation, and Trade Act of 1990 (7*
 22 *U.S.C. 2279); and*

23 (2) *the beginning farmer and rancher develop-*
 24 *ment program established under section 7405 of the*

1 *Farm Security and Rural Investment Act of 2002 (7*
2 *U.S.C. 3319f).*

3 **SEC. 11209. MINORITY FARMER ADVISORY COMMITTEE.**

4 *(a) ESTABLISHMENT.—Not later than 18 months after*
5 *the date of enactment of this Act, the Secretary of Agri-*
6 *culture shall establish an advisory committee, to be known*
7 *as the “Advisory Committee on Minority Farmers” (in this*
8 *section referred to as the “Committee”), which shall be over-*
9 *seen by the Office of Outreach of the Department of Agri-*
10 *culture.*

11 *(b) DUTIES.—The Committee shall—*

12 *(1) review all civil rights cases to ensure that*
13 *they are processed in a timely manner;*

14 *(2) ensure that the processing of civil rights cases*
15 *complies with applicable laws;*

16 *(3) report quarterly to the Secretary of Agri-*
17 *culture on civil rights enforcement and outreach;*

18 *(4) monitor and annually report to Congress on*
19 *compliance with all civil rights and related laws by*
20 *all agencies and under all programs of the Depart-*
21 *ment;*

22 *(5) recommend to the Secretary corrective ac-*
23 *tions to prevent civil rights violations; and*

24 *(6) review the operations of the outreach and*
25 *technical assistance program established under section*

1 2501 of the Food, Agriculture, Conservation, and
2 Trade Act of 1990 (7 U.S.C. 2279).

3 (c) *MEMBERSHIP OF COMMITTEE.*—The Committee
4 shall be composed of the following:

5 (1) *Three members appointed by the Secretary.*

6 (2) *Two members appointed by the chairman of*
7 *the Committee on Agriculture, Nutrition, and For-*
8 *estry of the Senate, in consultation with the ranking*
9 *member of the Committee.*

10 (3) *Two members appointed by the chairman of*
11 *the Committee on Agriculture of the House of Rep-*
12 *resentatives, in consultation with the ranking member*
13 *of the Committee.*

14 (4) *A civil rights professional.*

15 (5) *A socially disadvantaged farmer or rancher.*

16 (6) *Such other persons or professionals as deter-*
17 *mined by the Secretary to be appropriate.*

18 **SEC. 11210. COORDINATOR FOR CHRONICALLY UNDER-**
19 **SERVED RURAL AREAS.**

20 (a) *ESTABLISHMENT.*—The Secretary of Agriculture
21 shall establish a Coordinator for Chronically Underserved
22 Rural Areas (in this section referred to as the “Coordi-
23 nator”), to be located in the Office of Outreach of the De-
24 partment of Agriculture.

1 (b) *MISSION.*—*The mission of the Coordinator shall be*
 2 *to direct Department of Agriculture resources to high need,*
 3 *high poverty rural areas.*

4 (c) *DUTIES.*—*The Coordinator shall consult with other*
 5 *offices in directing technical assistance, strategic regional*
 6 *planning, at the State and local level, for developing rural*
 7 *economic development that leverages the resources of State*
 8 *and local governments and non-profit and community de-*
 9 *velopment organizations.*

10 (d) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
 11 *authorized to be appropriated to the Secretary such sums*
 12 *as necessary to carry out this section for fiscal years 2008*
 13 *through 2012.*

14 ***Subtitle D—Other Miscellaneous***
 15 ***Provisions***

16 ***SEC. 11301. DESIGNATION OF SEPARATE COTTON-PRO-***
 17 ***DUCING STATES UNDER COTTON RESEARCH***
 18 ***AND PROMOTION ACT.***

19 *Section 17(f) of the Cotton Research and Promotion*
 20 *Act (7 U.S.C. 2116(f)) is amended by adding at the end*
 21 *the following new sentence: “Notwithstanding the preceding*
 22 *sentence, effective beginning with the 2008 crop of cotton,*
 23 *the States of Kansas, Virginia, and Florida shall each be*
 24 *deemed to be a separate cotton-producing State for the pur-*
 25 *poses of this Act.”.*

1 **SEC. 11302. COTTON CLASSIFICATION SERVICES.**

2 (a) *EXTENSION.*—*The first sentence of section 3a of the*
 3 *Act of March 3, 1927 (commonly known as the Cotton Sta-*
 4 *tistics and Estimates Act; 7 U.S.C. 473a), is amended by*
 5 *striking “2007” and inserting “2012”.*

6 (b) *ESTABLISHMENT OF OFFICES.*—*The second sen-*
 7 *tence of section 3a of the Act of March 3, 1927, is amended*
 8 *in the proviso—*

9 (1) *by striking “and” at the end of clause (6);*

10 (2) *by striking the period at the end of clause (7)*
 11 *and inserting “; and”; and*

12 (3) *by adding at the end the following new*
 13 *clause: “(8) the Secretary may enter into long-term*
 14 *lease agreements that exceed five years or may take*
 15 *title to property, including through purchase agree-*
 16 *ments, for the purposes of obtaining offices to be used*
 17 *for the classification of cotton in accordance with this*
 18 *Act if the Secretary determines such action would best*
 19 *effectuate the purposes of this Act.”.*

20 **SEC. 11303. AVAILABILITY OF EXCESS AND SURPLUS COM-**
 21 **PUTERS IN RURAL AREAS.**

22 *The Secretary of Agriculture may make available to*
 23 *any city or town located in a rural area (as defined in*
 24 *section 343(a)(13)(A) of the Consolidated Farm and Rural*
 25 *Development Act) excess or surplus computers or other tech-*
 26 *nical equipment of the Department of Agriculture.*

1 **SEC. 11304. PERMANENT DEBARMENT FROM PARTICIPA-**
2 **TION IN DEPARTMENT OF AGRICULTURE**
3 **PROGRAMS FOR FRAUD.**

4 *The Secretary of Agriculture is hereby granted the au-*
5 *thority to permanently debar an individual, organization,*
6 *corporation, or other entity convicted of knowingly defraud-*
7 *ing the United States in connection with any program ad-*
8 *ministered by the Department of Agriculture from any sub-*
9 *sequent participation in Department of Agriculture pro-*
10 *grams.*

11 **SEC. 11305. NO DISCRIMINATION AGAINST USE OF REG-**
12 **ISTERED PESTICIDE PRODUCTS OR CLASSES**
13 **OF PESTICIDE PRODUCTS.**

14 *In establishing priorities and evaluation criteria for*
15 *the approval of plans, contracts, and agreements under title*
16 *II, the Secretary of Agriculture shall not discriminate*
17 *against the use of specific registered pesticide products or*
18 *classes of pesticide products.*

19 **SEC. 11306. PROHIBITION ON CLOSURE OR RELOCATION OF**
20 **COUNTY OFFICES FOR THE FARM SERVICE**
21 **AGENCY, RURAL DEVELOPMENT AGENCY,**
22 **AND NATURAL RESOURCES CONSERVATION**
23 **SERVICE.**

24 *Until the date that is one year after the date of the*
25 *enactment of this Act, the Secretary of Agriculture may not*
26 *close or relocate a county or field office of the Farm Service*

1 *Agency, Rural Development Agency, or Natural Resources*
 2 *Conservation Service of the Department of Agriculture.*

3 **SEC. 11308. REGULATION OF EXPORTS OF PLANTS, PLANT**
 4 **PRODUCTS, BIOLOGICAL CONTROL ORGA-**
 5 **NISMS, AND NOXIOUS WEEDS.**

6 *(a) IN GENERAL.—Subtitle A of title IV of the Agricul-*
 7 *tural Risk Protection Act of 2000 (7 U.S.C. 7701 et seq.*
 8 *is amended by adding at the end the following new section:*

9 **“SEC. 420. REGULATION OF EXPORTS OF PLANTS, PLANT**
 10 **PRODUCTS, BIOLOGICAL CONTROL ORGA-**
 11 **NISMS, AND NOXIOUS WEEDS.**

12 *“(a) IN GENERAL.—The Secretary may regulate*
 13 *plants, plant products, biological control organisms, and*
 14 *noxious weeds for export purposes.*

15 *“(b) DUTIES.—The Secretary shall—*

16 *“(1) coordinate fruit and vegetable market anal-*
 17 *yses with the private sector and the Administrator of*
 18 *Foreign Agricultural Service; and*

19 *“(2) make publicly available on an Internet*
 20 *website—*

21 *“(A) the status of all export petitions;*

22 *“(B) to the greatest extent possible, an ex-*
 23 *planation of the sanitary or phytosanitary issues*
 24 *associated with each pending export petition;*
 25 *and*

6 (b) *TABLE OF CONTENTS.*—*The table of contents in*
7 *section 1(b) of such Act (7 U.S.C. 1501 note) is amended*
8 *by inserting after the item relating to section 419 the fol-*
9 *lowing new item:*

10 SEC. 11309. GRANTS TO REDUCE PRODUCTION OF
11 METHAMPHETAMINES FROM ANHYDROUS AM-
12 MONIA.

19 (b) *DEFINITIONS.*—*In this section:*

22 (A) a producer of agricultural commodities;

1 (B) a cooperative association a majority of
 2 the members of which produce or process agricul-
 3 tural commodities, and

4 (C) a person in the trade or business of—

5 (i) selling an agricultural product, in-
 6 cluding an agricultural chemical, at retail,
 7 predominantly to farmers and ranchers; or

8 (ii) aerial and ground application of
 9 an agricultural chemical.

10 (2) *NURSE TANK.*—The term “nurse tank” shall
 11 have the meaning set forth in section 173.315(m) of
 12 title 49, Code of Federal Regulations, as in effect as
 13 of the date of the enactment of this Act.

14 (c) *GRANT AMOUNT.*—The amount of a grant made
 15 under this section to an entity shall be not less than \$40
 16 and not more than \$60, multiplied by the number of fer-
 17 tilizer nurse tanks of the entity.

18 (d) *LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*
 19 *TIONS.*—For grants under this section, there are authorized
 20 to be appropriated to the Secretary a total of not more than
 21 \$15,000,000 for fiscal years 2008 through 2012.

22 **SEC. 11310. USDA GRADUATE SCHOOL.**

23 (a) Section 921 of the Federal Agriculture Improve-
 24 ment and Reform Act of 1996 (7 U.S.C. 2279b) is amended
 25 by striking subsections (a) through (k) and inserting the

1 following: “The Department of Agriculture shall not estab-
2 lish, maintain, or otherwise operate a nonappropriated
3 fund instrumentality of the United States to develop, ad-
4 minister, or provide educational training and professional
5 development activities, including educational activities for
6 Federal agencies, Federal employees, nonprofit organiza-
7 tions, other entities, and members of the general public.”.

8 (b) *EFFECTIVE DATE.*—The amendment made in sub-
9 section (a) apply beginning October 1, 2008.

Union Calendar No. 164

110TH CONGRESS
1ST Session

H. R. 2419

[Report No. 110-256, Part I]

A BILL

To provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

JULY 23, 2007

Committee on Foreign Affairs discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed