

107TH CONGRESS
1ST SESSION

H. R. 2646

AN ACT

To provide for the continuation of agricultural programs
through fiscal year 2011.

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; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Farm Security Act of 2001”.

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

Sec. 1. Short title; table of contents.

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TITLE I—COMMODITY PROGRAMS

3 SEC. 100. DEFINITIONS.

4 In this title (other than chapter 3 of subtitle C):

5 (1) AGRICULTURAL ACT OF 1949.—The term
6 “Agricultural Act of 1949” means the Agricultural
7 Act of 1949 (7 U.S.C. 1421 et seq.), as in effect
8 prior to the suspensions under section 171 of the
9 Federal Agriculture Improvement and Reform Act of
10 1996 (7 U.S.C. 7301).

11 (2) BASE ACRES.—The term “base acres”, with
12 respect to a covered commodity on a farm, means
13 the number of acres established under section 103
14 with respect to the commodity upon the election
15 made by the producers on the farm under subsection
16 (a) of such section.

17 (3) COUNTER-CYCLICAL PAYMENT.—The term
18 “counter-cyclical payment” means a payment made
19 to producers under section 105.

20 (4) COVERED COMMODITY.—The term “covered
21 commodity” means wheat, corn, grain sorghum, bar-
22 ley, oats, upland cotton, rice, soybeans, and other
23 oilseeds.

24 (5) EFFECTIVE PRICE.—The term “effective
25 price”, with respect to a covered commodity for a

1 crop year, means the price calculated by the Sec-
2 retary under section 105 to determine whether
3 counter-cyclical payments are required to be made
4 for that crop year.

5 (6) ELIGIBLE PRODUCER.—The term “eligible
6 producer” means a producer described in section
7 101(a).

8 (7) FIXED, DECOUPLED PAYMENT.—The term
9 “fixed, decoupled payment” means a payment made
10 to producers under section 104.

11 (8) OTHER OILSEED.—The term “other oil-
12 seed” means a crop of sunflower seed, rapeseed,
13 canola, safflower, flaxseed, mustard seed, or, if des-
14 ignated by the Secretary, another oilseed.

15 (9) PAYMENT ACRES.—The term “payment
16 acres” means 85 percent of the base acres of a cov-
17 ered commodity on a farm, as established under sec-
18 tion 103, upon which fixed, decoupled payments and
19 counter-cyclical payments are to be made.

20 (10) PAYMENT YIELD.—The term “payment
21 yield” means the yield established under section 102
22 for a farm for a covered commodity.

23 (11) PRODUCER.—The term “producer” means
24 an owner, operator, landlord, tenant, or share-
25 cropper who shares in the risk of producing a crop

1 and who is entitled to share in the crop available for
2 marketing from the farm, or would have shared had
3 the crop been produced. In determining whether a
4 grower of hybrid seed is a producer, the Secretary
5 shall not take into consideration the existence of a
6 hybrid seed contract and shall ensure that program
7 requirements do not adversely affect the ability of
8 the grower to receive a payment under this title.

9 (12) SECRETARY.—The term “Secretary”
10 means the Secretary of Agriculture.

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

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

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

1 **Subtitle A—Fixed Decoupled Pay-**
2 **ments and Counter-Cyclical**
3 **Payments**

4 **SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.**

5 (a) PAYMENTS REQUIRED.—Beginning with the
6 2002 crop of covered commodities, the Secretary shall
7 make fixed decoupled payments and counter-cyclical pay-
8 ments under this subtitle—

9 (1) to producers on a farm that were parties to
10 a production flexibility contract under section 111 of
11 the Federal Agriculture Improvement and Reform
12 Act of 1996 (7 U.S.C. 7211) for fiscal year 2002;
13 and

14 (2) to other producers on farms in the United
15 States as described in section 103(a).

16 (b) TENANTS AND SHARECROPPERS.—In carrying
17 out this title, the Secretary shall provide adequate safe-
18 guards to protect the interests of tenants and share-
19 croppers.

20 (c) SHARING OF PAYMENTS.—The Secretary shall
21 provide for the sharing of fixed, decoupled payments and
22 counter-cyclical payments among the eligible producers on
23 a farm on a fair and equitable basis.

1 **SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.**

2 (a) ESTABLISHMENT AND PURPOSE.—For the pur-
3 pose of making fixed decoupled payments and counter-cy-
4 clical payments under this subtitle, the Secretary shall
5 provide for the establishment of a payment yield for each
6 farm for each covered commodity in accordance with this
7 section.

8 (b) USE OF FARM PROGRAM PAYMENT YIELD.—Ex-
9 cept as otherwise provided in this section, the payment
10 yield for each of the 2002 through 2011 crops of a covered
11 commodity for a farm shall be the farm program payment
12 yield in effect for the 2002 crop of the covered commodity
13 under section 505 of the Agricultural Act of 1949 (7
14 U.S.C. 1465).

15 (c) FARMS WITHOUT FARM PROGRAM PAYMENT
16 YIELD.—In the case of a farm for which a farm program
17 payment yield is unavailable for a covered commodity
18 (other than soybeans or other oilseeds), the Secretary shall
19 establish an appropriate payment yield for the covered
20 commodity on the farm taking in consideration the farm
21 program payment yields applicable to the commodity
22 under subsection (b) for similar farms in the area.

23 (d) PAYMENT YIELDS FOR OILSEEDS.—

24 (1) DETERMINATION OF AVERAGE YIELD.—In
25 the case of soybeans and each other oilseed, the Sec-
26 retary shall determine the average yield for the oil-

1 seed on a farm for the 1998 through 2001 crop
2 years, excluding any crop year in which the acreage
3 planted to the oilseed was zero. If, for any of these
4 four crop years in which the oilseed was planted, the
5 farm would have satisfied the eligibility criteria es-
6 tablished to carry out section 1102 of the Agri-
7 culture, Rural Development, Food and Drug Admin-
8 istration, and Related Agencies Appropriations Act,
9 1999 (Public Law 105–277; 7 U.S.C. 1421 note),
10 the Secretary shall assign a yield for that year equal
11 to 65 percent of the county yield.

12 (2) ADJUSTMENT FOR PAYMENT YIELD.—The
13 payment yield for a farm for an oilseed shall be
14 equal to the product of the following:

15 (A) The average yield for the oilseed deter-
16 mined under paragraph (1).

17 (B) The ratio resulting from dividing the
18 national average yield for the oilseed for the
19 1981 through 1985 crops by the national aver-
20 age yield for the oilseed for the 1998 through
21 2001 crops.

22 **SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT**
23 **ACRES FOR A FARM.**

24 (a) ELECTION BY PRODUCERS OF BASE ACRE CAL-
25 CULATION METHOD.—For the purpose of making fixed

1 decoupled payments and counter-cyclical payments with
2 respect to a farm, the Secretary shall give producers on
3 the farm an opportunity to elect one of the following as
4 the method by which the base acres of all covered commod-
5 ities on the farm are to be determined:

6 (1) The four-year average of acreage actually
7 planted on the farm to a covered commodity for har-
8 vest, grazing, haying, silage, or other similar pur-
9 poses during crop years 1998, 1999, 2000, and
10 2001 and any acreage on the farm that the pro-
11 ducers were prevented from planting during such
12 crop years to the covered commodity because of
13 drought, flood, or other natural disaster, or other
14 condition beyond the control of the producer, as de-
15 termined by the Secretary.

16 (2) The contract acreage (as defined in section
17 102 of the Federal Agriculture Improvement and
18 Reform Act of 1996 (7 U.S.C. 7202)) used by the
19 Secretary to calculate the fiscal year 2002 payment
20 that, subject to section 109, would be made under
21 section 114 of such Act (7 U.S.C. 7214) for the cov-
22 ered commodity on the farm.

23 (b) SINGLE ELECTION; TIME FOR ELECTION.—The
24 opportunity to make the election described in subsection
25 (a) shall be available to producers on a farm only once.

1 The producers shall notify the Secretary of the election
2 made by the producers under such subsection not later
3 than 180 days after the date of the enactment of this Act.

4 (c) EFFECT OF FAILURE TO MAKE ELECTION.—If
5 the producers on a farm fail to make the election under
6 subsection (a), or fail to timely notify the Secretary of the
7 selected option as required by subsection (b), the pro-
8 ducers shall be deemed to have made the election described
9 in subsection (a)(2) to determine base acres for all covered
10 commodities on the farm.

11 (d) APPLICATION OF ELECTION TO ALL COVERED
12 COMMODITIES.—The election made under subsection (a)
13 or deemed to be made under subsection (c) with respect
14 to a farm shall apply to all of the covered commodities
15 on the farm. Producers may not make the election de-
16 scribed in subsection (a)(1) for one covered commodity
17 and the election described in subsection (a)(2) for other
18 covered commodities on the farm.

19 (e) TREATMENT OF CONSERVATION RESERVE CON-
20 TRACT ACREAGE.—

21 (1) IN GENERAL.—In the case of producers on
22 a farm that make the election described in sub-
23 section (a)(2), the Secretary shall provide for an ad-
24 justment in the base acres for the farm whenever ei-
25 ther of the following circumstances occur:

1 (A) A conservation reserve contract en-
2 tered into under section 1231 of the Food Secu-
3 rity Act of 1985 (16 U.S.C. 3831) with respect
4 to the farm expires or is voluntarily terminated.

5 (B) Cropland is released from coverage
6 under a conservation reserve contract by the
7 Secretary.

8 (2) SPECIAL PAYMENT RULES.—For the fiscal
9 year and crop year in which a base acre adjustment
10 under paragraph (1) is first made, the producers on
11 the farm shall elect to receive either fixed decoupled
12 payments and counter-cyclical payments with respect
13 to the acreage added to the farm under this sub-
14 section or a prorated payment under the conserva-
15 tion reserve contract, but not both.

16 (f) PAYMENT ACRES.—The payment acres for a cov-
17 ered commodity on a farm shall be equal to 85 percent
18 of the base acres for the commodity.

19 (g) PREVENTION OF EXCESS BASE ACRES.—

20 (1) REQUIRED REDUCTION.—If the sum of the
21 base acres for a farm, together with the acreage de-
22 scribed in paragraph (2), exceeds the actual crop-
23 land acreage of the farm, the Secretary shall reduce
24 the quantity of base acres for one or more covered
25 commodities for the farm or peanut acres for the

1 farm as necessary so that the sum of the base acres
2 and acreage described in paragraph (2) does not ex-
3 ceed the actual cropland acreage of the farm. The
4 Secretary shall give the producers on the farm the
5 opportunity to select the base acres or peanut acres
6 against which the reduction will be made.

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

9 (A) Any peanut acres for the farm under
10 chapter 3 of subtitle C.

11 (B) Any acreage on the farm enrolled in
12 the conservation reserve program or wetlands
13 reserve program under chapter 1 of subtitle D
14 of title XII of the Food Security Act of 1985
15 (16 U.S.C. 3830 et seq.).

16 (C) Any other acreage on the farm enrolled
17 in a conservation program for which payments
18 are made in exchange for not producing an ag-
19 ricultural commodity on the acreage.

20 (3) EXCEPTION FOR DOUBLE-CROPPED ACRE-
21 AGE.—In applying paragraph (1), the Secretary
22 shall make an exception in the case of double crop-
23 ping, as determined by the Secretary.

1 **SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.**

2 (a) PAYMENT REQUIRED.—For each of the 2002
3 through 2011 crop years of each covered commodity, the
4 Secretary shall make fixed, decoupled payments to eligible
5 producers.

6 (b) PAYMENT RATE.—The payment rates used to
7 make fixed, decoupled payments with respect to covered
8 commodities for a crop year are as follows:

- 9 (1) Wheat, \$0.53 per bushel.
- 10 (2) Corn, \$0.30 per bushel.
- 11 (3) Grain sorghum, \$0.36 per bushel.
- 12 (4) Barley, \$0.25 per bushel.
- 13 (5) Oats, \$0.025 per bushel.
- 14 (6) Upland cotton, \$0.0667 per pound.
- 15 (7) Rice, \$2.35 per hundredweight.
- 16 (8) Soybeans, \$0.42 per bushel.
- 17 (9) Other oilseeds, \$0.0074 per pound.

18 (c) PAYMENT AMOUNT.—The amount of the fixed,
19 decoupled payment to be paid to the eligible producers on
20 a farm for a covered commodity for a crop year shall be
21 equal to the product of the following:

- 22 (1) The payment rate specified in subsection
23 (b).
- 24 (2) The payment acres of the covered com-
25 modity on the farm.

1 (3) The payment yield for the covered com-
2 modity for the farm.

3 (d) TIME FOR PAYMENT.—

4 (1) GENERAL RULE.—Fixed, decoupled pay-
5 ments shall be paid not later than September 30 of
6 each of fiscal years 2002 through 2011. In the case
7 of the 2002 crop, payments may begin to be made
8 on or after December 1, 2001.

9 (2) ADVANCE PAYMENTS.—At the option of an
10 eligible producer, 50 percent of the fixed, decoupled
11 payment for a fiscal year shall be paid on a date se-
12 lected by the producer. The selected date shall be on
13 or after December 1 of that fiscal year, and the pro-
14 ducer may change the selected date for a subsequent
15 fiscal year by providing advance notice to the Sec-
16 retary.

17 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
18 producer that receives an advance fixed, decoupled
19 payment for a fiscal year ceases to be an eligible
20 producer before the date the fixed, decoupled pay-
21 ment would otherwise have been made by the Sec-
22 retary under paragraph (1), the producer shall be
23 responsible for repaying the Secretary the full
24 amount of the advance payment.

1 **SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
2 **MENTS.**

3 (a) **PAYMENT REQUIRED.**—The Secretary shall make
4 counter-cyclical payments with respect to a covered com-
5 modity whenever the Secretary determines that the effec-
6 tive price for the commodity is less than the target price
7 for the commodity.

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

11 (1) The higher of the following:

12 (A) The national average market price re-
13 ceived by producers during the 12-month mar-
14 keting year for the commodity, as determined
15 by the Secretary.

16 (B) The national average loan rate for a
17 marketing assistance loan for the covered com-
18 modity in effect for the same period under sub-
19 title B.

20 (2) The payment rate in effect for the covered
21 commodity under section 104 for the purpose of
22 making fixed, decoupled payments with respect to
23 the commodity.

24 (c) **TARGET PRICE.**—For purposes of subsection (a),
25 the target prices for covered commodities are as follows:

26 (1) Wheat, \$4.04 per bushel.

- 1 (2) Corn, \$2.78 per bushel.
- 2 (3) Grain sorghum, \$2.64 per bushel.
- 3 (4) Barley, \$2.39 per bushel.
- 4 (5) Oats, \$1.47 per bushel.
- 5 (6) Upland cotton, \$0.736 per pound.
- 6 (7) Rice, \$10.82 per hundredweight.
- 7 (8) Soybeans, \$5.86 per bushel.
- 8 (9) Other oilseeds, \$0.1036 per pound.

9 (d) PAYMENT RATE.—The payment rate used to
10 make counter-cyclical payments with respect to a covered
11 commodity for a crop year shall be equal to the difference
12 between—

- 13 (1) the target price for the commodity; and
- 14 (2) the effective price determined under sub-
15 section (b) for the commodity.

16 (e) PAYMENT AMOUNT.—The amount of the counter-
17 cyclical payment to be paid to the eligible producers on
18 a farm for a covered commodity for a crop year shall be
19 equal to the product of the following:

- 20 (1) The payment rate specified in subsection
21 (d).
- 22 (2) The payment acres of the covered com-
23 modity on the farm.
- 24 (3) The payment yield for the covered com-
25 modity for the farm.

1 (f) TIME FOR PAYMENTS.—

2 (1) GENERAL RULE.—The Secretary shall make
3 counter-cyclical payments under this section for a
4 crop of a covered commodity as soon as possible
5 after determining under subsection (a) that such
6 payments are required for that crop year.

7 (2) PARTIAL PAYMENT.—The Secretary may
8 permit, and, if so permitted, an eligible producer
9 may elect to receive, up to 40 percent of the pro-
10 jected counter-cyclical payment, as determined by
11 the Secretary, to be made under this section for a
12 crop of a covered commodity upon completion of the
13 first six months of the marketing year for that crop.
14 The producer shall repay to the Secretary the
15 amount, if any, by which the partial payment ex-
16 ceeds the actual counter-cyclical payment to be made
17 for that marketing year.

18 (g) SPECIAL RULE FOR CURRENTLY UNDESIGNATED
19 OILSEED.—If the Secretary uses the authority under sec-
20 tion 100(8) to designate another oilseed as an oilseed for
21 which counter-cyclical payments may be made, the Sec-
22 retary may modify the target price specified in subsection
23 (c)(9) that would otherwise apply to that oilseed as the
24 Secretary considers appropriate.

1 (h) SPECIAL RULE FOR BARLEY USED ONLY FOR
2 FEED PURPOSES.—For purposes of calculating the effec-
3 tive price for barley under subsection (b), the Secretary
4 shall use the loan rate in effect for barley under section
5 122(b)(3), except, in the case of producers who received
6 the higher loan rate provided under such section for barley
7 used only for feed purposes, the Secretary shall use that
8 higher loan rate.

9 **SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDI-**
10 **TION ON PROVISION OF FIXED, DECOUPLED**
11 **PAYMENTS AND COUNTER-CYCLICAL PAY-**
12 **MENTS.**

13 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

14 (1) REQUIREMENTS.—Before the producers on
15 a farm may receive fixed, decoupled payments or
16 counter-cyclical payments with respect to the farm,
17 the producers shall agree, in exchange for the
18 payments—

19 (A) to comply with applicable conservation
20 requirements under subtitle B of title XII of
21 the Food Security Act of 1985 (16 U.S.C. 3811
22 et seq.);

23 (B) to comply with applicable wetland pro-
24 tection requirements under subtitle C of title
25 XII of the Act (16 U.S.C. 3821 et seq.);

1 (C) to comply with the planting flexibility
2 requirements of section 107; and

3 (D) to use the land on the farm, in an
4 amount equal to the base acres, for an agricul-
5 tural or conserving use, and not for a non-
6 agricultural commercial or industrial use, as de-
7 termined by the Secretary.

8 (2) COMPLIANCE.—The Secretary may issue
9 such rules as the Secretary considers necessary to
10 ensure producer compliance with the requirements of
11 paragraph (1).

12 (b) EFFECT OF FORECLOSURE.—A producer may not
13 be required to make repayments to the Secretary of fixed,
14 decoupled payments and counter-cyclical payments if the
15 farm has been foreclosed on and the Secretary determines
16 that forgiving the repayments is appropriate to provide
17 fair and equitable treatment. This subsection shall not
18 void the responsibilities of the producer under subsection
19 (a) if the producer continues or resumes operation, or con-
20 trol, of the farm. On the resumption of operation or con-
21 trol over the farm by the producer, the requirements of
22 subsection (a) in effect on the date of the foreclosure shall
23 apply.

24 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

1 (1) TERMINATION.—Except as provided in
2 paragraph (4), a transfer of (or change in) the inter-
3 est of a producer in base acres for which fixed, de-
4 coupled payments or counter-cyclical payments are
5 made shall result in the termination of the payments
6 with respect to the base acres, unless the transferee
7 or owner of the acreage agrees to assume all obliga-
8 tions under subsection (a). The termination shall be
9 effective on the date of the transfer or change.

10 (2) TRANSFER OF PAYMENT BASE.—There is
11 no restriction on the transfer of a farm’s base acres
12 or payment yield as part of a change in the pro-
13 ducers on the farm.

14 (3) MODIFICATION.—At the request of the
15 transferee or owner, the Secretary may modify the
16 requirements of subsection (a) if the modifications
17 are consistent with the objectives of such subsection,
18 as determined by the Secretary.

19 (4) EXCEPTION.—If a producer entitled to a
20 fixed, decoupled payment or counter-cyclical pay-
21 ment dies, becomes incompetent, or is otherwise un-
22 able to receive the payment, the Secretary shall
23 make the payment, in accordance with regulations
24 prescribed by the Secretary.

25 (d) ACREAGE REPORTS.—

1 (1) IN GENERAL.—As a condition on the receipt
2 of any benefits under this subtitle or subtitle B, the
3 Secretary shall require producers to submit to the
4 Secretary acreage reports.

5 (2) CONFORMING AMENDMENT.—Section 15 of
6 the Agricultural Marketing Act (12 U.S.C. 1141j) is
7 amended by striking subsection (d).

8 (e) REVIEW.—A determination of the Secretary
9 under this section shall be considered to be an adverse
10 decision for purposes of the availability of administrative
11 review of the determination.

12 **SEC. 107. PLANTING FLEXIBILITY.**

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

16 (b) LIMITATIONS AND EXCEPTIONS REGARDING
17 CERTAIN COMMODITIES.—

18 (1) LIMITATIONS.—The planting of the fol-
19 lowing agricultural commodities shall be prohibited
20 on base acres:

21 (A) Fruits.

22 (B) Vegetables (other than lentils, mung
23 beans, and dry peas).

24 (C) Wild rice.

1 (2) EXCEPTIONS.—Paragraph (1) shall not
2 limit the planting of an agricultural commodity spec-
3 ified in such paragraph—

4 (A) in any region in which there is a his-
5 tory of double-cropping of covered commodities
6 with agricultural commodities specified in para-
7 graph (1), as determined by the Secretary, in
8 which case the double-cropping shall be per-
9 mitted;

10 (B) on a farm that the Secretary deter-
11 mines has a history of planting agricultural
12 commodities specified in paragraph (1) on base
13 acres, except that fixed, decoupled payments
14 and counter-cyclical payments shall be reduced
15 by an acre for each acre planted to such an ag-
16 ricultural commodity; or

17 (C) by a producer who the Secretary deter-
18 mines has an established planting history of a
19 specific agricultural commodity specified in
20 paragraph (1), except that—

21 (i) the quantity planted may not ex-
22 ceed the producer's average annual plant-
23 ing history of such agricultural commodity
24 in the 1991 through 1995 crop years (ex-
25 cluding any crop year in which no plant-

1 ings were made), as determined by the
2 Secretary; and

3 (ii) fixed, decoupled payments and
4 counter-cyclical payments shall be reduced
5 by an acre for each acre planted to such
6 agricultural commodity.

7 **SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY**
8 **UNDER PRODUCTION FLEXIBILITY CON-**
9 **TRACTS.**

10 (a) **TERMINATION OF SUPERSEDED PAYMENT AU-**
11 **THORITY.**—Notwithstanding section 113(a)(7) of the Fed-
12 eral Agriculture Improvement and Reform Act of 1996 (7
13 U.S.C. 7213(a)(7)) or any other provision of law, the Sec-
14 retary shall not make payments for fiscal year 2002 after
15 the date of the enactment of this Act under production
16 flexibility contracts entered into under section 111 of such
17 Act (7 U.S.C. 7211).

18 (b) **CONTRACT PAYMENTS MADE BEFORE ENACT-**
19 **MENT.**—If, on or before the date of the enactment of this
20 Act, a producer receives all or any portion of the payment
21 authorized for fiscal year 2002 under a production flexi-
22 bility contract, the Secretary shall reduce the amount of
23 the fixed, decoupled payment otherwise due the producer
24 for that same fiscal year by the amount of the fiscal year
25 2002 payment previously received by the producer.

1 **SEC. 109. PAYMENT LIMITATIONS.**

2 Sections 1001 through 1001C of the Food Security
3 Act of 1985 (7 U.S.C. 1308 through 1308–3) shall apply
4 to fixed, decoupled payments and counter-cyclical pay-
5 ments.

6 **SEC. 110. PERIOD OF EFFECTIVENESS.**

7 This subtitle shall be effective beginning with the
8 2002 crop year of each covered commodity through the
9 2011 crop year.

10 **Subtitle B—Marketing Assistance**
11 **Loans and Loan Deficiency Pay-**
12 **ments**

13 **SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING AS-**
14 **SISTANCE LOANS FOR COVERED COMMOD-**
15 **ITIES.**

16 (a) NONRECOURSE LOANS AVAILABLE.—

17 (1) AVAILABILITY.—For each of the 2002
18 through 2011 crops of each covered commodity, the
19 Secretary shall make available to producers on a
20 farm nonrecourse marketing assistance loans for
21 covered commodities produced on the farm. The
22 loans shall be made under terms and conditions that
23 are prescribed by the Secretary and at the loan rate
24 established under section 122 for the covered com-
25 modity.

1 (2) INCLUSION OF EXTRA LONG STAPLE COT-
2 TON.—In this subtitle, the term “covered com-
3 modity” includes extra long staple cotton.

4 (b) ELIGIBLE PRODUCTION.—Any production of a
5 covered commodity on a farm shall be eligible for a mar-
6 keting assistance loan under subsection (a).

7 (c) TREATMENT OF CERTAIN COMMINGLED COM-
8 MODITIES.—In carrying out this subtitle, the Secretary
9 shall make loans to a producer that is otherwise eligible
10 to obtain a marketing assistance loan, but for the fact the
11 covered commodity owned by the producer is commingled
12 with covered commodities of other producers in facilities
13 unlicensed for the storage of agricultural commodities by
14 the Secretary or a State licensing authority, if the pro-
15 ducer obtaining the loan agrees to immediately redeem the
16 loan collateral in accordance with section 166 of the Fed-
17 eral Agriculture Improvement and Reform Act of 1996 (7
18 U.S.C. 7286).

19 (d) COMPLIANCE WITH CONSERVATION AND WET-
20 LANDS REQUIREMENTS.—As a condition of the receipt of
21 a marketing assistance loan under subsection (a), the pro-
22 ducer shall comply with applicable conservation require-
23 ments under subtitle B of title XII of the Food Security
24 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
25 land protection requirements under subtitle C of title XII

1 of the Act (16 U.S.C. 3821 et seq.) during the term of
2 the loan.

3 (e) DEFINITION OF EXTRA LONG STAPLE COT-
4 TON.—In this subtitle, the term “extra long staple cotton”
5 means cotton that—

6 (1) is produced from pure strain varieties of the
7 Barbados species or any hybrid thereof, or other
8 similar types of extra long staple cotton, designated
9 by the Secretary, having characteristics needed for
10 various end uses for which United States upland cot-
11 ton is not suitable and grown in irrigated cotton-
12 growing regions of the United States designated by
13 the Secretary or other areas designated by the Sec-
14 retary as suitable for the production of the varieties
15 or types; and

16 (2) is ginned on a roller-type gin or, if author-
17 ized by the Secretary, ginned on another type gin for
18 experimental purposes.

19 (f) TERMINATION OF SUPERSEDED LOAN AUTHOR-
20 ITY.—Notwithstanding section 131 of the Federal Agri-
21 culture Improvement and Reform Act of 1996 (7 U.S.C.
22 7231), nonrecourse marketing assistance loans shall not
23 be made for the 2002 crop of covered commodities under
24 subtitle C of title I of such Act.

1 **SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING AS-**
2 **SISTANCE LOANS.**

3 (a) WHEAT.—

4 (1) LOAN RATE.—Subject to paragraph (2), the
5 loan rate for a marketing assistance loan under sec-
6 tion 121 for wheat shall be—

7 (A) not less than 85 percent of the simple
8 average price received by producers of wheat, as
9 determined by the Secretary, during the mar-
10 keting years for the immediately preceding five
11 crops of wheat, excluding the year in which the
12 average price was the highest and the year in
13 which the average price was the lowest in the
14 period; but

15 (B) not more than \$2.58 per bushel.

16 (2) STOCKS TO USE RATIO ADJUSTMENT.—If
17 the Secretary estimates for any marketing year that
18 the ratio of ending stocks of wheat to total use for
19 the marketing year will be—

20 (A) equal to or greater than 30 percent,
21 the Secretary may reduce the loan rate for
22 wheat for the corresponding crop by an amount
23 not to exceed 10 percent in any year;

24 (B) less than 30 percent but not less than
25 15 percent, the Secretary may reduce the loan

1 rate for wheat for the corresponding crop by an
2 amount not to exceed 5 percent in any year; or

3 (C) less than 15 percent, the Secretary
4 may not reduce the loan rate for wheat for the
5 corresponding crop.

6 (b) FEED GRAINS.—

7 (1) LOAN RATE FOR CORN AND GRAIN SOR-
8 GHUM.—Subject to paragraph (2), the loan rate for
9 a marketing assistance loan under section 121 for
10 corn and grain sorghum shall be—

11 (A) not less than 85 percent of the simple
12 average price received by producers of corn or
13 grain sorghum, respectively, as determined by
14 the Secretary, during the marketing years for
15 the immediately preceding five crops of the cov-
16 ered commodity, excluding the year in which
17 the average price was the highest and the year
18 in which the average price was the lowest in the
19 period; but

20 (B) not more than \$1.89 per bushel.

21 (2) STOCKS TO USE RATIO ADJUSTMENT.—If
22 the Secretary estimates for any marketing year that
23 the ratio of ending stocks of corn or grain sorghum
24 to total use for the marketing year will be—

1 (A) equal to or greater than 25 percent,
2 the Secretary may reduce the loan rate for the
3 covered commodity for the corresponding crop
4 by an amount not to exceed 10 percent in any
5 year;

6 (B) less than 25 percent but not less than
7 12.5 percent, the Secretary may reduce the loan
8 rate for the covered commodity for the cor-
9 responding crop by an amount not to exceed 5
10 percent in any year; or

11 (C) less than 12.5 percent, the Secretary
12 may not reduce the loan rate for the covered
13 commodity for the corresponding crop.

14 (3) OTHER FEED GRAINS.—The loan rate for a
15 marketing assistance loan under section 121 for bar-
16 ley and oats shall be—

17 (A) established at such level as the Sec-
18 retary determines is fair and reasonable in rela-
19 tion to the rate that loans are made available
20 for corn, taking into consideration the feeding
21 value of the commodity in relation to corn; but

22 (B) not more than—

23 (i) \$1.65 per bushel for barley, except
24 not more than \$1.70 per bushel for barley

1 used only for feed purposes, as determined
2 by the Secretary; and

3 (ii) \$1.21 per bushel for oats.

4 (c) UPLAND COTTON.—

5 (1) LOAN RATE.—Subject to paragraph (2), the
6 loan rate for a marketing assistance loan under sec-
7 tion 121 for upland cotton shall be established by
8 the Secretary at such loan rate, per pound, as will
9 reflect for the base quality of upland cotton, as de-
10 termined by the Secretary, at average locations in
11 the United States a rate that is not less than the
12 smaller of—

13 (A) 85 percent of the average price
14 (weighted by market and month) of the base
15 quality of cotton as quoted in the designated
16 United States spot markets during 3 years of
17 the 5-year period ending July 31 of the year
18 preceding the year in which the crop is planted,
19 excluding the year in which the average price
20 was the highest and the year in which the aver-
21 age price was the lowest in the period; or

22 (B) 90 percent of the average, for the 15-
23 week period beginning July 1 of the year pre-
24 ceding the year in which the crop is planted, of
25 the five lowest-priced growths of the growths

1 quoted for Middling $1\frac{3}{32}$ -inch cotton C.I.F.
2 Northern Europe (adjusted downward by the
3 average difference during the period April 15
4 through October 15 of the year preceding the
5 year in which the crop is planted between the
6 average Northern European price quotation of
7 such quality of cotton and the market
8 quotations in the designated United States spot
9 markets for the base quality of upland cotton),
10 as determined by the Secretary.

11 (2) LIMITATIONS.—The loan rate for a mar-
12 keting assistance loan for upland cotton shall not be
13 less than \$0.50 per pound or more than \$0.5192 per
14 pound.

15 (d) EXTRA LONG STAPLE COTTON.—The loan rate
16 for a marketing assistance loan under section 121 for
17 extra long staple cotton shall be—

18 (1) not less than 85 percent of the simple aver-
19 age price received by producers of extra long staple
20 cotton, as determined by the Secretary, during 3
21 years of the 5-year period ending July 31 of the year
22 preceding the year in which the crop is planted, ex-
23 cluding the year in which the average price was the
24 highest and the year in which the average price was
25 the lowest in the period; but

1 (2) not more than \$0.7965 per pound.

2 (e) RICE.—The loan rate for a marketing assistance
3 loan under section 121 for rice shall be \$6.50 per hun-
4 dredweight.

5 (f) OILSEEDS.—

6 (1) SOYBEANS.—The loan rate for a marketing
7 assistance loan under section 121 for soybeans shall
8 be—

9 (A) not less than 85 percent of the simple
10 average price received by producers of soybeans,
11 as determined by the Secretary, during the
12 marketing years for the immediately preceding
13 five crops of soybeans, excluding the year in
14 which the average price was the highest and the
15 year in which the average price was the lowest
16 in the period; but

17 (B) not more than \$4.92 per bushel.

18 (2) OTHER OILSEEDS.—The loan rate for a
19 marketing assistance loan under section 121 for
20 other oilseeds shall be—

21 (A) not less than 85 percent of the simple
22 average price received by producers of the other
23 oilseed, as determined by the Secretary, during
24 the marketing years for the immediately pre-
25 ceding five crops of the other oilseed, excluding

1 the year in which the average price was the
2 highest and the year in which the average price
3 was the lowest in the period; but

4 (B) not more than \$0.087 per pound.

5 **SEC. 123. TERM OF LOANS.**

6 (a) **TERM OF LOAN.**—In the case of each covered
7 commodity (other than upland cotton or extra long staple
8 cotton), a marketing assistance loan under section 121
9 shall have a term of nine months beginning on the first
10 day of the first month after the month in which the loan
11 is made.

12 (b) **SPECIAL RULE FOR COTTON.**—A marketing as-
13 sistance loan for upland cotton or extra long staple cotton
14 shall have a term of 10 months beginning on the first day
15 of the month in which the loan is made.

16 (c) **EXTENSIONS PROHIBITED.**—The Secretary may
17 not extend the term of a marketing assistance loan for
18 any covered commodity.

19 **SEC. 124. REPAYMENT OF LOANS.**

20 (a) **REPAYMENT RATES FOR WHEAT, FEED GRAINS,**
21 **AND OILSEEDS.**—The Secretary shall permit a producer
22 to repay a marketing assistance loan under section 121
23 for wheat, corn, grain sorghum, barley, oats, and oilseeds
24 at a rate that is the lesser of—

1 (1) the loan rate established for the commodity
2 under section 122, plus interest (as determined by
3 the Secretary); or

4 (2) a rate that the Secretary determines will—

5 (A) minimize potential loan forfeitures;

6 (B) minimize the accumulation of stocks of
7 the commodity by the Federal Government;

8 (C) minimize the cost incurred by the Fed-
9 eral Government in storing the commodity; and

10 (D) allow the commodity produced in the
11 United States to be marketed freely and com-
12 petitively, both domestically and internationally.

13 (b) REPAYMENT RATES FOR UPLAND COTTON AND
14 RICE.—The Secretary shall permit producers to repay a
15 marketing assistance loan under section 121 for upland
16 cotton and rice at a rate that is the lesser of—

17 (1) the loan rate established for the commodity
18 under section 122, plus interest (as determined by
19 the Secretary); or

20 (2) the prevailing world market price for the
21 commodity (adjusted to United States quality and
22 location), 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 estab-

1 lished for the commodity under section 122, plus interest
2 (as determined by the Secretary).

3 (d) PREVAILING WORLD MARKET PRICE.—For pur-
4 poses of this section and section 127, the Secretary shall
5 prescribe by regulation—

6 (1) a formula to determine the prevailing world
7 market price for each covered commodity, adjusted
8 to United States quality and location; and

9 (2) a mechanism by which the Secretary shall
10 announce periodically the prevailing world market
11 price for each covered commodity.

12 (e) ADJUSTMENT OF PREVAILING WORLD MARKET
13 PRICE FOR UPLAND COTTON.—

14 (1) IN GENERAL.—During the period beginning
15 on the date of the enactment of this Act and ending
16 July 31, 2012, the prevailing world market price for
17 upland cotton (adjusted to United States quality and
18 location) established under subsection (d) shall be
19 further adjusted if—

20 (A) the adjusted prevailing world market
21 price is less than 115 percent of the loan rate
22 for upland cotton established under section 122,
23 as determined by the Secretary; and

24 (B) the Friday through Thursday average
25 price quotation for the lowest-priced United

1 States growth as quoted for Middling (M) $1\frac{3}{32}$ -
2 inch cotton delivered C.I.F. Northern Europe is
3 greater than the Friday through Thursday av-
4 erage price of the 5 lowest-priced growths of
5 upland cotton, as quoted for Middling (M)
6 $1\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Eu-
7 rope (referred to in this section as the “North-
8 ern Europe price”).

9 (2) FURTHER ADJUSTMENT.—Except as pro-
10 vided in paragraph (3), the adjusted prevailing world
11 market price for upland cotton shall be further ad-
12 justed on the basis of some or all of the following
13 data, as available:

14 (A) The United States share of world ex-
15 ports.

16 (B) The current level of cotton export sales
17 and cotton export shipments.

18 (C) Other data determined by the Sec-
19 retary to be relevant in establishing an accurate
20 prevailing world market price for upland cotton
21 (adjusted to United States quality and loca-
22 tion).

23 (3) LIMITATION ON FURTHER ADJUSTMENT.—
24 The adjustment under paragraph (2) may not ex-
25 ceed the difference between—

1 (A) the Friday through Thursday average
2 price for the lowest-priced United States growth
3 as quoted for Middling 1³/₃₂-inch cotton deliv-
4 ered C.I.F. Northern Europe; and

5 (B) the Northern Europe price.

6 (f) TIME FOR FIXING REPAYMENT RATE.—In the
7 case of a producer that marketed or otherwise lost bene-
8 ficial interest in a covered commodity before repaying the
9 marketing assistance loan made under section 121 with
10 respect to the commodity, the Secretary shall permit the
11 producer to repay the loan at the lowest repayment rate
12 that was in effect for that covered commodity under this
13 section as of the date that the producer lost beneficial in-
14 terest, as determined by the Secretary.

15 **SEC. 125. LOAN DEFICIENCY PAYMENTS.**

16 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-
17 MENTS.—Except as provided in subsection (d), the Sec-
18 retary may make loan deficiency payments available to
19 producers who, although eligible to obtain a marketing as-
20 sistance loan under section 121 with respect to a covered
21 commodity, agree to forgo obtaining the loan for the com-
22 modity in return for payments under this section.

23 (b) COMPUTATION.—A loan deficiency payment
24 under this section shall be computed by multiplying—

1 (1) the loan payment rate determined under
2 subsection (c) for the covered commodity; by

3 (2) the quantity of the covered commodity pro-
4 duced by the eligible producers, excluding any quan-
5 tity for which the producers obtain a loan under sec-
6 tion 121.

7 (c) LOAN PAYMENT RATE.—For purposes of this sec-
8 tion, the loan payment rate shall be the amount by
9 which—

10 (1) the loan rate established under section 122
11 for the covered commodity; exceeds

12 (2) the rate at which a loan for the commodity
13 may be repaid under section 124.

14 (d) EXCEPTION FOR EXTRA LONG STAPLE COT-
15 TON.—This section shall not apply with respect to extra
16 long staple cotton.

17 (e) TIME FOR PAYMENT.—The Secretary shall make
18 a payment under this section to a producer with respect
19 to a quantity of a covered commodity as of the earlier of
20 the following:

21 (1) The date on which the producer marketed
22 or otherwise lost beneficial interest in the com-
23modity, as determined by the Secretary.

24 (2) The date the producer requests the pay-
25 ment.

1 (f) CONTINUATION OF SPECIAL LDP RULE FOR
2 2001CROP YEAR.—Section 135(a)(2) of the Federal Agri-
3 culture Improvement and Reform Act of 1996 (7 U.S.C.
4 7235(a)(2)) is amended by striking “2000 crop year” and
5 inserting “2000 and 2001 crop years”.

6 **SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**
7 **MENTS FOR GRAZED ACREAGE.**

8 (a) ELIGIBLE PRODUCERS.—Effective for the 2002
9 through 2011 crop years, in the case of a producer that
10 would be eligible for a loan deficiency payment under sec-
11 tion 125 for wheat, barley, or oats, but that elects to use
12 acreage planted to the wheat, barley, or oats for the graz-
13 ing of livestock, the Secretary shall make a payment to
14 the producer under this section if the producer enters into
15 an agreement with the Secretary to forgo any other har-
16 vesting of the wheat, barley, or oats on that acreage.

17 (b) PAYMENT AMOUNT.—The amount of a payment
18 made to a producer on a farm under this section shall
19 be equal to the amount determined by multiplying—

20 (1) the loan deficiency payment rate determined
21 under section 125(c) in effect, as of the date of the
22 agreement, for the county in which the farm is lo-
23 cated; by

24 (2) the payment quantity determined by
25 multiplying—

1 (A) the quantity of the grazed acreage on
2 the farm with respect to which the producer
3 elects to forgo harvesting of wheat, barley, or
4 oats; and

5 (B) the payment yield for that covered
6 commodity on the farm.

7 (c) TIME, MANNER, AND AVAILABILITY OF PAY-
8 MENT.—

9 (1) TIME AND MANNER.—A payment under this
10 section shall be made at the same time and in the
11 same manner as loan deficiency payments are made
12 under section 125.

13 (2) AVAILABILITY.—The Secretary shall estab-
14 lish an availability period for the payment author-
15 ized by this section that is consistent with the avail-
16 ability period for wheat, barley, and oats established
17 by the Secretary for marketing assistance loans au-
18 thorized by this subtitle.

19 (d) PROHIBITION ON CROP INSURANCE OR NON-
20 INSURED CROP ASSISTANCE.—A 2002 through 2011 crop
21 of wheat, barley, or oats planted on acreage that a pro-
22 ducer elects, in the agreement required by subsection (a),
23 to use for the grazing of livestock in lieu of any other har-
24 vesting of the crop shall not be eligible for insurance under
25 the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)

1 or noninsured crop assistance under section 196 of the
2 Federal Agriculture Improvement and Reform Act of 1996
3 (7 U.S.C. 7333).

4 **SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UP-**
5 **LAND COTTON.**

6 (a) COTTON USER MARKETING CERTIFICATES.—

7 (1) ISSUANCE.—During the period beginning on
8 the date of the enactment of this Act and ending
9 July 31, 2012, the Secretary shall issue marketing
10 certificates or cash payments, at the option of the
11 recipient, to domestic users and exporters for docu-
12 mented purchases by domestic users and sales for
13 export by exporters made in the week following a
14 consecutive four-week period in which—

15 (A) the Friday through Thursday average
16 price quotation for the lowest-priced United
17 States growth, as quoted for Middling (M)
18 $1\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Eu-
19 rope exceeds the Northern Europe price by
20 more than 1.25 cents per pound; and

21 (B) the prevailing world market price for
22 upland cotton (adjusted to United States qual-
23 ity and location) does not exceed 134 percent of
24 the loan rate for upland cotton established
25 under section 122.

1 (2) VALUE OF CERTIFICATES OR PAYMENTS.—

2 The value of the marketing certificates or cash pay-
3 ments shall be based on the amount of the difference
4 (reduced by 1.25 cents per pound) in the prices dur-
5 ing the fourth week of the consecutive four-week pe-
6 riod multiplied by the quantity of upland cotton in-
7 cluded in the documented sales.

8 (3) ADMINISTRATION OF MARKETING CERTIFI-
9 CATES.—

10 (A) REDEMPTION, MARKETING, OR EX-
11 CHANGE.—The Secretary shall establish proce-
12 dures for redeeming marketing certificates for
13 cash or marketing or exchange of the certifi-
14 cates for agricultural commodities owned by the
15 Commodity Credit Corporation or pledged to
16 the Commodity Credit Corporation as collateral
17 for a loan in such manner, and at such price
18 levels, as the Secretary determines will best ef-
19 fectuate the purposes of cotton user marketing
20 certificates, including enhancing the competi-
21 tiveness and marketability of United States cot-
22 ton. Any price restrictions that would otherwise
23 apply to the disposition of agricultural commod-
24 ities by the Commodity Credit Corporation shall

1 not apply to the redemption of certificates
2 under this subsection.

3 (B) DESIGNATION OF COMMODITIES AND
4 PRODUCTS.—To the extent practicable, the Sec-
5 retary shall permit owners of certificates to des-
6 ignate the commodities and products, including
7 storage sites, the owners would prefer to receive
8 in exchange for certificates

9 (C) TRANSFERS.—Marketing certificates
10 issued to domestic users and exporters of up-
11 land cotton may be transferred to other persons
12 in accordance with regulations issued by the
13 Secretary.

14 (b) SPECIAL IMPORT QUOTA.—

15 (1) ESTABLISHMENT.—

16 (A) IN GENERAL.—The President shall
17 carry out an import quota program during the
18 period beginning on the date of the enactment
19 of this Act and ending July 31, 2012, as pro-
20 vided in this subsection.

21 (B) PROGRAM REQUIREMENTS.—Except as
22 provided in subparagraph (C), whenever the
23 Secretary determines and announces that for
24 any consecutive four-week period, the Friday
25 through Thursday average price quotation for

1 the lowest-priced United States growth, as
2 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
3 ered C.I.F. Northern Europe, adjusted for the
4 value of any certificate issued under subsection
5 (a), exceeds the Northern Europe price by more
6 than 1.25 cents per pound, there shall imme-
7 diately be in effect a special import quota.

8 (C) TIGHT DOMESTIC SUPPLY.—During
9 any month for which the Secretary estimates
10 the season-ending United States upland cotton
11 stocks-to-use ratio, as determined under sub-
12 paragraph (D), to be below 16 percent, the Sec-
13 retary, in making the determination under sub-
14 paragraph (B), shall not adjust the Friday
15 through Thursday average price quotation for
16 the lowest-priced United States growth, as
17 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
18 ered C.I.F. Northern Europe, for the value of
19 any certificates issued under subsection (a).

20 (D) SEASON-ENDING UNITED STATES
21 STOCKS-TO-USE RATIO.—For the purposes of
22 making estimates under subparagraph (C), the
23 Secretary shall, on a monthly basis, estimate
24 and report the season-ending United States up-
25 land cotton stocks-to-use ratio, excluding pro-

1 jected raw cotton imports but including the
2 quantity of raw cotton that has been imported
3 into the United States during the marketing
4 year.

5 (2) QUANTITY.—The quota shall be equal to
6 one week’s consumption of upland cotton by domes-
7 tic mills at the seasonally adjusted average rate of
8 the most recent three months for which data are
9 available.

10 (3) APPLICATION.—The quota shall apply to
11 upland cotton purchased not later than 90 days
12 after the date of the Secretary’s announcement
13 under paragraph (1) and entered into the United
14 States not later than 180 days after the date.

15 (4) OVERLAP.—A special quota period may be
16 established that overlaps any existing quota period if
17 required by paragraph (1), except that a special
18 quota period may not be established under this sub-
19 section if a quota period has been established under
20 subsection (c).

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

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

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

3 (C) section 503(d) of the Trade Act of
4 1974 (19 U.S.C. 2463(d)); and

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

7 (6) DEFINITION.—In this subsection, the term
8 “special import quota” means a quantity of imports
9 that is not subject to the over-quota tariff rate of a
10 tariff-rate quota.

11 (7) LIMITATION.—The quantity of cotton en-
12 tered into the United States during any marketing
13 year under the special import quota established
14 under this subsection may not exceed the equivalent
15 of five week’s consumption of upland cotton by do-
16 mestic mills at the seasonally adjusted average rate
17 of the three months immediately preceding the first
18 special import quota established in any marketing
19 year.

20 (c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND
21 COTTON.—

22 (1) IN GENERAL.—The President shall carry
23 out an import quota program that provides that
24 whenever the Secretary determines and announces
25 that the average price of the base quality of upland

1 cotton, as determined by the Secretary, in the des-
2 ignated spot markets for a month exceeded 130 per-
3 cent of the average price of such quality of cotton
4 in the markets for the preceding 36 months, not-
5 withstanding any other provision of law, there shall
6 immediately be in effect a limited global import
7 quota subject to the following conditions:

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

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

22 (C) PREFERENTIAL TARIFF TREAT-
23 MENT.—The quantity under a limited global
24 import quota shall be considered to be an in-
25 quota quantity for purposes of—

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

4 (ii) section 204 of the Andean Trade
5 Preference Act (19 U.S.C. 3203);

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

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

10 (D) DEFINITIONS.—In this subsection:

11 (i) SUPPLY.—The term “supply”
12 means, using the latest official data of the
13 Bureau of the Census, the Department of
14 Agriculture, and the Department of the
15 Treasury—

16 (I) the carry-over of upland cot-
17 ton at the beginning of the marketing
18 year (adjusted to 480-pound bales) in
19 which the quota is established;

20 (II) production of the current
21 crop; and

22 (III) imports to the latest date
23 available during the marketing year.

24 (ii) DEMAND.—The term “demand”
25 means—

1 (I) the average seasonally ad-
2 justed annual rate of domestic mill
3 consumption during the most recent
4 three months for which data are avail-
5 able; and

6 (II) the larger of—

7 (aa) average exports of up-
8 land cotton during the preceding
9 six marketing years; or

10 (bb) cumulative exports of
11 upland cotton plus outstanding
12 export sales for the marketing
13 year in which the quota is estab-
14 lished.

15 (iii) LIMITED GLOBAL IMPORT
16 QUOTA.—The term “limited global import
17 quota” means a quantity of imports that is
18 not subject to the over-quota tariff rate of
19 a tariff-rate quota.

20 (E) QUOTA ENTRY PERIOD.—When a
21 quota is established under this subsection, cot-
22 ton may be entered under the quota during the
23 90-day period beginning on the date the quota
24 is established by the Secretary.

1 (2) NO OVERLAP.—Notwithstanding paragraph
2 (1), a quota period may not be established that over-
3 laps an existing quota period or a special quota pe-
4 riod established under subsection (b).

5 **SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
6 **LONG STAPLE COTTON.**

7 (a) COMPETITIVENESS PROGRAM.—Notwithstanding
8 any other provision of law, during the period beginning
9 on the date of the enactment of this Act and ending on
10 July 31, 2012, the Secretary shall carry out a program
11 to maintain and expand the domestic use of extra long
12 staple cotton produced in the United States, to increase
13 exports of extra long staple cotton produced in the United
14 States, and to ensure that extra long staple cotton pro-
15 duced in the United States remains competitive in world
16 markets.

17 (b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under
18 the program, the Secretary shall make payments available
19 under this section whenever—

20 (1) for a consecutive four-week period, the
21 world market price for the lowest priced competing
22 growth of extra long staple cotton (adjusted to
23 United States quality and location and for other fac-
24 tors affecting the competitiveness of such cotton), as
25 determined by the Secretary, is below the prevailing

1 United States price for a competing growth of extra
2 long staple cotton; and

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

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

16 (d) PAYMENT AMOUNT.—Payments under this sec-
17 tion shall be based on the amount of the difference in the
18 prices referred to in subsection (b)(1) during the fourth
19 week of the consecutive four-week period multiplied by the
20 amount of documented purchases by domestic users and
21 sales for export by exporters made in the week following
22 such a consecutive four-week period.

23 (e) FORM OF PAYMENT.—Payments under this sec-
24 tion shall be made through the issuance of cash or mar-

1 keting certificates, at the option of eligible recipients of
2 the payments.

3 **SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH**
4 **MOISTURE FEED GRAINS AND SEED COTTON**
5 **AND OTHER FIBERS.**

6 (a) HIGH MOISTURE FEED GRAINS.—

7 (1) RECOURSE LOANS AVAILABLE.—For each of
8 the 2002 through 2011 crops of corn and grain sor-
9 ghum, the Secretary shall make available recourse
10 loans, as determined by the Secretary, to producers
11 on a farm who—

12 (A) normally harvest all or a portion of
13 their crop of corn or grain sorghum in a high
14 moisture state;

15 (B) present—

16 (i) certified scale tickets from an in-
17 spected, certified commercial scale, includ-
18 ing a licensed warehouse, feedlot, feed mill,
19 distillery, or other similar entity approved
20 by the Secretary, pursuant to regulations
21 issued by the Secretary; or

22 (ii) field or other physical measure-
23 ments of the standing or stored crop in re-
24 gions of the United States, as determined
25 by the Secretary, that do not have certified

1 commercial scales from which certified
2 scale tickets may be obtained within rea-
3 sonable proximity of harvest operation;

4 (C) certify that they were the owners of
5 the feed grain at the time of delivery to, and
6 that the quantity to be placed under loan under
7 this subsection was in fact harvested on the
8 farm and delivered to, a feedlot, feed mill, or
9 commercial or on-farm high-moisture storage
10 facility, or to a facility maintained by the users
11 of corn and grain sorghum in a high moisture
12 state; and

13 (D) comply with deadlines established by
14 the Secretary for harvesting the corn or grain
15 sorghum and submit applications for loans
16 under this subsection within deadlines estab-
17 lished by the Secretary.

18 (2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—

19 A loan under this subsection shall be made on a
20 quantity of corn or grain sorghum of the same crop
21 acquired by the producer equivalent to a quantity
22 determined by multiplying—

23 (A) the acreage of the corn or grain sor-
24 ghum in a high moisture state harvested on the
25 producer's farm; by

1 (B) the lower of the farm program pay-
2 ment yield or the actual yield on a field, as de-
3 termined by the Secretary, that is similar to the
4 field from which the corn or grain sorghum was
5 obtained.

6 (3) HIGH MOISTURE STATE DEFINED.—In this
7 subsection, the term “high moisture state” means
8 corn or grain sorghum having a moisture content in
9 excess of Commodity Credit Corporation standards
10 for marketing assistance loans made by the Sec-
11 retary under section 121.

12 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-
13 TON.—For each of the 2002 through 2011 crops of upland
14 cotton and extra long staple cotton, the Secretary shall
15 make available recourse seed cotton loans, as determined
16 by the Secretary, on any production.

17 (c) REPAYMENT RATES.—Repayment of a recourse
18 loan made under this section shall be at the loan rate es-
19 tablished for the commodity by the Secretary, plus interest
20 (as determined by the Secretary).

21 (d) TERMINATION OF SUPERSEDED LOAN AUTHOR-
22 ITY.—Notwithstanding section 137 of the Federal Agri-
23 culture Improvement and Reform Act of 1996 (7 U.S.C.
24 7237), recourse loans shall not be made for the 2002 crop

1 of corn, grain sorghum, and seed cotton under such sec-
2 tion.

3 **SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING AS-**
4 **SISTANCE LOANS FOR WOOL AND MOHAIR.**

5 (a) **NONRECOURSE LOANS AVAILABLE.**—During the
6 2002 through 2011 marketing years for wool and mohair,
7 the Secretary shall make available to producers on a farm
8 nonrecourse marketing assistance loans for wool and mo-
9 hair produced on the farm during that marketing year.

10 (b) **LOAN RATE.**—The loan rate for a loan under sub-
11 section (a) shall be not more than—

- 12 (1) \$1.00 per pound for graded wool;
13 (2) \$0.40 per pound for nongraded wool; and
14 (3) \$4.20 per pound for mohair.

15 (c) **TERM OF LOAN.**—A loan under subsection (a)
16 shall have a term of 1 year beginning on the first day
17 of the first month after the month in which the loan is
18 made.

19 (d) **REPAYMENT RATES.**—The Secretary shall permit
20 a producer to repay a marketing assistance loan under
21 subsection (a) for wool or mohair at a rate that is the
22 lesser of—

- 23 (1) the loan rate established for the commodity
24 under subsection (b), plus interest (as determined by
25 the Secretary); or

1 (2) a rate that the Secretary determines will—

2 (A) minimize potential loan forfeitures;

3 (B) minimize the accumulation of stocks of
4 the commodity by the Federal Government;

5 (C) minimize the cost incurred by the Fed-
6 eral Government in storing the commodity; and

7 (D) allow the commodity produced in the
8 United States to be marketed freely and com-
9 petitively, both domestically and internationally.

10 (e) LOAN DEFICIENCY PAYMENTS.—

11 (1) AVAILABILITY.—The Secretary may make
12 loan deficiency payments available to producers that,
13 although eligible to obtain a marketing assistance
14 loan under this section, agree to forgo obtaining the
15 loan in return for payments under this section.

16 (2) COMPUTATION.—A loan deficiency payment
17 under this subsection shall be computed by
18 multiplying—

19 (A) the loan payment rate in effect under
20 paragraph (3) for the commodity; by

21 (B) the quantity of the commodity pro-
22 duced by the eligible producers, excluding any
23 quantity for which the producers obtain a loan
24 under this subsection.

1 (3) LOAN PAYMENT RATE.—For purposes of
2 this subsection, the loan payment rate for wool or
3 mohair shall be the amount by which—

4 (A) the loan rate in effect for the com-
5 modity under subsection (b); exceeds

6 (B) the rate at which a loan for the com-
7 modity may be repaid under subsection (d).

8 (4) TIME FOR PAYMENT.—The Secretary shall
9 make a payment under this subsection to a producer
10 with respect to a quantity of a wool or mohair as of
11 the earlier of the following:

12 (A) The date on which the producer mar-
13 keted or otherwise lost beneficial interest in the
14 wool or mohair, as determined by the Secretary.

15 (B) The date the producer requests the
16 payment.

17 (f) LIMITATIONS.—The marketing assistance loan
18 gains and loan deficiency payments that a person may re-
19 ceive for wool and mohair under this section shall be sub-
20 ject to a separate payment limitation, but in the same dol-
21 lar amount, as the payment limitation that applies to mar-
22 keting assistance loans and loan deficiency payments re-
23 ceived by producers of other agricultural commodities in
24 the same marketing year.

1 **SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING AS-**
2 **SISTANCE LOANS FOR HONEY.**

3 (a) **NONRECOURSE LOANS AVAILABLE.**—During the
4 2002 through 2011 crop years for honey, the Secretary
5 shall make available to producers on a farm nonrecourse
6 marketing assistance loans for honey produced on the
7 farm during that crop year.

8 (b) **LOAN RATE.**—The loan rate for a marketing as-
9 sistance loan for honey under subsection (a) shall be equal
10 to \$0.60 cents per pound.

11 (c) **TERM OF LOAN.**—A marketing assistance loan
12 under subsection (a) shall have a term of 1 year beginning
13 on the first day of the first month after the month in
14 which the loan is made.

15 (d) **REPAYMENT RATES.**—The Secretary shall permit
16 a producer to repay a marketing assistance loan for honey
17 under subsection (a) at a rate that is the lesser of—

18 (1) the loan rate for honey, plus interest (as de-
19 termined by the Secretary); or

20 (2) the prevailing domestic market price for
21 honey, as determined by the Secretary.

22 (e) **LOAN DEFICIENCY PAYMENTS.**—

23 (1) **AVAILABILITY.**—The Secretary may make
24 loan deficiency payments available to any producer
25 of honey that, although eligible to obtain a mar-
26 keting assistance loan under subsection (a), agrees

1 to forgo obtaining the loan in return for a payment
2 under this subsection.

3 (2) COMPUTATION.—A loan deficiency payment
4 under this subsection shall be determined by
5 multiplying—

6 (A) the loan payment rate determined
7 under paragraph (3); by

8 (B) the quantity of honey that the pro-
9 ducer is eligible to place under loan, but for
10 which the producer forgoes obtaining the loan
11 in return for a payment under this subsection.

12 (3) LOAN PAYMENT RATE.—For the purposes
13 of this subsection, the loan payment rate shall be the
14 amount by which—

15 (A) the loan rate established under sub-
16 section (b); exceeds

17 (B) the rate at which a loan may be repaid
18 under subsection (d).

19 (4) TIME FOR PAYMENT.—The Secretary shall
20 make a payment under this subsection to a producer
21 with respect to a quantity of a honey as of the ear-
22 lier of the following:

23 (A) The date on which the producer mar-
24 keted or otherwise lost beneficial interest in the
25 honey, as determined by the Secretary.

1 (B) The date the producer requests the
2 payment.

3 (f) LIMITATIONS.—The marketing assistance loan
4 gains and loan deficiency payments that a person may re-
5 ceive for a crop of honey under this section shall be subject
6 to a separate payment limitation, but in the same dollar
7 amount, as the payment limitation that applies to mar-
8 keting assistance loans and loan deficiency payments re-
9 ceived by producers of other agricultural commodities in
10 the same crop year.

11 (g) PREVENTION OF FORFEITURES.—The Secretary
12 shall carry out this section in such a manner as to mini-
13 mize forfeitures of honey marketing assistance loans.

14 **SEC. 132. PRODUCER RETENTION OF ERRONEOUSLY PAID**
15 **LOAN DEFICIENCY PAYMENTS AND MAR-**
16 **KETING LOAN GAINS.**

17 Notwithstanding any other provision of law, the Sec-
18 retary of Agriculture and the Commodity Credit Corpora-
19 tion shall not require producers in Erie County, Pennsyl-
20 vania, to repay loan deficiency payments and marketing
21 loan gains erroneously paid or determined to have been
22 earned by the Commodity Credit Corporation for certain
23 1998 and 1999 crops under subtitle C of title I of the
24 Federal Agriculture Improvement and Reform Act of 1996
25 (7 U.S.C. 7231 et seq.). In the case of a producer who

1 has already made the repayment on or before the date of
2 the enactment of this Act, the Commodity Credit Corpora-
3 tion shall reimburse the producer for the full amount of
4 the repayment.

5 **Subtitle C—Other Commodities**

6 **CHAPTER 1—DAIRY**

7 **SEC. 141. MILK PRICE SUPPORT PROGRAM.**

8 (a) SUPPORT ACTIVITIES.—During the period begin-
9 ning on January 1, 2002, and ending on December 31,
10 2011, the Secretary of Agriculture shall support the price
11 of milk produced in the 48 contiguous States through the
12 purchase of cheese, butter, and nonfat dry milk produced
13 from the milk.

14 (b) RATE.—During the period specified in subsection
15 (a), the price of milk shall be supported at a rate equal
16 to \$9.90 per hundredweight for milk containing 3.67 per-
17 cent butterfat.

18 (c) PURCHASE PRICES.—The support purchase
19 prices under this section for each of the products of milk
20 (butter, cheese, and nonfat dry milk) announced by the
21 Secretary shall be the same for all of that product sold
22 by persons offering to sell the product to the Secretary.
23 The purchase prices shall be sufficient to enable plants
24 of average efficiency to pay producers, on average, a price

1 that is not less than the rate of price support for milk
2 in effect under subsection (b).

3 (d) SPECIAL RULE FOR BUTTER AND NONFAT DRY
4 MILK PURCHASE PRICES.—

5 (1) ALLOCATION OF PURCHASE PRICES.—The
6 Secretary may allocate the rate of price support be-
7 tween the purchase prices for nonfat dry milk and
8 butter in a manner that will result in the lowest level
9 of expenditures by the Commodity Credit Corpora-
10 tion or achieve such other objectives as the Secretary
11 considers appropriate. Not later than 10 days after
12 making or changing an allocation, the Secretary
13 shall notify the Committee on Agriculture of the
14 House of Representatives and the Committee on Ag-
15 riculture, Nutrition, and Forestry of the Senate of
16 the allocation. Section 553 of title 5, United States
17 Code, shall not apply with respect to the implemen-
18 tation of this section.

19 (2) TIMING OF PURCHASE PRICE ADJUST-
20 MENTS.—The Secretary may make any such adjust-
21 ments in the purchase prices for nonfat dry milk
22 and butter the Secretary considers to be necessary
23 not more than twice in each calendar year.

1 (e) COMMODITY CREDIT CORPORATION.—The Sec-
2 retary shall carry out the program authorized by this sec-
3 tion through the Commodity Credit Corporation.

4 **SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR**
5 **PROCESSORS.**

6 Section 142 of the Federal Agriculture Improvement
7 and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

8 **SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND**
9 **DAIRY INDEMNITY PROGRAMS.**

10 (a) DAIRY EXPORT INCENTIVE PROGRAM.—Section
11 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–
12 14(a)) is amended by striking “2002” and inserting
13 “2011”.

14 (b) DAIRY INDEMNITY PROGRAM.—Section 3 of Pub-
15 lic Law 90–484 (7 U.S.C. 4501) is amended by striking
16 “1995” and inserting “2011”.

17 **SEC. 144. FLUID MILK PROMOTION.**

18 (a) DEFINITION OF FLUID MILK PRODUCT.—Section
19 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C.
20 6402) is amended by striking paragraph (3) and inserting
21 the following new paragraph:

22 “(3) FLUID MILK PRODUCT.—The term ‘fluid
23 milk product’ has the meaning given such term—

1 “(A) in section 1000.15 of title 7, Code of
2 Federal Regulations, subject to such amend-
3 ments as may be made from time to time; or

4 “(B) in any successor regulation providing
5 a definition of such term that is promulgated
6 pursuant to the Agricultural Adjustment Act (7
7 U.S.C. 601 et seq.), reenacted with amend-
8 ments by the Agricultural Marketing Agreement
9 Act of 1937.”.

10 (b) DEFINITION OF FLUID MILK PROCESSOR.—Sec-
11 tion 1999C(4) of the Fluid Milk Promotion Act of 1990
12 (7 U.S.C. 6402(4)) is amended by striking “500,000” and
13 inserting “3,000,000”.

14 (c) ELIMINATION OF ORDER TERMINATION DATE.—
15 Section 1999O of the Fluid Milk Promotion Act of 1990
16 (7 U.S.C. 6414) is amended—

17 (1) by striking subsection (a); and

18 (2) by redesignating subsections (b) and (c) as
19 subsections (a) and (b), respectively.

20 **SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.**

21 Section 273(b)(1)(B) of the Agricultural Marketing
22 Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

23 (1) by inserting “and substantially identical
24 products designated by the Secretary” after “dairy
25 products” the first place it appears; and

1 (2) by inserting “and such substantially iden-
2 tical products” after “dairy products” the second
3 place it appears.

4 **SEC. 146. FUNDING OF DAIRY PROMOTION AND RESEARCH**
5 **PROGRAM.**

6 (a) DEFINITIONS.—Section 111 of the Dairy Produc-
7 tion Stabilization Act of 1983 (7 U.S.C. 4502) is
8 amended—

9 (1) in subsection (k), by striking “and” at the
10 end;

11 (2) in subsection (l), by striking the period at
12 the end and inserting a semicolon; and

13 (3) by adding at the end the following:

14 “(m) the term ‘imported dairy product’ means
15 any dairy product that is imported into the United
16 States, including dairy products imported into the
17 United States in the form of—

18 “(1) milk, cream, and fresh and dried
19 dairy products;

20 “(2) butter and butterfat mixtures;

21 “(3) cheese; and

22 “(4) casein and mixtures;

23 “(n) the term ‘importer’ means a person that
24 imports an imported dairy product into the United
25 States; and

1 “(o) the term ‘Customs’ means the United
2 States Customs Service.”.

3 (b) REPRESENTATION OF IMPORTERS ON BOARD.—
4 Section 113(b) of the Dairy Production Stabilization Act
5 of 1983 (7 U.S.C. 4504(b)) is amended—

6 (1) by inserting “NATIONAL DAIRY PROMOTION
7 AND RESEARCH BOARD.—” after “(b)”;

8 (2) by designating the first through ninth sen-
9 tences as paragraphs (1) through (5) and para-
10 graphs (7) through (10), respectively, and indenting
11 the paragraphs appropriately;

12 (3) in paragraph (2) (as so designated), by
13 striking “Members” and inserting “Except as pro-
14 vided in paragraph (6), the members”; and

15 (4) by inserting after paragraph (5) (as so des-
16 ignated) the following:

17 “(6) IMPORTERS.—

18 “(A) REPRESENTATION.—The Secretary
19 shall appoint not more than 2 members who
20 represent importers of dairy products and are
21 subject to assessments under the order, to re-
22 flect the proportion of domestic production and
23 imports supplying the United States market,
24 which shall be based on the Secretary’s deter-
25 mination of the average volume of domestic pro-

1 duction of dairy products proportionate to the
2 average volume of imports of dairy products in
3 the United States over the previous three years.

4 “(B) ADDITIONAL MEMBERS; NOMINA-
5 TIONS.—The members appointed under this
6 paragraph—

7 “(i) shall be in addition to the total
8 number of members appointed under para-
9 graph (2); and

10 “(ii) shall be appointed from nomina-
11 tions submitted by importers under such
12 procedures as the Secretary determines to
13 be appropriate.”.

14 (c) IMPORTER ASSESSMENT.—Section 113(g) of the
15 Dairy Production Stabilization Act of 1983 (7 U.S.C.
16 4504(g)) is amended—

17 (1) by inserting “ASSESSMENTS.—” after
18 “(g)”;

19 (2) by designating the first through fifth sen-
20 tences as paragraphs (1) through (5), respectively,
21 and indenting appropriately; and

22 (3) by adding at the end the following:

23 “(6) IMPORTERS.—

24 “(A) IN GENERAL.—The order shall pro-
25 vide that each importer of imported dairy prod-

1 ucts shall pay an assessment to the Board in
2 the manner prescribed by the order.

3 “(B) TIME FOR PAYMENT.—The assess-
4 ment on imported dairy products shall be paid
5 by the importer to Customs at the time of the
6 entry of the products into the United States
7 and shall be remitted by Customs to the Board.
8 For purposes of this subparagraph, entry of the
9 products into the United States shall be deemed
10 to have occurred when the products are released
11 from custody of Customs and introduced into
12 the stream of commerce within the United
13 States. Importers include persons who hold title
14 to foreign-produced dairy products immediately
15 upon release by Customs, as well as persons
16 who act on behalf of others, as agents, brokers,
17 or consignees, to secure the release of dairy
18 products from Customs and the introduction of
19 the released dairy products into the stream of
20 commerce.

21 “(C) RATE.—The rate of assessment on
22 imported dairy products shall be determined in
23 the same manner as the rate of assessment per
24 hundredweight or the equivalent of milk.

1 “(D) VALUE OF PRODUCTS.—For the pur-
2 pose of determining the assessment on imported
3 dairy products under subparagraph (C), the
4 value to be placed on imported dairy products
5 shall be established by the Secretary in a fair
6 and equitable manner.

7 “(E) USE OF ASSESSMENTS ON IMPORTED
8 DAIRY PRODUCTS.—Assessments collected on
9 imported dairy products shall not be used for
10 foreign market promotion.”.

11 (d) RECORDS.—Section 113(k) of the Dairy Produc-
12 tion Stabilization Act of 1983 (7 U.S.C. 4504(k)) is
13 amended in the first sentence by striking “person receiv-
14 ing” and inserting “importer of imported dairy products,
15 each person receiving”.

16 (e) IMPORTER ELIGIBILITY TO VOTE IN REF-
17 ERENDUM.—Section 116(b) of the Dairy Promotion Sta-
18 bilization Act of 1983 (7 U.S.C. 4507(b)) is amended—

19 (1) in the first sentence—

20 (A) by inserting after “of producers” the
21 following: “and importers”; and

22 (B) by inserting after “the producers” the
23 following: “and importers”; and

24 (2) in the second sentence, by inserting after
25 “commercial use” the following: “and importers vot-

1 ing in the referendum (who have been engaged in
2 the importation of dairy products during the same
3 representative period, as determined by the Sec-
4 retary)”).

5 (f) CONFORMING AMENDMENTS TO REFLECT ADDI-
6 TION OF IMPORTERS.—Section 110(b) of the Dairy Pro-
7 duction Stabilization Act of 1983 (7 U.S.C. 4501(b)) is
8 amended—

9 (1) in the first sentence—

10 (A) by inserting after “commercial use”
11 the following: “and on imported dairy prod-
12 ucts”; and

13 (B) by striking “products produced in the
14 United States.” and inserting “products.”; and

15 (2) in the second sentence, by inserting after
16 “produce milk” the following: “or the right of any
17 person to import dairy products”.

18 **SEC. 147. STUDY OF NATIONAL DAIRY POLICY.**

19 (a) STUDY REQUIRED.—Not later than April 30,
20 2002, the Secretary of Agriculture shall submit to Con-
21 gress a comprehensive economic evaluation of the potential
22 direct and indirect effects of the various elements of the
23 national dairy policy, including an examination of the ef-
24 fect of the national dairy policy on—

1 (1) farm price stability, farm profitability and
2 viability, and local rural economies in the United
3 States;

4 (2) child, senior, and low-income nutrition pro-
5 grams, including impacts on schools and institutions
6 participating in the programs, on program recipi-
7 ents, and other factors; and

8 (3) the wholesale and retail cost of fluid milk,
9 dairy farms, and milk utilization.

10 (b) NATIONAL DAIRY POLICY DEFINED.—In this
11 section, the term “national dairy policy” means the dairy
12 policy of the United States as evidenced by the following
13 policies and programs:

14 (1) Federal Milk Marketing Orders.

15 (2) Interstate dairy compacts (including pro-
16 posed compacts described in H.R. 1827 and S.
17 1157, as introduced in the 107th Congress).

18 (3) Over-order premiums and State pricing pro-
19 grams.

20 (4) Direct payments to milk producers.

21 (5) Federal milk price support program.

22 (6) Export programs regarding milk and dairy
23 products, such as the Dairy Export Incentive Pro-
24 gram.

CHAPTER 2—SUGAR**2 SEC. 151. SUGAR PROGRAM.**

3 (a) CONTINUATION OF PROGRAM.—Subsection (i) of
4 section 156 of the Federal Agriculture Improvement and
5 Reform Act of 1996 (7 U.S.C. 7251) is amended—

6 (1) by striking “(other than subsection (f))”;

7 and

8 (2) by striking “2002 crops” and inserting
9 “2011 crops”.

10 (b) TERMINATION OF MARKETING ASSESSMENT.—
11 Effective as of October 1, 2001, subsection (f) of such sec-
12 tion is repealed.

13 (c) LOAN RATE ADJUSTMENTS.—Subsection (c) of
14 such section is amended—

15 (1) by striking “REDUCTION IN LOAN RATES”
16 and inserting “LOAN RATE ADJUSTMENTS”; and

17 (2) in paragraph (1)—

18 (A) by striking “REDUCTION REQUIRED”
19 and inserting “POSSIBLE REDUCTION”; and

20 (B) by striking “shall” and inserting
21 “may”.

22 (d) NOTIFICATION.—Subsection (e) of such section is
23 amended by adding at the end the following new para-
24 graph:

1 “(3) PREVENTION OF ONEROUS NOTIFICATION
2 REQUIREMENTS.—The Secretary may not impose or
3 enforce any prenotification or similar administrative
4 requirement that has the effect of preventing a proc-
5 essor from choosing to forfeit the loan collateral
6 upon the maturity of the loan.”.

7 (e) IN PROCESS SUGAR.—Such section is further
8 amended by inserting after subsection (e) the following
9 new subsection (f):

10 “(f) LOANS FOR IN-PROCESS SUGAR.—

11 “(1) AVAILABILITY; RATE.—The Secretary shall
12 make nonrecourse loans available to processors of
13 domestically grown sugarcane and sugar beets for
14 in-process sugars and syrups derived from such
15 crops. The loan rate shall be equal to 80 percent of
16 the loan rate applicable to raw cane sugar or refined
17 beet sugar, depending on the source material for the
18 in-process sugars and syrups.

19 “(2) FURTHER PROCESSING UPON FOR-
20 FEITURE.—As a condition on the forfeiture of in-
21 process sugars and syrups serving as collateral for
22 a loan under paragraph (1), the processor shall,
23 within such reasonable time period as the Secretary
24 may prescribe and at no cost to the Commodity
25 Credit Corporation, convert the in-process sugars

1 and syrups into raw cane sugar or refined beet
2 sugar of acceptable grade and quality for sugars eli-
3 gible for loans under subsection (a) or (b). Once the
4 in-process sugars and syrups are fully processed into
5 raw cane sugar or refined beet sugar, the processor
6 shall transfer the sugar to the Corporation, which
7 shall make a payment to the processor in an amount
8 equal to the difference between the loan rate for raw
9 cane sugar or refined beet sugar, whichever applies,
10 and the loan rate the processor received under para-
11 graph (1).

12 “(3) LOAN CONVERSION.—If the processor does
13 not forfeit the collateral as described in paragraph
14 (2), but instead further processes the in-process sug-
15 ars and syrups into raw cane sugar or refined beet
16 sugar and repays the loan on the in-process sugars
17 and syrups, the processor may then obtain a loan
18 under subsection (a) or (b) on the raw cane sugar
19 or refined beet sugar, as appropriate.

20 “(4) DEFINITION.—In this subsection the term
21 ‘in-process sugars and syrups’ does not include raw
22 sugar, liquid sugar, invert sugar, invert syrup, or
23 other finished products that are otherwise eligible
24 for loans under subsection (a) or (b).”.

1 (f) ADMINISTRATION OF PROGRAM.—Such section is
2 further amended by adding at the end the following new
3 subsection:

4 “(j) AVOIDING FORFEITURES; CORPORATION INVEN-
5 TORY DISPOSITION.—

6 “(1) NO COST.—To the maximum extent prac-
7 ticable, the Secretary shall operate the sugar pro-
8 gram established under this section at no cost to the
9 Federal Government by avoiding the forfeiture of
10 sugar to the Commodity Credit Corporation.

11 “(2) INVENTORY DISPOSITION.—In support of
12 the objective specified in paragraph (1), the Com-
13modity Credit Corporation may accept bids for com-
14modities in the inventory of the Corporation from
15 (or otherwise make available such commodities, on
16 appropriate terms and conditions, to) processors of
17 sugarcane and processors of sugar beets (when the
18 processors are acting in conjunction with the pro-
19ducers of the sugarcane or sugar beets processed by
20 such processors) in return for the reduction of pro-
21duction of raw cane sugar or refined beet sugar, as
22 appropriate. The authority provided under this para-
23graph is in addition to any authority of the Corpora-
24tion under any other law.”.

1 (g) INFORMATION REPORTING.—Subsection (h) of
2 such section is amended—

3 (1) by redesignating paragraphs (2) and (3) as
4 paragraphs (4) and (5), respectively;

5 (2) by inserting after paragraph (1) the fol-
6 lowing new paragraphs:

7 “(2) DUTY OF PRODUCERS TO REPORT.—

8 “(A) PROPORTIONATE SHARE STATES.—

9 The Secretary shall require a producer of sug-
10 arcane located in a State (other than Puerto
11 Rico) in which there are in excess of 250 sugar-
12 cane producers to report, in the manner pre-
13 scribed by the Secretary, the producer’s sugar-
14 cane yields and acres planted to sugarcane.

15 “(B) OTHER STATES.—The Secretary may
16 require producers of sugarcane or sugar beets
17 not covered by paragraph (1) to report, in the
18 manner prescribed by the Secretary, each pro-
19 ducer’s sugarcane or sugar beet yields and
20 acres planted to sugarcane or sugar beets, re-
21 spectively.

22 “(3) DUTY OF IMPORTERS TO REPORT.—The
23 Secretary shall require an importer of sugars, syrups
24 or molasses to be used for human consumption or to
25 be used for the extraction of sugar for human con-

1 sumption, except such sugars, syrups, or molasses
2 that are within the quantities of tariff-rate quotas
3 that are at the lower rate of duties, to report, in the
4 manner prescribed by the Secretary, the quantities
5 of such products imported and the sugar content or
6 equivalent of such products.”; and

7 (3) in paragraph (5), as so redesignated, by
8 striking “paragraph (1)” and inserting “this sub-
9 section”.

10 (h) INTEREST RATE.—Section 163 of the Federal
11 Agriculture Improvement and Reform Act of 1996 (7
12 U.S.C. 7283) is amended by adding at the end the fol-
13 lowing new sentence: “For purposes of this section, raw
14 cane sugar, refined beet sugar, and in process sugar eligi-
15 ble for a loan under section 156 shall not be considered
16 an agricultural commodity.”.

17 **SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL**
18 **ADJUSTMENT ACT OF 1938 REGARDING**
19 **SUGAR.**

20 (a) INFORMATION REPORTING.—Section 359a of the
21 Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa)
22 is repealed.

23 (b) ESTIMATES.—Section 359b of the Agricultural
24 Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:

25 (1) in the section heading—

1 (A) by inserting “**FLEXIBLE**” before
2 “**MARKETING**”; and

3 (B) by striking “**AND CRYSTALLINE**
4 **FRUCTOSE**”;

5 (2) in subsection (a)—

6 (A) in paragraph (1)—

7 (i) by striking “Before” and inserting
8 “Not later than August 1 before”;

9 (ii) by striking “1992 through 1998”
10 and inserting “2002 through 2011”;

11 (iii) in subparagraph (A), by striking
12 “(other than sugar” and all that follows
13 through “stocks”;

14 (iv) by redesignating subparagraphs
15 (B) and (C) as subparagraphs (C) and
16 (E), respectively;

17 (v) by inserting after subparagraph
18 (A) the following:

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

21 (vi) in subparagraph (C), as so
22 redesignated—

23 (I) by striking “or” and all that
24 follows through “beets”; and

1 (II) by striking the “and” fol-
2 lowing the semicolon;

3 (vii) by inserting after subparagraph
4 (C), as so redesignated, the following:

5 “(D) the quantity of sugar that will be
6 available from the domestic processing of sugar-
7 cane and sugar beets; and”;

8 (viii) in subparagraph (E), as so
9 redesignated—

10 (I) by striking “quantity of
11 sugar” and inserting “quantity of
12 sugars, syrups, and molasses”;

13 (II) by inserting “human” after
14 “imported for” the first place it ap-
15 pears;

16 (III) by inserting after “con-
17 sumption” the first place it appears
18 the following: “or to be used for the
19 extraction of sugar for human con-
20 sumption”;

21 (IV) by striking “year” and in-
22 serting “year, whether such articles
23 are under a tariff-rate quota or are in
24 excess or outside of a tariff rate
25 quota”; and

1 (V) by striking “(other than
2 sugar” and all that follows through
3 “carry-in stocks”;

4 (B) by redesignating paragraph (2) as
5 paragraph (3);

6 (C) by inserting after paragraph (1) the
7 following new paragraph:

8 “(2) EXCLUSION.—The estimates in this sec-
9 tion shall not include sugar imported for the produc-
10 tion of polyhydric alcohol or to be refined and re-ex-
11 ported in refined form or in sugar containing prod-
12 ucts.”;

13 (D) in paragraph (3), as so redesignated—

14 (i) by striking “QUARTERLY REESTI-
15 MATES” and inserting “REESTIMATES”;

16 and

17 (ii) by inserting “as necessary, but”
18 after “a fiscal year”;

19 (3) in subsection (b)—

20 (A) by striking paragraph (1) and insert-
21 ing the following new paragraph:

22 “(1) IN GENERAL.—By the beginning of each
23 fiscal year, the Secretary shall establish for that fis-
24 cal year appropriate allotments under section 359c
25 for the marketing by processors of sugar processed

1 from sugar beets and from domestically-produced
2 sugarcane at a level that the Secretary estimates will
3 result in no forfeitures of sugar to the Commodity
4 Credit Corporation under the loan program for
5 sugar.”; and

6 (B) in paragraph (2), by striking “or crys-
7 talline fructose”;

8 (4) by striking subsection (c);

9 (5) by redesignating subsection (d) as sub-
10 section (c); and

11 (6) in subsection (c), as so redesignated—

12 (A) by striking paragraph (2);

13 (B) by redesignating paragraphs (3) and
14 (4) as paragraphs (2) and (3), respectively; and

15 (C) in paragraph (2), as so redesignated—

16 (i) by striking “or manufacturer” and
17 all that follows through “(2)”; and

18 (ii) by striking “or crystalline fruc-
19 tose”.

20 (c) ESTABLISHMENT.—Section 359c of the Agricul-
21 tural Adjustment Act of 1938 (7 U.S.C. 1359cc) is
22 amended—

23 (1) in the section heading by inserting “**FLEXI-**
24 **BLE**” after “**OF**”;

1 (2) in subsection (a), by inserting “flexible”
2 after “establish”;

3 (3) in subsection (b)—

4 (A) in paragraph (1)(A), by striking
5 “1,250,000” and inserting “1,532,000”; and

6 (B) in paragraph (2), by striking “to the
7 maximum extent practicable”;

8 (4) by striking subsection (c) and inserting the
9 following new subsection:

10 “(c) MARKETING ALLOTMENT FOR SUGAR DERIVED
11 FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR
12 SUGAR DERIVED FROM SUGARCANE.—The overall allot-
13 ment quantity for the fiscal year shall be allotted among—

14 “(1) sugar derived from sugar beets by estab-
15 lishing a marketing allotment for a fiscal year at a
16 quantity equal to the product of multiplying the
17 overall allotment quantity for the fiscal year by the
18 percentage of 54.35; and

19 “(2) sugar derived from sugarcane by estab-
20 lishing a marketing allotment for a fiscal year at a
21 quantity equal to the product of multiplying the
22 overall allotment quantity for the fiscal year by the
23 percentage of 45.65.”;

24 (5) by amending subsection (d) to read as fol-
25 lows:

1 “(d) FILLING CANE SUGAR AND BEET SUGAR AL-
2 LOTMENTS.—Each marketing allotment for cane sugar es-
3 tablished under this section may only be filled with sugar
4 processed from domestically grown sugarcane, and each
5 marketing allotment for beet sugar established under this
6 section may only be filled with sugar domestically proc-
7 essed from sugar beets.”;

8 (6) by striking subsection (e);

9 (7) by redesignating subsection (f) as sub-
10 section (e);

11 (8) in subsection (e), as so redesignated—

12 (A) by inserting “(1) IN GENERAL.—” be-
13 fore “The allotment for sugar” and indenting
14 such paragraph appropriately;

15 (B) in such paragraph (1)—

16 (i) by striking “the 5” and inserting
17 “the”;

18 (ii) by inserting after “sugarcane is
19 produced,” the following: “after a hearing,
20 if requested by the affected sugar cane
21 processors and growers, and on such notice
22 as the Secretary by regulation may pre-
23 scribe,”;

24 (iii) by striking “on the basis of past
25 marketings” and all that follows through

1 “allotments”, and inserting “as provided in
2 this subsection and section
3 359d(a)(2)(A)(iv)”;

4 (C) by inserting after paragraph (1) the
5 following new paragraphs:

6 “(2) OFFSHORE ALLOTMENT.—

7 “(A) COLLECTIVELY.—Prior to the allot-
8 ment of sugar derived from sugarcane to any
9 other State, 325,000 short tons, raw value shall
10 be allotted to the offshore States.

11 “(B) INDIVIDUALLY.—The collective off-
12 shore State allotment provided for under sub-
13 paragraph (A) shall be further allotted among
14 the offshore States in which sugarcane is pro-
15 duced, after a hearing if requested by the af-
16 fected sugar cane processors and growers, and
17 on such notice as the Secretary by regulation
18 may prescribe, in a fair and equitable manner
19 on the basis of—

20 “(i) past marketings of sugar, based
21 on the average of the 2 highest years of
22 production of raw cane sugar from the
23 1996 through 2000 crops;

1 “(ii) the ability of processors to mar-
2 ket the sugar covered under the allotments
3 for the crop year; and

4 “(iii) past processings of sugar from
5 sugarcane based on the 3 year average of
6 the crop years 1998 through 2000.

7 “(3) MAINLAND ALLOTMENT.—The allotment
8 for sugar derived from sugarcane, less the amount
9 provided for under paragraph (2), shall be allotted
10 among the mainland States in the United States in
11 which sugarcane is produced, after a hearing if re-
12 quested by the affected sugar cane processors and
13 growers, and on such notice as the Secretary by reg-
14 ulation may prescribe, in a fair and equitable man-
15 ner on the basis of—

16 “(A) past marketings of sugar, based on
17 the average of the 2 highest years of production
18 of raw cane sugar from the 1996 through 2000
19 crops;

20 “(B) the ability of processors to market
21 the sugar covered under the allotments for the
22 crop year; and

23 “(C) past processings of sugar from sugar-
24 cane, based on the 3 crop years with the great-
25 est processings (in the mainland States collec-

1 tively) during the 1991 through 2000 crop
2 years.”;

3 (9) by inserting after subsection (e), as so re-
4 designated, the following new subsection (f):

5 “(f) FILLING CANE SUGAR ALLOTMENTS.—Except
6 as otherwise provided in section 359e, a State cane sugar
7 allotment established under subsection (e) for a fiscal year
8 may be filled only with sugar processed from sugarcane
9 grown in the State covered by the allotment.”;

10 (10) in subsection (g)—

11 (A) in paragraph (1), by striking
12 “359b(a)(2)—” and all that follows through the
13 comma at the end of subparagraph (C) and in-
14 serting “359b(a)(3), adjust upward or down-
15 ward marketing allotments in a fair and equi-
16 table manner”;

17 (B) in paragraph (2) by striking “359f(b)”
18 and inserting “359f(c)”; and

19 (C) in paragraph (3)—

20 (i) by striking “REDUCTIONS” and in-
21 serting “CARRY-OVER OF REDUCTIONS”;

22 (ii) by inserting after “this subsection,
23 if” the following: “at the time of the reduc-
24 tion”;

1 (iii) by striking “price support” and
2 inserting “nonrecourse”;

3 (iv) by striking “206” and all that fol-
4 lows through “the allotment” and inserting
5 “156 of the Agricultural Market Transi-
6 tion Act (7 U.S.C. 7272),”; and

7 (v) by striking “, if any,”; and

8 (11) by amending subsection (h) to read as fol-
9 lows:

10 “(h) SUSPENSION OF ALLOTMENTS.—Whenever the
11 Secretary estimates, or reestimates, under section
12 359b(a), or has reason to believe that imports of sugars,
13 syrups or molasses for human consumption or to be used
14 for the extraction of sugar for human consumption, wheth-
15 er under a tariff-rate quota or in excess or outside of a
16 tariff-rate quota, will exceed 1.532 million short tons, raw
17 value equivalent, and that such imports would lead to a
18 reduction of the overall allotment quantity, the Secretary
19 shall suspend the marketing allotments until such time as
20 such imports have been restricted, eliminated, or otherwise
21 reduced to or below the level of 1.532 million tons.”.

22 (d) ALLOCATION.—Section 359d of the Agricultural
23 Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

24 (1) in subsection (a)(2)(A)—

1 (A) by inserting “(i) IN GENERAL.—” be-
2 fore “The Secretary shall” and indenting such
3 clause appropriately;

4 (B) in clause (i), as so designated—

5 (i) by striking “interested parties”
6 and inserting “the affected sugar cane
7 processors and growers”;

8 (ii) by striking “by taking” and all
9 that follows through “allotment allocated.”
10 and inserting “with this subparagraph.”;
11 and

12 (iii) by inserting at the end the fol-
13 lowing new sentence: “Each such allocation
14 shall be subject to adjustment under sec-
15 tion 359c(g).”;

16 (C) by inserting after clause (i) the fol-
17 lowing new clauses:

18 “(ii) MULTIPLE PROCESSOR
19 STATES.—Except as provided in clause
20 (iii), the Secretary shall allocate the allot-
21 ment for cane sugar among multiple cane
22 sugar processors in a single State based
23 upon—

24 “(I) past marketings of sugar,
25 based on the average of the 2 highest

1 years of production of raw cane sugar
2 from among the 1996 through 2000
3 crops;

4 “(II) the ability of processors to
5 market sugar covered by that portion
6 of the allotment allocated for the crop
7 year;

8 “(III) past processings of sugar
9 from sugarcane, based on the average
10 of the 3 highest years from among
11 crop years 1996 through 2000; and

12 “(IV) however, only with respect
13 to allotments under subclauses (I),
14 (II), and (III) attributable to the
15 former operations of the Talisman
16 processing facility, shall be allocated
17 among processors in the State coinci-
18 dent with the provisions of the agree-
19 ments of March 25 and March 26,
20 1999, between the affected processors
21 and the Department of the Interior.

22 “(iii) PROPORTIONATE SHARE
23 STATES.—In the case of States subject to
24 section 359f(e), the Secretary shall allocate
25 the allotment for cane sugar among mul-

1 tiple cane sugar processors in a single
2 state based upon—

3 “(I) past marketings of sugar,
4 based on the average of the two high-
5 est years of production of raw cane
6 sugar from among the 1997 through
7 2001 crop years;

8 “(II) the ability of processors to
9 market sugar covered by that portion
10 of the allotments allocated for the
11 crop year; and

12 “(III) past processings of sugar
13 from sugarcane, based on the average
14 of the two highest crop years from the
15 five crop years 1997 through 2001.

16 “(iv) NEW ENTRANTS.—Notwith-
17 standing clauses (ii) and (iii), the Sec-
18 retary, on application of any processor that
19 begins processing sugarcane on or after the
20 date of enactment of this clause, and after
21 a hearing if requested by the affected sug-
22 arcane processors and growers, and on
23 such notice as the Secretary by regulation
24 may prescribe, may provide such processor
25 with an allocation which provides a fair, ef-

1 efficient and equitable distribution of the al-
2 locations from the allotment for the State
3 in which the processor is located and, in
4 the case of proportionate share States,
5 shall establish proportionate shares in an
6 amount sufficient to produce the sugarcane
7 required to satisfy such allocations. How-
8 ever, the allotment for a new processor
9 under this clause shall not exceed 50,000
10 short tons, raw value.

11 “(v) TRANSFER OF OWNERSHIP.—Ex-
12 cept as otherwise provided in section
13 359f(c)(8), in the event that a sugarcane
14 processor is sold or otherwise transferred
15 to another owner, or closed as part of an
16 affiliated corporate group processing con-
17 solidation, the Secretary shall transfer the
18 allotment allocation for the processor to
19 the purchaser, new owner, or successor in
20 interest, as applicable, of the processor.”;
21 and

22 (2) in subsection (a)(2)(B)—

23 (A) by striking “interested parties” and in-
24 serting “the affected sugar beet processors and
25 growers”; and

1 (B) by striking “processing capacity” and
2 all that follows through “allotment allocated”
3 and inserting the following: “the marketings of
4 sugar processed from sugar beets of any or all
5 of the 1996 through 2000 crops, and such other
6 factors as the Secretary may deem appropriate
7 after consultation with the affected sugar beet
8 processors and growers. However, in the case of
9 any processor which has started processing
10 sugar beets after January 1, 1996, the Sec-
11 retary shall provide such processor with an allo-
12 cation which provides a fair, efficient and equi-
13 table distribution of the allocations”.

14 (e) REASSIGNMENT.—Section 359e(b) of the Agricul-
15 tural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is
16 amended—

17 (1) in paragraph (1)—

18 (A) in subparagraph (B) by striking the
19 “and” after the semicolon;

20 (B) by redesignating subparagraph (C) as
21 subparagraph (D);

22 (C) by inserting after subparagraph (B)
23 the following new subparagraph:

24 “(C) if after the reassignments, the deficit
25 cannot be completely eliminated, the Secretary

1 shall reassign the estimated quantity of the def-
2 icit to the sale of any inventories of sugar held
3 by the Commodity Credit Corporation; and”;
4 and

5 (D) in subparagraph (D), as so redesign-
6 nated, by inserting “and sales” after “reassign-
7 ments”; and

8 (2) in paragraph (2)—

9 (A) in subparagraph (A) by striking the
10 “and” after the semicolon;

11 (B) in subparagraph (B), by striking “re-
12 assign the remainder to imports.” and inserting
13 “use the estimated quantity of the deficit for
14 the sale of any inventories of sugar held by the
15 Commodity Credit Corporation; and”; and

16 (C) by inserting after subparagraph (B)
17 the following new subparagraph:

18 “(C) if after such reassignments and sales,
19 the deficit cannot be completely eliminated, the
20 Secretary shall reassign the remainder to im-
21 ports.”.

22 (f) PRODUCER PROVISIONS.—Section 359f of the Ag-
23 ricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is
24 amended—

25 (1) in subsection (a)—

1 (A) by striking “processor’s allocation” in
2 the second sentence and inserting “allocation to
3 the processor”; and

4 (B) by inserting after “request of either
5 party” the following: “, and such arbitration
6 should be completed within 45 days, but not
7 more than 60 days, of the request”;

8 (2) by redesignating subsection (b) as sub-
9 section (c);

10 (3) by inserting after subsection (a) the fol-
11 lowing new subsection:

12 “(b) SUGAR BEET PROCESSING FACILITY CLO-
13 SURES.— In the event that a sugar beet processing facility
14 is closed and the sugar beet growers who previously deliv-
15 ered beets to such facility desire to deliver their beets to
16 another processing company:

17 “(1) Such growers may petition the Secretary
18 to modify existing allocations to accommodate such
19 a transition; and

20 “(2) The Secretary may increase the allocation
21 to the processing company to which the growers de-
22 sire to deliver their sugar beets, and which the proc-
23 essing company agrees to accept, not to exceed its
24 processing capacity, to accommodate the change in
25 deliveries.

1 “(3) Such increased allocation shall be deducted
2 from the allocation to the company that owned the
3 processing facility that has been closed and the re-
4 maining allocation will be unaffected.

5 “(4) The Secretary’s determination on the
6 issues raised by the petition shall be made within 60
7 days of the filing of the petition.”;

8 (4) in subsection (c), as so redesignated—

9 (A) in paragraph (3)(A), by striking “the
10 preceding five years” and inserting “the two
11 highest years from among the years 1999,
12 2000, and 2001”;

13 (B) in paragraph (4)(A), by striking
14 “each” and all that follows through “in effect”
15 and inserting “the two highest of the three (3)
16 crop years 1999, 2000, and 2001”; and

17 (C) by inserting after paragraph (7) the
18 following new paragraph:

19 “(8) PROCESSING FACILITY CLOSURES.—In the
20 event that a sugarcane processing facility subject to
21 this subsection is closed and the sugarcane growers
22 who previously delivered sugarcane to such facility
23 desire to deliver their sugarcane to another proc-
24 essing company—

1 “(A) such growers may petition the Sec-
2 retary to modify existing allocations to accom-
3 modate such a transition;

4 “(B) the Secretary may increase the allo-
5 cation to the processing company to which the
6 growers desire to deliver the sugarcane, and
7 which the processing company agrees to accept,
8 not to exceed its processing capacity, to accom-
9 modate the change in deliveries;

10 “(C) such increased allocation shall be de-
11 ducted from the allocation to the company that
12 owned the processing facility that has been
13 closed and the remaining allocation will be un-
14 affected; and

15 “(D) the Secretary’s determination on the
16 issues raised by the petition shall be made with-
17 in 60 days of the filing of the petition.”.

18 (g) CONFORMING AMENDMENTS.—(1) The heading
19 of part VII of subtitle B of Title III of the Agricultural
20 Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is
21 amended to read as follows:

22 **“PART VII—FLEXIBLE MARKETING ALLOTMENTS**
23 **FOR SUGAR”.**

24 (2) Section 359g of the Agricultural Adjustment Act
25 of 1938 (7 U.S.C. 1359gg) is amended—

1 (A) by striking “359f” each place it appears
2 and inserting “359f(c)”;

3 (B) in subsection (b), by striking “3 consecu-
4 tive” and inserting “5 consecutive”; and

5 (C) in subsection (c), by inserting “or adjusted”
6 after “share established”.

7 (3) Section 359j(c) of the Agricultural Adjustment
8 Act of 1938 (7 U.S.C. 1359jj) is amended—

9 (A) by amending the subsection heading to read
10 as follows: “DEFINITIONS.—”;

11 (B) by striking “Notwithstanding” and insert-
12 ing the following:

13 “(1) UNITED STATES AND STATE.—Notwith-
14 standing”; and

15 (C) by inserting after such paragraph (1) the
16 following new paragraph:

17 “(2) OFFSHORE STATES.—For purposes of this
18 part, the term ‘offshore States’ means the sugarcane
19 producing States located outside of the continental
20 United States.”.

21 (h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E)
22 of the Federal Agriculture Improvement and Reform Act
23 of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting
24 before the period at the end the following: “, but only with
25 respect to sugar marketings through fiscal year 2002”.

1 **SEC. 153. STORAGE FACILITY LOANS.**

2 (a) STORAGE FACILITY LOAN PROGRAM.—Notwith-
3 standing any other provision of law and as soon as prac-
4 ticable after the date of the enactment of this section, the
5 Commodity Credit Corporation shall amend part 1436 of
6 title 7, Code of Federal Regulations, to establish a sugar
7 storage facility loan program to provide financing for proc-
8 essors of domestically-produced sugarcane and sugar beets
9 to build or upgrade storage and handling facilities for raw
10 sugars and refined sugars.

11 (b) ELIGIBLE PROCESSORS.—Storage facility loans
12 shall be made available to any processor of domestically
13 produced sugarcane or sugar beets that has a satisfactory
14 credit history, determines a need for increased storage ca-
15 pacity (taking into account the effects of marketing allot-
16 ments), and demonstrates an ability to repay the loan.

17 (c) TERM OF LOANS.—Storage facility loans shall be
18 for a minimum of seven years, and shall be in such
19 amounts and on such terms and conditions (including
20 down payment, security requirements, and eligible equip-
21 ment) as are normal, customary, and appropriate for the
22 size and commercial nature of the borrower.

23 (d) ADMINISTRATION.—The sugar storage facility
24 loan program shall be administered using the services, fa-
25 cilities, funds, and authorities of the Commodity Credit
26 Corporation.

1 **CHAPTER 3—PEANUTS**

2 **SEC. 161. DEFINITIONS.**

3 In this chapter:

4 (1) COUNTER-CYCLICAL PAYMENT.—The term
5 “counter-cyclical payment” means a payment made
6 to peanut producers under section 164.

7 (2) EFFECTIVE PRICE.—The term “effective
8 price” means the price calculated by the Secretary
9 under section 164 for peanuts to determine whether
10 counter-cyclical payments are required to be made
11 under such section for a crop year.

12 (3) HISTORIC PEANUT PRODUCER.—The term
13 “historic peanut producer” means a peanut producer
14 on a farm in the United States that produced or at-
15 tempted to produce peanuts during any or all of
16 crop years 1998, 1999, 2000, and 2001.

17 (4) FIXED, DECOUPLED PAYMENT.—The term
18 “fixed, decoupled payment” means a payment made
19 to peanut producers under section 163.

20 (5) PAYMENT ACRES.—The term “payment
21 acres” means 85 percent of the peanut acres on a
22 farm, as established under section 162, upon which
23 fixed, decoupled payments and counter-cyclical pay-
24 ments are to be made.

1 (6) PEANUT ACRES.—The term “peanut acres”
2 means the number of acres assigned to a particular
3 farm by historic peanut producers pursuant to sec-
4 tion 162(b).

5 (7) PAYMENT YIELD.—The term “payment
6 yield” means the yield assigned to a particular farm
7 by historic peanut producers pursuant to section
8 162(b).

9 (8) PEANUT PRODUCER.—The term “peanut
10 producer” means an owner, operator, landlord, ten-
11 ant, or sharecropper who shares in the risk of pro-
12 ducing a crop of peanuts in the United States and
13 who is entitled to share in the crop available for
14 marketing from the farm, or would have shared had
15 the crop been produced.

16 (9) SECRETARY.—The term “Secretary” means
17 the Secretary of Agriculture.

18 (10) STATE.—The term “State” means each of
19 the several States of the United States, the District
20 of Columbia, the Commonwealth of Puerto Rico, and
21 any other territory or possession of the United
22 States.

23 (11) TARGET PRICE.—The term “target price”
24 means the price per ton of peanuts used to deter-

1 mine the payment rate for counter-cyclical pay-
2 ments.

3 (12) UNITED STATES.—The term “United
4 States”, when used in a geographical sense, means
5 all of the States.

6 **SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT**
7 **ACRES, AND PAYMENT ACRES FOR A FARM.**

8 (a) ESTABLISHMENT OF PAYMENT YIELD AND PAY-
9 MENT ACRES.—

10 (1) DETERMINATION OF AVERAGE YIELD.—The
11 Secretary shall determine, for each historic peanut
12 producer, the average yield for peanuts on each farm
13 on which the historic peanut producer produced pea-
14 nuts for the 1998 through 2001 crop years, exclud-
15 ing any crop year in which the producer did not
16 produce peanuts. If, for any of these four crop years
17 in which peanuts were planted on a farm by the pro-
18 ducer, the farm would have satisfied the eligibility
19 criteria established to carry out section 1102 of the
20 Agriculture, Rural Development, Food and Drug
21 Administration, and Related Agencies Appropria-
22 tions Act, 1999 (7 U.S.C. 1421 note; Public Law
23 105–277), the Secretary shall assign a yield for the
24 producer for that year equal to 65 percent of the
25 county yield, as determined by the Secretary.

1 (2) DETERMINATION OF ACREAGE AVERAGE.—

2 The Secretary shall determine, for each historic pea-
3 nut producer, the four-year average of acreage actu-
4 ally planted in peanuts by the historic peanut pro-
5 ducer for harvest on one or more farms during crop
6 years 1998, 1999, 2000, and 2001 and any acreage
7 that the producer was prevented from planting to
8 peanuts during such crop years because of drought,
9 flood, or other natural disaster, or other condition
10 beyond the control of the producer, as determined by
11 the Secretary. If more than one historic peanut pro-
12 ducer shared in the risk of producing the crop on
13 the farm, the historic peanut producers shall receive
14 their proportional share of the number of acres
15 planted (or prevented from being planted) to pea-
16 nuts for harvest on the farm based on the sharing
17 arrangement that was in effect among the producers
18 for the crop.

19 (3) TIME FOR DETERMINATIONS; CONSIDER-
20 ATIONS.—The Secretary shall make the determina-
21 tions required by this subsection not later than 90
22 days after the date of the enactment of this Act. In
23 making such determinations, the Secretary shall
24 take into account changes in the number and iden-
25 tity of persons sharing in the risk of producing a

1 peanut crop since the 1998 crop year, including pro-
2 viding a method for the assignment of average acres
3 and average yield to a farm when the historic peanut
4 producer is no longer living or an entity composed
5 of historic peanut producers has been dissolved.

6 (b) ASSIGNMENT OF PAYMENT YIELD AND PEANUT
7 ACRES TO FARMS.—

8 (1) ASSIGNMENT BY HISTORIC PEANUT PRO-
9 DUCERS.—The Secretary shall give each historic
10 peanut producer an opportunity to assign the aver-
11 age peanut yield and average acreage determined
12 under subsection (a) for the producer to cropland on
13 a farm.

14 (2) PAYMENT YIELD.—The average of all of the
15 yields assigned by historic peanut producers to a
16 farm shall be deemed to be the payment yield for
17 that farm for the purpose of making fixed decoupled
18 payments and counter-cyclical payments under this
19 chapter.

20 (3) PEANUT ACRES.—Subject to subsection (e),
21 the total number of acres assigned by historic pea-
22 nut producers to a farm shall be deemed to be the
23 peanut acres for a farm for the purpose of making
24 fixed decoupled payments and counter-cyclical pay-
25 ments under this chapter.

1 (c) TIME FOR ASSIGNMENT.—The opportunity to
2 make the assignments described in subsection (b) shall be
3 available to historic peanut producers only once. The his-
4 toric peanut producers shall notify the Secretary of the
5 assignments made by such producers under such sub-
6 sections not later than 180 days after the date of the en-
7 actment of this Act.

8 (d) PAYMENT ACRES.—The payment acres for pea-
9 nuts on a farm shall be equal to 85 percent of the peanut
10 acres assigned to the farm.

11 (e) PREVENTION OF EXCESS PEANUT ACRES.—

12 (1) REQUIRED REDUCTION.—If the sum of the
13 peanut acres for a farm, together with the acreage
14 described in paragraph (2), exceeds the actual crop-
15 land acreage of the farm, the Secretary shall reduce
16 the quantity of peanut acres for the farm or base
17 acres for one or more covered commodities for the
18 farm as necessary so that the sum of the peanut
19 acres and acreage described in paragraph (2) does
20 not exceed the actual cropland acreage of the farm.
21 The Secretary shall give the peanut producers on the
22 farm the opportunity to select the peanut acres or
23 base acres against which the reduction will be made.

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

1 (A) Any base acres for the farm under
2 subtitle A.

3 (B) Any acreage on the farm enrolled in
4 the conservation reserve program or wetlands
5 reserve program under chapter 1 of subtitle D
6 of title XII of the Food Security Act of 1985
7 (16 U.S.C. 3830 et seq.).

8 (C) Any other acreage on the farm enrolled
9 in a conservation program for which payments
10 are made in exchange for not producing an ag-
11 ricultural commodity on the acreage.

12 (3) EXCEPTION FOR DOUBLE-CROPPED ACRE-
13 AGE.—In applying paragraph (1), the Secretary
14 shall make an exception in the case of double crop-
15 ping, as determined by the Secretary.

16 **SEC. 163. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS**
17 **FOR PEANUTS.**

18 (a) PAYMENT REQUIRED.—For each of the 2002
19 through 2011 crop years, the Secretary shall make fixed,
20 decoupled payments to peanut producers on a farm.

21 (b) PAYMENT RATE.—The payment rate used to
22 make fixed, decoupled payments with respect to peanuts
23 for a crop year shall be equal to \$36 per ton.

24 (c) PAYMENT AMOUNT.—The amount of the fixed,
25 decoupled payment to be paid to the peanut producers on

1 a farm for a covered commodity for a crop year shall be
2 equal to the product of the following:

3 (1) The payment rate specified in subsection
4 (b).

5 (2) The payment acres on the farm.

6 (3) The payment yield for the farm.

7 (d) TIME FOR PAYMENT.—

8 (1) GENERAL RULE.—Fixed, decoupled pay-
9 ments shall be paid not later than September 30 of
10 each of fiscal years 2002 through 2011. In the case
11 of the 2002 crop, payments may begin to be made
12 on or after December 1, 2001.

13 (2) ADVANCE PAYMENTS.—At the option of a
14 peanut producer, 50 percent of the fixed, decoupled
15 payment for a fiscal year shall be paid on a date se-
16 lected by the peanut producer. The selected date
17 shall be on or after December 1 of that fiscal year,
18 and the peanut producer may change the selected
19 date for a subsequent fiscal year by providing ad-
20 vance notice to the Secretary.

21 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
22 peanut producer that receives an advance fixed, de-
23 coupled payment for a fiscal year ceases to be a pea-
24 nut producer before the date the fixed, decoupled
25 payment would otherwise have been made by the

1 Secretary under paragraph (1), the peanut producer
2 shall be responsible for repaying the Secretary the
3 full amount of the advance payment.

4 **SEC. 164. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS**
5 **FOR PEANUTS.**

6 (a) **PAYMENT REQUIRED.**—During the 2002 through
7 2011 crop years for peanuts, the Secretary shall make
8 counter-cyclical payments with respect to peanuts when-
9 ever the Secretary determines that the effective price for
10 peanuts is less than the target price.

11 (b) **EFFECTIVE PRICE.**—For purposes of subsection
12 (a), the effective price for peanuts is equal to the sum
13 of the following:

14 (1) The higher of the following:

15 (A) The national average market price re-
16 ceived by peanut producers during the 12-
17 month marketing year for peanuts, as deter-
18 mined by the Secretary.

19 (B) The national average loan rate for a
20 marketing assistance loan for peanuts in effect
21 for the same period under this chapter.

22 (2) The payment rate in effect under section
23 163 for the purpose of making fixed, decoupled pay-
24 ments.

1 (c) TARGET PRICE.—For purposes of subsection (a),
2 the target price for peanuts shall be equal to \$480 per
3 ton.

4 (d) PAYMENT RATE.—The payment rate used to
5 make counter-cyclical payments for a crop year shall be
6 equal to the difference between—

7 (1) the target price; and

8 (2) the effective price determined under sub-
9 section (b).

10 (e) PAYMENT AMOUNT.—The amount of the counter-
11 cyclical payment to be paid to the peanut producers on
12 a farm for a crop year shall be equal to the product of
13 the following:

14 (1) The payment rate specified in subsection

15 (d).

16 (2) The payment acres on the farm.

17 (3) The payment yield for the farm.

18 (f) TIME FOR PAYMENTS.—

19 (1) GENERAL RULE.—The Secretary shall make
20 counter-cyclical payments under this section for a
21 peanut crop as soon as possible after determining
22 under subsection (a) that such payments are re-
23 quired for that crop year.

24 (2) PARTIAL PAYMENT.—The Secretary may
25 permit, and, if so permitted, a peanut producer may

1 elect to receive, up to 40 percent of the projected
2 counter-cyclical payment, as determined by the Sec-
3 retary, to be made under this section for a peanut
4 crop upon completion of the first six months of the
5 marketing year for that crop. The peanut producer
6 shall repay to the Secretary the amount, if any, by
7 which the partial payment exceeds the actual
8 counter-cyclical payment to be made for that crop.

9 **SEC. 165. PRODUCER AGREEMENT REQUIRED AS CONDI-**
10 **TION ON PROVISION OF FIXED, DECOUPLED**
11 **PAYMENTS AND COUNTER-CYCLICAL PAY-**
12 **MENTS.**

13 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

14 (1) REQUIREMENTS.—Before the peanut pro-
15 ducers on a farm may receive fixed, decoupled pay-
16 ments or counter-cyclical payments with respect to
17 the farm, the peanut producers shall agree, in ex-
18 change for the payments—

19 (A) to comply with applicable conservation
20 requirements under subtitle B of title XII of
21 the Food Security Act of 1985 (16 U.S.C. 3811
22 et seq.);

23 (B) to comply with applicable wetland pro-
24 tection requirements under subtitle C of title
25 XII of the Act (16 U.S.C. 3821 et seq.);

1 (C) to comply with the planting flexibility
2 requirements of section 166; and

3 (D) to use the land on the farm, in an
4 amount equal to the peanut acres, for an agri-
5 cultural or conserving use, and not for a non-
6 agricultural commercial or industrial use, as de-
7 termined by the Secretary.

8 (2) COMPLIANCE.—The Secretary may issue
9 such rules as the Secretary considers necessary to
10 ensure peanut producer compliance with the require-
11 ments of paragraph (1).

12 (b) EFFECT OF FORECLOSURE.—A peanut producer
13 may not be required to make repayments to the Secretary
14 of fixed, decoupled payments and counter-cyclical pay-
15 ments if the farm has been foreclosed on and the Secretary
16 determines that forgiving the repayments is appropriate
17 to provide fair and equitable treatment. This subsection
18 shall not void the responsibilities of the peanut producer
19 under subsection (a) if the peanut producer continues or
20 resumes operation, or control, of the farm. On the resump-
21 tion of operation or control over the farm by the producer,
22 the requirements of subsection (a) in effect on the date
23 of the foreclosure shall apply.

24 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

1 (1) TERMINATION.—Except as provided in
2 paragraph (4), a transfer of (or change in) the inter-
3 est of a peanut producer in peanut acres for which
4 fixed, decoupled payments or counter-cyclical pay-
5 ments are made shall result in the termination of
6 the payments with respect to the peanut acres, un-
7 less the transferee or owner of the acreage agrees to
8 assume all obligations under subsection (a). The ter-
9 mination shall be effective on the date of the trans-
10 fer or change.

11 (2) TRANSFER OF PAYMENT BASE.—There is
12 no restriction on the transfer of a farm's peanut
13 acres or payment yield as part of a change in the
14 peanut producers on the farm.

15 (3) MODIFICATION.—At the request of the
16 transferee or owner, the Secretary may modify the
17 requirements of subsection (a) if the modifications
18 are consistent with the objectives of such subsection,
19 as determined by the Secretary.

20 (4) EXCEPTION.—If a peanut producer entitled
21 to a fixed, decoupled payment or counter-cyclical
22 payment dies, becomes incompetent, or is otherwise
23 unable to receive the payment, the Secretary shall
24 make the payment, in accordance with regulations
25 prescribed by the Secretary.

1 (d) ACREAGE REPORTS.—As a condition on the re-
2 ceipt of any benefits under this chapter, the Secretary
3 shall require peanut producers to submit to the Secretary
4 acreage reports.

5 (e) TENANTS AND SHARECROPPERS.—In carrying
6 out this chapter, the Secretary shall provide adequate
7 safeguards to protect the interests of tenants and share-
8 croppers.

9 (f) SHARING OF PAYMENTS.—The Secretary shall
10 provide for the sharing of fixed, decoupled payments and
11 counter-cyclical payments among the peanut producers on
12 a farm on a fair and equitable basis.

13 **SEC. 166. PLANTING FLEXIBILITY.**

14 (a) PERMITTED CROPS.—Subject to subsection (b),
15 any commodity or crop may be planted on peanut acres
16 on a farm.

17 (b) LIMITATIONS AND EXCEPTIONS REGARDING
18 CERTAIN COMMODITIES.—

19 (1) LIMITATIONS.—The planting of the fol-
20 lowing agricultural commodities shall be prohibited
21 on peanut acres:

22 (A) Fruits.

23 (B) Vegetables (other than lentils, mung
24 beans, and dry peas).

25 (C) Wild rice.

1 (2) EXCEPTIONS.—Paragraph (1) shall not
2 limit the planting of an agricultural commodity spec-
3 ified in such paragraph—

4 (A) in any region in which there is a his-
5 tory of double-cropping of peanuts with agricul-
6 tural commodities specified in paragraph (1), as
7 determined by the Secretary, in which case the
8 double-cropping shall be permitted;

9 (B) on a farm that the Secretary deter-
10 mines has a history of planting agricultural
11 commodities specified in paragraph (1) on pea-
12 nut acres, except that fixed, decoupled pay-
13 ments and counter-cyclical payments shall be
14 reduced by an acre for each acre planted to
15 such an agricultural commodity; or

16 (C) by a peanut producer who the Sec-
17 retary determines has an established planting
18 history of a specific agricultural commodity
19 specified in paragraph (1), except that—

20 (i) the quantity planted may not ex-
21 ceed the peanut producer's average annual
22 planting history of such agricultural com-
23 modity in the 1991 through 1995 crop
24 years (excluding any crop year in which no

1 plantings were made), as determined by
2 the Secretary; and

3 (ii) fixed, decoupled payments and
4 counter-cyclical payments shall be reduced
5 by an acre for each acre planted to such
6 agricultural commodity.

7 **SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.**
8

9 (a) NONRECOURSE LOANS AVAILABLE.—

10 (1) AVAILABILITY.—For each of the 2002
11 through 2011 crops of peanuts, the Secretary shall
12 make available to peanut producers on a farm non-
13 recourse marketing assistance loans for peanuts pro-
14 duced on the farm. The loans shall be made under
15 terms and conditions that are prescribed by the Sec-
16 retary and at the loan rate established under sub-
17 section (b).

18 (2) ELIGIBLE PRODUCTION.—Any production of
19 peanuts on a farm shall be eligible for a marketing
20 assistance loan under this subsection.

21 (3) TREATMENT OF CERTAIN COMMINGLED
22 COMMODITIES.—In carrying out this subsection, the
23 Secretary shall make loans to a peanut producer
24 that is otherwise eligible to obtain a marketing as-
25 sistance loan, but for the fact the peanuts owned by

1 the peanut producer are commingled with other pea-
2 nuts in facilities unlicensed for the storage of agri-
3 cultural commodities by the Secretary or a State li-
4 censing authority, if the peanut producer obtaining
5 the loan agrees to immediately redeem the loan col-
6 lateral in accordance with section 166 of the Federal
7 Agriculture Improvement and Reform Act of 1996
8 (7 U.S.C. 7286).

9 (4) OPTIONS FOR OBTAINING LOAN.—A mar-
10 keting assistance loan under this subsection, and
11 loan deficiency payments under subsection (e), may
12 be obtained at the option of the peanut producer
13 through—

14 (A) a designated marketing association of
15 peanut producers that is approved by the Sec-
16 retary; or

17 (B) the Farm Service Agency.

18 (b) LOAN RATE.—The loan rate for a marketing as-
19 sistance loan under for peanuts subsection (a) shall be
20 equal to \$350 per ton.

21 (c) TERM OF LOAN.—

22 (1) IN GENERAL.—A marketing assistance loan
23 for peanuts under subsection (a) shall have a term
24 of nine months beginning on the first day of the

1 first month after the month in which the loan is
2 made.

3 (2) EXTENSIONS PROHIBITED.—The Secretary
4 may not extend the term of a marketing assistance
5 loan under subsection (a).

6 (d) REPAYMENT RATE.—The Secretary shall permit
7 peanut producers to repay a marketing assistance loan for
8 peanuts under subsection (a) at a rate that is the lesser
9 of—

10 (1) the loan rate established for the commodity
11 under subsection (b), plus interest (as determined by
12 the Secretary); or

13 (2) a rate that the Secretary determines will—

14 (A) minimize potential loan forfeitures;

15 (B) minimize the accumulation of stocks of
16 peanuts by the Federal Government;

17 (C) minimize the cost incurred by the Fed-
18 eral Government in storing peanuts; and

19 (D) allow peanuts produced in the United
20 States to be marketed freely and competitively,
21 both domestically and internationally.

22 (e) LOAN DEFICIENCY PAYMENTS.—

23 (1) AVAILABILITY.—The Secretary may make
24 loan deficiency payments available to peanut pro-
25 ducers who, although eligible to obtain a marketing

1 assistance loan for peanuts under subsection (a),
2 agree to forgo obtaining the loan for the peanuts in
3 return for payments under this subsection.

4 (2) COMPUTATION.—A loan deficiency payment
5 under this subsection shall be computed by
6 multiplying—

7 (A) the loan payment rate determined
8 under paragraph (3) for peanuts; by

9 (B) the quantity of the peanuts produced
10 by the peanut producers, excluding any quan-
11 tity for which the producers obtain a loan under
12 subsection (a).

13 (3) LOAN PAYMENT RATE.—For purposes of
14 this subsection, the loan payment rate shall be the
15 amount by which—

16 (A) the loan rate established under sub-
17 section (b); exceeds

18 (B) the rate at which a loan may be repaid
19 under subsection (d).

20 (4) TIME FOR PAYMENT.—The Secretary shall
21 make a payment under this subsection to a peanut
22 producer with respect to a quantity of peanuts as of
23 the earlier of the following:

24 (A) The date on which the peanut pro-
25 ducer marketed or otherwise lost beneficial in-

1 interest in the peanuts, as determined by the Sec-
2 retary.

3 (B) The date the peanut producer requests
4 the payment.

5 (f) COMPLIANCE WITH CONSERVATION AND WET-
6 LANDS REQUIREMENTS.—As a condition of the receipt of
7 a marketing assistance loan under subsection (a), the pea-
8 nut producer shall comply with applicable conservation re-
9 quirements under subtitle B of title XII of the Food Secu-
10 rity Act of 1985 (16 U.S.C. 3811 et seq.) and applicable
11 wetland protection requirements under subtitle C of title
12 XII of the Act (16 U.S.C. 3821 et seq.) during the term
13 of the loan.

14 (g) REIMBURSABLE AGREEMENTS AND PAYMENT OF
15 EXPENSES.—To the extent practicable, the Secretary
16 shall implement any reimbursable agreements or provide
17 for the payment of expenses under this chapter in a man-
18 ner that is consistent with such activities in regard to
19 other commodities.

20 (h) TERMINATION OF SUPERSEDED PRICE SUPPORT
21 AUTHORITY.—

22 (1) REPEAL.—Section 155 of the Federal Agri-
23 culture Improvement and Reform Act of 1996 (7
24 U.S.C. 7271) is repealed.

1 (2) CONFORMING AMENDMENTS.—The Agricultural
2 Act of 1949 (7 U.S.C. 1441 et seq.) is
3 amended—

4 (A) in section 101(b) (7 U.S.C. 1441(b)),
5 by striking “and peanuts”; and

6 (B) in section 408(c) (7 U.S.C. 1428(c)),
7 by striking “peanuts,”.

8 **SEC. 168. QUALITY IMPROVEMENT.**

9 (a) OFFICIAL INSPECTION.—

10 (1) MANDATORY INSPECTION.—All peanuts
11 placed under a marketing assistance loan under sec-
12 tion 167 shall be officially inspected and graded by
13 Federal or State inspectors.

14 (2) OPTIONAL INSPECTION.—Peanuts not
15 placed under a marketing assistance loan may be
16 graded at the option of the peanut producer.

17 (b) TERMINATION OF PEANUT ADMINISTRATIVE
18 COMMITTEE.—The Peanut Administrative Committee es-
19 tablished under Marketing Agreement No. 1436, which
20 regulates the quality of domestically produced peanuts
21 under the Agricultural Adjustment Act (7 U.S.C. 601 et
22 seq.), reenacted with amendments by the Agricultural
23 Marketing Agreement Act of 1937, is terminated.

24 (c) ESTABLISHMENT OF PEANUT STANDARDS
25 BOARD.—The Secretary shall establish a Peanut Stand-

1 ards Board for the purpose of assisting in the establish-
 2 ment of quality standards with respect to peanuts. The
 3 authority of the Board is limited to assisting in the estab-
 4 lishment of quality standards for peanuts. The members
 5 of the Board should fairly reflect all regions and segments
 6 of the peanut industry.

7 (d) EFFECTIVE DATE.—This section shall take effect
 8 with the 2002 crop of peanuts.

9 **SEC. 169. PAYMENT LIMITATIONS.**

10 For purposes of sections 1001 through 1001C of the
 11 Food Security Act of 1985 (7 U.S.C. 1308 through 1308–
 12 3), separate payment limitations shall apply to peanuts
 13 with respect to—

- 14 (1) fixed, decoupled payments;
 15 (2) counter-cyclical payments, and
 16 (3) limitations on marketing loan gains and
 17 loan deficiency payments.

18 **SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS**
 19 **FOR PEANUTS AND COMPENSATION TO PEA-**
 20 **NUT QUOTA HOLDERS FOR LOSS OF QUOTA**
 21 **ASSET VALUE.**

22 (a) REPEAL OF MARKETING QUOTA.—

- 23 (1) REPEAL.—Part VI of subtitle B of title III
 24 of the Agricultural Adjustment Act of 1938 (7

1 U.S.C. 1357–1359a), relating to peanuts, is re-
2 pealed.

3 (2) TREATMENT OF 2001 CROP.—Part VI of
4 subtitle B of title III of the Agricultural Adjustment
5 Act of 1938 (7 U.S.C. 1357–1359a), as in effect on
6 the day before the date of the enactment of this Act,
7 shall continue to apply with respect to the 2001 crop
8 of peanuts notwithstanding the amendment made by
9 paragraph (1).

10 (b) COMPENSATION CONTRACT REQUIRED.—The
11 Secretary shall offer to enter into a contract with eligible
12 peanut quota holders for the purpose of providing com-
13 pensation for the lost value of the quota on account of
14 the repeal of the marketing quota program for peanuts
15 under subsection (a). Under the contracts, the Secretary
16 shall make payments to eligible peanut quota holders dur-
17 ing fiscal years 2002 through 2006.

18 (c) TIME FOR PAYMENT.—The payments required
19 under the contracts shall be provided in five equal install-
20 ments not later than September 30 of each of fiscal years
21 2002 through 2006.

22 (d) PAYMENT AMOUNT.—The amount of the pay-
23 ment for a fiscal year to a peanut quota holder under a
24 contract shall be equal to the product obtained by
25 multiplying—

1 (1) \$0.10 per pound; by

2 (2) the actual farm poundage quota (excluding
3 seed and experimental peanuts) established for the
4 peanut quota holder's farm under section 358-1(b)
5 of the Agricultural Adjustment Act of 1938 (7
6 U.S.C. 1358-1(b)) for the 2001 marketing year.

7 (e) ASSIGNMENT OF PAYMENTS.—The provisions of
8 section 8(g) of the Soil Conservation and Domestic Allot-
9 ment Act (16 U.S.C. 590h(g)), relating to assignment of
10 payments, shall apply to the payments made to peanut
11 quota holders under the contracts. The peanut quota hold-
12 er making the assignment, or the assignee, shall provide
13 the Secretary with notice, in such manner as the Secretary
14 may require, of any assignment made under this sub-
15 section.

16 (f) PEANUT QUOTA HOLDER DEFINED.—In this sec-
17 tion, the term “peanut quota holder” means a person or
18 enterprise that owns a farm that—

19 (1) was eligible, immediately before the date of
20 the enactment of this Act, to have a peanut quota
21 established upon it;

22 (2) if there are not quotas currently established,
23 would be eligible to have a quota established upon
24 it for the succeeding crop year, in the absence of the
25 amendment made by subsection (a); or

1 (3) is otherwise a farm that was eligible for
2 such a quota at the time the general quota establish-
3 ment authority was repealed.

4 The Secretary shall apply this definition without regard
5 to temporary leases or transfers or quotas for seed or ex-
6 perimental purposes.

7 **Subtitle D—Administration**

8 **SEC. 181. ADMINISTRATION GENERALLY.**

9 (a) USE OF COMMODITY CREDIT CORPORATION.—

10 The Secretary shall carry out this title through the Com-
11 modity Credit Corporation.

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

15 (c) REGULATIONS.—Not later than 90 days after the
16 date of the enactment of this Act, the Secretary and the
17 Commodity Credit Corporation, as appropriate, shall issue
18 such regulations as are necessary to implement this title.
19 The issuance of the regulations shall be made without re-
20 gard to—

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

23 (2) the Statement of Policy of the Secretary of
24 Agriculture effective July 24, 1971 (36 Fed. Reg.

1 13804) relating to notices of proposed rulemaking
2 and public participation in rulemaking; and

3 (3) chapter 35 of title 44, United States Code
4 (commonly know as the “Paperwork Reduction
5 Act”).

6 (d) PROTECTION OF PRODUCERS.—The protection
7 afforded producers that elect the option to accelerate the
8 receipt of any payment under a production flexibility con-
9 tract payable under the Federal Agriculture Improvement
10 and Reform Act of 1996 (7 U.S.C. 7212 note) shall also
11 apply to the advance payment of fixed, decoupled pay-
12 ments and counter-cyclical payments.

13 (e) ADJUSTMENT AUTHORITY RELATED TO URU-
14 GUAY ROUND COMPLIANCE.—If the Secretary determines
15 that expenditures under subtitles A, B, and C that are
16 subject to the total allowable domestic support levels under
17 the Uruguay Round Agreements (as defined in section
18 2(7) of the Uruguay Round Agreements Act (19 U.S.C.
19 3501(7))), as in effect on the date of the enactment of
20 this Act, will exceed such allowable levels for any applica-
21 ble reporting period, the Secretary may make adjustments
22 in the amount of such expenditures during that period to
23 ensure that such expenditures do not exceed, but in no
24 case are less than, such allowable levels.

1 **SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT**
2 **PRICE SUPPORT AUTHORITY.**

3 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—
4 Section 171(a)(1) of the Federal Agriculture Improvement
5 and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amend-
6 ed by striking “2002” both places it appears and inserting
7 “2011”.

8 (b) AGRICULTURAL ACT OF 1949.—Section
9 171(b)(1) of the Federal Agriculture Improvement and
10 Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended
11 by striking “2002” both places it appears and inserting
12 “2011”.

13 (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—
14 Section 171(c) of the Federal Agriculture Improvement
15 and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended
16 by striking “2002” and inserting “2011”.

17 **SEC. 183. LIMITATIONS.**

18 (a) LIMITATION ON AMOUNTS RECEIVED.—Section
19 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)
20 is amended—

21 (1) in paragraph (1)—

22 (A) by striking “PAYMENTS UNDER PRO-
23 DUCATION FLEXIBILITY CONTRACTS” and insert-
24 ing “FIXED, DECOUPLED PAYMENTS”;

25 (B) by striking “contract payments made
26 under the Agricultural Market Transition Act

1 to a person under 1 or more production flexi-
2 bility contracts” and inserting “fixed, decoupled
3 payments made to a person”; and

4 (C) by striking “4” and inserting “5”;

5 (2) in paragraphs (2) and (3)—

6 (A) by striking “payments specified” and
7 all that follows through “and oilseeds” and in-
8 serting “following payments that a person shall
9 be entitled to receive”;

10 (B) by striking “75” and inserting “150”;

11 (C) by striking the period at the end of
12 paragraph (2) and all that follows through “the
13 following” in paragraph (3);

14 (D) by striking “section 131” and all that
15 follows through “section 132” and inserting
16 “section 121 of the Farm Security Act of 2001
17 for a crop of any covered commodity at a lower
18 level than the original loan rate established for
19 the commodity under section 122”; and

20 (E) by striking “section 135” and insert-
21 ing “section 125”; and

22 (3) by inserting after paragraph (2) the fol-
23 lowing new paragraph (3):

24 “(3) LIMITATION ON COUNTER-CYCLICAL PAY-
25 MENTS.—The total amount of counter-cyclical pay-

1 ments that a person may receive during any crop
2 year shall not exceed the amount specified in para-
3 graph (2), as in effect on the day before the date of
4 the enactment of the Farm Security Act of 2001.”.

5 (b) DEFINITIONS.—Paragraph (4) of section 1001 of
6 the Food Security Act of 1985 (7 U.S.C. 1308) is amend-
7 ed to read as follows:

8 “(4) DEFINITIONS.—In this title, the terms
9 ‘covered commodity’, ‘counter-cyclical payment’, and
10 ‘fixed, decoupled payment’ have the meaning given
11 those terms in section 100 of the Farm Security Act
12 of 2001.”.

13 (c) TRANSITION.—Section 1001 of the Food Security
14 Act of 1985 (7 U.S.C. 1308), as in effect on the day before
15 the date of the enactment of this Act, shall continue to
16 apply with respect to fiscal year 2001 and the 2001 crop
17 of any covered commodity.

18 **SEC. 184. ADJUSTMENTS OF LOANS.**

19 Section 162(b) of the Federal Agriculture Improve-
20 ment and Reform Act of 1996 (7 U.S.C. 7282(b)) is
21 amended by striking “this title” and inserting “this title
22 and title I of the Farm Security Act of 2001”.

1 **SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**
2

3 Section 164 of the Federal Agriculture Improvement
4 and Reform Act of 1996 (7 U.S.C. 7284) is amended by
5 striking “this title” each places it appears and inserting
6 “this title and title I of the Farm Security Act of 2001”.

7 **SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**
8

9 Section 166 of the Federal Agriculture Improvement
10 and Reform Act of 1996 (7 U.S.C. 7286) is amended—

11 (1) in subsection (a)—

12 (A) by striking “IN GENERAL.—” and in-
13 serting “SPECIFIC PAYMENTS.—”; and

14 (B) by striking “subtitle C” and inserting
15 “subtitle C of this title and title I of the Farm
16 Security Act of 2001”; and

17 (2) in subsection (c)(1)—

18 (A) by striking “producer” the first two
19 places it appears and inserting “person”; and

20 (B) by striking “to producers under sub-
21 title C” and inserting “by the Commodity Cred-
22 it Corporation”.

23 **SEC. 187. ASSIGNMENT OF PAYMENTS.**

24 The provisions of section 8(g) of the Soil Conserva-
25 tion and Domestic Allotment Act (16 U.S.C. 590h(g)), re-
26 lating to assignment of payments, shall apply to payments

1 made under the authority of this Act. The producer mak-
2 ing the assignment, or the assignee, shall provide the Sec-
3 retary with notice, in such manner as the Secretary may
4 require, of any assignment made under this section.

5 **SEC. 188. REPORT ON EFFECT OF CERTAIN FARM PRO-**
6 **GRAM PAYMENTS ON ECONOMIC VIABILITY**
7 **OF PRODUCERS AND FARMING INFRASTRUC-**
8 **TURE.**

9 (a) REVIEW REQUIRED.—The Secretary of Agri-
10 culture shall conduct a review of the effects that payments
11 under production flexibility contracts and market loss as-
12 sistance payments have had, and that fixed, decoupled
13 payments and counter-cyclical payments are likely to have,
14 on the economic viability of producers and the farming in-
15 frastructure, particularly in areas where climate, soil
16 types, and other agronomic conditions severely limit the
17 covered crops that producers can choose to successfully
18 and profitably produce.

19 (b) CASE STUDY RELATED TO RICE PRODUCTION.—
20 The review shall include a case study of the effects that
21 the payments described in subsection (a), and the forecast
22 effects of increasing these or other decoupled payments,
23 are likely to have on rice producers (including tenant rice
24 producers), the rice milling industry, and the economies
25 of rice farming areas in Texas, where harvested rice acre-

1 age has fallen from 320,000 acres in 1995 to only 211,000
2 acres in 2001.

3 (c) REPORT AND RECOMMENDATIONS.—Not later
4 than 90 days after the date of the enactment of this Act,
5 the Secretary shall submit to the Committee on Agri-
6 culture of the House of Representatives and the Com-
7 mittee on Agriculture, Nutrition, and Forestry of the Sen-
8 ate a report describing the information collected for the
9 review and the case study and any findings made on the
10 basis of such information. The report shall include rec-
11 ommendations for minimizing the adverse effects on pro-
12 ducers, with a special focus on producers who are tenants,
13 on the agricultural economies in farming areas generally,
14 on those particular areas described in subsection (a), and
15 on the area that is the subject of the case study in sub-
16 section (b).

17 **TITLE II—CONSERVATION**
18 **Subtitle A—Environmental Con-**
19 **servation Acreage Reserve Pro-**
20 **gram**

21 **SEC. 201. GENERAL PROVISIONS.**

22 Title XII of the Food Security Act of 1985 is
23 amended—

24 (1) in section 1230(a), by striking “1996
25 through 2002” and inserting “2002 through 2011”;

1 (2) by striking subsection (c) of section 1230;
2 and
3 (3) in section 1230A (16 U.S.C. 3830a), by
4 striking “chapter” each place it appears and insert-
5 ing “title”.

6 **Subtitle B—Conservation Reserve** 7 **Program**

8 **SEC. 211. REAUTHORIZATION.**

9 (a) IN GENERAL.—Section 1231 of the Food Security
10 Act of 1985 (16 U.S.C. 3831) is amended in each of sub-
11 sections (a) and (d) by striking “2002” and inserting
12 “2011”.

13 (b) SCOPE OF PROGRAM.—Section 1231(a) of such
14 Act (16 U.S.C. 3831(a)) is amended by striking “and
15 water” and inserting “, water, and wildlife”.

16 **SEC. 212. ENROLLMENT.**

17 (a) ELIGIBILITY.—Section 1231(b) of the Food Secu-
18 rity Act of 1985 (16 U.S.C. 3831(b)) is amended—

19 (1) by striking paragraph (3) and inserting the
20 following:

21 “(3) marginal pasturelands to be devoted to
22 natural vegetation in or near riparian areas or for
23 similar water quality purposes, including marginal
24 pasturelands converted to wetlands or established as
25 wildlife habitat;”;

1 (2) in paragraph (4)—

2 (A) by striking subparagraph (A) and in-
3 serting the following:

4 “(A) if the Secretary determines that—

5 “(i) the lands contribute to the deg-
6 radation of soil, water, or air quality, or
7 would pose an on-site or off-site environ-
8 mental threat to soil, water, or air quality
9 if permitted to remain in agricultural pro-
10 duction; and

11 “(ii) soil, water, and air quality objec-
12 tives with respect to the land cannot be
13 achieved under the environmental quality
14 incentives program established under chap-
15 ter 4;”;

16 (B) by striking “or” at the end of subpara-
17 graph (C);

18 (C) by striking the period at the end of
19 subparagraph (D) and inserting “; or”; and

20 (D) by adding at the end the following:

21 “(E) if the Secretary determines that en-
22 rollment of such lands would contribute to con-
23 servation of ground or surface water.”; and

24 (3) by adding after and below the end the fol-
25 lowing flush sentence:

1 “Notwithstanding the preceding sentence (but subject to
2 subsection (c)), the Secretary may not include in the pro-
3 gram established under this subchapter any land that has
4 not been in production for at least 4 years, unless the land
5 is in the program as of the effective date of this sen-
6 tence.”.

7 (b) INCREASE IN MAXIMUM ENROLLMENT.—Section
8 1231(d) of such Act (16 U.S.C. 3831(d)) is amended by
9 striking “36,400,000” and inserting “39,200,000”.

10 (c) ELIGIBILITY ON CONTRACT EXPIRATION.—Sec-
11 tion 1231(f) of such Act (16 U.S.C. 3831(f)) is amended
12 to read as follows:

13 “(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On
14 the expiration of a contract entered into under this sub-
15 chapter, the land subject to the contract shall be eligible
16 to be considered for re-enrollment in the conservation re-
17 serve.”.

18 (d) BALANCE OF NATURAL RESOURCE PURPOSES.—

19 (1) IN GENERAL.—Section 1231 of such Act
20 (16 U.S.C. 3831) is amended by adding at the end
21 the following:

22 “(i) BALANCE OF NATURAL RESOURCE PURPOSES.—
23 In determining the acceptability of contract offers under
24 this subchapter, the Secretary shall ensure an equitable

1 balance among the conservation purposes of soil erosion,
2 water quality and wildlife habitat.”.

3 (2) REGULATIONS.—Not later than 180 days
4 after the date of the enactment of this Act, the Sec-
5 retary of Agriculture shall issue final regulations im-
6 plementing section 1231(i) of the Food Security Act
7 of 1985, as added by paragraph (1) of this sub-
8 section.

9 **SEC. 213. DUTIES OF OWNERS AND OPERATORS.**

10 Section 1232 of the Food Security Act of 1985 (16
11 U.S.C. 3832) is amended—

12 (1) in subsection (a)—

13 (A) in paragraph (3), by inserting “as de-
14 scribed in section 1232(a)(7) or for other pur-
15 poses” before “as permitted”;

16 (B) in paragraph (4), by inserting “where
17 practicable, or maintain existing cover” before
18 “on such land”; and

19 (C) in paragraph (7), by striking “Sec-
20 retary—” and all that follows and inserting
21 “Secretary may permit, consistent with the con-
22 servation of soil, water quality, and wildlife
23 habitat—

24 “(A) managed grazing and limited haying,
25 in which case the Secretary shall reduce the

1 conservation reserve payment otherwise payable
2 under the contract by an amount commensurate
3 with the economic value of the activity;

4 “(B) wind turbines for the provision of
5 wind energy, whether or not commercial in na-
6 ture; and

7 “(C) land subject to the contract to be
8 harvested for recovery of biomass used in en-
9 ergy production, in which case the Secretary
10 shall reduce the conservation reserve payment
11 otherwise payable under the contract by an
12 amount commensurate with the economic value
13 of such activity;” and

14 (2) by striking subsections (c) and (d) and re-
15 designating subsection (e) as subsection (c).

16 **SEC. 214. REFERENCE TO CONSERVATION RESERVE PAY-**
17 **MENTS.**

18 Subchapter B of chapter 1 of subtitle D of title XII
19 of such Act (16 U.S.C. 3831–3836) is amended—

20 (1) by striking “rental payment” each place it
21 appears and inserting “conservation reserve pay-
22 ment”;

23 (2) by striking “rental payments” each place it
24 appears and inserting “conservation reserve pay-
25 ments”; and

1 (3) in the paragraph heading for section
2 1235(e)(4), by striking “RENTAL PAYMENT” and in-
3 serting “CONSERVATION RESERVE PAYMENT”.

4 **SEC. 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.**

5 Section 1231(h) of the Food Security Act of 1985
6 (16 U.S.C. 3831(h)) is amended—

7 (1) in paragraph (1), by striking “and 2002”
8 and all that follows through “South Dakota” and in-
9 serting “through 2011 calendar years, the Secretary
10 shall carry out a program in each State”;

11 (2) in paragraph (3)(C), by striking “—” and
12 all that follows and inserting “not more than
13 150,000 acres in any 1 State.”; and

14 (3) by striking paragraph (2) and redesignating
15 paragraphs (3) through (5) as paragraphs (2)
16 through (4), respectively.

17 **Subtitle C—Wetlands Reserve**
18 **Program**

19 **SEC. 221. ENROLLMENT.**

20 (a) **MAXIMUM.**—Section 1237(b) of the Food Secu-
21 rity Act of 1985 (16 U.S.C. 3837(b)) is amended by strik-
22 ing paragraph (1) and inserting the following:

23 “(1) **ANNUAL ENROLLMENT.**—In addition to
24 any acres enrolled in the wetlands reserve program
25 as of the end of a calendar year, the Secretary may

1 in the succeeding calendar year enroll in the pro-
2 gram a number of additional acres equal to—

3 “(A) if the succeeding calendar year is cal-
4 endar year 2002, 150,000; or

5 “(B) if the succeeding calendar year is a
6 calendar year after calendar year 2002—

7 “(i) 150,000; plus

8 “(ii) the amount (if any) by which
9 150,000, multiplied by the number of cal-
10 endar years in the period that begins with
11 calendar year 2002 and ends with the cal-
12 endar year preceding such succeeding cal-
13 endar year, exceeds the total number of
14 acres added to the reserve during the pe-
15 riod.”.

16 (b) METHODS.—Section 1237 of such Act (16 U.S.C.
17 3837(b)(2)) is amended—

18 (1) in subsection (b), by striking paragraph (2)
19 and inserting the following:

20 “(2) METHODS OF ENROLLMENT.—The Sec-
21 retary shall enroll acreage into the wetlands reserve
22 program through the use of easements, restoration
23 cost share agreements, or both.”; and

24 (2) by striking subsection (g).

1 (c) EXTENSION.—Section 1237(c) of such Act (16
2 U.S.C. 3837(c)) is amended by striking “2002” and in-
3 serting “2011”.

4 **SEC. 222. EASEMENTS AND AGREEMENTS.**

5 Section 1237A of the Food Security Act of 1985 (16
6 U.S.C. 3837a) is amended—

7 (1) in subsection (b), by striking paragraph (2)
8 and inserting the following:

9 “(2) prohibits the alteration of wildlife habitat
10 and other natural features of such land, unless spe-
11 cifically permitted by the plan;”;

12 (2) in subsection (e), by striking paragraph (2)
13 and inserting the following:

14 “(2) shall be consistent with applicable State
15 law.”;

16 (3) by striking subsection (h).

17 **SEC. 223. DUTIES OF THE SECRETARY.**

18 Section 1237C of the Food Security Act of 1985 (16
19 U.S.C. 3837c) is amended by striking subsection (d).

20 **SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODI-**
21 **FICATION; TERMINATION.**

22 Section 1237E(a)(2) of the Food Security Act of
23 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as fol-
24 lows:

1 “(2) the ownership change occurred due to fore-
2 closure on the land and the owner of the land imme-
3 diately before the foreclosure exercises a right of re-
4 demption from the mortgage holder in accordance
5 with State law; or”.

6 **Subtitle D—Environmental Quality**
7 **Incentives Program**

8 **SEC. 231. PURPOSES.**

9 Section 1240 of the Food Security Act of 1985 (16
10 U.S.C. 3839aa) is amended—

11 (1) by striking “to—” and all that follows
12 through “provides—” and inserting “to provide—”;

13 (2) by striking “that face the most serious
14 threats to” and inserting “to address environmental
15 needs and provide benefits to air,”;

16 (3) by redesignating the subparagraphs (A)
17 through (D) that follow the matter amended by
18 paragraph (2) of this section as paragraphs (1)
19 through (4), respectively;

20 (4) by moving each of such redesignated provi-
21 sions 2 ems to the left; and

22 (5) by striking “farmers and ranchers” each
23 place it appears and inserting “producers”.

1 **SEC. 232. DEFINITIONS.**

2 Section 1240A of the Food Security Act of 1985 (16
3 U.S.C. 3839aa-1) is amended—

4 (1) in paragraph (1)—

5 (A) by inserting “non-industrial private
6 forest land,” before “and other land”; and

7 (B) by striking “poses a serious threat”
8 and all that follows and inserting “provides in-
9 creased environmental benefits to air, soil,
10 water, or related resources.”; and

11 (2) in paragraph (4), by inserting “, including
12 non-industrial private forestry” before the period.

13 **SEC. 233. ESTABLISHMENT AND ADMINISTRATION.**

14 (a) REAUTHORIZATION.—Section 1240B(a)(1) of the
15 Food Security Act of 1985 (16 U.S.C. 3839aa-2(a)(1))
16 is amended by striking “2002” and inserting “2011”.

17 (b) TERM OF CONTRACTS.—Section 1240B(b)(2) of
18 such Act (16 U.S.C. 3839aa-2(b)(2)) is amended by strik-
19 ing “not less than 5, nor more than 10, years” and insert-
20 ing “not less than 1 year, nor more than 10 years”.

21 (c) STRUCTURAL PRACTICES.—Section
22 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa-
23 2(c)(1)(B)) is amended to read as follows:

24 “(B) achieving the purposes established
25 under this subtitle.”.

1 (d) ELIMINATION OF CERTAIN LIMITATIONS ON ELI-
2 GIBILITY FOR COST-SHARE PAYMENTS.—Section
3 1240B(e)(1) of such Act (16 U.S.C. 3839aa-2(e)(1)) is
4 amended—

5 (1) by striking subparagraph (B) and redesignig-
6 nating subparagraph (C) as subparagraph (B); and

7 (2) in subparagraph (B) (as so redesignated),
8 by striking “or 3”.

9 (e) INCENTIVE PAYMENTS.—Section 1240B of such
10 Act (16 U.S.C. 3839aa-2) is amended—

11 (1) in subsection (e)—

12 (A) in the subsection heading, by striking
13 “, INCENTIVE PAYMENTS,”; and

14 (B) by striking paragraph (2); and

15 (2) by redesignating subsections (f) and (g) as
16 subsections (g) and (h), respectively, and inserting
17 after subsection (e) the following:

18 “(f) CONSERVATION INCENTIVE PAYMENTS.—

19 “(1) IN GENERAL.—The Secretary may make
20 incentive payments in an amount and at a rate de-
21 termined by the Secretary to be necessary to encour-
22 age a producer to perform multiple land manage-
23 ment practices and to promote the enhancement of
24 soil, water, wildlife habitat, air, and related re-
25 sources.

1 “(2) SPECIAL RULE.—In determining the
2 amount and rate of incentive payments, the Sec-
3 retary may accord great weight to those practices
4 that include residue, nutrient, pest, invasive species,
5 and air quality management.”.

6 **SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.**

7 Section 1240C of the Food Security Act of 1985 (16
8 U.S.C. 3839aa–3) is amended by striking paragraphs (1)
9 through (3) and inserting the following:

10 “(1) aid producers in complying with this title
11 and Federal and State environmental laws, and en-
12 courage environmental enhancement and conserva-
13 tion;

14 “(2) maximize the beneficial usage of animal
15 manure and other similar soil amendments which
16 improve soil health, tilth, and water-holding capac-
17 ity; and

18 “(3) encourage the utilization of sustainable
19 grazing systems, such as year-round, rotational, or
20 managed grazing.”.

21 **SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
22 **GRAM PLAN.**

23 Section 1240E(a) of the Food Security Act of 1985
24 (16 U.S.C. 3839aa–5(a)) is amended by striking “that in-
25 corporates such conservation practices” and all that fol-

1 lows and inserting “that provides or will continue to pro-
2 vide increased environmental benefits to air, soil, water,
3 or related resources.”.

4 **SEC. 236. DUTIES OF THE SECRETARY.**

5 Section 1240F(3) of the Food Security Act of 1985
6 (16 U.S.C. 3839aa-6(3)) is amended to read as follows:

7 “(3) providing technical assistance or cost-share
8 payments for developing and implementing 1 or
9 more structural practices or 1 or more land manage-
10 ment practices, as appropriate;”.

11 **SEC. 237. LIMITATION ON PAYMENTS.**

12 Section 1240G of the Food Security Act of 1985 (16
13 U.S.C. 3839aa-7) is amended—

14 (1) in subsection (a)—

15 (A) in paragraph (1), by striking
16 “\$10,000” and inserting “\$50,000”; and

17 (B) in paragraph (2), by striking
18 “\$50,000” and inserting “\$200,000”;

19 (2) in subsection (b)(2), by striking “the maxi-
20 mization of environmental benefits per dollar ex-
21 pended and”; and

22 (3) by striking subsection (c).

23 **SEC. 238. GROUND AND SURFACE WATER CONSERVATION.**

24 Section 1240H of the Food Security Act of 1985 (16
25 U.S.C. 3839aa-8) is amended to read as follows:

1 **“SEC. 1240H. GROUND AND SURFACE WATER CONSERVA-**
2 **TION.**

3 “(a) **SUPPORT FOR CONSERVATION MEASURES.—**
4 The Secretary shall provide cost-share payments and low-
5 interest loans to encourage ground and surface water con-
6 servation, including irrigation system improvement, and
7 provide incentive payments for capping wells, reducing use
8 of water for irrigation, and switching from irrigation to
9 dryland farming.

10 “(b) **FUNDING.—**Of the funds of the Commodity
11 Credit Corporation, the Secretary shall make available the
12 following amounts to carry out this section:

13 “(1) \$30,000,000 for fiscal year 2002.

14 “(2) \$45,000,000 for fiscal year 2003.

15 “(3) \$60,000,000 for each of fiscal years 2004
16 through 2011.”.

17 **Subtitle E—Funding and**
18 **Administration**

19 **SEC. 241. REAUTHORIZATION.**

20 Section 1241(a) of the Food Security Act of 1985
21 (16 U.S.C. 3841(a)) is amended by striking “2002” and
22 inserting “2011”.

23 **SEC. 242. FUNDING.**

24 Section 1241(b)(1) of the Food Security Act of 1985
25 (16 U.S.C. 3841(b)(1)) is amended—

1 (1) by striking “\$130,000,000” and all that fol-
2 lows through “2002, for” and inserting “the fol-
3 lowing amounts for purposes of”;

4 (2) by striking “subtitle D.” and inserting
5 “subtitle D.”; and

6 (3) by adding at the end the following:

7 “(A) \$200,000,000 for fiscal year 2001.

8 “(B) \$1,025,000,000 for each of fiscal
9 years 2002 and 2003.

10 “(C) \$1,200,000,000 for each of fiscal
11 years 2004, 2005, and 2006.

12 “(D) \$1,400,000,000 for each of fiscal
13 years 2007, 2008, and 2009.

14 “(E) \$1,500,000,000 for each of fiscal
15 years 2010 and 2011.”.

16 **SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.**

17 Section 1241(b)(2) of the Food Security Act of 1985
18 (16 U.S.C. 3841(b)(2)) is amended by striking “2002”
19 and inserting “2011”.

20 **SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.**

21 (a) **BROADENING OF EXCEPTION TO ACREAGE LIM-
22 ITATION.**—Section 1243(b)(2) of the Food Security Act of
23 1985 (16 U.S.C. 3843(b)(2)) is amended by striking
24 “that—” and all that follows and inserting “that the ac-

1 tion would not adversely affect the local economy of the
2 county.”.

3 (b) RULES GOVERNING PROVISION OF TECHNICAL
4 ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C.
5 3843(d)) is amended to read as follows:

6 “(d) RULES GOVERNING PROVISION OF TECHNICAL
7 ASSISTANCE.—

8 “(1) IN GENERAL.—The Secretary shall provide
9 technical assistance under this title to a producer el-
10 igible for such assistance, by providing the assist-
11 ance directly or, at the option of the producer,
12 through an approved third party if available.

13 “(2) REEVALUATION.—The Secretary shall re-
14 evaluate the provision of, and the amount of, tech-
15 nical assistance made available under subchapters B
16 and C of chapter 1 and chapter 4 of subtitle D.

17 “(3) CERTIFICATION OF THIRD-PARTY PRO-
18 VIDERS.—

19 “(A) IN GENERAL.—Not later than 6
20 months after the date of the enactment of this
21 subsection, the Secretary of Agriculture shall,
22 by regulation, establish a system for approving
23 persons to provide technical assistance pursuant
24 to chapter 4 of subtitle D. For purposes of this
25 paragraph, a person shall be considered ap-

1 proved if they have a memorandum of under-
2 standing regarding the provision of technical
3 assistance in place with the Secretary.

4 “(B) EXPERTISE REQUIRED.—In pre-
5 scribing such regulations, the Secretary shall
6 ensure that persons with expertise in the tech-
7 nical aspects of conservation planning, water-
8 shed planning, environmental engineering, in-
9 cluding commercial entities, nonprofit entities,
10 State or local governments or agencies, and
11 other Federal agencies, are eligible to become
12 approved providers of such technical assist-
13 ance.”.

14 (c) DUTY OF SECRETARY.—

15 (1) IN GENERAL.—Section 1770(d) of such Act
16 (7 U.S.C. 2276(d)) is amended—

17 (A) by striking “or” at the end of para-
18 graph (9);

19 (B) by striking the period at the end of
20 paragraph (11) and inserting “; or”; and

21 (C) by adding at the end the following:

22 “(12) title XII of this Act.”.

23 (2) CONFORMING AMENDMENTS.—Section
24 1770(e) of such Act (7 U.S.C. 2276(e)) is
25 amended—

1 (A) by striking the subsection heading and
2 inserting “EXCEPTIONS”; and

3 (B) by inserting “, or as necessary to carry
4 out a program under title XII of this Act as de-
5 termined by the Secretary” before the period.

6 **Subtitle F—Other Programs**

7 **SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSIST-** 8 **ANCE.**

9 Section 386(d)(1) of the Federal Agriculture Im-
10 provement and Reform Act of 1996 (16 U.S.C.
11 2005b(d)(1)) is amended—

12 (1) by striking “and” at the end of subpara-
13 graph (G);

14 (2) by striking the period at the end of sub-
15 paragraph (H) and inserting “; and”; and

16 (3) by adding at the end the following new sub-
17 paragraph:

18 “(I) encouraging the utilization of sustain-
19 able grazing systems, such as year-round, rota-
20 tional, or managed grazing.”.

21 **SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.**

22 Subsection (c) of section 387 of the Federal Agri-
23 culture Improvement and Reform Act of 1996 (16 U.S.C.
24 3836a) is amended to read as follows:

1 “(c) FUNDING.—Of the funds of the Commodity
2 Credit Corporation, the Secretary of Agriculture shall
3 make available the following amounts to carry out this sec-
4 tion:

5 “(1) \$25,000,000 for fiscal year 2002.

6 “(2) \$30,000,000 for each of fiscal years 2003
7 and 2004.

8 “(3) \$35,000,000 for each of fiscal years 2005
9 and 2006.

10 “(4) \$40,000,000 for fiscal year 2007.

11 “(5) \$45,000,000 for each of fiscal years 2008
12 and 2009.

13 “(6) \$50,000,000 for each of fiscal years 2010
14 and 2011.”.

15 **SEC. 253. FARMLAND PROTECTION PROGRAM.**

16 (a) REMOVAL OF ACREAGE LIMITATION; EXPANSION
17 OF PURPOSES.—Subsection (a) of section 388 of the Fed-
18 eral Agriculture Improvement and Reform Act of 1996
19 (16 U.S.C. 3830 note) is amended—

20 (1) by striking “not less than 170,000, nor
21 more than 340,000 acres of”; and

22 (2) by inserting “, or agricultural land that
23 contains historic or archaeological resources,” after
24 “other productive soil”.

1 (b) FUNDING.—Subsection (c) of such section is
2 amended to read as follows:

3 “(c) FUNDING.—The Secretary shall use not more
4 than \$50,000,000 of the funds of the Commodity Credit
5 Corporation in each of fiscal years 2002 through 2011 to
6 carry out this section.”.

7 (c) ELIGIBLE ENTITIES.—Such section is further
8 amended—

9 (1) in subsection (a), by striking “a State or
10 local government” and inserting “an eligible entity”;
11 and

12 (2) by adding at the end the following:

13 “(d) DEFINITION OF ELIGIBLE ENTITY.—In this sec-
14 tion, the term ‘eligible entity’ means—

15 “(1) any agency of any State or local govern-
16 ment, or federally recognized Indian tribe, including
17 farmland protection boards and land resource coun-
18 cils established under State law; and

19 “(2) any organization that—

20 “(A) is organized for, and at all times
21 since the formation of the organization has
22 been operated principally for, one or more of
23 the conservation purposes specified in clause (i),
24 (ii), or (iii) of section 170(h)(4)(A) of the Inter-
25 nal Revenue Code of 1986;

1 “(B) is an organization described in sec-
2 tion 501(e)(3) of that Code that is exempt from
3 taxation under section 501(a) of that Code;

4 “(C) is described in section 509(a)(2) of
5 that Code; or

6 “(D) is described in section 509(a)(3) of
7 that Code and is controlled by an organization
8 described in section 509(a)(2) of that Code.”.

9 **SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT**
10 **PROGRAM.**

11 (a) **PURPOSE.**—Section 1528 of the Agriculture and
12 Food Act of 1981 (16 U.S.C. 3451) is amended—

13 (1) by striking the section heading and all that
14 follows through “SEC. 1528. It is the purpose” and
15 inserting the following:

16 **“SEC. 1528. STATEMENT OF PURPOSE.**

17 “It is the purpose”; and

18 (2) by inserting “through designated RC&D
19 councils” before “in rural areas”.

20 (b) **DEFINITIONS.**—Section 1529 of such Act (16
21 U.S.C. 3452) is amended—

22 (1) by striking the section heading and all that
23 follows through “SEC. 1529. As used in this sub-
24 title—” and inserting the following:

1 **“SEC. 1529. DEFINITIONS.**

2 “In this title:”;

3 (2) in paragraph (1)—

4 (A) in the matter preceding subparagraph
5 (A), by inserting “RC&D council” before “area
6 plan”;7 (B) in subparagraph (B), by striking
8 “through control of nonpoint sources of pollu-
9 tion”;

10 (C) in subparagraph (C)—

11 (i) by striking “natural resources
12 based” and inserting “resource-based”;13 (ii) by striking “development of aqua-
14 culture,”;15 (iii) by striking “and satisfaction”
16 and inserting “satisfaction”; and17 (iv) by inserting “, food security, eco-
18 nomic development, and education” before
19 the semicolon; and20 (D) in subparagraph (D), by striking
21 “other” the 1st place it appears and inserting
22 “land management”;23 (3) in paragraph (3), by striking “any State,
24 local unit of government, or local nonprofit organiza-
25 tion” and inserting “the designated RC&D council”;

1 (4) by striking paragraphs (4) through (6) and
2 inserting the following:

3 “(4)(A) The term ‘financial assistance’ means
4 the Secretary may—

5 “(i) provide funds directly to RC&D coun-
6 cils or associations of RC&D councils through
7 grants, cooperative agreements, and interagency
8 agreements that directly implement RC&D area
9 plans; and

10 “(ii) may join with other federal agencies
11 through interagency agreements and other ar-
12 rangements as needed to carry out the pro-
13 gram’s purpose.

14 “(B) Funds may be used for such things as—

15 “(i) technical assistance;

16 “(ii) financial assistance in the form of
17 grants for planning, analysis and feasibility
18 studies, and business plans;

19 “(iii) training and education; and

20 “(iv) all costs associated with making such
21 services available to RC&D councils or RC&D
22 associations.

23 “(5) The term ‘RC&D council’ means the re-
24 sponsible leadership of the RC&D area. RC&D coun-
25 cils and associations are non-profit entities whose

1 members are volunteers and include local civic and
2 elected officials. Affiliations of RC&D councils are
3 formed in states and regions.”;

4 (5) in paragraph (8), by inserting “and feder-
5 ally recognized Indian tribes” before the period;

6 (6) in paragraph (9), by striking “works of im-
7 provement” and inserting “projects”;

8 (7) by redesignating paragraphs (7) through
9 (9) as paragraphs (6) through (8), respectively; and

10 (8) by striking paragraph (10) and inserting
11 the following:

12 “(9) The term ‘project’ means any action taken
13 by a designated RC&D council that achieves any of
14 the elements identified under paragraph (1).”.

15 (c) ESTABLISHMENT AND SCOPE.—Section 1530 of
16 such Act (16 U.S.C. 3453) is amended—

17 (1) by striking the section heading and all that
18 follows through “SEC. 1530. The Secretary” and in-
19 serting the following:

20 **“SEC. 1530. ESTABLISHMENT AND SCOPE.**

21 “The Secretary”; and

22 (2) by striking “the technical and financial as-
23 sistance necessary to permit such States, local units
24 of government, and local nonprofit organizations”
25 and inserting “through designated RC&D councils

1 the technical and financial assistance necessary to
2 permit such RC&D Councils”.

3 (d) SELECTION OF DESIGNATED AREAS.—Section
4 1531 of such Act (16 U.S.C. 3454) is amended by striking
5 the section heading and all that follows through “SEC.
6 1531. The Secretary” and inserting the following:

7 **“SEC. 1531. SELECTION OF DESIGNATED AREAS.**

8 “The Secretary”.

9 (e) AUTHORITY OF SECRETARY.—Section 1532 of
10 such Act (16 U.S.C. 3455) is amended—

11 (1) by striking the section heading and all that
12 follows through “SEC. 1532. In carrying” and in-
13 serting the following:

14 **“SEC. 1532. AUTHORITY OF SECRETARY.**

15 “In carrying”;

16 (2) in each of paragraphs (1) and (3)—

17 (A) by striking “State, local unit of gov-
18 ernment, or local nonprofit organization” and
19 inserting “RC&D council”; and

20 (B) by inserting “RC&D council” before
21 “area plan”;

22 (3) in paragraph (2), by inserting “RC&D
23 council” before “area plans”; and

24 (4) in paragraph (4), by striking “States, local
25 units of government, and local nonprofit organiza-

1 tions” and inserting “RC&D councils or affiliations
2 of RC&D councils”.

3 (f) TECHNICAL AND FINANCIAL ASSISTANCE.—Sec-
4 tion 1533 of such Act (16 U.S.C. 3456) is amended—

5 (1) by striking the section heading and all that
6 follows through “SEC. 1533. (a) Technical” and in-
7 serting the following:

8 **“SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.**

9 “(a) Technical”;

10 (2) in subsection (a)—

11 (A) by striking “State, local unit of gov-
12 ernment, or local nonprofit organization to as-
13 sist in carrying out works of improvement spec-
14 ified in an” and inserting “RC&D councils or
15 affiliations of RC&D councils to assist in car-
16 rying out a project specified in a RC&D coun-
17 cil”;

18 (B) in paragraph (1)—

19 (i) by striking “State, local unit of
20 government, or local nonprofit organiza-
21 tion” and inserting “RC&D council or af-
22 filiate”; and

23 (ii) by striking “works of improve-
24 ment” each place it appears and inserting
25 “project”;

1 (C) in paragraph (2)—

2 (i) by striking “works of improve-
3 ment” and inserting “project”; and

4 (ii) by striking “State, local unit of
5 government, or local nonprofit organiza-
6 tion” and inserting “RC&D council”;

7 (D) in paragraph (3), by striking “works
8 of improvement” and all that follows and in-
9 serting “project concerned is necessary to ac-
10 complish and RC&D council area plan objec-
11 tive;”;

12 (E) in paragraph (4), by striking “the
13 works of improvement provided for in the” and
14 inserting “the project provided for in the RC&D
15 council”;

16 (F) in paragraph (5), by inserting “feder-
17 ally recognized Indian tribe” before “or local”
18 each place it appears; and

19 (G) in paragraph (6), by inserting “RC&D
20 council” before “area plan”;

21 (3) in subsection (b), by striking “work of im-
22 provement” and inserting “project”; and

23 (4) in subsection (c), by striking “any State,
24 local unit of government, or local nonprofit organiza-

1 tion to carry out any” and inserting “RC&D council
2 to carry out any RC&D council”.

3 (g) RESOURCE CONSERVATION AND DEVELOPMENT
4 POLICY BOARD.—Section 1534 of such Act (16 U.S.C.
5 3457) is amended—

6 (1) by striking the section heading and all that
7 follows through “SEC. 1534. (a) The Secretary” and
8 inserting the following:

9 **“SEC. 1534. RESOURCE CONSERVATION AND DEVELOP-**
10 **MENT POLICY BOARD.**

11 “(a) The Secretary”; and

12 (2) in subsection (b), by striking “seven”.

13 (h) PROGRAM EVALUATION.—Section 1535 of such
14 Act (16 U.S.C. 3458) is amended—

15 (1) by striking the section heading and all that
16 follows through “SEC. 1535. The Secretary” and in-
17 serting the following:

18 **“SEC. 1535. PROGRAM EVALUATION.**

19 “The Secretary”;

20 (2) by inserting “with assistance from RC&D
21 councils” before “provided”;

22 (3) by inserting “federally recognized Indian
23 tribes,” before “local units”; and

24 (4) by striking “1986” and inserting “2007”.

1 (i) LIMITATION ON ASSISTANCE.—Section 1536 of
2 such Act (16 U.S.C. 3458) is amended by striking the sec-
3 tion heading and all that follows through “SEC. 1536. The
4 program” and inserting the following:

5 **“SEC. 1536. LIMITATION ON ASSISTANCE.**

6 “The program”.

7 (j) SUPPLEMENTAL AUTHORITY OF THE SEC-
8 RETARY.—Section 1537 of such Act (16 U.S.C. 3460) is
9 amended—

10 (1) by striking the section heading and all that
11 follows through “SEC. 1537. The authority” and in-
12 serting the following:

13 **“SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.**

14 “The authority”; and

15 (2) by striking “States, local units of govern-
16 ment, and local nonprofit organizations” and insert-
17 ing “RC&D councils”.

18 (i) AUTHORIZATION OF APPROPRIATIONS.—Section
19 1538 of such Act (16 U.S.C. 3461) is amended—

20 (1) by striking the section heading and all that
21 follows through “SEC. 1538. There are” and insert-
22 ing the following:

23 **“SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.**

24 “There are”; and

1 (2) by striking “for each of the fiscal years
2 1996 through 2002”.

3 **SEC. 255. GRASSLAND RESERVE PROGRAM.**

4 (a) IN GENERAL.—Chapter 1 of subtitle D of title
5 XII of the Food Security Act of 1985 (16 U.S.C. 3830–
6 3837f) is amended by adding at the end the following:

7 **“Subchapter D—Grassland Reserve Program**

8 **“SEC. 1238. GRASSLAND RESERVE PROGRAM.**

9 “(a) ESTABLISHMENT.—The Secretary, acting
10 through the Farm Service Agency, shall establish a grass-
11 land reserve program (referred to in this subchapter as
12 the ‘program’) to assist owners in restoring and con-
13 serving eligible land described in subsection (c).

14 “(b) ENROLLMENT CONDITIONS.—

15 “(1) MAXIMUM ENROLLMENT.—The total num-
16 ber of acres enrolled in the program shall not exceed
17 2,000,000 acres, not more than 1,000,000 of which
18 shall be restored grassland, and not more than
19 1,000,000 of which shall be virgin (never cultivated)
20 grassland.

21 “(2) METHODS OF ENROLLMENT.—The Sec-
22 retary shall enroll in the program for a willing owner
23 not less than 100 contiguous acres of land west of
24 the 90th meridian or not less than 50 contiguous

1 acres of land east of the 90th meridian through the
2 use of—

3 “(A) 10-year, 15-year, or 20-year con-
4 tracts; and

5 “(B) 30-year or permanent easements.

6 “(3) LIMITATION ON USE OF EASEMENTS.—Not
7 more than one-third of the total amount of funds ex-
8 pended under the program may be used to acquire
9 30-year and permanent easements.

10 “(c) ELIGIBLE LAND.—Land shall be eligible to be
11 enrolled in the program if the Secretary determines that—

12 “(1) the land is natural grass or shrubland; or

13 “(2) the land—

14 “(A) is located in an area that has been
15 historically dominated by natural grass or
16 shrubland; and

17 “(B) has potential to serve as habitat for
18 animal or plant populations of significant eco-
19 logical value if the land is restored to natural
20 grass or shrubland.

21 **“SEC. 1238A. CONTRACTS AND AGREEMENTS.**

22 “(a) REQUIREMENTS OF LANDOWNER.—

23 “(1) CONTRACTS.—To be eligible to enroll land
24 in the program under a multi-year contract, the
25 owner of the land shall—

1 “(A) agree to comply with the terms of the
2 contract and related restoration agreements;
3 and

4 “(B) agree to the suspension of any exist-
5 ing cropland base and allotment history for the
6 land under any program administered by the
7 Secretary.

8 “(2) EASEMENTS.—To be eligible to enroll land
9 in the program under an easement, the owner of the
10 land shall—

11 “(A) grant an easement that runs with the
12 land to the Secretary;

13 “(B) create and record an appropriate
14 deed restriction in accordance with applicable
15 State law to reflect the easement;

16 “(C) provide a written statement of con-
17 sent to the easement signed by persons holding
18 a security interest or any vested interest in the
19 land;

20 “(D) provide proof of unencumbered title
21 to the underlying fee interest in the land that
22 is the subject of the easement;

23 “(E) agree to comply with the terms of the
24 easement and related restoration agreements;
25 and

1 “(F) agree to the suspension of any exist-
2 ing cropland base and allotment history for the
3 land under any program administered by the
4 Secretary.

5 “(b) TERMS OF CONTRACTS AND EASEMENTS.—A
6 contract or easement under the program shall—

7 “(1) permit—

8 “(A) common grazing practices on the land
9 in a manner that is consistent with maintaining
10 the viability of natural grass and shrub species
11 indigenous to that locality;

12 “(B) haying, mowing, or haying for seed
13 production, except that such uses shall not be
14 permitted until after the end of the nesting sea-
15 son for birds in the local area which are in sig-
16 nificant decline or are conserved pursuant to
17 State or Federal law, as determined by the Nat-
18 ural Resources Conservation Service State con-
19 servatorist; and

20 “(C) construction of fire breaks and
21 fences, including placement of the posts nec-
22 essary for fences;

23 “(2) prohibit—

24 “(A) the production of any agricultural
25 commodity (other than hay); and

1 “(B) unless allowed under subsection (d),
2 the conduct of any other activity that would dis-
3 turb the surface of the land covered by the con-
4 tract or easement; and

5 “(3) include such additional provisions as the
6 Secretary determines are appropriate to carry out or
7 facilitate the administration of this subchapter.

8 “(c) RANKING APPLICATIONS.—

9 “(1) ESTABLISHMENT OF CRITERIA.—The Sec-
10 retary shall establish criteria to evaluate and rank
11 applications for contracts or easements under this
12 subchapter.

13 “(2) EMPHASIS.—In establishing the criteria,
14 the Secretary shall emphasize support for native
15 grass and shrubland, grazing operations, and plant
16 and animal biodiversity.

17 “(d) RESTORATION AGREEMENTS.—The Secretary
18 shall prescribe the terms by which grassland that is sub-
19 ject to a contract or easement under the program shall
20 be restored. The agreement shall include duties of the land
21 owner and the Secretary, including the Federal share of
22 restoration payments and technical assistance.

23 “(e) VIOLATIONS.—On the violation of the terms or
24 conditions of a contract, easement, or restoration agree-
25 ment entered into under the program—

1 “(1) the contract or easement shall remain in
2 force; and

3 “(2) the Secretary may require the owner to re-
4 fund all or part of any payments received by the
5 owner under this subchapter, with interest on the
6 payments as determined appropriate by the Sec-
7 retary.

8 **“SEC. 1238B. DUTIES OF SECRETARY.**

9 “(a) IN GENERAL.—In return for the granting of an
10 easement or the execution of a contract by an owner under
11 this subchapter, the Secretary shall make payments under
12 subsection (b), make payments of the Federal share of res-
13 toration under subsection (c), and provide technical assist-
14 ance to the owner in accordance with this section.

15 “(b) CONTRACT AND EASEMENT PAYMENTS.—

16 “(1) CONTRACTS.—In return for entering into
17 a contract by an owner under this subchapter, the
18 Secretary shall make annual payments to the owner
19 during the term of the contract in an amount that
20 is not more than 75 percent of the grazing value of
21 the land.

22 “(2) EASEMENTS.—

23 “(A) IN GENERAL.—In return for the
24 granting of an easement by an owner under this

1 subchapter, the Secretary shall make easement
2 payments to the owner in an amount equal to—

3 “(i) in the case of a permanent ease-
4 ment, the fair market value of the land
5 less the grazing value of the land encum-
6 bered by the easement; and

7 “(ii) in the case of a 30-year easement
8 or an easement for the maximum duration
9 allowed under applicable State law, 30 per-
10 cent of the fair market value of the land
11 less the grazing value of the land for the
12 period that the land is encumbered by the
13 easement.

14 “(B) PAYMENT SCHEDULE.—Easement
15 payments may be made as a single payment or
16 annual payments, but not to exceed 10 annual
17 payments of equal or unequal amounts, as
18 agreed to by the Secretary and the owner.

19 “(c) FEDERAL SHARE OF RESTORATION.—The Sec-
20 retary shall make payments to the owner of not more
21 than—

22 “(1) in the case of virgin (never cultivated)
23 grassland, 90 percent of the costs of carrying out
24 measures and practices necessary to restore grass-
25 land functions and values; or

1 “(2) in the case of restored grassland, 75 per-
2 cent of such costs.

3 “(d) TECHNICAL ASSISTANCE.—A landowner who is
4 receiving a benefit under this subchapter shall be eligible
5 to receive technical assistance in accordance with section
6 1243(d) to assist the owner or operator in carrying out
7 a contract entered into under this subchapter.

8 “(e) PAYMENTS TO OTHERS.—If an owner who is en-
9 titled to a payment under this subchapter dies, becomes
10 incompetent, is otherwise unable to receive the payment,
11 or is succeeded by another person who renders or com-
12 pletes the required performance, the Secretary shall make
13 the payment, in accordance with regulations promulgated
14 by the Secretary and without regard to any other provision
15 of law, in such manner as the Secretary determines is fair
16 and reasonable in light of all the circumstances.”.

17 (b) FUNDING.—Section 1241 of such Act (16 U.S.C.
18 3841) is amended by adding at the end the following:

19 “(c) GRASSLAND RESERVE PROGRAM.—For fiscal
20 years 2002 through 2011, the Secretary shall use a total
21 of \$254,000,000 of the funds of the Commodity Credit
22 Corporation to carry out subchapter D of chapter 1 of sub-
23 title D.”.

1 **SEC. 256. FARMLAND STEWARDSHIP PROGRAM.**

2 Subtitle D of title XII of the Food Security Act of
3 1985 (16 U.S.C. 3830–3839bb) is amended by inserting
4 after chapter 1 (and the matter added by section 255 of
5 this Act) the following:

6 **“CHAPTER 2—FARMLAND STEWARDSHIP**
7 **PROGRAM**

8 **“SEC. 1239. DEFINITIONS.**

9 “In this chapter:

10 “(1) AGREEMENT.—The terms ‘farmland stew-
11 ards-ship agreement’ and ‘agreement’ mean a stew-
12 ards-ship contract authorized by this chapter.

13 “(2) CONTRACTING AGENCY.—The term ‘con-
14 tracting agency’ means a local conservation district,
15 resource conservation and development council, local
16 office of the Department of Agriculture, other par-
17 ticipating government agency, or other nongovern-
18 mental organization that is designated by the Sec-
19 retary to enter into farmland stewardship agree-
20 ments on behalf of the Secretary.

21 “(3) ELIGIBLE AGRICULTURAL LANDS.—The
22 term ‘eligible agricultural lands’ means private lands
23 that are in primarily native or natural condition or
24 are classified as cropland, pastureland, grazing
25 lands, timberlands, or other lands as specified by the
26 Secretary that—

1 “(A) contain wildlife habitat, wetlands, or
2 other natural resources; or

3 “(B) provide benefits to the public at
4 large, such as—

5 “(i) conservation of soil, water, and
6 related resources;

7 “(ii) water quality protection or im-
8 provement;

9 “(iii) control of invasive and exotic
10 species;

11 “(iv) wetland restoration, protection,
12 and creation; and

13 “(v) wildlife habitat development and
14 protection;

15 “(vi) preservation of open spaces, or
16 prime, unique, or other productive farm
17 lands; and

18 “(vii) and other similar conservation
19 purposes.

20 “(4) FARMLAND STEWARDSHIP PROGRAM; PRO-
21 GRAM.—The terms ‘Farmland Stewardship Pro-
22 gram’ and ‘Program’ mean the conservation pro-
23 gram of the Department of Agriculture established
24 by this chapter.

1 **“SEC. 1239A. ESTABLISHMENT AND PURPOSE OF PROGRAM.**

2 “(a) ESTABLISHMENT.—The Secretary shall estab-
3 lish a conservation program of the Department of Agri-
4 culture, to be known as the Farmland Stewardship Pro-
5 gram, that is designed to more precisely tailor and target
6 existing conservation programs to the specific conservation
7 needs and opportunities presented by individual parcels of
8 eligible agricultural lands.

9 “(b) RELATION TO OTHER CONSERVATION PRO-
10 GRAMS.—Under the Farmland Stewardship Program, the
11 Secretary may implement, or combine together, the fea-
12 tures of—

13 “(1) the Wetlands Reserve Program;

14 “(2) the Wildlife Habitat Incentives Program;

15 “(3) the Forest Land Enhancement Program;

16 “(4) the Farmland Protection Program; or

17 “(5) other conservation programs administered
18 by other Federal agencies and State and local gov-
19 ernment entities, where feasible and with the con-
20 sent of the administering agency or government.

21 “(c) FUNDING SOURCES.—

22 “(1) IN GENERAL.—The Farmland Stewardship
23 Program and agreements under the Program shall
24 be funded by the Secretary using—

25 “(A) the funding authorities of the con-
26 servation programs that are implemented in

1 whole, or in part, through the use of agree-
2 ments or easements; and

3 “(B) such funds as are provided to carry
4 out the programs specified in paragraphs (1)
5 through (4) of subsection (b).

6 “(2) COST-SHARING.—It shall be a requirement
7 of the Farmland Stewardship Program that the ma-
8 jority of the funds to carry out the Program must
9 come from other existing conservation programs,
10 which may be Federal, State, regional, local, or pri-
11 vate, that are combined into and made a part of an
12 agreement, or from matching funding contributions
13 made by State, regional, or local agencies and divi-
14 sions of government or from private funding sources.

15 “(d) PERSONNEL COSTS.—The Secretary may use
16 the Natural Resources Conservation Service to carry out
17 the Farmland Stewardship Program.

18 “(e) TECHNICAL ASSISTANCE.—An owner or oper-
19 ator who is receiving a benefit under this chapter shall
20 be eligible to receive technical assistance in accordance
21 with section 1243(d) to assist the owner or operator in
22 carrying out a contract entered into under this chapter.

1 **“SEC. 1239B. USE OF FARMLAND STEWARDSHIP AGREE-**
2 **MENTS.**

3 “(a) AGREEMENTS AUTHORIZED.—The Secretary
4 shall carry out the Farmland Stewardship Program by en-
5 tering into stewardship contracts as determined by the
6 Secretary, to be known as farmland stewardship agree-
7 ments, with the owners or operators of eligible agricultural
8 lands to maintain and protect for the natural and agricul-
9 tural resources on the lands.

10 “(b) BASIC PURPOSES.—An agreement with the
11 owner or operator of eligible agricultural lands shall be
12 used—

13 “(1) to negotiate a mutually agreeable set of
14 guidelines, practices, and procedures under which
15 conservation practices will be provided by the owner
16 or operator to protect, maintain, and, where pos-
17 sible, improve, the natural resources on the lands
18 covered by the agreement in return for annual pay-
19 ments to the owner or operator;

20 “(2) to implement a conservation program or
21 series of programs where there is no such program
22 or to implement conservation management activities
23 where there is no such activity; and

24 “(3) to expand conservation practices and re-
25 source management activities to a property where it
26 is not possible at the present time to negotiate or

1 reach agreement on a public purchase of a fee-sim-
2 ple or less-than-fee interest in the property for con-
3 servation purposes.

4 “(c) MODIFICATION OF OTHER CONSERVATION PRO-
5 GRAM ELEMENTS.—If most, but not all, of the limitations,
6 conditions, and requirements of a conservation program
7 that is implemented in whole, or in part, through the
8 Farmland Stewardship Program are met with respect to
9 a parcel of eligible agricultural lands, and the purposes
10 to be achieved by the agreement to be entered into for
11 such lands are consistent with the purposes of the con-
12 servation program, then the Secretary may waive any re-
13 maining limitations, conditions, or requirements of the
14 conservation program that would otherwise prohibit or
15 limit the agreement.

16 “(d) STATE AND LOCAL CONSERVATION PRIOR-
17 ITIES.—To the maximum extent practicable, agreements
18 shall address the conservation priorities established by the
19 State and locality in which the eligible agricultural lands
20 are located.

21 “(e) WATERSHED ENHANCEMENT.—To the extent
22 practicable, the Secretary shall encourage the development
23 of Farmland Stewardship Program applications on a wa-
24 tershed basis.

1 **“SEC. 1239C. PARTNERSHIP APPROACH TO PROGRAM.**

2 “(a) **AUTHORITY OF SECRETARY EXERCISED**
3 **THROUGH PARTNERSHIPS.**—The Secretary may admin-
4 ister agreements under the Farmland Stewardship Pro-
5 gram in partnership with other Federal, State, and local
6 agencies whose programs are incorporated into the Pro-
7 gram under section 1239A.

8 “(b) **DESIGNATION AND USE OF CONTRACTING**
9 **AGENCIES.**—Subject to subsection (c), the Secretary may
10 authorize a local conservation district, resource conserva-
11 tion & development district, nonprofit organization, or
12 local office of the Department of Agriculture or other par-
13 ticipating government agency to enter into and administer
14 agreements under the Program as a contracting agency
15 on behalf of the Secretary.

16 “(c) **CONDITIONS ON DESIGNATION.**—The Secretary
17 may designate an eligible district or office as a contracting
18 agency under subsection (b) only if the district of office—

19 “(1) submits a written request for such des-
20 igation to the Secretary;

21 “(2) affirms that it is willing to follow all guide-
22 lines for executing and administering an agreement,
23 as promulgated by the Secretary;

24 “(3) demonstrates to the satisfaction of the
25 Secretary that it has established working relation-
26 ships with owners and operators of eligible agricul-

1 tural lands, and based on the history of these work-
2 ing relationships, demonstrates that it has the abil-
3 ity to work with owners and operators of eligible ag-
4 ricultural lands in a cooperative manner;

5 “(4) affirms its responsibility for preparing all
6 documentation for the agreement, negotiating its
7 terms with an owner or operator, monitoring compli-
8 ance, making annual reports to the Secretary, and
9 administering the agreement throughout its full
10 term; and

11 “(5) demonstrates to the satisfaction of the
12 Secretary that it has or will have the necessary staff
13 resources and expertise to carry out its responsibil-
14 ities under paragraphs (3) and (4).

15 **“SEC. 1239D. PARTICIPATION OF OWNERS AND OPERATORS**
16 **OF ELIGIBLE AGRICULTURAL LANDS.**

17 “(a) APPLICATION AND APPROVAL PROCESS.—To
18 participate in the Farmland Stewardship Program, an
19 owner or operator of eligible agricultural lands shall—

20 “(1) submit to the Secretary an application in-
21 dicating interest in the Program and describing the
22 owner’s or operator’s property, its resources, and
23 their ecological and agricultural values;

1 “(2) submit to the Secretary a list of services
2 to be provided, a management plan to be imple-
3 mented, or both, under the proposed agreement;

4 “(3) if the application and list are accepted by
5 the Secretary, enter into an agreement that details
6 the services to be provided, management plan to be
7 implemented, or both, and requires compliance with
8 the other terms of the agreement.

9 “(b) APPLICATION ON BEHALF OF AN OWNER OR
10 OPERATOR.—A designated contracting agency may sub-
11 mit the application required by subsection (a) on behalf
12 of an owner or operator by if the contracting agency has
13 secured the consent of the owner or operator to enter into
14 an agreement.”.

15 **SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.**

16 Section 14(h) of the Watershed Protection and Flood
17 Prevention Act (16 U.S.C. 1012(h)) is amended—

18 (1) by adding “and” at the end of paragraph
19 (1); and

20 (2) by striking all that follows paragraph (1)
21 and inserting the following:

22 “(2) \$15,000,000 for fiscal year 2002 and each
23 succeeding fiscal year.”.

1 **SEC. 258. PROVISION OF ASSISTANCE FOR REPAUPO CREEK**
2 **TIDE GATE AND DIKE RESTORATION**
3 **PROJECT, NEW JERSEY.**

4 Notwithstanding section 403 of the Agricultural
5 Credit Act of 1978 (16 U.S.C. 2203), the Secretary of
6 Agriculture, acting through the Natural Resources Con-
7 servation Service, shall provide assistance for planning
8 and implementation of the Repaupo Creek Tide Gate and
9 Dike Restoration Project in the State of New Jersey.

10 **Subtitle G—Repeals**

11 **SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF**
12 **1985.**

13 (a) WETLANDS MITIGATION BANKING PROGRAM.—
14 Section 1222 of the Food Security Act of 1985 (16 U.S.C.
15 3822) is amended by striking subsection (k).

16 (b) CONSERVATION RESERVE PROGRAM.—

17 (1) REPEALS.—(A) Section 1234(f) of such Act
18 (16 U.S.C. 3834(f)) is amended by striking para-
19 graph (3) and by redesignating paragraph (4) as
20 paragraph (3).

21 (B) Section 1236 of such Act (16 U.S.C. 3836)
22 is repealed.

23 (2) CONFORMING AMENDMENTS.—(A) Section
24 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is
25 amended by striking “in addition to the remedies
26 provided under section 1236(d),”.

1 (B) Section 1234(d)(4) of such Act (16 U.S.C.
2 3834(d)(4)) is amended by striking “subsection
3 (f)(4)” and inserting “subsection (f)(3)”.

4 (c) WETLANDS RESERVE PROGRAM.—Section
5 1237D(e) of such Act (16 U.S.C. 3837d(e)) is amended
6 by striking paragraph (3).

7 (d) ENVIRONMENTAL EASEMENT PROGRAM.—

8 (1) REPEAL.—Chapter 3 of subtitle D of title
9 XII of such Act (16 U.S.C. 3839–3839d) is re-
10 pealed.

11 (2) CONFORMING AMENDMENT.—Section
12 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is
13 amended by striking “or 3”.

14 (e) CONSERVATION FARM OPTION.—Chapter 5 of
15 subtitle D of title XII of such Act (16 U.S.C. 3839bb)
16 is repealed.

17 (f) TREE PLANTING INITIATIVE.—Section 1256 of
18 such Act (16 U.S.C. 2101 note) is repealed.

19 **SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION**
20 **FOUNDATION ACT.**

21 Subtitle F of title III of the Federal Agriculture Im-
22 provement and Reform Act of 1996 (16 U.S.C. 5801–
23 5809) is repealed.

TITLE III—TRADE**2 SEC. 301. MARKET ACCESS PROGRAM.**

3 Section 211(c)(1) of the Agricultural Trade Act of
4 1978 (7 U.S.C. 5641(c)(1)) is amended—

5 (1) by striking “and not more” and inserting
6 “not more”;

7 (2) by inserting “and not more than
8 \$200,000,000 for each of fiscal years 2002 through
9 2011,” after “2002,”; and

10 (3) by striking “2002” and inserting “2001”.

11 SEC. 302. FOOD FOR PROGRESS.

12 (a) IN GENERAL.—Subsections (f)(3), (g), (k), and
13 (l)(1) of section 1110 of the Food Security Act of 1985
14 (7 U.S.C. 1736o) are each amended by striking “2002”
15 and inserting “2011”.

16 (b) INCREASE IN FUNDING.—Section 1110(l)(1) of
17 the Food Security Act of 1985 (7 U.S.C.1736o(l)(1)) is
18 amended—

19 (1) by striking “2002” and inserting “2011”;
20 and

21 (2) by striking “\$10,000,000” and inserting
22 “\$15,000,000.

23 (c) EXCLUSION FROM LIMITATION.—Section
24 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C.
25 1736o(e)(2)) is amended by inserting “, and subsection

1 (g) does not apply to such commodities furnished on a
2 grant basis or on credit terms under title I of the Agricul-
3 tural Trade Development Act of 1954” before the final
4 period.

5 (d) TRANSPORTATION COSTS.—Section 1110(f)(3) of
6 the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is
7 amended by striking “\$30,000,000” and inserting
8 “\$40,000,000”.

9 (e) AMOUNTS OF COMMODITIES.—Section 1110(g) of
10 the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is
11 amended by striking “500,000” and inserting
12 “1,000,000”.

13 (f) MULTIYEAR BASIS.—Section 1110(j) of the Food
14 Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

15 (1) by striking “may” and inserting “is encour-
16 aged”; and

17 (2) by inserting “to” before “approve”.

18 (g) MONETIZATION.—Section 1110(l)(3) of the Food
19 Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended
20 by striking “local currencies” and inserting “proceeds”.

21 (h) NEW PROVISIONS.—Section 1110 of the Food Se-
22 curity Act of 1985 (7 U.S.C. 1736o) is amended by adding
23 at the end the following:

24 “(p) The Secretary is encouraged to finalize program
25 agreements and resource requests for programs under this

1 section before the beginning of the relevant fiscal year.
2 By November 1 of the relevant fiscal year, the Secretary
3 shall provide to the Committee on Agriculture and the
4 Committee on International Relations of the House of
5 Representatives, and the Committee on Agriculture, Nu-
6 trition, and Forestry of the Senate a list of approved pro-
7 grams, countries, and commodities, and the total amounts
8 of funds approved for transportation and administrative
9 costs, under this section.”.

10 **SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR**
11 **FRIENDLY COUNTRIES.**

12 (a) **USE OF CURRENCIES.**—Section 416(b)(7)(D) of
13 the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is
14 amended—

15 (1) in clauses (i) and (iii), by striking “foreign
16 currency” each place it appears;

17 (2) in clause (ii)—

18 (A) by striking “Foreign currencies” and
19 inserting “Proceeds”; and

20 (B) by striking “foreign currency”; and

21 (3) in clause (iv)—

22 (A) by striking “Foreign currency pro-
23 ceeds” and inserting “Proceeds”;

24 (B) by striking “country of origin” the sec-
25 ond place it appears and all that follows

1 through “as necessary to expedite” and insert-
2 ing “country of origin as necessary to expe-
3 dite”;

4 (C) by striking “; or” and inserting a pe-
5 riod; and

6 (D) by striking subclause (II).

7 (b) IMPLEMENTATION OF AGREEMENTS.—Section
8 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C.
9 1431(b)(8)(A)) is amended—

10 (1) by inserting “(i)” after “(A)”;

11 (2) by adding at the end the following new
12 clauses:

13 “(ii) The Secretary shall publish in the Federal Reg-
14 ister, not later than October 31 of each fiscal year, an
15 estimate of the commodities that shall be available under
16 this section for that fiscal year.

17 “(iii) The Secretary is encouraged to finalize program
18 agreements under this section not later than December 31
19 of each fiscal year.”.

20 **SEC. 304. EXPORT ENHANCEMENT PROGRAM.**

21 Section 301(e)(1)(G) of the Agricultural Trade Act
22 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting
23 “and for each fiscal year thereafter through fiscal year
24 2011” after “2002”.

1 **SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR**
2 **PROGRAM.**

3 (a) IN GENERAL.—Section 703 of the Agricultural
4 Trade Act of 1978 (7 U.S.C.5723) is amended—

5 (1) by inserting “(a) PRIOR YEARS.—” before
6 “There”;

7 (2) by striking “2002” and inserting “2001”;
8 and

9 (3) by adding at the end the following new sub-
10 section:

11 “(b) FISCAL 2002 AND LATER.—For each of fiscal
12 years 2002 through 2011 there are authorized to be ap-
13 propriated such sums as may be necessary to carry out
14 this title, and, in addition to any sums so appropriated,
15 the Secretary shall use \$37,000,000 of the funds of, or
16 an equal value of the commodities of, the Commodity
17 Credit Corporation to carry out this title.”.

18 (b) VALUE ADDED PRODUCTS.—

19 (1) IN GENERAL.—Section 702(a) of the Agri-
20 cultural Trade Act of 1978 (7 U.S.C. 5721 et seq.)
21 is amended by inserting “, with a significant empha-
22 sis on the importance of the export of value-added
23 United States agricultural products into emerging
24 markets” after “products”.

1 (2) REPORT TO CONGRESS.—Section 702 of the
2 Agricultural Trade Act of 1978 (7 U.S.C. 5722) is
3 amended by adding at the end the following:

4 “(c) REPORT TO CONGRESS.—

5 “(1) IN GENERAL.—The Secretary shall report
6 annually to appropriate congressional committees
7 the amount of funding provided, types of programs
8 funded, the value added products that have been tar-
9 geted, and the foreign markets for those products
10 that have been developed.

11 “(2) DEFINITION.—In this subsection, the term
12 ‘appropriate congressional committees’ means—

13 “(A) the Committee on Agriculture and
14 the Committee on International Relations of the
15 House of Representatives; and

16 “(B) the Committee on Agriculture, Nutri-
17 tion and Forestry and the Committee on For-
18 eign Relations of the Senate.”.

19 **SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.**

20 (a) REAUTHORIZATION.—Section 211(b)(1) of the
21 Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is
22 amended by striking “2002” and inserting “2011”.

23 (b) PROCESSED AND HIGH VALUE PRODUCTS.—Sec-
24 tion 202(k)(1) of the Agricultural Trade Act of 1978 (7

1 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and
2 2002” and inserting “through 2011”.

3 **SEC. 307. FOOD FOR PEACE (PUBLIC LAW 480).**

4 The Agricultural Trade Development and Assistance
5 Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

6 (1) in section 2 (7 U.S.C. 1691), by striking
7 paragraph (2) and inserting the following:

8 “(2) promote broad-based, equitable, and sus-
9 tainable development, including agricultural develop-
10 ment as well as conflict prevention;”;

11 (2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)),
12 by striking “not less than \$10,000,000, and not
13 more than \$28,000,000” and inserting “not less
14 than 5 percent and not more than 10 percent of
15 such funds”;

16 (3) in section 203(a) (7 U.S.C. 1723(a)), by
17 striking “the recipient country, or in a country” and
18 inserting “one or more recipient countries, or one or
19 more countries”;

20 (4) in section 203(e) (7 U.S.C. 1723(e))—

21 (A) by striking “foreign currency”; and

22 (B) by striking “the recipient country, or
23 in a country” and inserting “one or more re-
24 cipient countries, or one or more countries”;

25 (5) in section 203(d) (7 U.S.C. 1723(d))—

1 (A) by striking “Foreign currencies” and
2 inserting “Proceeds”;

3 (B) in paragraph (2)—

4 (i) by striking “income generating”
5 and inserting “income-generating”; and

6 (ii) by striking “the recipient country
7 or within a country” and inserting “one or
8 more recipient countries, or one or more
9 countries”; and

10 (C) in paragraph (3), by inserting a
11 comma after “invested” and “used”;

12 (6) in section 204(a) (7 U.S.C. 1724(a))—

13 (A) by striking “1996 through 2002” and
14 inserting “2002 through 2011”; and

15 (B) by striking “2,025,000” and inserting
16 “2,250,000”;

17 (7) in section 205(f) (7 U.S.C. 1725(f)), by
18 striking “2002” and inserting “2011”;

19 (8) by striking section 206 (7 U.S.C. 1726);

20 (9) in section 207(a) (7 U.S.C. 1726a(a))—

21 (A) by redesignating paragraph (2) as
22 paragraph (3); and

23 (B) by striking paragraph (1) and insert-
24 ing the following:

1 “(1) RECIPIENT COUNTRIES.—A proposal to
2 enter into a non-emergency food assistance agree-
3 ment under this title shall identify the recipient
4 country or countries subject to the agreement.

5 “(2) TIME FOR DECISION.—Not later than 120
6 days after receipt by the Administrator of a proposal
7 submitted by an eligible organization under this
8 title, the Administrator shall make a decision con-
9 cerning such proposal.”;

10 (10) in section 208(f), by striking “2002” and
11 inserting “2011”;

12 (11) in section 403 (7 U.S.C. 1733), by insert-
13 ing after subsection (k) the following:

14 “(l) SALES PROCEDURES.—Subsections (b) and (h)
15 shall apply to sales of commodities to generate proceeds
16 for titles II and III of this Act, section 416(b) of the Agri-
17 cultural Act of 1949, and section 1110 of the Food and
18 Security Act of 1985. Such sales transactions may be in
19 United States dollars and other currencies.”;

20 (12) in section 407(c)(4), by striking “2001
21 and 2002” and inserting “2001 through 2011”;

22 (13) in section 407(c)(1) (7 U.S.C.
23 1736a(c)(1))—

24 (A) by striking “The Administrator” and
25 inserting “(A) The Administrator”; and

1 (B) by adding at the end the following:

2 “(B) In the case of commodities made available
3 for nonemergency assistance under title II for least
4 developed countries that meet the poverty and other
5 eligibility criteria established by the International
6 Bank for Reconstruction and Development for fi-
7 nancing under the International Development Asso-
8 ciation, the Administrator may pay the transpor-
9 tation costs incurred in moving the commodities
10 from designated points of entry or ports of entry
11 abroad to storage and distribution sites and associ-
12 ated storage and distribution costs.”.

13 (14) in section 408, by striking “2002” and in-
14 serting “2011”; and

15 (15) in section 501(c), by striking “2002” and
16 inserting “2011”.

17 **SEC. 308. EMERGING MARKETS.**

18 Section 1542 of the Food, Agriculture, Conservation,
19 and Trade Act of 1990 (7 U.S.C. 5622 note) is
20 amended—

21 (1) in subsections (a) and (d)(1)(A)(i), by strik-
22 ing “2002” and inserting “2011”; and

23 (2) in subsection (d)(1)(H), by striking
24 “\$10,000,000 in any fiscal year” and inserting

1 “\$13,000,000 for each of fiscal years 2002 through
2 2011”.

3 **SEC. 309. BILL EMERSON HUMANITARIAN TRUST.**

4 Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section
5 302 of the Bill Emerson Humanitarian Trust Act (7
6 U.S.C. 1736f–1) are each amended by striking “2002”
7 and inserting “2011”.

8 **SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

9 (a) ESTABLISHMENT.—The Secretary of Agriculture
10 shall establish an export assistance program (referred to
11 in this section as the “program”) to address unique bar-
12 riers that prohibit or threaten the export of United States
13 specialty crops.

14 (b) PURPOSE.—The program shall provide direct as-
15 sistance through public and private sector projects and
16 technical assistance to remove, resolve, or mitigate sani-
17 tary and phytosanitary and related barriers to trade.

18 (c) PRIORITY.—The program shall address time sen-
19 sitive and strategic market access projects based on—

20 (1) trade effect on market retention, market ac-
21 cess, and market expansion; and

22 (2) trade impact.

23 (d) FUNDING.—The Secretary shall make available
24 \$3,000,000 for each of fiscal years 2002 through 2011

1 of the funds of, or an equal value of commodities owned
2 by, the Commodity Credit Corporation.

3 **SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN**
4 **PROGRAM.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) Many African farmers and farmers in Car-
7ibbean Basin countries use antiquated techniques to
8 produce their crops, which result in poor crop qual-
9 ity and low crop yields.

10 (2) Many of these farmers are losing business
11 to farmers in European and Asian countries who use
12 advanced planting and production techniques and
13 are supplying agricultural produce to restaurants,
14 resorts, tourists, grocery stores, and other con-
15 sumers in Africa and Caribbean Basin countries.

16 (3) A need exists for the training of African
17 farmers and farmers in Caribbean Basin countries
18 and other developing countries in farming techniques
19 that are appropriate for the majority of eligible
20 farmers in African or Caribbean countries, including
21 standard growing practices, insecticide and sanita-
22 tion procedures, and other farming methods that will
23 produce increased yields of more nutritious and
24 healthful crops.

1 (4) African-American and other American farm-
2 ers, as well as banking and insurance professionals,
3 are a ready source of agribusiness expertise that
4 would be invaluable for African farmers and farmers
5 in Caribbean Basin countries.

6 (5) A United States commitment is appropriate
7 to support the development of a comprehensive agri-
8 cultural skills training program for these farmers
9 that focuses on—

10 (A) improving knowledge of insecticide and
11 sanitation procedures to prevent crop destruc-
12 tion;

13 (B) teaching modern farming techniques,
14 including the identification and development of
15 standard growing practices and the establish-
16 ment of systems for recordkeeping, that would
17 facilitate a continual analysis of crop produc-
18 tion;

19 (C) the use and maintenance of farming
20 equipment that is appropriate for the majority
21 of eligible farmers in African or Caribbean
22 Basin countries;

23 (D) expansion of small farming operations
24 into agribusiness enterprises through the devel-
25 opment and use of village banking systems and

1 the use of agricultural risk insurance pilot prod-
2 ucts, resulting in increased access to credit for
3 these farmers; and

4 (E) marketing crop yields to prospective
5 purchasers (businesses and individuals) for local
6 needs and export.

7 (6) The participation of African-American and
8 other American farmers and American agricultural
9 farming specialists in such a training program prom-
10 ises the added benefit of improving access to African
11 and Caribbean Basin markets for American farmers
12 and United States farm equipment and products and
13 business linkages for United States insurance pro-
14 viders offering technical assistance on, among other
15 things, agricultural risk insurance products.

16 (7) Existing programs that promote the ex-
17 change of agricultural knowledge and expertise
18 through the exchange of American and foreign farm-
19 ers have been effective in promoting improved agri-
20 cultural techniques and food security, and, thus, the
21 extension of additional resources to such farmer-to-
22 farmer exchanges is warranted.

23 (b) DEFINITIONS.—In this section:

24 (1) AGRICULTURAL FARMING SPECIALIST.—The
25 term “agricultural farming specialist” means an in-

1 dividual trained to transfer information and tech-
2 nical support relating to agribusiness, food security,
3 the mitigation and alleviation of hunger, the mitiga-
4 tion of agricultural and farm risk, maximization of
5 crop yields, agricultural trade, and other needs spe-
6 cific to a geographical location as determined by the
7 President.

8 (2) CARIBBEAN BASIN COUNTRY.—The term
9 “Caribbean Basin country” means a country eligible
10 for designation as a beneficiary country under sec-
11 tion 212 of the Caribbean Basin Economic Recovery
12 Act (19 U.S.C. 2702).

13 (3) ELIGIBLE FARMER.—The term “eligible
14 farmer” means an individual owning or working on
15 farm land (as defined by a particular country’s laws
16 relating to property) in the sub-Saharan region of
17 the continent of Africa, in a Caribbean Basin coun-
18 try, or in any other developing country in which the
19 President determines there is a need for farming ex-
20 pertise or for information or technical support de-
21 scribed in paragraph (1).

22 (4) PROGRAM.—The term “Program” means
23 the Farmers for Africa and Caribbean Basin Pro-
24 gram established under this section.

1 (c) ESTABLISHMENT OF PROGRAM.—The President
2 shall establish a grant program, to be known as the
3 “Farmers for Africa and Caribbean Basin Program”, to
4 assist eligible organizations in carrying out bilateral ex-
5 change programs whereby African-American and other
6 American farmers and American agricultural farming spe-
7 cialists share technical knowledge with eligible farmers
8 regarding—

9 (1) maximization of crop yields;

10 (2) use of agricultural risk insurance as finan-
11 cial tools and a means of risk management (as al-
12 lowed by Annex II of the World Trade Organization
13 rules);

14 (3) expansion of trade in agricultural products;

15 (4) enhancement of local food security;

16 (5) the mitigation and alleviation of hunger;

17 (6) marketing agricultural products in local, re-
18 gional, and international markets; and

19 (7) other ways to improve farming in countries
20 in which there are eligible farmers.

21 (d) ELIGIBLE GRANTEES.—The President may make
22 a grant under the Program to—

23 (1) a college or university, including a histori-
24 cally black college or university, or a foundation
25 maintained by a college or university; and

1 (2) a private organization or corporation, in-
2 cluding grassroots organizations, with an established
3 and demonstrated capacity to carry out such a bilat-
4 eral exchange program.

5 (e) TERMS OF PROGRAM.—(1) It is the goal of the
6 Program that at least 1,000 farmers participate in the
7 training program by December 31, 2005, of which 80 per-
8 cent of the total number of participating farmers will be
9 African farmers or farmers in Caribbean Basin countries
10 and 20 percent of the total number of participating farm-
11 ers will be American farmers.

12 (2) Training under the Program will be provided to
13 eligible farmers in groups to ensure that information is
14 shared and passed on to other eligible farmers. Eligible
15 farmers will be trained to be specialists in their home com-
16 munities and will be encouraged not to retain enhanced
17 farming technology for their own personal enrichment.

18 (3) Through partnerships with American businesses,
19 the Program will utilize the commercial industrial capa-
20 bility of businesses dealing in agriculture to train eligible
21 farmers on farming equipment that is appropriate for the
22 majority of eligible farmers in African or Caribbean Basin
23 countries and to introduce eligible farmers to the use of
24 insurance as a risk management tool.

1 (f) SELECTION OF PARTICIPANTS.—(1) The selection
2 of eligible farmers, as well as African-American and other
3 American farmers and agricultural farming specialists, to
4 participate in the Program shall be made by grant recipi-
5 ents using an application process approved by the Presi-
6 dent.

7 (2) Participating farmers must have sufficient farm
8 or agribusiness experience and have obtained certain tar-
9 gets regarding the productivity of their farm or agri-
10 business.

11 (g) GRANT PERIOD.—The President may make
12 grants under the Program during a period of 5 years be-
13 ginning on October 1 of the first fiscal year for which
14 funds are made available to carry out the Program.

15 (h) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated to carry out this section
17 \$10,000,000 for each of fiscal years 2002 through 2011.

18 **SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTER-**
19 **NATIONAL FOOD FOR EDUCATION AND**
20 **CHILD NUTRITION PROGRAM.**

21 (a) IN GENERAL.—The President may, subject to
22 subsection (j), direct the procurement of commodities and
23 the provision of financial and technical assistance to carry
24 out—

1 (1) preschool and school feeding programs in
2 foreign countries to improve food security, reduce
3 the incidence of hunger, and improve literacy and
4 primary education, particularly with respect to girls;
5 and

6 (2) maternal, infant, and child nutrition pro-
7 grams for pregnant women, nursing mothers, in-
8 fants, and children who are 5 years of age or young-
9 er.

10 (b) ELIGIBLE COMMODITIES AND COST ITEMS.—

11 Notwithstanding any other provision of law—

12 (1) any agricultural commodity is eligible for
13 distribution under this section;

14 (2) as necessary to achieve the purposes of this
15 section—

16 (A) funds may be used to pay the trans-
17 portation costs incurred in moving commodities
18 (including prepositioned commodities) provided
19 under this section from the designated points of
20 entry or ports of entry of one or more recipient
21 countries to storage and distribution sites in
22 these countries, and associated storage and dis-
23 tribution costs;

24 (B) funds may be used to pay the costs of
25 activities conducted in the recipient countries by

1 a nonprofit voluntary organization, cooperative,
2 or intergovernmental agency or organization
3 that would enhance the effectiveness of the ac-
4 tivities implemented by such entities under this
5 section; and

6 (C) funds may be provided to meet the al-
7 lowable administrative expenses of private vol-
8 untary organizations, cooperatives, or intergov-
9 ernmental organizations which are imple-
10 menting activities under this section; and

11 (3) for the purposes of this section, the term
12 “agricultural commodities” includes any agricultural
13 commodity, or the products thereof, produced in the
14 United States.

15 (c) GENERAL AUTHORITIES.—The President shall
16 designate one or more Federal agencies to—

17 (1) implement the program established under
18 this section;

19 (2) ensure that the program established under
20 this section is consistent with the foreign policy and
21 development assistance objectives of the United
22 States; and

23 (3) consider, in determining whether a country
24 should receive assistance under this section, whether
25 the government of the country is taking concrete

1 steps to improve the preschool and school systems in
2 its country.

3 (d) ELIGIBLE RECIPIENTS.—Assistance may be pro-
4 vided under this section to private voluntary organizations,
5 cooperatives, intergovernmental organizations, govern-
6 ments and their agencies, and other organizations.

7 (e) PROCEDURES.—

8 (1) IN GENERAL.—In carrying out subsection
9 (a) the President shall assure that procedures are
10 established that—

11 (A) provide for the submission of proposals
12 by eligible recipients, each of which may include
13 one or more recipient countries, for commod-
14 ities and other assistance under this section;

15 (B) provide for eligible commodities and
16 assistance on a multi-year basis;

17 (C) ensure eligible recipients demonstrate
18 the organizational capacity and the ability to
19 develop, implement, monitor, report on, and
20 provide accountability for activities conducted
21 under this section;

22 (D) provide for the expedited development,
23 review, and approval of proposals submitted in
24 accordance with this section;

1 (E) ensure monitoring and reporting by el-
2 igible recipients on the use of commodities and
3 other assistance provided under this section;
4 and

5 (F) allow for the sale or barter of commod-
6 ities by eligible recipients to acquire funds to
7 implement activities that improve the food secu-
8 rity of women and children or otherwise en-
9 hance the effectiveness of programs and activi-
10 ties authorized under this section.

11 (2) PRIORITIES FOR PROGRAM FUNDING.—In
12 carrying out paragraph (1) with respect to criteria
13 for determining the use of commodities and other
14 assistance provided for programs and activities au-
15 thorized under this section, the implementing agency
16 may consider the ability of eligible recipients to—

17 (A) identify and assess the needs of bene-
18 ficiaries, especially malnourished or undernour-
19 ished mothers and their children who are 5
20 years of age or younger, and school-age children
21 who are malnourished, undernourished, or do
22 not regularly attend school;

23 (B)(i) in the case of preschool and school-
24 age children, target low-income areas where
25 children’s enrollment and attendance in school

1 is low or girls' enrollment and participation in
2 preschool or school is low, and incorporate de-
3 velopmental objectives for improving literacy
4 and primary education, particularly with re-
5 spect to girls; and

6 (ii) in the case of programs to benefit
7 mothers and children who are 5 years of age or
8 younger, coordinate supplementary feeding and
9 nutrition programs with existing or newly-estab-
10 lished maternal, infant, and children programs
11 that provide health-needs interventions, and
12 which may include maternal, prenatal, and
13 postnatal and newborn care;

14 (C) involve indigenous institutions as well
15 as local communities and governments in the
16 development and implementation to foster local
17 capacity building and leadership; and

18 (D) carry out multiyear programs that fos-
19 ter local self-sufficiency and ensure the lon-
20 gevity of recipient country programs.

21 (f) USE OF FOOD AND NUTRITION SERVICE.—The
22 Food and Nutrition Service of the Department of Agri-
23 culture may provide technical advice on the establishment
24 of programs under subsection (a)(1) and on their imple-
25 mentation in the field in recipient countries.

1 (g) MULTILATERAL INVOLVEMENT.—The President
2 is urged to engage existing international food aid coordi-
3 nating mechanisms to ensure multilateral commitments
4 to, and participation in, programs like those supported
5 under this section. The President shall report annually to
6 the Committee on International Relations and the Com-
7 mittee on Agriculture of the United States House of Rep-
8 resentatives and the Committee on Foreign Relations and
9 the Committee on Agriculture, Nutrition, and Forestry of
10 the United States Senate on the commitments and activi-
11 ties of governments, including the United States govern-
12 ment, in the global effort to reduce child hunger and in-
13 crease school attendance.

14 (h) PRIVATE SECTOR INVOLVEMENT.—The Presi-
15 dent is urged to encourage the support and active involve-
16 ment of the private sector, foundations, and other individ-
17 uals and organizations in programs assisted under this
18 section.

19 (i) REQUIREMENT TO SAFEGUARD LOCAL PRODUC-
20 TION AND USUAL MARKETING.—The requirement of sec-
21 tion 403(a) of the Agricultural Trade Development and
22 Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h))
23 applies with respect to the availability of commodities
24 under this section.

25 (j) FUNDING.—

1 (1) IN GENERAL.—There are authorized to be
2 appropriated such sums as may be necessary to
3 carry out this section for each of fiscal years 2002
4 through 2011. Nothing in this section shall be inter-
5 preted to preclude the use of authorities in effect be-
6 fore the date of the enactment of this Act to carry
7 out the ongoing Global Food for Education Initia-
8 tive.

9 (2) ADMINISTRATIVE EXPENSES.—Funds made
10 available to carry out the purposes of this section
11 may be used to pay the administrative expenses of
12 any agency of the Federal Government implementing
13 or assisting in the implementation of this section.

14 **SEC. 313. STUDY ON FEE FOR SERVICES.**

15 (a) STUDY.—Not later than 1 year after the date of
16 the enactment of this Act, the Secretary shall provide a
17 report to the designated congressional committees on the
18 feasibility of instituting a program which would charge
19 and retain a fee to cover the costs for providing persons
20 with commercial services performed abroad on matters
21 within the authority of the Department of Agriculture ad-
22 ministered through the Foreign Agriculture Service or any
23 successor agency.

24 (b) DEFINITION.—In this section, the term “des-
25 ignated congressional committees” means the Committee

1 on Agriculture and the Committee on International Rela-
2 tions of the House of Representatives and the Committee
3 on Agriculture, Nutrition and Forestry of the Senate.

4 **SEC. 314. NATIONAL EXPORT STRATEGY REPORT.**

5 (a) REPORT.—Not later than 1 year after the date
6 of the enactment of this Act, the Secretary of Agriculture
7 shall provide to the designated congressional committees
8 a report on the policies and programs that the Department
9 of Agriculture has undertaken to implement the National
10 Export Strategy Report. The report shall contain a de-
11 scription of the effective coordination of these policies and
12 programs through all other appropriate Federal agencies
13 participating in the Trade Promotion Coordinating Com-
14 mittee and the steps the Department of Agriculture is tak-
15 ing to reduce the level of protectionism in agricultural
16 trade, to foster market growth, and to improve the com-
17 mercial potential of markets in both developed and devel-
18 oping countries for United States agricultural commod-
19 ities.

20 (b) DEFINITION.—In this section, the term “des-
21 ignated congressional committees” means the Committee
22 on Agriculture and the Committee on International Rela-
23 tions of the House of Representatives and the Committee
24 on Agriculture, Nutrition and Forestry of the Senate.

1 **TITLE IV—NUTRITION**
2 **PROGRAMS**
3 **Subtitle A—Food Stamp Program**

4 **SEC. 401. SIMPLIFIED DEFINITION OF INCOME.**

5 Section 5(d) of the Food Stamp Act of 1977 (7
6 U.S.C. 2014(d)) is amended—

7 (1) in paragraph (3)—

8 (A) by striking “and (C)” and inserting
9 “(C)”; and

10 (B) by inserting after “premiums,” the fol-
11 lowing:

12 “and (D) to the extent that any other educational loans
13 on which payment is deferred, grants, scholarships, fellow-
14 ships, veterans’ educational benefits, and the like, are re-
15 quired to be excluded under title XIX of the Social Secu-
16 rity Act, the state agency may exclude it under this sub-
17 section,”;

18 (2) by striking “and (15)” and inserting
19 “(15)”;

20 (3) by inserting before the period at the end the
21 following:

22 “, (16) any state complementary assistance program pay-
23 ments that are excluded pursuant to subsections (a) and
24 (b) of section 1931 of title XIX of the Social Security Act,
25 and (17) at the option of the State agency, any types of

1 income that the State agency does not consider when de-
2 termining eligibility for cash assistance under a program
3 funded under part A of title IV of the Social Security Act
4 (42 U.S.C. 601 et seq.) or medical assistance under sec-
5 tion 1931 of the Social Security Act (42 U.S.C. 1396u-
6 1), except that this paragraph shall not authorize a State
7 agency to exclude earned income, payments under title I,
8 II, IV, X, XIV, or XVI of the Social Security Act, or such
9 other types of income whose consideration the Secretary
10 determines essential to equitable determinations of eligi-
11 bility and benefit levels except to the extent that those
12 types of income may be excluded under other paragraphs
13 of this subsection”.

14 **SEC. 402. STANDARD DEDUCTION.**

15 Section 5(e)(1) of the Food Stamp Act of 1977 (7
16 U.S.C. 2014(e)(1)) is amended—

17 (1) by striking “of \$134, \$229, \$189, \$269,
18 and \$118” and inserting “equal to 9.7 percent of
19 the eligibility limit established under section 5(e)(1)
20 for fiscal year 2002 but not more than 9.7 percent
21 of the eligibility limit established under section
22 5(c)(1) for a household of six for fiscal year 2002
23 nor less than \$134, \$229, \$189, \$269, and \$118”;
24 and

1 (2) by inserting before the period at the end the
2 following:

3 “, except that the standard deduction for Guam
4 shall be determined with reference to 2 times the eli-
5 gibility limits under section 5(c)(1) for fiscal year
6 2002 for the 48 contiguous states and the District
7 of Columbia”.

8 **SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES**
9 **MOVING FROM WELFARE.**

10 (a) IN GENERAL.—Section 11 of the Food Stamp Act
11 of 1977 (7 U.S.C. 2020) is amended by adding at the end
12 the following:

13 “(s) TRANSITIONAL BENEFITS OPTION.—

14 “(1) IN GENERAL.—A State may provide tran-
15 sitional food stamp benefits to a household that is
16 no longer eligible to receive cash assistance under a
17 State program funded under part A of title IV of the
18 Social Security Act (42 U.S.C. 601 et seq.).

19 “(2) TRANSITIONAL BENEFITS PERIOD.—Under
20 paragraph (1), a household may continue to receive
21 food stamp benefits for a period of not more than
22 6 months after the date on which cash assistance is
23 terminated.

24 “(3) AMOUNT.—During the transitional bene-
25 fits period under paragraph (2), a household shall

1 receive an amount equal to the allotment received in
2 the month immediately preceding the date on which
3 cash assistance is terminated. A household receiving
4 benefits under this subsection may apply for recer-
5 tification at any time during the transitional benefit
6 period. If a household reapplies, its allotment shall
7 be determined without regard to this subsection for
8 all subsequent months.

9 “(4) DETERMINATION OF FUTURE ELIGI-
10 BILITY.—In the final month of the transitional bene-
11 fits period under paragraph (2), the State agency
12 may—

13 “(A) require a household to cooperate in a
14 redetermination of eligibility to receive an au-
15 thorization card; and

16 “(B) renew eligibility for a new certifi-
17 cation period for the household without regard
18 to whether the previous certification period has
19 expired.

20 “(5) LIMITATION.—A household sanctioned
21 under section 6, or for a failure to perform an action
22 required by Federal, State, or local law relating to
23 such cash assistance program, shall not be eligible
24 for transitional benefits under this subsection.”.

1 (b) CONFORMING AMENDMENTS.—(1) Section 3(c) of
2 the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amend-
3 ed by adding at the end the following: “The limits in this
4 section may be extended until the end of any transitional
5 benefit period established under section 11(s).”.

6 (2) Section 6(c) of the Food Stamp Act of 1977 (7
7 U.S.C. 2015(c)) is amended by striking “No household”
8 and inserting “Except in a case in which a household is
9 receiving transitional benefits during the transitional ben-
10 efits period under section 11(s), no household”.

11 **SEC. 404. QUALITY CONTROL SYSTEMS.**

12 (a) TARGETED QUALITY CONTROL SYSTEM.—Sec-
13 tion 16(c) of the Food Stamp Act of 1977 (7 U.S.C.
14 2025(c)) is amended—

15 (1) in paragraph (1)(C)—

16 (A) in the matter preceding clause (i), by
17 inserting “the Secretary determines that a 95
18 percent statistical probability exists that for the
19 3d consecutive year” after “year in which”; and

20 (B) in clause (i)(II)(aa)(bbb) by striking
21 “the national performance measure for the fis-
22 cal year” and inserting “10 percent”;

23 (2) in the 1st sentence of paragraph (4)—

24 (A) by striking “or claim” and inserting
25 “claim”; and

1 (B) by inserting “or performance under
2 the measures established under paragraph
3 (10),” after “for payment error,”;

4 (3) in paragraph (5), by inserting “to comply
5 with paragraph (10) and” before “to establish”;

6 (4) in the 1st sentence of paragraph (6), by in-
7 serting “one percentage point more than” after
8 “measure that shall be”; and

9 (5) by inserting at the end the following:

10 “(10)(A) In addition to the measures established
11 under paragraph (1), the Secretary shall measure the per-
12 formance of State agencies in each of the following
13 regards—

14 “(i) compliance with the deadlines established
15 under paragraphs (3) and (9) of section 11(e); and

16 “(ii) the percentage of negative eligibility deci-
17 sions that are made correctly.

18 “(B) For each fiscal year, the Secretary shall make
19 excellence bonus payments of \$1,000,000 each to the 5
20 States with the highest combined performance in the 2
21 measures in subparagraph (A) and to the 5 States whose
22 combined performance under the 2 measures in subpara-
23 graph (A) most improved in such fiscal year.

24 “(C) For any fiscal year in which the Secretary deter-
25 mines that a 95 percent statistical probability exists that

1 a State agency's performance with respect to any of the
2 performance measures established in subparagraph (A)
3 is substantially worse than a level the Secretary deems
4 reasonable, other than for good cause shown, the Sec-
5 retary shall investigate that State agency's administration
6 of the food stamp program. If this investigation deter-
7 mines that the State's administration has been deficient,
8 the Secretary shall require the State agency to take
9 prompt corrective action.”.

10 (b) IMPLEMENTATION.—The amendment made by
11 subsection (a)(5) shall apply to all fiscal years beginning
12 on or after October 1, 2001, and ending before October
13 1, 2007. All other amendments made by this section shall
14 apply to all fiscal years beginning on or after October 1,
15 1999.

16 **SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DE-**
17 **TERMINATION SYSTEMS.**

18 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.
19 2025) is amended by inserting at the end the following:

20 “(1) SIMPLIFICATION OF SYSTEMS.—The Secretary
21 shall expend up to \$9,500,000 million in each fiscal year
22 to pay 100 percent of the costs of State agencies to de-
23 velop and implement simple application and eligibility de-
24 termination systems.”.

1 **SEC. 406. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) EMPLOYMENT AND TRAINING PROGRAMS.—Sec-
3 tion 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C.
4 2025(h)(1)) is amended—

5 (1) in subparagraph (A)(vii) by striking “fiscal
6 year 2002” and inserting “each of the fiscal years
7 2003 through 2011”; and

8 (2) in subparagraph (B) by striking “2002”
9 and inserting “2011”.

10 (b) COST ALLOCATION.—Section 16(k)(3) of the
11 Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is
12 amended—

13 (1) in subparagraph (A) by striking “2002”
14 and inserting “2011”; and

15 (2) in subparagraph (B)(ii) by striking “2002”
16 and inserting “2011”.

17 (c) CASH PAYMENT PILOT PROJECTS.—Section
18 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.
19 2026(b)(1)(B)(vi)) is amended by striking “2002” and in-
20 serting “2011”.

21 (d) OUTREACH DEMONSTRATION PROJECTS.—Sec-
22 tion 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C.
23 2026(i)(1)(A)) is amended by striking “1992 through
24 2002” and inserting “2003 through 2011”.

25 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
26 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.

1 2027(a)(1)) is amended by striking “1996 through 2002”
2 and inserting “2003 through 2011”.

3 (f) PUERTO RICO.—Section 19(a)(1) of the Food
4 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

5 (1) in subparagraph (A)—

6 (A) in clause (ii) by striking “and” at the
7 end;

8 (B) in clause (iii) by adding “and” at the
9 end; and

10 (C) by inserting after clause (iii) the fol-
11 lowing:

12 “(iv) for each of fiscal years 2003 through
13 2011, the amount equal to the amount required to
14 be paid under this subparagraph for the preceding
15 fiscal year, as adjusted by the percentage by which
16 the thrifty food plan is adjusted under section
17 3(o)(4) for the current fiscal year for which the
18 amount is determined under this clause;” and

19 (2) in subparagraph (B)—

20 (A) by inserting “(i)” after “(B)”; and

21 (B) by adding at the end the following:

22 “(ii) Notwithstanding subparagraph (A) and clause
23 (i), the Commonwealth may spend up to \$6,000,000 of
24 the amount required under subparagraph (A) to be paid
25 for fiscal year 2002 to pay 100 percent of the cost to up-

1 grade and modernize the electronic data processing system
2 used to provide such food assistance and to implement sys-
3 tems to simplify the determination of eligibility to receive
4 such assistance.”.

5 (g) TERRITORY OF AMERICAN SAMOA.—Section 24
6 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is
7 amended—

8 (1) by striking “Effective October 1, 1995,
9 from” and inserting “From”; and

10 (2) by striking “\$5,300,000 for each of fiscal
11 years 1996 through 2002” and inserting
12 “\$5,750,000 for fiscal year 2002 and \$5,800,000 for
13 each of fiscal years 2003 though 2011”.

14 (h) ASSISTANCE FOR COMMUNITY FOOD
15 PROJECTS.—Section 25(b)(2) of the Food Stamp Act of
16 1977 (7 U.S.C. 2034(b)(2)) is amended—

17 (1) in subparagraph (A) by striking “and” at
18 the end;

19 (2) in subparagraph (B)—

20 (A) by striking “2002” and inserting
21 “2001”; and

22 (B) by striking the period at the end and
23 inserting “; and”; and

24 (3) by inserting after subparagraph (B) the fol-
25 lowing:

1 “(C) \$7,500,000 for each of the fiscal
2 years 2002 through 2011.”.

3 (i) AVAILABILITY OF COMMODITIES FOR THE EMER-
4 GENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the
5 Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

6 (1) in subsection (a)—

7 (A) by striking “1997 through 2002” and
8 inserting “2002 through 2011”; and

9 (B) by striking “\$100,000,000” and in-
10 serting “\$140,000,000”; and

11 (2) by adding at the end the following:

12 “(c) USE OF FUNDS FOR RELATED COSTS.—For
13 each of the fiscal years 2002 through 2011, the Secretary
14 shall use \$10,000,000 of the funds made available under
15 subsection (a) to pay for the direct and indirect costs of
16 the States related to the processing, storing, transporting,
17 and distributing to eligible recipient agencies of commod-
18 ities purchased by the Secretary under such subsection
19 and commodities secured from other sources, including
20 commodities secured by gleaning (as defined in section
21 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c
22 note)).”.

23 (j) SPECIAL EFFECTIVE DATE.—The amendments
24 made by subsections (g), (h), and (i) shall take effect on
25 October 1, 2001.

1 **Subtitle B—Commodity**
2 **Distribution**

3 **SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO**
4 **SPECIAL NUTRITION PROJECTS.**

5 Section 1114(a) of the Agriculture and Food Act of
6 1981 (7 U.S.C. 1431e) is amended by striking “2002”
7 and inserting “2011”.

8 **SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

9 The Agriculture and Consumer Protection Act of
10 1973 (7 U.S.C. 612c note) is amended—

11 (1) in section 4(a) by striking “1991 through
12 2002” and inserting “2003 through 2011”; and

13 (2) in subsections (a)(2) and (d)(2) of section
14 5 by striking “1991 through 2002” and inserting
15 “2003 through 2011”.

16 **SEC. 443. EMERGENCY FOOD ASSISTANCE.**

17 The 1st sentence of section 204(a)(1) of the Emer-
18 gency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1))
19 is amended—

20 (1) by striking “1991 through 2002” and in-
21 serting “2003 through 2011”;

22 (2) by striking “administrative”; and

23 (3) by inserting “storage,” after “processing,”.

1 **Subtitle C—Miscellaneous**
2 **Provisions**

3 **SEC. 461. HUNGER FELLOWSHIP PROGRAM.**

4 (a) **SHORT TITLE; FINDINGS.—**

5 (1) **SHORT TITLE.**—This section may be cited
6 as the “Congressional Hunger Fellows Act of 2001”.

7 (2) **FINDINGS.**—The Congress finds as follows:

8 (A) There is a critical need for compas-
9 sionate individuals who are committed to assist-
10 ing people who suffer from hunger as well as a
11 need for such individuals to initiate and admin-
12 ister solutions to the hunger problem.

13 (B) Bill Emerson, the distinguished late
14 Representative from the 8th District of Mis-
15 souri, demonstrated his commitment to solving
16 the problem of hunger in a bipartisan manner,
17 his commitment to public service, and his great
18 affection for the institution and the ideals of
19 the United States Congress.

20 (C) George T. (Mickey) Leland, the distin-
21 guished late Representative from the 18th Dis-
22 trict of Texas, demonstrated his compassion for
23 those in need, his high regard for public service,
24 and his lively exercise of political talents.

1 (D) The special concern that Mr. Emerson
2 and Mr. Leland demonstrated during their lives
3 for the hungry and poor was an inspiration for
4 others to work toward the goals of equality and
5 justice for all.

6 (E) These two outstanding leaders main-
7 tained a special bond of friendship regardless of
8 political affiliation and worked together to en-
9 courage future leaders to recognize and provide
10 service to others, and therefore it is especially
11 appropriate to honor the memory of Mr. Emer-
12 son and Mr. Leland by creating a fellowship
13 program to develop and train the future leaders
14 of the United States to pursue careers in hu-
15 manitarian service.

16 (b) ESTABLISHMENT.—There is established as an
17 independent entity of the legislative branch of the United
18 States Government the Congressional Hunger Fellows
19 Program (hereinafter in this section referred to as the
20 “Program”).

21 (c) BOARD OF TRUSTEES.—

22 (1) IN GENERAL.—The Program shall be sub-
23 ject to the supervision and direction of a Board of
24 Trustees.

25 (2) MEMBERS OF THE BOARD OF TRUSTEES.—

1 (A) APPOINTMENT.—The Board shall be
2 composed of 6 voting members appointed under
3 clause (i) and one nonvoting ex officio member
4 designated in clause (ii) as follows:

5 (i) VOTING MEMBERS.—(I) The
6 Speaker of the House of Representatives
7 shall appoint two members.

8 (II) The minority leader of the House
9 of Representatives shall appoint one mem-
10 ber.

11 (III) The majority leader of the Sen-
12 ate shall appoint two members.

13 (IV) The minority leader of the Sen-
14 ate shall appoint one member.

15 (ii) NONVOTING MEMBER.—The Exec-
16 utive Director of the program shall serve
17 as a nonvoting ex officio member of the
18 Board.

19 (B) TERMS.—Members of the Board shall
20 serve a term of 4 years.

21 (C) VACANCY.—

22 (i) AUTHORITY OF BOARD.—A va-
23 cancy in the membership of the Board does
24 not affect the power of the remaining
25 members to carry out this section.

1 (ii) APPOINTMENT OF SUCCESSORS.—

2 A vacancy in the membership of the Board
3 shall be filled in the same manner in which
4 the original appointment was made.

5 (iii) INCOMPLETE TERM.—If a mem-
6 ber of the Board does not serve the full
7 term applicable to the member, the indi-
8 vidual appointed to fill the resulting va-
9 cancy shall be appointed for the remainder
10 of the term of the predecessor of the indi-
11 vidual.

12 (D) CHAIRPERSON.—As the first order of
13 business of the first meeting of the Board, the
14 members shall elect a Chairperson.

15 (E) COMPENSATION.—

16 (i) IN GENERAL.—Subject to clause
17 (ii), members of the Board may not receive
18 compensation for service on the Board.

19 (ii) TRAVEL.—Members of the Board
20 may be reimbursed for travel, subsistence,
21 and other necessary expenses incurred in
22 carrying out the duties of the program.

23 (3) DUTIES.—

24 (A) BYLAWS.—

1 (i) ESTABLISHMENT.—The Board
2 shall establish such bylaws and other regu-
3 lations as may be appropriate to enable the
4 Board to carry out this section, including
5 the duties described in this paragraph.

6 (ii) CONTENTS.—Such bylaws and
7 other regulations shall include provisions—

8 (I) for appropriate fiscal control,
9 funds accountability, and operating
10 principles;

11 (II) to prevent any conflict of in-
12 terest, or the appearance of any con-
13 flict of interest, in the procurement
14 and employment actions taken by the
15 Board or by any officer or employee
16 of the Board and in the selection and
17 placement of individuals in the fellow-
18 ships developed under the program;

19 (III) for the resolution of a tie
20 vote of the members of the Board;
21 and

22 (IV) for authorization of travel
23 for members of the Board.

24 (iii) TRANSMITTAL TO CONGRESS.—
25 Not later than 90 days after the date of

1 the first meeting of the Board, the Chair-
2 person of the Board shall transmit to the
3 appropriate congressional committees a
4 copy of such bylaws.

5 (B) BUDGET.—For each fiscal year the
6 program is in operation, the Board shall deter-
7 mine a budget for the program for that fiscal
8 year. All spending by the program shall be pur-
9 suant to such budget unless a change is ap-
10 proved by the Board.

11 (C) PROCESS FOR SELECTION AND PLACE-
12 MENT OF FELLOWS.—The Board shall review
13 and approve the process established by the Ex-
14 ecutive Director for the selection and placement
15 of individuals in the fellowships developed under
16 the program.

17 (D) ALLOCATION OF FUNDS TO FELLOW-
18 SHIPS.—The Board of Trustees shall determine
19 the priority of the programs to be carried out
20 under this section and the amount of funds to
21 be allocated for the Emerson and Leland fellow-
22 ships.

23 (d) PURPOSES; AUTHORITY OF PROGRAM.—

24 (1) PURPOSES.—The purposes of the program
25 are—

1 (A) to encourage future leaders of the
2 United States to pursue careers in humani-
3 tarian service, to recognize the needs of people
4 who are hungry and poor, and to provide assist-
5 ance and compassion for those in need;

6 (B) to increase awareness of the impor-
7 tance of public service; and

8 (C) to provide training and development
9 opportunities for such leaders through place-
10 ment in programs operated by appropriate or-
11 ganizations or entities.

12 (2) AUTHORITY.—The program is authorized to
13 develop such fellowships to carry out the purposes of
14 this section, including the fellowships described in
15 paragraph (3).

16 (3) FELLOWSHIPS.—

17 (A) IN GENERAL.—The program shall es-
18 tablish and carry out the Bill Emerson Hunger
19 Fellowship and the Mickey Leland Hunger Fel-
20 lowship.

21 (B) CURRICULUM.—

22 (i) IN GENERAL.—The fellowships es-
23 tablished under subparagraph (A) shall
24 provide experience and training to develop
25 the skills and understanding necessary to

1 improve the humanitarian conditions and
2 the lives of individuals who suffer from
3 hunger, including—

4 (I) training in direct service to
5 the hungry in conjunction with com-
6 munity-based organizations through a
7 program of field placement; and

8 (II) experience in policy develop-
9 ment through placement in a govern-
10 mental entity or nonprofit organiza-
11 tion.

12 (ii) FOCUS OF BILL EMERSON HUN-
13 GER FELLOWSHIP.—The Bill Emerson
14 Hunger Fellowship shall address hunger
15 and other humanitarian needs in the
16 United States.

17 (iii) FOCUS OF MICKEY LELAND HUN-
18 GER FELLOWSHIP.—The Mickey Leland
19 Hunger Fellowship shall address inter-
20 national hunger and other humanitarian
21 needs.

22 (iv) WORKPLAN.—To carry out clause
23 (i) and to assist in the evaluation of the
24 fellowships under paragraph (4), the pro-
25 gram shall, for each fellow, approve a work

1 plan that identifies the target objectives for
2 the fellow in the fellowship, including spe-
3 cific duties and responsibilities related to
4 those objectives.

5 (C) PERIOD OF FELLOWSHIP.—

6 (i) EMERSON FELLOW.—A Bill Emer-
7 son Hunger Fellowship awarded under this
8 paragraph shall be for no more than 1
9 year.

10 (ii) LELAND FELLOW.—A Mickey Le-
11 land Hunger Fellowship awarded under
12 this paragraph shall be for no more than
13 2 years. Not less than 1 year of the fellow-
14 ship shall be dedicated to fulfilling the re-
15 quirement of subparagraph (B)(i)(I).

16 (D) SELECTION OF FELLOWS.—

17 (i) IN GENERAL.—A fellowship shall
18 be awarded pursuant to a nationwide com-
19 petition established by the program.

20 (ii) QUALIFICATION.—A successful
21 applicant shall be an individual who has
22 demonstrated—

23 (I) an intent to pursue a career
24 in humanitarian service and out-
25 standing potential for such a career;

1 (II) a commitment to social
2 change;

3 (III) leadership potential or ac-
4 tual leadership experience;

5 (IV) diverse life experience;

6 (V) proficient writing and speak-
7 ing skills;

8 (VI) an ability to live in poor or
9 diverse communities; and

10 (VII) such other attributes as de-
11 termined to be appropriate by the
12 Board.

13 (iii) AMOUNT OF AWARD.—

14 (I) IN GENERAL.—Each indi-
15 vidual awarded a fellowship under this
16 paragraph shall receive a living allow-
17 ance and, subject to subclause (II), an
18 end-of-service award as determined by
19 the program.

20 (II) REQUIREMENT FOR SUC-
21 CESSFUL COMPLETION OF FELLOW-
22 SHIP.—Each individual awarded a fel-
23 lowship under this paragraph shall be
24 entitled to receive an end-of-service
25 award at an appropriate rate for each

1 month of satisfactory service as deter-
2 mined by the Executive Director.

3 (iv) RECOGNITION OF FELLOWSHIP

4 AWARD.—

5 (I) EMERSON FELLOW.—An indi-
6 vidual awarded a fellowship from the
7 Bill Emerson Hunger Fellowship shall
8 be known as an “Emerson Fellow”.

9 (II) LELAND FELLOW.—An indi-
10 vidual awarded a fellowship from the
11 Mickey Leland Hunger Fellowship
12 shall be known as a “Leland Fellow”.

13 (4) EVALUATION.—The program shall conduct
14 periodic evaluations of the Bill Emerson and Mickey
15 Leland Hunger Fellowships. Such evaluations shall
16 include the following:

17 (A) An assessment of the successful com-
18 pletion of the work plan of the fellow.

19 (B) An assessment of the impact of the fel-
20 lowship on the fellows.

21 (C) An assessment of the accomplishment
22 of the purposes of the program.

23 (D) An assessment of the impact of the
24 fellow on the community.

25 (e) TRUST FUND.—

1 (1) ESTABLISHMENT.—There is established the
2 Congressional Hunger Fellows Trust Fund (herein-
3 after in this section referred to as the “Fund”) in
4 the Treasury of the United States, consisting of
5 amounts appropriated to the Fund under subsection
6 (i), amounts credited to it under paragraph (3), and
7 amounts received under subsection (g)(3)(A).

8 (2) INVESTMENT OF FUNDS.—The Secretary of
9 the Treasury shall invest the full amount of the
10 Fund. Each investment shall be made in an interest
11 bearing obligation of the United States or an obliga-
12 tion guaranteed as to principal and interest by the
13 United States that, as determined by the Secretary
14 in consultation with the Board, has a maturity suit-
15 able for the Fund.

16 (3) RETURN ON INVESTMENT.—Except as pro-
17 vided in subsection (f)(2), the Secretary of the
18 Treasury shall credit to the Fund the interest on,
19 and the proceeds from the sale or redemption of, ob-
20 ligations held in the Fund.

21 (f) EXPENDITURES; AUDITS.—

22 (1) IN GENERAL.—The Secretary of the Treas-
23 ury shall transfer to the program from the amounts
24 described in subsection (e)(3) and subsection
25 (g)(3)(A) such sums as the Board determines are

1 necessary to enable the program to carry out the
2 provisions of this section.

3 (2) LIMITATION.—The Secretary may not
4 transfer to the program the amounts appropriated to
5 the Fund under subsection (i).

6 (3) USE OF FUNDS.—Funds transferred to the
7 program under paragraph (1) shall be used for the
8 following purposes:

9 (A) STIPENDS FOR FELLOWS.—To provide
10 for a living allowance for the fellows.

11 (B) TRAVEL OF FELLOWS.—To defray the
12 costs of transportation of the fellows to the fel-
13 lowship placement sites.

14 (C) INSURANCE.—To defray the costs of
15 appropriate insurance of the fellows, the pro-
16 gram, and the Board.

17 (D) TRAINING OF FELLOWS.—To defray
18 the costs of preservice and midservice education
19 and training of fellows.

20 (E) SUPPORT STAFF.—Staff described in
21 subsection (g).

22 (F) AWARDS.—End-of-service awards
23 under subsection (d)(3)(D)(iii)(II).

1 (G) ADDITIONAL APPROVED USES.—For
2 such other purposes that the Board determines
3 appropriate to carry out the program.

4 (4) AUDIT BY GAO.—

5 (A) IN GENERAL.—The Comptroller Gen-
6 eral of the United States shall conduct an an-
7 nual audit of the accounts of the program.

8 (B) BOOKS.—The program shall make
9 available to the Comptroller General all books,
10 accounts, financial records, reports, files, and
11 all other papers, things, or property belonging
12 to or in use by the program and necessary to
13 facilitate such audit.

14 (C) REPORT TO CONGRESS.—The Comp-
15 troller General shall submit a copy of the re-
16 sults of each such audit to the appropriate con-
17 gressional committees.

18 (g) STAFF; POWERS OF PROGRAM.—

19 (1) EXECUTIVE DIRECTOR.—

20 (A) IN GENERAL.—The Board shall ap-
21 point an Executive Director of the program who
22 shall administer the program. The Executive
23 Director shall carry out such other functions
24 consistent with the provisions of this section as
25 the Board shall prescribe.

1 (B) RESTRICTION.—The Executive Direc-
2 tor may not serve as Chairperson of the Board.

3 (C) COMPENSATION.—The Executive Di-
4 rector shall be paid at a rate not to exceed the
5 rate of basic pay payable for level V of the Ex-
6 ecutive Schedule under section 5316 of title 5,
7 United States Code.

8 (2) STAFF.—

9 (A) IN GENERAL.—With the approval of a
10 majority of the Board, the Executive Director
11 may appoint and fix the pay of additional per-
12 sonnel as the Executive Director considers nec-
13 essary and appropriate to carry out the func-
14 tions of the provisions of this section.

15 (B) COMPENSATION.—An individual ap-
16 pointed under subparagraph (A) shall be paid
17 at a rate not to exceed the rate of basic pay
18 payable for level GS–15 of the General Sched-
19 ule.

20 (3) POWERS.—In order to carry out the provi-
21 sions of this section, the program may perform the
22 following functions:

23 (A) GIFTS.—The program may solicit, ac-
24 cept, use, and dispose of gifts, bequests, or de-
25 vises of services or property, both real and per-

1 sonal, for the purpose of aiding or facilitating
2 the work of the program. Gifts, bequests, or de-
3 vises of money and proceeds from sales of other
4 property received as gifts, bequests, or devises
5 shall be deposited in the Fund and shall be
6 available for disbursement upon order of the
7 Board.

8 (B) EXPERTS AND CONSULTANTS.—The
9 program may procure temporary and intermit-
10 tent services under section 3109 of title 5,
11 United States Code, but at rates for individuals
12 not to exceed the daily equivalent of the max-
13 imum annual rate of basic pay payable for GS-
14 15 of the General Schedule.

15 (C) CONTRACT AUTHORITY.—The program
16 may contract, with the approval of a majority
17 of the members of the Board, with and com-
18 pensate Government and private agencies or
19 persons without regard to section 3709 of the
20 Revised Statutes (41 U.S.C. 5).

21 (D) OTHER NECESSARY EXPENDITURES.—
22 The program shall make such other expendi-
23 tures which the program considers necessary to
24 carry out the provisions of this section, but ex-
25 cluding project development.

1 (h) REPORT.—Not later than December 31 of each
2 year, the Board shall submit to the appropriate congres-
3 sional committees a report on the activities of the program
4 carried out during the previous fiscal year, and shall in-
5 clude the following:

6 (1) An analysis of the evaluations conducted
7 under subsection (d)(4) (relating to evaluations of
8 the Emerson and Leland fellowships and accomplish-
9 ment of the program purposes) during that fiscal
10 year.

11 (2) A statement of the total amount of funds
12 attributable to gifts received by the program in that
13 fiscal year (as authorized under subsection
14 (g)(3)(A)), and the total amount of such funds that
15 were expended to carry out the program that fiscal
16 year.

17 (i) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated \$18,000,000 to carry
19 out the provisions of this section.

20 (j) DEFINITION.—In this section, the term “appro-
21 priate congressional committees” means—

22 (1) the Committee on Agriculture and the Com-
23 mittee on International Relations of the House of
24 Representatives; and

1 (2) the Committee on Agriculture, Nutrition
2 and Forestry and the Committee on Foreign Rela-
3 tions of the Senate.

4 **SEC. 462. GENERAL EFFECTIVE DATE.**

5 Except as otherwise provided in this title, the amend-
6 ments made by this title shall take effect on October 1,
7 2002.

8 **TITLE V—CREDIT**

9 **SEC. 501. ELIGIBILITY OF LIMITED LIABILITY COMPANIES**
10 **FOR FARM OWNERSHIP LOANS, FARM OPER-**
11 **ATING LOANS, AND EMERGENCY LOANS.**

12 (a) Sections 302(a), 311(a), and 321(a) of the Con-
13 solidated Farm and Rural Development Act (7 U.S.C.
14 1922(a), 1941(a), and 1961(a)) are each amended by
15 striking “and joint operations” each place it appears and
16 inserting “joint operations, and limited liability compa-
17 nies”.

18 (b) Section 321(a) of such Act (7 U.S.C. 1961(a))
19 is amended by striking “or joint operations” each place
20 it appears and inserting “joint operations, or limited liabil-
21 ity companies”.

1 **SEC. 502. SUSPENSION OF LIMITATION ON PERIOD FOR**
2 **WHICH BORROWERS ARE ELIGIBLE FOR**
3 **GUARANTEED ASSISTANCE.**

4 During the period beginning January 1, 2002, and
5 ending December 31, 2006, section 319(b) of the Consoli-
6 dated Farm and Rural Development Act (7 U.S.C.
7 1949(b)) shall have no force or effect.

8 **SEC. 503. ADMINISTRATION OF CERTIFIED LENDERS AND**
9 **PREFERRED CERTIFIED LENDERS PRO-**
10 **GRAMS.**

11 (a) IN GENERAL.—Section 331(b) of the Consoli-
12 dated Farm and Rural Development Act (7 U.S.C.
13 1981(b)) is amended—

14 (1) by redesignating paragraphs (2) through
15 (9) as paragraphs (3) through (10), respectively;
16 and

17 (2) by inserting after paragraph (1) the fol-
18 lowing:

19 “(2) administer the loan guarantee program
20 under section 339(c) through central offices estab-
21 lished in States or in multi-State areas;”.

22 (b) CONFORMING AMENDMENT.—Section 331(c) of
23 such Act (7 U.S.C. 1981(c)) is amended by striking
24 “(b)(5)” and inserting “(b)(6)”.

1 **SEC. 504. SIMPLIFIED LOAN GUARANTEE APPLICATION**
2 **AVAILABLE FOR LOANS OF GREATER**
3 **AMOUNTS.**

4 Section 333A(g)(1) of the Consolidated Farm and
5 Rural Development Act (7 U.S.C. 1983a(g)(1)) is amend-
6 ed by striking “\$50,000” and inserting “\$150,000”.

7 **SEC. 505. ELIMINATION OF REQUIREMENT THAT SEC-**
8 **RETARY REQUIRE COUNTY COMMITTEES TO**
9 **CERTIFY IN WRITING THAT CERTAIN LOAN**
10 **REVIEWS HAVE BEEN CONDUCTED.**

11 Section 333 of the Consolidated Farm and Rural De-
12 velopment Act (7 U.S.C. 1983) is amended by striking
13 paragraph (2) and redesignating paragraphs (3) through
14 (5) as paragraphs (2) through (4), respectively.

15 **SEC. 506. AUTHORITY TO REDUCE PERCENTAGE OF LOAN**
16 **GUARANTEED IF BORROWER INCOME IS IN-**
17 **SUFFICIENT TO SERVICE DEBT.**

18 Section 339 of the Consolidated Farm and Rural De-
19 velopment Act (7 U.S.C. 1989) is amended—

20 (1) in subsection (c)(4)(A), by inserting “, ex-
21 cept that the Secretary may guarantee such lesser
22 percentage as the Secretary determines appropriate
23 of such a loan if the income of the borrower is less
24 than the income necessary to meet the requirements
25 of subsection (b)” before the period; and

1 (2) in subsection (d)(4)(A), by inserting “, ex-
2 cept that the Secretary may guarantee such lesser
3 percentage as the Secretary determines appropriate
4 of such a loan if the income of the borrower is less
5 than the income necessary to meet the requirements
6 of subsection (b)” before the semicolon.

7 **SEC. 507. TIMING OF LOAN ASSESSMENTS.**

8 Section 360(a) of the Consolidated Farm and Rural
9 Development Act (7 U.S.C. 2006b(a)) is amended by
10 striking “After an applicant is determined eligible for as-
11 sistance under this title by the appropriate county com-
12 mittee established pursuant to section 332, the” and in-
13 serting “The”.

14 **SEC. 508. MAKING AND SERVICING OF LOANS BY PER-**
15 **SONNEL OF STATE, COUNTY, OR AREA COM-**
16 **MITTEES.**

17 (a) IN GENERAL.—Subtitle D of the Consolidated
18 Farm and Rural Development Act (7 U.S.C. 1981–2008j)
19 is amended by adding at the end the following:

20 **“SEC. 376. MAKING AND SERVICING OF LOANS BY PER-**
21 **SONNEL OF STATE, COUNTY, OR AREA COM-**
22 **MITTEES.**

23 “The Secretary shall employ personnel of a State,
24 county or area committee established under section
25 8(b)(5) of the Soil Conservation and Domestic Allotment

1 Act (16 U.S.C 590h(b)(5)) to make and service loans
2 under this title to the extent the personnel have been
3 trained to do so.”.

4 (b) INAPPLICABILITY OF FINALITY RULE.—Section
5 281(a)(1) of the Department of Agriculture Reorganiza-
6 tion Act of 1994 (7 U.S.C. 7001(a)(1)) is amended by
7 inserting “, except functions performed pursuant to sec-
8 tion 376 of the Consolidated Farm and Rural Develop-
9 ment Act” before the period.

10 **SEC. 509. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**
11 **OR AREA COMMITTEE FOR LOANS AND LOAN**
12 **GUARANTEES.**

13 Subtitle D of the Consolidated Farm and Rural De-
14 velopment Act (7 U.S.C. 1981–2008j) is further amended
15 by adding at the end the following:

16 **“SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**
17 **OR AREA COMMITTEE FOR LOANS AND LOAN**
18 **GUARANTEES.**

19 “The Secretary shall not prohibit an employee of a
20 State, county or area committee established under section
21 8(b)(5) of the Soil Conservation and Domestic Allotment
22 Act (16 U.S.C. 590h(b)(5)) or an employee of the Depart-
23 ment of Agriculture from obtaining a loan or loan guar-
24 antee under subtitle A, B or C of this title if an office
25 of the Department of Agriculture other than the office in

1 which the employee is located determines that the em-
2 ployee is otherwise eligible for the loan or loan guar-
3 antee.”.

4 **SEC. 510. EMERGENCY LOANS IN RESPONSE TO AN ECO-**
5 **NOMIC EMERGENCY RESULTING FROM QUAR-**
6 **ANTINES AND SHARPLY INCREASING ENERGY**
7 **COSTS.**

8 (a) LOAN AUTHORITY.—Section 321(a) of the Con-
9 solidated Farm and Rural Development Act (7 U.S.C.
10 1961(a)) is amended—

11 (1) in each of the 1st and 3rd sentences—

12 (A) by striking “a natural disaster in the
13 United States or by” and inserting “a quar-
14 antine imposed by the Secretary under the
15 Plant Protection Act or the animal quarantine
16 laws (as defined in section 2509 of the Food,
17 Agriculture, Conservation, and Trade Act of
18 1990), an economic emergency resulting from
19 sharply increasing energy costs as described in
20 section 329(b), a natural disaster in the United
21 States, or”; and

22 (B) by inserting “Robert T. Stafford” be-
23 fore “Disaster Relief and Emergency Assistance
24 Act”; and

25 (2) in the 4th sentence—

1 (A) by striking “a natural disaster” and
2 inserting “such a quarantine, economic emer-
3 gency, or natural disaster”; and

4 (B) by striking “by such natural disaster”
5 and inserting “by such quarantine, economic
6 emergency, or natural disaster”.

7 (b) CONFORMING AMENDMENT.—Section 323 of
8 such Act (7 U.S.C. 1963) is amended—

9 (1) by inserting “quarantine,” before “natural
10 disaster”; and

11 (2) by inserting “referred to in section 321(a),
12 including, notwithstanding any other provision of
13 this title, an economic emergency resulting from
14 sharply increasing energy costs as described in sec-
15 tion 329(b)” after “emergency”.

16 (c) SHARPLY INCREASING ENERGY COSTS.—Section
17 329 of such Act (7 U.S.C. 1969) is amended—

18 (1) by striking all that precedes “Secretary
19 shall” and inserting the following:

20 **“SEC. 329. LOSS CONDITIONS.**

21 “(a) IN GENERAL.—Except as provided in subsection
22 (b), the”; and

23 (2) by adding after and below the end the fol-
24 lowing:

1 “(b) LOSS RESULTING FROM SHARPLY INCREASING
2 ENERGY COSTS.—The Secretary shall make financial as-
3 sistance under this subtitle available to any applicant seek-
4 ing assistance based on an income loss resulting from
5 sharply increasing energy costs referred to in section 323
6 if—

7 “(1) the price of electricity, gasoline, diesel fuel,
8 natural gas, propane, or other equivalent fuel during
9 any 3-month period is at least 50 percent greater
10 than the average price of the same form of energy
11 during the preceding 5 years, as determined by the
12 Secretary; and

13 “(2) the income loss of the applicant is directly
14 related to expenses incurred to prevent livestock
15 mortality, the degradation of a perishable agricul-
16 tural commodity, or damage to a field crop.”.

17 (d) MAXIMUM AMOUNT OF LOAN.—Section 324(a) of
18 such Act (7 U.S.C. 1964(a)) is amended—

19 (1) by striking “or” at the end of paragraph
20 (1);

21 (2) by striking the period at the end of para-
22 graph (2) and inserting a semicolon; and

23 (3) by adding at the end the following:

1 “(3) in the case of a loan made in response to
2 a quarantine referred to in section 321, exceeds
3 \$500,000; or

4 “(4) in the case of a loan made in response to
5 an economic emergency referred to in section 321,
6 exceeds \$200,000.”.

7 **SEC. 511. EXTENSION OF AUTHORITY TO CONTRACT FOR**
8 **SERVICING OF FARMER PROGRAM LOANS.**

9 Section 331(d) of the Consolidated Farm and Rural
10 Development Act (7 U.S.C. 1981(d)) is amended—

11 (1) in the heading by striking “TEMPORARY”;
12 and

13 (2) in paragraph (5), by striking “2002” and
14 inserting “2011”.

15 **SEC. 512. AUTHORIZATION FOR LOANS.**

16 Section 346(b)(1) of the Consolidated Farm and
17 Rural Development Act (7 U.S.C. 1994(b)(1)) is amended
18 by striking “not more than the following amounts:” and
19 all that follows and inserting “such sums as may be nec-
20 essary.”.

21 **SEC. 513. RESERVATION OF FUNDS FOR DIRECT OPER-**
22 **ATING LOANS FOR BEGINNING FARMERS AND**
23 **RANCHERS.**

24 Section 346(b)(2)(A)(ii)(III) of the Consolidated
25 Farm and Rural Development Act (7 U.S.C.

1 1994(b)(2)(A)(ii)(III)) is amended by striking “2000
2 through 2002” and inserting “2002 through 2011”.

3 **SEC. 514. EXTENSION OF INTEREST RATE REDUCTION PRO-**
4 **GRAM.**

5 Section 351(a)(2) of the Consolidated Farm and
6 Rural Development Act (7 U.S.C. 1999(a)(2)) is amended
7 by striking “2002” and inserting “2011”.

8 **SEC. 515. INCREASE IN DURATION OF LOANS UNDER DOWN**
9 **PAYMENT LOAN PROGRAM.**

10 (a) IN GENERAL.—Section 310E(b)(3) of the Con-
11 solidated Farm and Rural Development Act (7 U.S.C.
12 1935(b)(3)) is amended by striking “10” and inserting
13 “15”.

14 (b) CONFORMING AMENDMENT.—Section
15 310E(c)(3)(B) of the Consolidated Farm and Rural De-
16 velopment Act (7 U.S.C. 1935(c)(3)(B)) is amended by
17 striking “10-year” and inserting “15-year”.

18 **SEC. 516. HORSE BREEDER LOANS.**

19 (a) DEFINITION OF HORSE BREEDER.—In this sec-
20 tion, the term “horse breeder” means a person that, as
21 of the date of the enactment of this Act, derives more than
22 70 percent of the income of the person from the business
23 of breeding, boarding, raising, training, or selling horses,
24 during the shorter of—

1 (1) the 5-year period ending on January 1,
2 2001; or

3 (2) the period the person has been engaged in
4 the business.

5 (b) LOAN AUTHORIZATION.—The Secretary shall
6 make a loan to an eligible horse breeder to assist the
7 breeder for losses suffered as a result of mare reproductive
8 loss syndrome.

9 (c) ELIGIBILITY.—A horse breeder shall be eligible
10 for a loan under this section if the Secretary determines
11 that, as a result of mare reproductive loss syndrome—

12 (1) during the period beginning January 1,
13 2000, and ending October 1, 2000, or during the pe-
14 riod beginning January 1, 2001, and ending October
15 1, 2001—

16 (A) 30 percent or more of the mares
17 owned by the breeder failed to conceive, mis-
18 carried, aborted, or otherwise failed to produce
19 a live healthy foal; or

20 (B) 30 percent or more of the mares
21 boarded on a farm owned, operated, or leased
22 by the breeder failed to conceive, miscarried,
23 aborted, or otherwise failed to produce a live
24 healthy foal;

1 (2) during the period beginning January 1,
2 2000, and ending on September 30, 2002, the breed-
3 er was unable to meet the financial obligations, or
4 pay the ordinary and necessary expenses, of the
5 breeder incurred in connection with breeding, board-
6 ing, raising, training, or selling horses; and

7 (3) the breeder is not able to obtain sufficient
8 credit elsewhere (within the meaning of section
9 321(a) of the Consolidated Farm and Rural Devel-
10 opment Act).

11 (d) AMOUNT.—

12 (1) IN GENERAL.—Subject to paragraph (2),
13 the Secretary shall determine the amount of a loan
14 to be made to a horse breeder under this section, on
15 the basis of the amount of losses suffered by the
16 breeder, and the financial needs of the breeder, as
17 a result of mare reproductive loss syndrome.

18 (2) MAXIMUM AMOUNT.—The amount of a loan
19 made under this section shall not exceed \$500,000.

20 (e) TERM.—

21 (1) IN GENERAL.—Subject to paragraph (2),
22 the term for repayment of a loan made to a horse
23 breeder under this section shall be determined by the
24 Secretary based on the ability of the breeder to
25 repay the loan.

1 (2) MAXIMUM TERM.—The term of a loan made
2 under this section shall not exceed 15 years.

3 (f) INTEREST RATE.—Interest shall be payable on a
4 loan made under this section, at the rate prescribed under
5 section 324(b)(1) of the Consolidated Farm and Rural De-
6 velopment Act.

7 (g) SECURITY.—Security shall be required on a loan
8 made under this section, in accordance with section 324(d)
9 of the Consolidated Farm and Rural Development Act.

10 (h) APPLICATION.—To be eligible to obtain a loan
11 under this section, a horse breeder shall submit to the Sec-
12 retary an application for the loan not later than Sep-
13 tember 30, 2002.

14 (i) FUNDING.—The Secretary shall carry out this sec-
15 tion using funds available for emergency loans under sub-
16 title C of the Consolidated Farm and Rural Development
17 Act.

18 (j) TERMINATION.—The authority provided by this
19 section shall terminate on September 30, 2003.

20 **SEC. 517. EVALUATIONS OF DIRECT AND GUARANTEED**
21 **LOAN PROGRAMS.**

22 (a) STUDIES.—The Secretary of Agriculture shall
23 conduct 2 studies of the direct and guaranteed loan
24 programs under sections 302 and 311 of the Consolidated
25 Farm and Rural Development Act, each of which shall in-

1 clude an examination of the number, average principal
2 amount, and delinquency and default rates of loans pro-
3 vided or guaranteed during the period covered by the
4 study.

5 (b) PERIODS COVERED.—

6 (1) FIRST STUDY.—One study under subsection
7 (a) shall cover the 1-year period that begins 1 year
8 after the date of the enactment of this section.

9 (2) SECOND STUDY.—One study under sub-
10 section (a) shall cover the 1-year period that begins
11 3 years after such date of enactment.

12 (c) REPORTS TO THE CONGRESS.—At the end of the
13 period covered by a study under this section, the Secretary
14 of Agriculture shall submit to the Congress a report that
15 contains an evaluation of the results of the study, includ-
16 ing an analysis of the effectiveness of loan programs re-
17 ferred to in subsection (a) in meeting the credit needs of
18 agricultural producers in an efficient and fiscally respon-
19 sible manner.

20 **SEC. 518. DEFINITION OF DEBT FORGIVENESS.**

21 Section 343(a)(12)(B) of the Consolidated Farm and
22 Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is
23 amended to read as follows:

24 “(B) EXCEPTIONS.—The term ‘debt for-
25 giveness’ does not include—

1 “(i) consolidation, rescheduling, re-
2 amortization, or deferral of a loan; or

3 “(ii) any write-down provided as a
4 part of a resolution of a discrimination
5 complaint against the Secretary.”.

6 **SEC. 519. LOAN ELIGIBILITY FOR BORROWERS WITH PRIOR**
7 **DEBT FORGIVENESS.**

8 Section 373(b)(1) of the Consolidated Farm and
9 Rural Development Act (7 U.S.C. 2008h(b)(1)) is amend-
10 ed to read as follows:

11 “(1) PROHIBITIONS.—Except as provided in
12 paragraph (2)—

13 “(A) the Secretary may not make a loan
14 under this title to a borrower who, on more
15 than 2 occasions, received debt forgiveness on a
16 loan made or guaranteed under this title; and

17 “(B) the Secretary may not guarantee a
18 loan under this title to a borrower who, on more
19 than 3 occasions, received debt forgiveness on a
20 loan made or guaranteed under this title.”.

21 **SEC. 520. ALLOCATION OF CERTAIN FUNDS FOR SOCIALLY**
22 **DISADVANTAGED FARMERS AND RANCHERS.**

23 The last sentence of section 355(c)(2) of the Consoli-
24 dated Farm and Rural Development Act (7 U.S.C.
25 2003(c)(2)) is amended to read as follows: “Any funds re-

1 served and allocated under this paragraph but not used
2 within a State shall, to the extent necessary to satisfy
3 pending applications under this title, be available for use
4 by socially disadvantaged farmers and ranchers in other
5 States, as determined by the Secretary, and any remaining
6 funds shall be reallocated within the State.”.

7 **SEC. 521. HORSES CONSIDERED TO BE LIVESTOCK UNDER**
8 **THE CONSOLIDATED FARM AND RURAL DE-**
9 **VELOPMENT ACT.**

10 Section 343 of the Consolidated Farm and Rural De-
11 velopment Act (7 U.S.C. 1991) is amended by adding at
12 the end the following:

13 “(c) LIVESTOCK INCLUDES HORSES.—The term
14 ‘livestock’ includes horses.”.

15 **SEC. 522. TEMPORARY SUSPENSION OF FORECLOSURE ON**
16 **CERTAIN REAL PROPERTY OWNED BY, AND**
17 **RECOVERY OF CERTAIN PAYMENTS FROM,**
18 **BORROWERS WITH SHARED APPRECIATION**
19 **ARRANGEMENTS.**

20 During the period that begins with the date of the
21 enactment of this Act and December 31, 2002, in the case
22 of a borrower who has failed to make a payment required
23 under section 353(e) of the Consolidated Farm and Rural
24 Development Act with respect to real property, the Sec-
25 retary of Agriculture—

1 (1) shall suspend foreclosure on the real prop-
2 erty by reason of the failure; and

3 (2) may not attempt to recover the payment
4 from the borrower.

5 **SEC. 523. AUTHORITY TO MAKE BUSINESS AND INDUSTRY**
6 **GUARANTEED LOANS FOR FARMER-OWNED**
7 **PROJECTS THAT ADD VALUE TO OR PROCESS**
8 **AGRICULTURAL PRODUCTS.**

9 Section 310B(a)(1) of the Consolidated Farm and
10 Rural Development Act (7 U.S.C. 1932(a)(1)) is amended
11 by inserting “(and in areas other than rural communities,
12 in the case of insured loans, if a majority of the project
13 involved is owned by individuals who reside and have farm-
14 ing operations in rural communities, and the project adds
15 value to or processes agricultural commodities)” after
16 “rural communities”.

17 **TITLE VI—RURAL**
18 **DEVELOPMENT**

19 **SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROAD-**
20 **CAST SIGNAL LOAN GUARANTEES.**

21 Section 1011(a) of the Launching Our Communities’
22 Access to Local Television Act of 2000 (title X of H.R.
23 5548, as enacted by section 1(a)(2) of Public Law 106-
24 553) is amended by adding at the end the following: “In
25 addition, a total of \$200,000,000 of the funds of the Com-

1 commodity Credit Corporation shall be available during fiscal
2 years 2002 through 2006, without fiscal year limitation,
3 for loan guarantees under this title.”.

4 **SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.**

7 Section 231(a) of the Agricultural Risk Protection
8 Act of 2000 (7 U.S.C. 1621 note) is amended—

9 (1) by striking paragraph (1) and inserting the
10 following:

11 “(1) ESTABLISHMENT AND PURPOSES.—In
12 each of fiscal years 2002 through 2011, the Sec-
13 retary shall use \$50,000,000 of the funds of the
14 Commodity Credit Corporation to award competitive
15 grants—

16 “(A) to eligible independent producers (as
17 determined by the Secretary) of value-added ag-
18 ricultural commodities and products of agricul-
19 tural commodities to assist an eligible
20 producer—

21 “(i) to develop a business plan for via-
22 ble marketing opportunities for a value-
23 added agricultural commodity or product
24 of an agricultural commodity; or

1 “(ii) to develop strategies for the ven-
2 tures that are intended to create marketing
3 opportunities for the producers; and

4 “(B) to public bodies, institutions of higher
5 learning, and trade associations to assist such
6 entities—

7 “(i) to develop a business plan for via-
8 ble marketing opportunities in emerging
9 markets for a value-added agricultural
10 commodity or product of an agricultural
11 commodity; or

12 “(ii) to develop strategies for the ven-
13 tures that are intended to create marketing
14 opportunities in emerging markets for the
15 producers.”;

16 (2) by striking “producer” each place it appears
17 thereafter and inserting “grantee”; and

18 (3) in the heading for paragraph (3), by strik-
19 ing “PRODUCER” and inserting “GRANTEE”.

20 **SEC. 603. AGRICULTURE INNOVATION CENTER DEM-**
21 **ONSTRATION PROGRAM.**

22 (a) PURPOSES.—The purposes of this section are to
23 carry out a demonstration program under which agricul-
24 tural producers are provided—

1 (1) technical assistance, including engineering
2 services, applied research, scale production, and
3 similar services to enable the producers to establish
4 businesses for further processing of agricultural
5 products;

6 (2) marketing, market development, and busi-
7 ness planning; and

8 (3) overall organizational, outreach, and devel-
9 opment assistance to increase the viability, growth,
10 and sustainability of value-added agricultural busi-
11 nesses.

12 (b) NATURE OF PROGRAM.—The Secretary of Agri-
13 culture (in this section referred to as the “Secretary”)
14 shall—

15 (1) make grants to eligible applicants for the
16 purposes of enabling the applicants to obtain the as-
17 sistance described in subsection (a); and

18 (2) provide assistance to eligible applicants
19 through the research and technical services of the
20 Department of Agriculture.

21 (c) ELIGIBILITY REQUIREMENTS.—

22 (1) IN GENERAL.—An applicant shall be eligible
23 for a grant and assistance described in subsection

24 (b) to establish an Agriculture Innovation Center
25 if—

1 (A) the applicant—

2 (i) has provided services similar to
3 those described in subsection (a); or

4 (ii) shows the capability of providing
5 the services;

6 (B) the application of the applicant for the
7 grant and assistance sets forth a plan, in ac-
8 cordance with regulations which shall be pre-
9 scribed by the Secretary, outlining support of
10 the applicant in the agricultural community, the
11 technical and other expertise of the applicant,
12 and the goals of the applicant for increasing
13 and improving the ability of local producers to
14 develop markets and processes for value-added
15 agricultural products;

16 (C) the applicant demonstrates that re-
17 sources (in cash or in kind) of definite value are
18 available, or have been committed to be made
19 available, to the applicant, to increase and im-
20 prove the ability of local producers to develop
21 markets and processes for value-added agricul-
22 tural products; and

23 (D) the applicant meets the requirement of
24 paragraph (2).

1 (2) BOARD OF DIRECTORS.—The requirement
2 of this paragraph is that the applicant shall have a
3 board of directors comprised of representatives of
4 the following groups:

5 (A) The 2 general agricultural organiza-
6 tions with the greatest number of members in
7 the State in which the applicant is located.

8 (B) The Department of Agriculture or
9 similar State organization or department, for
10 the State.

11 (C) Organizations representing the 4 high-
12 est grossing commodities produced in the State,
13 according to annual gross cash sales.

14 (d) GRANTS AND ASSISTANCE.—

15 (1) IN GENERAL.—Subject to subsection (g),
16 the Secretary shall make annual grants to eligible
17 applicants under this section, each of which grants
18 shall not exceed the lesser of—

19 (A) \$1,000,000; or

20 (B) twice the dollar value of the resources
21 (in cash or in kind) that the applicant has dem-
22 onstrated are available, or have been committed
23 to be made available, to the applicant in accord-
24 ance with subsection (c)(1)(C).

1 (2) INITIAL LIMITATION.—In the first year of
2 the demonstration program under this section, the
3 Secretary shall make grants under this section, on a
4 competitive basis, to not more than 5 eligible appli-
5 cants.

6 (3) EXPANSION OF DEMONSTRATION PRO-
7 GRAM.—In the second year of the demonstration
8 program under this section, the Secretary may make
9 grants under this section to not more than 10 eligi-
10 ble applicants, in addition to any entities to which
11 grants are made under paragraph (2) for such year.

12 (4) STATE LIMITATION.—In the first 3 years of
13 the demonstration program under this section, the
14 Secretary shall not make an Agricultural Innovation
15 Center Demonstration Program grant under this
16 section to more than 1 entity in a single State.

17 (e) USE OF FUNDS.—An entity to which a grant is
18 made under this section may use the grant only for the
19 following purposes, but only to the extent that the use is
20 not described in section 231(d) of the Agricultural Risk
21 Protection Act of 2000:

22 (1) Applied research.

23 (2) Consulting services.

24 (3) Hiring of employees, at the discretion of the
25 board of directors of the entity.

1 (4) The making of matching grants, each of
2 which shall be not more than \$5,000, to agricultural
3 producers, so long as the aggregate amount of all
4 such matching grants shall be not more than
5 \$50,000.

6 (5) Legal services.

7 (f) RULE OF INTERPRETATION.—This section shall
8 not be construed to prevent a recipient of a grant under
9 this section from collaborating with any other institution
10 with respect to activities conducted using the grant.

11 (g) AVAILABILITY OF FUNDS.—Of the amount made
12 available under section 231(a)(1) of the Agricultural Risk
13 Protection Act of 2000 (Public Law 106–224; 7 U.S.C.
14 1621 note), the Secretary shall use to carry out this
15 section—

16 (1) not less than \$5,000,000 for fiscal year
17 2002; and

18 (2) not less than \$10,000,000 for each of the
19 fiscal years 2003 and 2004.

20 (h) REPORT ON BEST PRACTICES.—

21 (1) EFFECTS ON THE AGRICULTURAL SEC-
22 TOR.—The Secretary shall utilize \$300,000 per year
23 of the funds made available pursuant to this section
24 to support research at any university into the effects
25 of value-added projects on agricultural producers

1 and the commodity markets. The research should
2 systematically examine possible effects on demand
3 for agricultural commodities, market prices, farm in-
4 come, and Federal outlays on commodity programs
5 using linked, long-term, global projections of the ag-
6 ricultural sector.

7 (2) DEPARTMENT OF AGRICULTURE.—Not later
8 than 3 years after the first 10 grants are made
9 under this section, the Secretary shall prepare and
10 submit to the Committee on Agriculture, Nutrition,
11 and Forestry of the Senate and to the Committee on
12 Agriculture of the House of Representatives a writ-
13 ten report on the effectiveness of the demonstration
14 program conducted under this section at improving
15 the production of value-added agricultural products
16 and on the effects of the program on the economic
17 viability of the producers, which shall include the
18 best practices and innovations found at each of the
19 Agriculture Innovation Centers established under the
20 demonstration program under this section, and de-
21 tail the number and type of agricultural projects as-
22 sisted, and the type of assistance provided, under
23 this section.

1 **SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE**
2 **GRANT PROGRAM.**

3 (a) **FUNDING.**—In each of fiscal years 2002 through
4 2011, the Secretary of Agriculture shall use \$30,000,000
5 of the funds of the Commodity Credit Corporation to carry
6 out section 306A of the Consolidated Farm and Rural De-
7 velopment Act (7 U.S.C. 1926a).

8 (b) **EXTENSION OF PROGRAM.**—Section 306A(i) of
9 the Consolidated Farm and Rural Development Act (7
10 U.S.C. 1926a(i)) is amended by striking “2002” and in-
11 serting “2011”.

12 (c) **MISCELLANEOUS AMENDMENTS.**—Section 306A
13 of such Act (7 U.S.C. 1926a) is amended—

14 (1) in the heading by striking “**EMERGENCY**”;

15 (2) in subsection (a)(1)—

16 (A) by striking “after” and inserting
17 “when”; and

18 (B) by inserting “is imminent” after “com-
19 munities”; and

20 (3) in subsection (c), by striking “shall—” and
21 all that follows and inserting “shall be a public or
22 private nonprofit entity.”.

1 **SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE**
2 **PURCHASE OF RENEWABLE ENERGY SYS-**
3 **TEMS.**

4 Section 4 of the Rural Electrification Act of 1936 (7
5 U.S.C. 904) is amended—

6 (1) by inserting “(a)” before “The Secretary”;

7 and

8 (2) by adding after and below the end the fol-
9 lowing:

10 “(b) LOAN GUARANTEES FOR THE FINANCING OF
11 THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—

12 The Secretary may provide a loan guarantee, on such
13 terms and conditions as the Secretary deems appropriate,
14 for the purpose of financing the purchase of a renewable
15 energy system, including a wind energy system and anaer-
16 obic digestors for the purpose of energy generation, by any
17 person or individual who is a farmer, a rancher, or an
18 owner of a small business (as defined by the Secretary)
19 that is located in a rural area (as defined by the Sec-
20 retary). In providing guarantees under this subsection, the
21 Secretary shall give priority to loans used primarily for
22 power generation on a farm, ranch, or small business (as
23 so defined).”.

1 **SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE**
2 **ENERGY SYSTEMS.**

3 Section 310B(a)(3) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1932(a)(3)) is amended
5 by inserting “and other renewable energy systems includ-
6 ing wind energy systems and anaerobic digestors for the
7 purpose of energy generation” after “solar energy sys-
8 tems”.

9 **SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.**

10 Section 306(a)(11)(D) of the Consolidated Farm and
11 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is
12 amended by striking “2002” and inserting “2011”.

13 **SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND**
14 **NATIVE VILLAGES IN ALASKA.**

15 Section 306D(d)(1) of the Consolidated Farm and
16 Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-
17 ed by striking “and 2002” and inserting “through 2011”.

18 **SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

19 Section 310B(e)(9) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 1932(e)(9)) is amended
21 by striking “2002” and inserting “2011”.

22 **SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVEL-**
23 **OPMENT TRUST FUND.**

24 Section 381E(e)(3)(F) of the Consolidated Farm and
25 Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is

1 amended by striking “fiscal year 2002” and inserting
2 “each of the fiscal years 2002 through 2011”.

3 **SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PRO-**
4 **GRAM.**

5 Section 3810(b)(3) of the Consolidated Farm and
6 Rural Development Act (7 U.S.C. 2009n(b)(3)) is amend-
7 ed by striking “2002” and inserting “2011”.

8 **SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR**
9 **RURAL DEVELOPMENT.**

10 Section 310B(a) of the Consolidated Farm and Rural
11 Development Act (7 U.S.C. 1932(a)) is amended by strik-
12 ing “\$25,000,000” and inserting “\$100,000,000”.

13 **SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLE-**
14 **MENTATION OF STRATEGIC REGIONAL DE-**
15 **VELOPMENT PLANS.**

16 (a) DEVELOPMENT.—

17 (1) SELECTION OF STATES.—The Secretary of
18 Agriculture (in this section referred to as the “Sec-
19 retary”) shall, on a competitive basis, select States
20 in which to implement strategic regional develop-
21 ment plans developed under this subsection.

22 (2) GRANTS.—

23 (A) AUTHORITY.—

24 (i) IN GENERAL.—From the funds
25 made available to carry out this subsection,

1 the Secretary shall make a matching grant
2 to 1 or more entities in each State selected
3 under subsection (a), to develop a strategic
4 regional development plan that provides for
5 rural economic development in a region in
6 the State in which the entity is located.

7 (ii) PRIORITY.—In making grants
8 under this subsection, the Secretary shall
9 give priority to entities that represent a re-
10 gional coalition of community-based plan-
11 ning, development, governmental, and busi-
12 ness organizations.

13 (B) TERMS OF MATCH.—In order for an
14 entity to be eligible for a matching grant under
15 this subsection, the entity shall make a commit-
16 ment to the Secretary to provide funds for the
17 development of a strategic regional development
18 plan of the kind referred to in subparagraph
19 (A) in an amount that is not less than the
20 amount of the matching grant.

21 (C) LIMITATION.—The Secretary shall not
22 make a grant under this subsection in an
23 amount that exceeds \$150,000.

24 (3) FUNDING.—

1 (A) IN GENERAL.—The Secretary shall use
2 \$2,000,000 of the funds of the Commodity
3 Credit Corporation, plus $\frac{2}{13}$ of the amounts
4 made available by section 943 of the Farm Se-
5 curity Act of 2001 for grants under this sec-
6 tion, in each of fiscal years 2002 through 2011
7 to carry out this subsection.

8 (B) AVAILABILITY.—Funds made available
9 pursuant to subparagraph (A) shall remain
10 available without fiscal year limitation.

11 (b) STRATEGIC PLANNING IMPLEMENTATION.—

12 (1) The Secretary shall use the authorities pro-
13 vided in the provisions of law specified in section
14 793(c)(1)(A)(ii) of the Federal Agriculture Improve-
15 ment and Reform Act of 1996 to implement the
16 strategic regional development plans developed pur-
17 suant to subsection (a) of this section.

18 (2) FUNDING.—

19 (A) IN GENERAL.—The Secretary shall use
20 \$13,000,000 of the funds of the Commodity
21 Credit Corporation, plus $\frac{11}{13}$ of the amounts
22 made available by section 943 of the Farm Se-
23 curity Act of 2001 for grants under this sec-
24 tion, in each of fiscal years 2002 through 2011
25 to carry out this subsection.

1 (B) AVAILABILITY.—Funds made available
2 pursuant to subparagraph (A) shall remain
3 available without fiscal year limitation.

4 (c) USE OF FUNDS.—The amounts made available
5 under subsections (a) and (b) may be used as the Sec-
6 retary deems appropriate to carry out any provision of this
7 section.

8 **SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
9 **NANCE THE CONSTRUCTION, REFURBISHING,**
10 **AND SERVICING OF INDIVIDUALLY-OWNED**
11 **HOUSEHOLD WATER WELL SYSTEMS IN**
12 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
13 **OR MODERATE INCOMES.**

14 (a) IN GENERAL.—Subtitle A of the Consolidated
15 Farm and Rural Development Act (7 U.S.C. 1922–1949)
16 is amended by inserting after section 306D the following:

17 **“SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
18 **NANCE THE CONSTRUCTION, REFURBISHING,**
19 **AND SERVICING OF INDIVIDUALLY-OWNED**
20 **HOUSEHOLD WATER WELL SYSTEMS IN**
21 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
22 **OR MODERATE INCOMES.**

23 “(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this
24 section, the term ‘eligible individual’ means an individual
25 who is a member of a household, the combined income of

1 whose members for the most recent 12-month period for
2 which the information is available, is not more than 100
3 percent of the median nonmetropolitan household income
4 for the State or territory in which the individual resides,
5 according to the most recent decennial census of the
6 United States.

7 “(b) GRANTS.—The Secretary may make grants to
8 private nonprofit organizations for the purpose of assist-
9 ing eligible individuals in obtaining financing for the con-
10 struction, refurbishing, and servicing of individual house-
11 hold water well systems in rural areas that are owned (or
12 to be owned) by the eligible individuals.

13 “(c) USE OF FUNDS.—A grant made under this sec-
14 tion may be—

15 “(1) used, or invested to provide income to be
16 used, to carry out subsection (b); and

17 “(2) used to pay administrative expenses associ-
18 ated with providing the assistance described in sub-
19 section (b).

20 “(d) PRIORITY IN AWARDING GRANTS.—In awarding
21 grants under this section, the Secretary shall give priority
22 to an applicant that has substantial expertise and experi-
23 ence in promoting the safe and productive use of individ-
24 ually-owned household water well systems and ground
25 water.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section takes effect on October 1, 2001.

3 **SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

4 Subtitle E of the Consolidated Farm and Rural De-
5 velopment Act (7 U.S.C. 2009–2009n) is amended by add-
6 ing at the end the following:

7 **“SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNER-
8 SHIP.**

9 “(a) RURAL AREA DEFINED.—In this section, the
10 term ‘rural area’ means such areas as the Secretary may
11 determine.

12 “(b) ESTABLISHMENT.—There is established a Na-
13 tional Rural Development Partnership (in this section re-
14 ferred to as the ‘Partnership’), which shall be composed
15 of—

16 “(1) the National Rural Development Coordinating
17 Committee established in accordance with
18 subsection (c); and

19 “(2) State rural development councils estab-
20 lished in accordance with subsection (d).

21 “(c) NATIONAL RURAL DEVELOPMENT COORDI-
22 NATING COMMITTEE.—

23 “(1) COMPOSITION.—The National Rural De-
24 velopment Coordinating Committee (in this section

1 referred to as the ‘Coordinating Committee’) may be
2 composed of—

3 “(A) representatives of all Federal depart-
4 ments and agencies with policies and programs
5 that affect or benefit rural areas;

6 “(B) representatives of national associa-
7 tions of State, regional, local, and tribal govern-
8 ments and intergovernmental and multi-juris-
9 dictional agencies and organizations;

10 “(C) national public interest groups; and

11 “(D) other national nonprofit organiza-
12 tions that elect to participate in the activities of
13 the Coordinating Committee.

14 “(2) FUNCTIONS.—The Coordinating Com-
15 mittee may—

16 “(A) provide support for the work of the
17 State rural development councils established in
18 accordance with subsection (d); and

19 “(B) develop and facilitate strategies to re-
20 duce or eliminate conflicting or duplicative ad-
21 ministrative and regulatory impediments con-
22 fronting rural areas.

23 “(d) STATE RURAL DEVELOPMENT COUNCILS.—

24 “(1) COMPOSITION.—A State rural development
25 council may—

1 “(A) be composed of representatives of
2 Federal, State, local, and tribal governments,
3 and nonprofit organizations, the private sector,
4 and other entities committed to rural advance-
5 ment; and

6 “(B) have a nonpartisan and nondiscrim-
7 inatory membership that is broad and rep-
8 resentative of the economic, social, and political
9 diversity of the State.

10 “(2) FUNCTIONS.—A State rural development
11 council may—

12 “(A) facilitate collaboration among Fed-
13 eral, State, local, and tribal governments and
14 the private and non-profit sectors in the plan-
15 ning and implementation of programs and poli-
16 cies that affect the rural areas of the State, and
17 to do so in such a way that provides the great-
18 est degree of flexibility and innovation in re-
19 sponding to the unique needs of the State and
20 the rural areas; and

21 “(B) in conjunction with the Coordinating
22 Committee, develop and facilitate strategies to
23 reduce or eliminate conflicting or duplicative
24 administrative and regulatory impediments con-
25 fronting the rural areas of the State.

1 “(e) ADMINISTRATION OF THE PARTNERSHIP.—The
2 Secretary may provide for any additional support staff to
3 the Partnership as the Secretary determines to be nec-
4 essary to carry out the duties of the Partnership.

5 “(f) TERMINATION.—The authority provided by this
6 section shall terminate on the date that is 5 years after
7 the date of the enactment of this section.”.

8 **SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES,**
9 **RURAL ENTERPRISE COMMUNITIES, AND**
10 **CHAMPION COMMUNITIES FOR DIRECT AND**
11 **GUARANTEED LOANS FOR ESSENTIAL COM-**
12 **MUNITY FACILITIES.**

13 Section 306(a)(1) of the Consolidated Farm and
14 Rural Development Act (7 U.S.C. 1926(a)(1)) is amended
15 by inserting after the 1st sentence the following: “The
16 Secretary may also make or insure loans to communities
17 that have been designated as rural empowerment zones or
18 rural enterprise communities pursuant to part I of sub-
19 chapter U of chapter 1 of the Internal Revenue Code of
20 1986, as rural enterprise communities pursuant to section
21 766 of the Agriculture, Rural Development, Food and
22 Drug Administration, and Related Agencies Appropria-
23 tions Act, 1999, or as champion communities (as deter-
24 mined by the Secretary), to provide for the installation or
25 improvement of essential community facilities including

1 necessary related equipment, and to furnish financial as-
2 sistance or other aid in planning projects for such pur-
3 poses.”.

4 **SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECH-**
5 **NOLOGIES AND TO TRAIN FARM WORKERS IN**
6 **SPECIALIZED SKILLS NECESSARY FOR HIGH-**
7 **ER VALUE CROPS.**

8 (a) IN GENERAL.—The Secretary of Agriculture may
9 make a grant to a nonprofit organization with the capacity
10 to train farm workers, or to a consortium of non-profit
11 organizations, agribusinesses, State and local govern-
12 ments, agricultural labor organizations, and community-
13 based organizations with that capacity.

14 (b) USE OF FUNDS.—An entity to which a grant is
15 made under this section shall use the grant to train farm
16 workers to use new technologies and develop specialized
17 skills for agricultural development.

18 (c) LIMITATIONS ON AUTHORIZATION OF APPRO-
19 PRIATIONS.—For grants under this section, there are au-
20 thorized to be appropriated to the Secretary of Agriculture
21 not more than \$10,000,000 for each of fiscal years 2002
22 through 2011.

1 **SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF**
2 **STOCK IN A FARMER COOPERATIVE SEEKING**
3 **TO MODERNIZE OR EXPAND.**

4 Section 310B(g)(2) of the Consolidated Farm and
5 Rural Development Act (7 U.S.C. 1932(g)(2)) is amended
6 by striking “start-up” and all that follows and inserting
7 “capital stock of a farmer cooperative established for an
8 agricultural purpose.”.

9 **SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSE-**
10 **CURED DEBT REQUIRED TO BE CONSIDERED**
11 **IN DETERMINING ELIGIBILITY OF FARMER-**
12 **OWNED COOPERATIVE FOR BUSINESS AND**
13 **INDUSTRY GUARANTEED LOAN.**

14 Section 310B of the Consolidated Farm and Rural
15 Development Act (7 U.S.C. 1932) is amended by adding
16 at the end the following:

17 “(h) INTANGIBLE ASSETS AND SUBORDINATED UN-
18 SECURED DEBT REQUIRED TO BE CONSIDERED IN DE-
19 TERMINING ELIGIBILITY OF FARMER-OWNED COOPERA-
20 TIVE FOR BUSINESS AND INDUSTRY GUARANTEED
21 LOAN.—In determining whether a cooperative organiza-
22 tion owned by farmers is eligible for a guaranteed loan
23 under subsection (a)(1), the Secretary may consider the
24 value of the intangible assets and subordinated unsecured
25 debt of the cooperative organization.”.

1 **SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOP-**
2 **ERATIVE FOR BUSINESS AND INDUSTRY**
3 **LOAN GUARANTEE BASED ON POPULATION**
4 **OF AREA IN WHICH COOPERATIVE IS LO-**
5 **CATED.**

6 Section 310B of the Consolidated Farm and Rural
7 Development Act (7 U.S.C. 1932) is further amended by
8 adding at the end of the following:

9 “(i) SPECIAL RULES APPLICABLE TO FARMER CO-
10 OPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN
11 PROGRAM.—In determining whether a cooperative organi-
12 zation owned by farmers is eligible for a guaranteed loan
13 under subsection (a)(1), the Secretary shall not apply any
14 lending restriction based on population to the area in
15 which the cooperative organization is located.”.

16 **SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.**

17 Section 306(a)(2) of the Consolidated Farm and
18 Rural Development Act (7 U.S.C. 1926(a)(2)) is amended
19 by striking “aggregating not to exceed \$590,000,000 in
20 any fiscal year”.

21 **SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.**

22 (a) ESTABLISHMENT.—The Secretary of Agriculture
23 shall establish a national rural water and wastewater cir-
24 cuit rider grant program that shall be modeled after the
25 National Rural Water Association Rural Water Circuit

1 Rider Program that receives funding from the Rural Utili-
2 ties Service.

3 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-
4 PRIATIONS.—To carry out subsection (a), there are au-
5 thorized to be appropriated to the Secretary of Agriculture
6 \$15,000,000 for each fiscal year.

7 **SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER**
8 **PROTECTION PROGRAM.**

9 (a) ESTABLISHMENT.—The Secretary of Agriculture
10 shall establish a national grassroots source water protec-
11 tion program that will utilize the on-site technical assist-
12 ance capabilities of State rural water associations that are
13 operating wellhead or ground water protection programs
14 in each State.

15 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-
16 PRIATIONS.—To carry out subsection (a), there are au-
17 thorized to be appropriated to the Secretary of Agriculture
18 \$5,000,000 for each fiscal year.

19 **TITLE VII—RESEARCH AND**
20 **RELATED MATTERS**
21 **Subtitle A—Extensions**

22 **SEC. 700. MARKET EXPANSION RESEARCH.**

23 Section 1436(b)(3)(C) of the Food Security Act of
24 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking
25 “1990” and inserting “2011”.

1 **SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEAR-**
2 **INGHOUSE.**

3 Section 2381(e) of the Food, Agriculture, Conserva-
4 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is
5 amended by striking “2002” and inserting “2011”.

6 **SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRI-**
7 **CULTURAL SCIENCES EDUCATION.**

8 Section 1417(l) of the National Agricultural Re-
9 search, Extension, and Teaching Policy Act of 1977 (7
10 U.S.C. 3152(l)) is amended by striking “2002” and in-
11 serting “2011”.

12 **SEC. 703. POLICY RESEARCH CENTERS.**

13 Section 1419A(d) of the National Agricultural Re-
14 search, Extension, and Teaching Policy Act of 1977 (7
15 U.S.C. 3155(d)) is amended by striking “2002” and in-
16 serting “2011”.

17 **SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH**
18 **PROMOTION RESEARCH PROGRAM.**

19 Section 1424(d) of the National Agricultural Re-
20 search, Extension, and Teaching Policy Act of 1977 (7
21 U.S.C. 3174(d)) is amended by striking “2002” and in-
22 serting “2011”.

23 **SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MED-**
24 **ICAL AND AGRICULTURAL RESEARCH.**

25 Section 1424A(d) of the National Agricultural Re-
26 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3174a(d)) is amended by striking “2002” and in-
2 serting “2011”.

3 **SEC. 706. NUTRITION EDUCATION PROGRAM.**

4 Section 1425(e)(3) of the National Agricultural Re-
5 search, Extension, and Teaching Policy Act of 1977 (7
6 U.S.C. 3175(e)(3)) is amended by striking “2002” and
7 inserting “2011”.

8 **SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
9 **SEARCH PROGRAMS.**

10 Section 1433(a) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3195(a)) is amended by striking “2002” and in-
13 serting “2011”.

14 **SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL**
15 **OR REGIONAL PROBLEMS.**

16 Section 1434(a) of the National Agricultural Re-
17 search, Extension, and Teaching Policy Act of 1977 (7
18 U.S.C. 3196(a)) is amended by striking “2002” and in-
19 serting “2011”.

20 **SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**
21 **SCIENCES FACILITIES AT 1890 LAND-GRANT**
22 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**
23 **SITY.**

24 Section 1447(b) of the National Agricultural Re-
25 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3222b(b)) is amended by striking “2002” and in-
2 serting “2011”.

3 **SEC. 710. NATIONAL RESEARCH AND TRAINING CENTEN-**
4 **NIAL CENTERS AT 1890 LAND-GRANT INSTITU-**
5 **TIONS.**

6 Sections 1448(a)(1) and (f) of the National Agricul-
7 tural Research, Extension, and Teaching Policy Act of
8 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by
9 striking “2002” each place it appears and inserting
10 “2011”.

11 **SEC. 711. HISPANIC-SERVING INSTITUTIONS.**

12 Section 1455(c) of the National Agricultural Re-
13 search, Extension, and Teaching Policy Act of 1977 (7
14 U.S.C. 3241(c)) is amended by striking “2002” and in-
15 serting “2011”.

16 **SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
17 **RICULTURAL SCIENCE AND EDUCATION PRO-**
18 **GRAMS.**

19 Section 1459A(c) of the National Agricultural Re-
20 search, Extension, and Teaching Policy Act of 1977 (7
21 U.S.C. 3292b(c)) is amended by striking “2002” and in-
22 serting “2011”.

23 **SEC. 713. UNIVERSITY RESEARCH.**

24 Subsections (a) and (b) of section 1463 of the Na-
25 tional Agricultural Research, Extension, and Teaching

1 Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amend-
2 ed by striking “2002” each place it appears and inserting
3 “2011”.

4 **SEC. 714. EXTENSION SERVICE.**

5 Section 1464 of the National Agricultural Research,
6 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
7 3312) is amended by striking “2002” and inserting
8 “2011”.

9 **SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

10 Section 1473D(a) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3319d(a)) is amended by striking “2002” and in-
13 serting “2011”.

14 **SEC. 716. AQUACULTURE RESEARCH FACILITIES.**

15 The first sentence of section 1477 of the National
16 Agricultural Research, Extension, and Teaching Policy
17 Act of 1977 (7 U.S.C. 3324) is amended by striking
18 “2002” and inserting “2011”.

19 **SEC. 717. RANGELAND RESEARCH.**

20 Section 1483(a) of the National Agricultural Re-
21 search, Extension, and Teaching Policy Act of 1977 (7
22 U.S.C. 3336(a)) is amended by striking “2002” and in-
23 serting “2011”.

1 **SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.**

2 Section 1635(b) of the Food, Agriculture, Conserva-
3 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-
4 ed by striking “2002” and inserting “2011”.

5 **SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
6 **TIATIVES.**

7 Section 1672(h) of the Food, Agriculture, Conserva-
8 tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amend-
9 ed by striking “2002” and inserting “2011”.

10 **SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTEN-**
11 **SION INITIATIVE.**

12 Section 1672A(g) of the Food, Agriculture, Conserva-
13 tion, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is
14 amended by striking “2002” and inserting “2011”.

15 **SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PRO-**
16 **GRAM.**

17 Section 1673(h) of the Food, Agriculture, Conserva-
18 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-
19 ed by striking “2002” and inserting “2011”.

20 **SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND**
21 **COMMERCIALIZATION REVOLVING FUND.**

22 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
23 1664(g)(1) of the Food, Agriculture, Conservation, and
24 Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by
25 striking “2002” and inserting “2011”.

1 (b) CAPITALIZATION.—Section 1664(g)(2) of such
2 Act (7 U.S.C. 5908(g)(2)) is amended by striking “2002”
3 and inserting “2011”.

4 **SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
5 **ERS WITH DISABILITIES.**

6 Section 1680(c)(1) of the Food, Agriculture, Con-
7 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))
8 is amended by striking “2002” and inserting “2011”.

9 **SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL**
10 **PRODUCT QUALITY RESEARCH.**

11 Section 402(g) of the Agricultural Research, Exten-
12 sion, and Education Reform Act of 1998 (7 U.S.C.
13 7622(g)) is amended by striking “2002” and inserting
14 “2011”.

15 **SEC. 725. BIOBASED PRODUCTS.**

16 (a) PILOT PROJECT.—Section 404(e)(2) of the Agri-
17 cultural Research, Extension, and Education Reform Act
18 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking
19 “2001” and inserting “2011”.

20 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
21 404(h) of such Act (7 U.S.C. 7624(h)) is amended by
22 striking “2002” and inserting “2011”.

1 **SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EX-**
2 **TENSION COMPETITIVE GRANTS PROGRAM.**

3 Section 406(e) of the Agricultural Research, Exten-
4 sion, and Education Reform Act of 1998 (7 U.S.C.
5 7626(e)) is amended by striking “2002” and inserting
6 “2011”.

7 **SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.**

8 (a) **GENERALLY.**—Section 535(b)(1) of the Equity in
9 Educational Land-Grant Status Act of 1994 (7 U.S.C.
10 301 note) is amended by striking “2000” and inserting
11 “2011”.

12 (b) **AUTHORIZATION OF APPROPRIATIONS.**—Section
13 535(e) of such Act is amended by striking “2000” and
14 inserting “2011”.

15 **SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.**

16 Section 536(e) of the Equity in Educational Land-
17 Grant Status Act of 1994 (7 U.S.C. 301 note) is amended
18 by striking “2002” and inserting “2011”.

19 **SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.**

20 The first sentence of section 533(b) of the Equity in
21 Educational Land-Grant Status Act of 1994 (7 U.S.C.
22 301 note) is amended by striking “\$4,600,000” and all
23 that follows through the period and inserting “such sums
24 as are necessary to carry out this section for each of fiscal
25 years 1996 through 2011.”.

1 **SEC. 730. PRECISION AGRICULTURE.**

2 Section 403(i) of the Agricultural Research, Exten-
3 sion, and Education Reform Act of 1998 (7 U.S.C.
4 7623(i)) is amended by striking “2002” and inserting
5 “2011”.

6 **SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**
7 **VERSIFICATION.**

8 Section 405(h) of the Agricultural Research, Exten-
9 sion, and Education Reform Act of 1998 (7 U.S.C.
10 7625(h)) is amended by striking “2002” and inserting
11 “2011”.

12 **SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES**
13 **OF WHEAT, TRITICALE, AND BARLEY CAUSED**
14 **BY FUSARIUM GRAMINEARUM OR BY**
15 **TILLETIA INDICA.**

16 Section 408(e) of the Agricultural Research, Exten-
17 sion, and Education Reform Act of 1998 (7 U.S.C.
18 7628(e)) is amended by striking “2002” and inserting
19 “2011”.

20 **SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.**

21 Section 614(f) of the Agricultural Research, Exten-
22 sion, and Education Reform Act of 1998 (7 U.S.C.
23 7653(f)) is amended by striking “2002” and inserting
24 “2011”.

1 **SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
2 **SION, EDUCATION, AND ECONOMICS ADVI-**
3 **SORY BOARD.**

4 Section 1408(h) of the National Agricultural Re-
5 search, Extension, and Teaching Policy Act of 1977 (7
6 U.S.C. 3123(h)) is amended by striking “2002” and in-
7 serting “2011”.

8 **SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND**
9 **MARKETING OF ALCOHOLS AND INDUSTRIAL**
10 **HYDROCARBONS FROM AGRICULTURAL COM-**
11 **MODITIES AND FOREST PRODUCTS.**

12 Section 1419(d) of the National Agricultural Re-
13 search, Extension, and Teaching Policy Act of 1977 (7
14 U.S.C. 3154(d)) is amended by striking “2002” and in-
15 serting “2011”.

16 **SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.**

17 Title III of the Agricultural Risk Protection Act of
18 2000 (7 U.S.C. 7624 note) is amended—

19 (1) in section 307(f), by striking “2005” and
20 inserting “2011”; and

21 (2) in section 310, by striking “2005” and in-
22 serting “2011”.

1 **SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RE-**
2 **SEARCH FACILITIES.**

3 Section 6(a) of the Research Facilities Act (7 U.S.C.
4 390d(a)) is amended by striking “2002” and inserting
5 “2011”.

6 **SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
7 **SEARCH GRANTS NATIONAL RESEARCH INI-**
8 **TIATIVE.**

9 Section 2(b)(10) of the Competitive, Special, and Fa-
10 cilities Research Grant Act (7 U.S.C. 450i(b)(10)) is
11 amended by striking “2002” and inserting “2011”.

12 **SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES**
13 **AUTHORIZATION OF APPROPRIATIONS.**

14 Section 1431 of the National Agricultural Research,
15 Extension, and Teaching Policy Act Amendments of 1985
16 (Public Law 99–198; 99 Stat. 1556) is amended by strik-
17 ing “2002” and inserting “2011”.

18 **SEC. 740. COTTON CLASSIFICATION SERVICES.**

19 The first sentence of section 3a of the Act of March
20 3, 1927 (commonly known as the “Cotton Statistics and
21 Estimates Act”; 7 U.S.C. 473a) is amended by striking
22 “2002” and inserting “2011”.

1 **SEC. 740A. CRITICAL AGRICULTURAL MATERIALS RE-**
2 **SEARCH.**

3 Section 16(a) of the Critical Agricultural Materials
4 Act (7 U.S.C. 178n(a)) is amended by striking “2002”
5 and inserting “2011”.

6 **Subtitle B—Modifications**

7 **SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**
8 **ACT OF 1994.**

9 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Section
10 534(a)(1)(A) of the Equity in Educational Land-Grant
11 Status Act of 1994 (7 U.S.C. 301 note) is amended by
12 striking “\$50,000” and inserting “\$100,000”.

13 (b) **WITHDRAWALS AND EXPENDITURES.**—Section
14 533(c)(4)(A) of such Act is amended by striking “section
15 390(3)” and all that follows through “1998” and insert-
16 ing “section 2(a)(7) of the Tribally Controlled College or
17 University Assistance Act of 1978”.

18 (c) **ACCREDITATION.**—Section 533(a)(3) of such Act
19 is amended by striking “under sections 534 and 535” and
20 inserting “under sections 534, 535, and 536”.

21 (d) **1994 INSTITUTIONS.**—Section 532 of such Act is
22 amended by striking paragraphs (1) through (30) and in-
23 serting the following:

24 “(1) Bay Mills Community College.

25 “(2) Blackfeet Community College.

26 “(3) Cankdeska Cikana Community College.

- 1 “(4) College of Menominee Nation.
- 2 “(5) Crownpoint Institute of Technology.
- 3 “(6) D–Q University.
- 4 “(7) Diné College.
- 5 “(8) Dull Knife Memorial College.
- 6 “(9) Fond du Lac Tribal and Community Col-
7 lege.
- 8 “(10) Fort Belknap College.
- 9 “(11) Fort Berthold Community College.
- 10 “(12) Fort Peck Community College.
- 11 “(13) Haskell Indian Nations University.
- 12 “(14) Institute of American Indian and Alaska
13 Native Culture and Arts Development.
- 14 “(15) Lac Courte Oreilles Ojibwa Community
15 College.
- 16 “(16) Leech Lake Tribal College.
- 17 “(17) Little Big Horn College.
- 18 “(18) Little Priest Tribal College.
- 19 “(19) Nebraska Indian Community College.
- 20 “(20) Northwest Indian College.
- 21 “(21) Oglala Lakota College.
- 22 “(22) Salish Kootenai College.
- 23 “(23) Sinte Gleska University.
- 24 “(24) Sisseton Wahpeton Community College.
- 25 “(25) Si Tanka/Huron University.

1 “(26) Sitting Bull College.

2 “(27) Southwestern Indian Polytechnic Insti-
3 tute.

4 “(28) Stone Child College.

5 “(29) Turtle Mountain Community College.

6 “(30) United Tribes Technical College.”.

7 **SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
8 **SION, AND TEACHING POLICY ACT OF 1977.**

9 Section 1404(4) of the National Agricultural Re-
10 search, Extension, and Teaching Policy Act of 1977 (7
11 U.S.C. 3103(4)) is amended—

12 (1) by striking the period at the end of sub-
13 paragraph (E) and inserting “, or”; and

14 (2) by adding at the end the following: “(F) is
15 one of the 1994 Institutions (as defined in section
16 532 of the Equity in Educational Land-Grant Sta-
17 tus Act of 1994).”.

18 **SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND**
19 **EDUCATION REFORM ACT OF 1998.**

20 (a) PRIORITY MISSION AREAS.—Section 401(c)(2) of
21 the Agricultural Research, Extension, and Education Re-
22 form Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

23 (1) by striking “and” at the end of subpara-
24 graph (E);

1 (2) by striking the period at the end of sub-
2 paragraph (F) and inserting “; and”; and

3 (3) by adding at the end the following new sub-
4 paragraph:

5 “(G) alternative fuels and renewable en-
6 ergy sources.”.

7 (b) PRECISION AGRICULTURE.—Section 403 of the
8 Agricultural Research, Extension, and Education Reform
9 Act of 1998 (7 U.S.C. 7623) is amended—

10 (1) in subsection (a)(5)(F), by inserting “(in-
11 cluding improved use of energy inputs)” after “farm
12 production efficiencies”; and

13 (2) in subsection (d)—

14 (A) by redesignating paragraphs (4) and
15 (5) as paragraphs (5) and (6), respectively; and

16 (B) by inserting after paragraph (3) the
17 following new paragraph:

18 “(4) Improve on farm energy use efficiencies.”.

19 (c) THOMAS JEFFERSON INITIATIVE FOR CROP DI-
20 VERSIFICATION.—Section 405(a) of the Agricultural Re-
21 search, Extension, and Education Reform Act of 1998 (7
22 U.S.C. 7625(a)) is amended by striking “and marketing”
23 and inserting “, marketing, and efficient use”.

24 (d) COORDINATED PROGRAM OF RESEARCH, EXTEN-
25 SION, AND EDUCATION TO IMPROVE VIABILITY OF

1 SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND
2 POULTRY OPERATIONS.—Section 407(b)(3) of the Agri-
3 cultural Research, Extension, and Education Reform Act
4 of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting
5 “(including improved use of energy inputs)” after “poultry
6 systems that increase efficiencies”.

7 (e) SUPPORT FOR RESEARCH REGARDING DISEASES
8 OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSAR-
9 IUM GRAMINEARUM OR BY TILLETIA INDICA.—

10 (1) RESEARCH GRANT AUTHORIZED.—Section
11 408(a) of the Agricultural Research, Extension, and
12 Education Reform Act of 1998 (7 U.S.C. 7628(a))
13 is amended to read as follows:

14 “(a) RESEARCH GRANT AUTHORIZED.—The Sec-
15 retary of Agriculture may make grants to consortia of
16 land-grant colleges and universities to enhance the ability
17 of the consortia to carry out multi-State research projects
18 aimed at understanding and combating diseases of wheat,
19 triticale, and barley caused by *Fusarium graminearum*
20 and related fungi (referred to in this section as ‘wheat
21 scab’) or by *Tilletia indica* and related fungi (referred to
22 in this section as ‘Karnal bunt’).”.

23 (2) RESEARCH COMPONENTS.—Section 408(b)
24 of such Act (7 U.S.C. 7628(b)) is amended—

1 (A) in paragraph (1), by inserting “or of
2 Karnal bunt,” after “epidemiology of wheat
3 scab”;

4 (B) in paragraph (1), by inserting “,
5 triticale,” after “occurring in wheat”;

6 (C) in paragraph (2), by inserting “or
7 Karnal bunt” after “wheat scab”;

8 (D) in paragraph (3)(A), by striking “and
9 barley for the presence of” and inserting “,
10 triticale, and barley for the presence of Karnal
11 bunt or of”;

12 (E) in paragraph (3)(B), by striking “and
13 barley infected with wheat scab” and inserting
14 “, triticale, and barley infected with wheat scab
15 or with Karnal bunt”;

16 (F) in paragraph (3)(C), by inserting
17 “wheat scab” after “to render”;

18 (G) in paragraph (4), by striking “and
19 barley to wheat scab” and inserting “, triticale,
20 and barley to wheat scab and to Karnal bunt”;
21 and

22 (H) in paragraph (5)—

23 (i) by inserting “and Karnal bunt”
24 after “wheat scab”; and

1 (ii) by inserting “, triticale,” after
2 “resistant wheat”.

3 (3) COMMUNICATIONS NETWORKS.—Section
4 408(c) of such Act (7 U.S.C. 7628(c)) is amended
5 by inserting “or Karnal bunt” after “wheat scab”.

6 (4) TECHNICAL AMENDMENTS.—(A) The sec-
7 tion heading for section 408 of such Act is amended
8 by striking “**AND BARLEY CAUSED BY FUSARIUM**
9 **GRAMINEARUM**” and inserting “, **TRITICALE,**
10 **AND BARLEY CAUSED BY FUSARIUM**
11 **GRAMINEARUM OR BY TILLETIA INDICA**”.

12 (B) The table of sections for such Act is
13 amended by striking “and barley caused by fusarium
14 graminearum” in the item relating to section 408
15 and inserting “, triticale, and barley caused by Fu-
16 sarium graminearum or by Tilletia indica”.

17 (f) PROGRAM TO CONTROL JOHNE’S DISEASE.—Title
18 IV of the Agricultural Research, Extension, and Edu-
19 cation Reform Act of 1998 (7 U.S.C. 7621 et seq.) is
20 amended by adding at the end the following new section:

21 “**SEC. 409. BOVINE JOHNE’S DISEASE CONTROL PROGRAM.**

22 “(a) ESTABLISHMENT.—The Secretary of Agri-
23 culture, in coordination with State veterinarians and other
24 appropriate State animal health professionals, may estab-
25 lish a program to conduct research, testing, and evaluation

1 of programs for the control and management of Johne's
2 disease in livestock.

3 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated to the Secretary such
5 sums as may be necessary to carry out this section for
6 each of fiscal years 2003 through 2011.”.

7 **SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND**
8 **TRADE ACT OF 1990.**

9 (a) AGRICULTURAL GENOME INITIATIVE.—Section
10 1671(b) of the Food, Agriculture, Conservation, and
11 Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

12 (1) in paragraph (3), by inserting “pathogens
13 and” before “diseases causing economic hardship”;

14 (2) in paragraph (6), by striking “and” at the
15 end;

16 (3) by redesignating paragraph (7) as para-
17 graph (8); and

18 (4) by inserting after paragraph (6) the fol-
19 lowing new paragraph:

20 “(7) reducing the economic impact of plant
21 pathogens on commercially important crop plants;
22 and”.

23 (b) HIGH-PRIORITY RESEARCH AND EXTENSION INI-
24 TIATIVES.—Section 1672(e) of the Food, Agriculture,
25 Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is

1 amended by adding at the end the following new para-
2 graphs:

3 “(25) RESEARCH TO PROTECT THE UNITED
4 STATES FOOD SUPPLY AND AGRICULTURE FROM
5 BIOTERRORISM.—Research grants may be made
6 under this section for the purpose of developing
7 technologies, which support the capability to deal
8 with the threat of agricultural bioterrorism.

9 “(26) WIND EROSION RESEARCH AND EXTEN-
10 SION.—Research and extension grants may be made
11 under this section for the purpose of validating wind
12 erosion models.

13 “(27) CROP LOSS RESEARCH AND EXTEN-
14 SION.—Research and extension grants may be made
15 under this section for the purpose of validating crop
16 loss models.

17 “(28) LAND USE MANAGEMENT RESEARCH AND
18 EXTENSION.—Research and extension grants may be
19 made under this section for the purposes of evalu-
20 ating the environmental benefits of land use man-
21 agement tools such as those provided in the Farm-
22 land Protection Program.

23 “(29) WATER AND AIR QUALITY RESEARCH
24 AND EXTENSION.—Research and extension grants
25 may be made under this section for the purpose of

1 better understanding agricultural impacts to air and
2 water quality and means to address them.

3 “(30) REVENUE AND INSURANCE TOOLS RE-
4 SEARCH AND EXTENSION.—Research and extension
5 grants may be made under this section for the pur-
6 poses of better understanding the impact of revenue
7 and insurance tools on farm income.

8 “(31) AGROTOURISM RESEARCH AND EXTEN-
9 SION.—Research and extension grants may be made
10 under this section for the purpose of better under-
11 standing the economic, environmental, and food sys-
12 tems impacts on agrotourism.

13 “(32) HARVESTING PRODUCTIVITY FOR FRUITS
14 AND VEGETABLES.—Research and extension grants
15 may be made under this section for the purpose of
16 improving harvesting productivity for fruits and
17 vegetables (including citrus), including the develop-
18 ment of mechanical harvesting technologies and ef-
19 fective, economical, and safe abscission compounds.

20 “(33) NITROGEN-FIXATION BY PLANTS.—Re-
21 search and extension grants may be made under this
22 section for the purpose of enhancing the nitrogen-
23 fixing ability and efficiency of legumes, developing
24 new varieties of legumes that fix nitrogen more effi-
25 ciently, and developing new varieties of other com-

1 mercially important crops that potentially are able to
2 fix nitrogen.

3 “(34) AGRICULTURAL MARKETING.—Extension
4 grants may be made under this section for the pur-
5 pose of providing education materials, information,
6 and outreach programs regarding commodity and
7 livestock marketing strategies for agricultural pro-
8 ducers and for cooperatives and other marketers of
9 any agricultural commodity, including livestock.

10 “(35) ENVIRONMENT AND PRIVATE LANDS RE-
11 SEARCH AND EXTENSION.—Research and extension
12 grants may be made under this section for the pur-
13 pose of researching the use of computer models to
14 aid in assessment of best management practices on
15 a watershed basis, working with government, indus-
16 try, and private landowners to help craft industry-
17 led solutions to identified environmental issues, re-
18 searching and monitoring water, air, or soil environ-
19 mental quality to aid in the development of new ap-
20 proaches to local environmental concerns, and work-
21 ing with local, State, and federal officials to help
22 craft effective environmental solutions that respect
23 private property rights and agricultural production
24 realities.

1 “(36) LIVESTOCK DISEASE RESEARCH AND EX-
2 TENSION.—Research and extension grants may be
3 made under this section for the purpose of identi-
4 fying possible livestock disease threats, educating the
5 public regarding livestock disease threats, training
6 persons to deal with such threats, and conducting
7 related research.

8 “(37) PLANT GENE EXPRESSION.—Research
9 and development grants may be made under this
10 section for the purpose of plant gene expression re-
11 search to accelerate the application of basic plant
12 genomic science to the development and testing of
13 new varieties of enhanced food crops, crops that can
14 be used as renewable energy sources, and other al-
15 ternative uses of agricultural crops.”.

16 **SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
17 **SION, AND TEACHING POLICY ACT OF 1977.**

18 (a) NATIONAL AGRICULTURAL RESEARCH, EXTEN-
19 SION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—
20 Section 1408 of the National Agricultural Research, Ex-
21 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3123)
22 is amended—

23 (1) in subsection (b)(3)—

1 (A) by redesignating subparagraphs (R)
2 through (DD) as subparagraphs (S) through
3 (EE), respectively; and

4 (B) by inserting after subparagraph (Q)
5 the following new subparagraph:

6 “(R) 1 member representing a nonland
7 grant college or university with a historic com-
8 mitment to research in the food and agricul-
9 tural sciences.”;

10 (2) in subsection (c)(1), by striking “and land-
11 grant colleges and universities” and inserting “,
12 land-grant colleges and universities, and the Com-
13 mittee on Agriculture of the House of Representa-
14 tives, the Committee on Agriculture, Nutrition, and
15 Forestry of the Senate, the Subcommittee on Agri-
16 culture, Rural Development, Food and Drug Admin-
17 istration and Related Agencies of the Committee on
18 Appropriations of the House of Representatives, and
19 the Subcommittee on Agriculture, Rural Develop-
20 ment and Related Agencies of the Committee on Ap-
21 propriations of the Senate”;

22 (3) in subsection (d)(1), inserting “consult with
23 any appropriate agencies of the Department of Agri-
24 culture and” after “the Advisory Board shall”; and

1 (4) in subsection (b)(1), by striking “30 mem-
2 bers” and inserting “31 members”.

3 (b) GRANTS FOR RESEARCH ON PRODUCTION AND
4 MARKETING OF ALCOHOLS AND INDUSTRIAL HYDRO-
5 CARBONS FROM AGRICULTURAL COMMODITIES AND FOR-
6 EST PRODUCTS.—Section 1419 of the National Agricul-
7 tural Research, Extension, and Teaching Policy Act of
8 1977 (7 U.S.C. 3154) is amended—

9 (1) in subsection (a)(2), by inserting “and ani-
10 mal fats and oils” after “industrial oilseed crops”;
11 and

12 (2) in subsection (a)(4), by inserting “or
13 triglycerides” after “other industrial hydrocarbons”.

14 (c) FAS OVERSEAS INTERN PROGRAM.—Section
15 1458(a) of the National Agricultural Research, Extension,
16 and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is
17 amended—

18 (1) by striking “and” at the end of paragraph
19 (8);

20 (2) by striking the period at the end of para-
21 graph (9) and inserting “; and”; and

22 (3) by adding at the end the following new
23 paragraph:

24 “(10) establish a program, to be coordinated by
25 the Cooperative State Research, Education, and Ex-

1 tension Service and the Foreign Agricultural Service,
2 to place interns from United States colleges and uni-
3 versities at Foreign Agricultural Service field offices
4 overseas.”.

5 **SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.**

6 Title III of the Agricultural Risk Protection Act of
7 2000 (7 U.S.C. 7624 note) is amended—

8 (1) in section 302(3), by inserting “or bio-
9 diesel” after “such as ethanol”;

10 (2) in section 303(3), by inserting “animal by-
11 products,” after “fibers,”; and

12 (3) in section 306(b)(1)—

13 (A) by redesignating subparagraphs (E)
14 through (J) as subparagraphs (F) through (K),
15 respectively; and

16 (B) by inserting after subparagraph (D)
17 the following new subparagraph:

18 “(E) an individual affiliated with a live-
19 stock trade association;”.

20 **SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.**

21 Section 1668 of the Food, Agriculture, Conservation,
22 and Trade Act of 1990 (7 U.S.C. 5921) is amended to
23 read as follows:

1 **“SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RE-**
2 **SEARCH.**

3 “(a) PURPOSE.—It is the purpose of this section—

4 “(1) to authorize and support environmental as-
5 sessment research to help identify and analyze envi-
6 ronmental effects of biotechnology; and

7 “(2) to authorize research to help regulators de-
8 velop long-term policies concerning the introduction
9 of such technology.

10 “(b) GRANT PROGRAM.— The Secretary of Agri-
11 culture shall establish a grant program within the Cooper-
12 ative State Research, Education, and Extension Service
13 and the Agricultural Research Service to provide the nec-
14 essary funding for environmental assessment research
15 concerning the introduction of genetically engineered
16 plants and animals into the environment.

17 “(c) TYPES OF RESEARCH.— Types of research for
18 which grants may be made under this section shall include
19 the following:

20 “(1) Research designed to identify and develop
21 appropriate management practices to minimize phys-
22 ical and biological risks associated with genetically
23 engineered animals and plants once they are intro-
24 duced into the environment.

1 “(2) Research designed to develop methods to
2 monitor the dispersal of genetically engineered ani-
3 mals and plants.

4 “(3) Research designed to further existing
5 knowledge with respect to the characteristics, rates
6 and methods of gene transfer that may occur be-
7 tween genetically engineered plants and animals and
8 related wild and agricultural organisms.

9 “(4) Environmental assessment research de-
10 signed to provide analysis, which compares the rel-
11 ative impacts of plants and animals modified
12 through genetic engineering to other types of pro-
13 duction systems.

14 “(5) Other areas of research designed to fur-
15 ther the purposes of this section.

16 “(d) ELIGIBILITY REQUIREMENTS.—Grants under
17 this section shall be—

18 “(1) made on the basis of the quality of the
19 proposed research project; and

20 “(2) available to any public or private research
21 or educational institution or organization.

22 “(e) CONSULTATION.— In considering specific areas
23 of research for funding under this section, the Secretary
24 of Agriculture shall consult with the Administrator of the
25 Animal and Plant Health Inspection Service and the Na-

1 tional Agricultural Research, Extension, Education, and
2 Economics Advisory Board.

3 “(f) PROGRAM COORDINATION.— The Secretary of
4 Agriculture shall coordinate research funded under this
5 section with the Office of Research and Development of
6 the Environmental Protection Agency in order to avoid du-
7 plication of research activities.

8 “(g) AUTHORIZATION OF APPROPRIATIONS.—

9 “(1) IN GENERAL.— There are authorized to be
10 appropriated such sums as necessary to carry out
11 this section.

12 “(2) WITHHOLDINGS FROM BIOTECHNOLOGY
13 OUTLAYS.—The Secretary of Agriculture shall with-
14 hold from outlays of the Department of Agriculture
15 for research on biotechnology, as defined and deter-
16 mined by the Secretary, at least 3 percent of such
17 amount for the purpose of making grants under this
18 section for research on biotechnology risk assess-
19 ment. Except that, funding from this authorization
20 should be collected and applied to the maximum ex-
21 tent practicable to risk assessment research on all
22 categories identified as biotechnology by the Sec-
23 retary.”.

1 **SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
2 **SEARCH GRANTS.**

3 Section 2(a) of the Competitive, Special, and Facili-
4 ties Research Grant Act (7 U.S.C. 450i(a)) is amended
5 by adding at the end the following new paragraph:

6 “(3) DETERMINATION OF HIGH PRIORITY RE-
7 SEARCH.—Research priorities shall be determined by
8 the Secretary on an annual basis, taking into ac-
9 count input as gathered by the Secretary through
10 the National Agricultural Research, Extension, Edu-
11 cation, and Economics Advisory Board.”.

12 **SEC. 749. MATCHING FUNDS REQUIREMENT FOR RE-**
13 **SEARCH AND EXTENSION ACTIVITIES OF 1890**
14 **INSTITUTIONS.**

15 Section 1449 of the National Agricultural Research,
16 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
17 3222d) is amended—

18 (1) by amending subsection (c) to read as fol-
19 lows:

20 “(c) MATCHING FORMULA.—For each of fiscal years
21 2003 through 2011, the State shall provide matching
22 funds from non-Federal sources. Such matching funds
23 shall be for an amount equal to not less than 60 percent
24 of the formula funds to be distributed to the eligible insti-
25 tution, and shall increase by 10 percent each fiscal year
26 thereafter until fiscal year 2007.”; and

1 (2) by amending subsection (d) to read as fol-
2 lows:

3 “(d) WAIVER AUTHORITY.—Notwithstanding sub-
4 section (f), the Secretary may waive the matching funds
5 requirement under subsection (e) above the 50 percent
6 level for fiscal years 2003 through 2011 for an eligible
7 institution of a State if the Secretary determines that the
8 State will be unlikely to satisfy the matching require-
9 ment.”.

10 **SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RE-**
11 **SEARCH AND EXTENSION ACTIVITIES FOR**
12 **THE UNITED STATES TERRITORIES.**

13 (a) RESEARCH MATCHING REQUIREMENT.—Section
14 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4))
15 is amended by striking “the same matching funds” and
16 all that follows through the end of the sentence and insert-
17 ing “matching funds requirements from non-Federal
18 sources for fiscal years 2003 through 2011 in an amount
19 equal to not less than 50 percent of the formula funds
20 to be distributed to the Territory. The Secretary may
21 waive the matching funds requirements for a Territory for
22 any of the fiscal years 2003 through 2011 if the Secretary
23 determines that the Territory will be unlikely to satisfy
24 the matching funds requirement for that fiscal year.”.

1 (b) **EXTENSION MATCHING REQUIREMENT.**—Section
2 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is
3 amended by striking “the same matching funds” and all
4 that follows through the end of the sentence and inserting
5 “matching funds requirements from non-Federal sources
6 for fiscal years 2003 through 2011 in an amount equal
7 to not less than 50 percent of the formula funds to be
8 distributed to the Territory. The Secretary may waive the
9 matching funds requirements for a Territory for any of
10 the fiscal years 2003 through 2011 if the Secretary deter-
11 mines that the Territory will be unlikely to satisfy the
12 matching funds requirement for that fiscal year.”.

13 **SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND**
14 **FOOD SYSTEMS.**

15 (a) **FUNDING.**—Section 401(b)(1) of the Agricultural
16 Research, Extension, and Education Reform Act of 1998
17 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

18 “(1) **IN GENERAL.**—

19 “(A) **TOTAL AMOUNT TO BE TRANS-**
20 **FERRED.**—On October 1, 2003, and each Octo-
21 ber 1 thereafter through September 30, 2011,
22 the Secretary of Agriculture shall deposit funds
23 of the Commodity Credit Corporation into the
24 Account. The total amount of Commodity Cred-
25 it Corporation funds deposited into the Account

1 under this subparagraph shall equal
2 \$1,160,000,000.

3 “(B) EQUAL AMOUNTS.—To the maximum
4 extent practicable, the amounts deposited into
5 the Account pursuant to subparagraph (A) shall
6 be deposited in equal amounts for each fiscal
7 year.

8 “(C) AVAILABILITY OF FUNDS.—Amounts
9 deposited into the Account pursuant to sub-
10 paragraph (A) shall remain available until ex-
11 pended.”.

12 (b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of
13 the Agricultural Research, Extension, and Education Re-
14 form Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to
15 read as follows:

16 “(6) AVAILABILITY OF FUNDS.—Funds made
17 available under this section to the Secretary prior to
18 October 1, 2003, for grants under this section shall
19 be available to the Secretary for a 2-year period.”.

20 **SEC. 751. CARBON CYCLE RESEARCH.**

21 Section 221 of the Agricultural Risk Protection Act
22 of 2000 (Public Law 106–224; 114 Stat. 407) is
23 amended—

24 (1) in subsection (a), by striking “Of the
25 amount” and all that follows through “to provide”

1 and inserting “To the extent funds are made avail-
2 able for this purpose, the Secretary shall provide”;

3 (2) in subsection (d), by striking “under sub-
4 section (a)” and inserting “for this section”; and

5 (3) by adding at the end the following new sub-
6 section:

7 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated for fiscal years 2002
9 through 2011 such sums as may be necessary to carry
10 out this section.”.

11 **SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL**
12 **SCIENCES.**

13 Section 2(3) of the Research Facilities Act (7 U.S.C.
14 390(2)(3)) is amended to read as follows:

15 “(3) FOOD AND AGRICULTURAL SCIENCES.—
16 The term ‘food and agricultural sciences’ has the
17 meaning given that term in section 1404(8) of the
18 National Agricultural Research, Extension, and
19 Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).”.

20 **SEC. 753. FEDERAL EXTENSION SERVICE.**

21 Section 3(b)(3) of the Smith-Lever Act (7 U.S.C.
22 343(b)(3)) is amended by striking “\$5,000,000” and in-
23 serting “such sums as are necessary”.

1 **SEC. 754. POLICY RESEARCH CENTERS.**

2 Section 1419A(c)(3) of the National Agricultural Re-
3 search, Extension, and Teaching Policy Act of 1977 (7
4 U.S.C. 3155(c)(3)) is amended by striking “collect and
5 analyze data” and inserting “collect, analyze, and dissemi-
6 nate data”.

7 **Subtitle C—Related Matters**

8 **SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COL-
9 LEGES IN UNITED STATES TERRITORIES.**

10 (a) PURPOSE.—It is the purpose of this section to
11 promote and strengthen higher education in the food and
12 agricultural sciences at agricultural and mechanical col-
13 leges located in the Commonwealth of Puerto Rico, the
14 Virgin Islands of the United States, Guam, American
15 Samoa, the Commonwealth of the Northern Mariana Is-
16 lands, the Federated States of Micronesia, the Republic
17 of the Marshall Islands, or the Republic of Palau (herein-
18 after referred to in this section as “eligible institutions”)
19 by formulating and administering programs to enhance
20 teaching programs in agriculture, natural resources, for-
21 estry, veterinary medicine, home economics, and dis-
22 ciplines closely allied to the food and agriculture produc-
23 tion and delivery system.

24 (b) GRANTS.—The Secretary of Agriculture shall
25 make competitive grants to those eligible institutions hav-

1 ing a demonstrable capacity to carry out the teaching of
2 food and agricultural sciences.

3 (c) USE OF GRANT FUNDS.—Grants made under
4 subsection (b) shall be used to—

5 (1) strengthen institutional educational capac-
6 ities, including libraries, curriculum, faculty, sci-
7 entific instrumentation, instruction delivery systems,
8 and student recruitment and retention, in order to
9 respond to identified State, regional, national, or
10 international education needs in the food and agri-
11 cultural sciences;

12 (2) attract and support undergraduate and
13 graduate students in order to educate them in iden-
14 tified areas of national need to the food and agri-
15 culture sciences;

16 (3) facilitate cooperative initiatives between two
17 or more eligible institutions or between eligible insti-
18 tutions and units of State Government, organiza-
19 tional in the private sector, to maximize the develop-
20 ment and use of resources such as faculty, facilities,
21 and equipment to improve food and agricultural
22 sciences teaching programs; and

23 (4) conduct undergraduate scholarship pro-
24 grams to assist in meeting national needs for train-
25 ing food and agricultural scientists.

1 (d) GRANT REQUIREMENTS.—

2 (1) The Secretary of Agriculture shall ensure
3 that each eligible institution, prior to receiving grant
4 funds under subsection (b), shall have a significant
5 demonstrable commitment to higher educations pro-
6 grams in the food and agricultural sciences and to
7 each specific subject area for which grant funds
8 under this subsection are to be used.

9 (2) The Secretary of Agriculture may require
10 that any grant awarded under this section contain
11 provisions that require funds to be targeted to meet
12 the needs identified in section 1402 of the National
13 Agriculture Research, Extension, and Teaching Pol-
14 icy Act of 1977.

15 (e) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated such sums as are nec-
17 essary for each of the fiscal years 2002 through 2011 to
18 carry out this section.

19 **SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY**
20 **AND RESULTING AUTHORITIES.**

21 (a) REVIEW OF PAYMENT OF COMPENSATION.—Sec-
22 tion 415(e) of the Plant Protection Act (7 U.S.C. 7715(e))
23 is amended by inserting before the final period the fol-
24 lowing: “or review by any officer of the Government other
25 than the Secretary or the designee of the Secretary”.

1 (b) REVIEW OF CERTAIN DECISIONS.—

2 (1) PLANT PROTECTION ACT.—Section 442 of
3 the Plant Protection Act (7 U.S.C. 7772) is amend-
4 ed by adding at the end following new subsection:

5 “(f) SECRETARIAL DISCRETION.—The action of any
6 officer, employee, or agent of the Secretary in carrying
7 out this section, including determining the amount of and
8 making any payment authorized to be made under this
9 section, shall not be subject to review by any officer of
10 the Government other than the Secretary or the designee
11 of the Secretary.”.

12 (2) OTHER PLANT AND ANIMAL PEST AND DIS-
13 EASE LAWS.—Section 11 of the Act of May 29, 1884
14 (21 U.S.C. 114a; commonly known as the “Animal
15 Industry Act”) and the first section of the Act of
16 September 25, 1981 (7 U.S.C. 147b), are each
17 amended by adding at the end the following new
18 sentence: “The action of any officer, employee, or
19 agent of the Secretary in carrying out this section,
20 including determining the amount of and making
21 any payment authorized to be made under this sec-
22 tion, shall not be subject to review by any officer of
23 the Government other than the Secretary or the des-
24 ignee of the Secretary.”.

1 (c) METHYL BROMIDE.—The Plant Protection Act (7
2 U.S.C. 7701 et seq.) is amended by inserting after section
3 418 the following new section:

4 **“SEC. 419. METHYL BROMIDE.**

5 “(a) IN GENERAL.—The Secretary, upon request of
6 State, local, or tribal authorities, shall determine whether
7 methyl bromide treatments or applications required by
8 State, local, or tribal authorities to prevent the introduc-
9 tion, establishment, or spread of plant pests (including
10 diseases) or noxious weeds should be authorized as an offi-
11 cial control or official requirement.

12 “(b) ADMINISTRATION.—

13 “(1) TIMELINE FOR DETERMINATION.—The
14 Secretary shall make the determination required by
15 subsection (a) not later than 90 days after receiving
16 the request for such a determination.

17 “(2) REGULATIONS.—The promulgation of reg-
18 ulations for and the administration of this section
19 shall be made without regard to—

20 “(A) the notice and comment provisions of
21 section 553 of title 5, United States Code;

22 “(B) the Statement of Policy of the Sec-
23 retary of Agriculture, effective July 24, 1971
24 (36 Fed. Reg. 13804; relating to notices of pro-

1 posed rulemaking and public participation in
2 rulemaking); and

3 “(C) chapter 35 of title 44, United States
4 Code (commonly known as the ‘Paperwork Re-
5 duction Act’).

6 “(c) REGISTRY.—Not later than 180 days after the
7 date of the enactment of this section, the Secretary shall
8 publish, and thereafter maintain, a registry of State, local,
9 and tribal requirements authorized by the Secretary under
10 this section.”.

11 **SEC. 763. AGRICULTURAL BIOTECHNOLOGY RESEARCH**
12 **AND DEVELOPMENT FOR THE DEVELOPING**
13 **WORLD.**

14 (a) GRANT PROGRAM.—The Secretary of Agriculture
15 shall establish a program to award grants to entities de-
16 scribed in subsection (b) for the development of agricul-
17 tural biotechnology with respect to the developing world.
18 The Secretary shall administer and oversee the program
19 through the Foreign Agricultural Service of the Depart-
20 ment of Agriculture.

21 (b) PARTNERSHIPS.—(1) In order to be eligible to re-
22 ceive a grant under this section, the grantee must be a
23 participating institution of higher education, a nonprofit
24 organization, or consortium of for profit institutions with
25 in-country agricultural research institutions.

1 (2) A participating institution of higher education
2 shall be an historically black or land-grant college or uni-
3 versity, an Hispanic serving institution, or a tribal college
4 or university that has agriculture or the biosciences in its
5 curricula.

6 (c) COMPETITIVE AWARD.—Grants shall be awarded
7 under this section on a merit-reviewed competitive basis.

8 (d) USE OF FUNDS.—The activities for which the
9 grant funds may be expended include the following:

10 (1) Enhancing the nutritional content of agri-
11 cultural products that can be grown in the devel-
12 oping world to address malnutrition through bio-
13 technology.

14 (2) Increasing the yield and safety of agricul-
15 tural products that can be grown in the developing
16 world through biotechnology.

17 (3) Increasing through biotechnology the yield
18 of agricultural products that can be grown in the de-
19 veloping world that are drought and stress-resistant.

20 (4) Extending the growing range of crops that
21 can be grown in the developing world through bio-
22 technology.

23 (5) Enhancing the shelf-life of fruits and vege-
24 tables grown in the developing world through bio-
25 technology.

1 (6) Developing environmentally sustainable ag-
2 ricultural products through biotechnology.

3 (7) Developing vaccines to immunize against
4 life-threatening illnesses and other medications that
5 can be administered by consuming genetically engi-
6 neered agricultural products.

7 (e) FUNDING SOURCE.—Of the funds deposited in
8 the Treasury account known as the Initiative for Future
9 Agriculture and Food Systems on October 1, 2003, and
10 each October 1 thereafter through October 1, 2007, the
11 Secretary of Agriculture shall use \$5,000,000 during each
12 of fiscal years 2004 through 2008 to carry out this sec-
13 tion.

14 **Subtitle D—Repeal of Certain**
15 **Activities and Authorities**

16 **SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE**
17 **AND NATIONAL CONFERENCE.**

18 (a) REPEAL.—Subsections (b) and (c) of section 615
19 of the Agricultural Research, Extension, and Education
20 Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are re-
21 pealed.

22 (b) CONFORMING AMENDMENTS.—

23 (1) GENERALLY.—Section 615 of such Act is
24 amended—

1 (A) in the section heading, by striking
2 “**AND NATIONAL CONFERENCE**”;

3 (B) by striking “(a) **FOOD SAFETY RE-**
4 **SEARCH INFORMATION OFFICE.—**”;

5 (C) by redesignating paragraphs (1), (2),
6 and (3) as subsections (a), (b), and (c), respec-
7 tively, and moving the margins 2 ems to the
8 left;

9 (D) in subsection (b) (as so redesignated),
10 by redesignating subparagraphs (A) and (B) as
11 paragraphs (1) and (2), respectively, and mov-
12 ing the margins 2 ems to the left; and

13 (E) in subsection (c) (as so redesignated),
14 by striking “this subsection” and inserting
15 “this section”.

16 (2) **TABLE OF SECTIONS.**—The table of sections
17 for such Act is amended by striking “and National
18 Conference” in the item relating to section 615.

19 **SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP**
20 **PROMOTION, RESEARCH, AND INFORMATION**
21 **ACT OF 1994.**

22 Section 617 of the Agricultural Research, Extension,
23 and Education Reform Act of 1998 (Public Law 105–185;
24 112 Stat. 607) is repealed.

1 **SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.**

2 Section 1634 of the Food, Agriculture, Conservation,
3 and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

4 **SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL**
5 **WEATHER.**

6 (a) REPEAL.—Section 1639 of the Food, Agriculture,
7 Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is
8 repealed.

9 (b) CONFORMING AMENDMENT.—Section 1640(b) of
10 the Food, Agriculture, Conservation, and Trade Act of
11 1990 (7 U.S.C. 5854(b)) is amended by striking “take
12 into” and all that follows through “Weather and”.

13 **SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH**
14 **IRELAND.**

15 Section 1420 of the National Agricultural Research,
16 Extension and Teaching Policy Act Amendments of 1985
17 (Public Law 99–198; 99 Stat. 1551) is repealed.

18 **SEC. 776. PESTICIDE RESISTANCE STUDY.**

19 Section 1437 of the National Agricultural Research,
20 Extension, and Teaching Policy Act Amendments of 1985
21 (Public Law 99–198; 99 Stat. 1558) is repealed.

22 **SEC. 777. EXPANSION OF EDUCATION STUDY.**

23 Section 1438 of the National Agricultural Research,
24 Extension, and Teaching Policy Act Amendments of 1985
25 (Public Law 99–198; 99 Stat. 1559) is repealed.

1 **SEC. 778. SUPPORT FOR ADVISORY BOARD.**

2 (a) REPEAL.—Section 1412 of the National Agricul-
3 tural Research, Extension, and Teaching Policy Act of
4 1977 (7 U.S.C. 3127) is repealed.

5 (b) CONFORMING AMENDMENT.—Section 1413(c) of
6 such Act (7 U.S.C. 3128(c)) is amended by striking “sec-
7 tion 1412 of this title and”.

8 **SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR**
9 **AGRICULTURAL RESEARCH FACILITIES.**

10 (a) REPEAL.—Section 4 of the Research Facilities
11 Act (7 U.S.C. 390b) is repealed.

12 (b) CONFORMING AMENDMENT.—Section 2 of such
13 Act (7 U.S.C. 390) is amended by striking paragraph (5).

14 **Subtitle E—Agriculture Facility**
15 **Protection**

16 **SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AG-**
17 **RICULTURAL ENTERPRISES, RESEARCH FA-**
18 **CILITIES, AND OTHER ENTITIES.**

19 (a) DEFINITIONS.—The Research Facilities Act (7
20 U.S.C. 390 et seq.) is amended—

21 (1) by redesignating section 6 as section 7; and

22 (2) by inserting after section 5 the following
23 new section:

1 **“SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRI-**
2 **CULTURAL ENTERPRISES, RESEARCH FACILI-**
3 **TIES, AND OTHER ENTITIES AGAINST DISRUP-**
4 **TION.**

5 “(a) DEFINITIONS.—For the purposes of this section,
6 the following definitions apply:

7 “(1) ANIMAL OR AGRICULTURAL ENTER-
8 PRISE.—The term ‘animal or agricultural enterprise’
9 means any of the following:

10 “(A) A commercial, governmental, or aca-
11 demic enterprise that uses animals, plants, or
12 other biological materials for food or fiber pro-
13 duction, breeding, processing, research, or test-
14 ing.

15 “(B) A zoo, aquarium, circus, rodeo, or
16 other entity that exhibits or uses animals,
17 plants, or other biological materials for edu-
18 cational or entertainment purposes.

19 “(C) A fair or similar event intended to
20 advance agricultural arts and sciences.

21 “(D) A facility managed or occupied by an
22 association, federation, foundation, council, or
23 other group or entity of food or fiber producers,
24 processors, or agricultural or biomedical re-
25 searchers intended to advance agricultural or
26 biomedical arts and sciences.

1 “(2) ECONOMIC DAMAGE.—The term ‘economic
2 damage’ means the replacement of the following:

3 “(A) The cost of lost or damaged property
4 (including all real and personal property) of an
5 animal or agricultural enterprise.

6 “(B) The cost of repeating an interrupted
7 or invalidated experiment.

8 “(C) The loss of revenue (including costs
9 related to business recovery) directly related to
10 the disruption of an animal or agricultural en-
11 terprise.

12 “(D) The cost of the tuition and expenses
13 of any student to complete an academic pro-
14 gram that was disrupted, or to complete a re-
15 placement program, when the tuition and ex-
16 penses are incurred as a result of the damage
17 or loss of the property of an animal or agricul-
18 tural enterprise.

19 “(3) PROPERTY OF AN ANIMAL OR AGRICUL-
20 TURAL ENTERPRISE.—The term ‘property of an ani-
21 mal or agricultural enterprise’ means real and per-
22 sonal property of or used by any of the following:

23 “(A) An animal or agricultural enterprise.

24 “(B) An employee of an animal or agricul-
25 tural enterprise.

1 “(C) A student attending an academic ani-
2 mal or agricultural enterprise.

3 “(4) DISRUPTION.—The term ‘disruption’ does
4 not include any lawful disruption that results from
5 lawful public, governmental, or animal or agricul-
6 tural enterprise employee reaction to the disclosure
7 of information about an animal or agricultural en-
8 terprise.

9 “(b) VIOLATION.—A person may not recklessly,
10 knowingly, or intentionally cause, or contribute to, the dis-
11 ruption of the functioning of an animal or agricultural en-
12 terprise by damaging or causing the loss of any property
13 of the animal or agricultural enterprise that results in eco-
14 nomic damage, as determined by the Secretary.

15 “(c) ASSESSMENT OF CIVIL PENALTY.—

16 “(1) IN GENERAL.—The Secretary may impose
17 on any person that the Secretary determines violates
18 subsection (b) a civil penalty in an amount deter-
19 mined under paragraphs (2) and (3). The civil pen-
20 alty may be assessed only on the record after an op-
21 portunity for a hearing.

22 “(2) RECOVERY OF DEPARTMENT COSTS.—The
23 civil penalty assessed by the Secretary against a per-
24 son for a violation of subsection (b) shall be not less
25 than the total cost incurred by the Secretary for in-

1 investigation of the violation, conducting any hearing
2 regarding the violation, and assessing the civil pen-
3 alty.

4 “(3) RECOVERY OF ECONOMIC DAMAGE.—In
5 addition to the amount determined under paragraph
6 (2), the amount of the civil penalty shall include an
7 amount not less than the total cost (or, in the case
8 of knowing or intentional disruption, not less than
9 150 percent of the total cost) of the economic dam-
10 age incurred by the animal or agricultural enter-
11 prise, any employee of the animal or agricultural en-
12 terprise, or any student attending an academic ani-
13 mal or agricultural enterprise as a result of the
14 damage or loss of the property of an animal or agri-
15 cultural enterprise.

16 “(d) IDENTIFICATION.—The Secretary shall identify
17 for each civil penalty assessed under subsection (c), the
18 portion of the amount of the civil penalty that represents
19 the recovery of Department costs and the portion that rep-
20 resents the recovery of economic losses.

21 “(e) OTHER FACTORS IN DETERMINING PENALTY.—
22 In determining the amount of a civil penalty under sub-
23 section (c), the Secretary shall consider the following:

24 “(1) The nature, circumstance, extent, and
25 gravity of the violation or violations.

1 “(2) The ability of the injured animal or agri-
2 cultural enterprise to continue to operate, costs in-
3 curred by the animal or agricultural enterprise to re-
4 cover lost business, and the effect of the violation on
5 earnings of employees of the animal or agricultural
6 enterprise.

7 “(3) The interruptions experienced by students
8 attending an academic animal or agricultural enter-
9 prise.

10 “(4) Whether the violator has previously vio-
11 lated subsection (a).

12 “(5) The violator’s degree of culpability.

13 “(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

14 “(1) FUND ESTABLISHED.—There is estab-
15 lished in the Treasury a fund which shall consist of
16 that portion of each civil penalty collected under
17 subsection (c) that represents the recovery of eco-
18 nomic damages.

19 “(2) USE OF AMOUNTS IN FUND.—The Sec-
20 retary of Agriculture shall use amounts in the fund
21 to compensate animal or agricultural enterprises,
22 employees of an animal or agricultural enterprise,
23 and student attending an academic animal or agri-
24 cultural enterprise for economic losses incurred as a
25 result of the disruption of the functioning of an ani-

1 mal or agricultural enterprise in violation of sub-
2 section (b).”.

3 **TITLE VIII—FORESTRY** 4 **INITIATIVES**

5 **SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM** 6 **AND STEWARDSHIP INCENTIVE PROGRAM.**

7 The Cooperative Forestry Assistance Act of 1978 is
8 amended by striking section 4 (16 U.S.C. 2103) and sec-
9 tion 6 (16 U.S.C. 2103b).

10 **SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCE-** 11 **MENT PROGRAM.**

12 (a) FINDINGS.—Congress finds the following:

13 (1) There is a growing dependence on private
14 nonindustrial forest lands to supply the necessary
15 market commodities and nonmarket values, such as
16 habitat for fish and wildlife, aesthetics, outdoor
17 recreation opportunities, and other forest resources,
18 required by a growing population.

19 (2) There is a strong demand for expanded as-
20 sistance programs for owners of nonindustrial pri-
21 vate forest land since the majority of the wood sup-
22 ply of the United States comes from nonindustrial
23 private forest land.

24 (3) The soil, carbon stores, water and air qual-
25 ity of the United States can be maintained and im-

1 proved through good stewardship of nonindustrial
2 private forest lands.

3 (4) The products and services resulting from
4 stewardship of nonindustrial private forest lands
5 provide income and employment that contribute to
6 the economic health and diversity of rural commu-
7 nities.

8 (5) Wildfires threaten human lives, property,
9 forests, and other resources, and Federal and State
10 cooperation in forest fire prevention and control has
11 proven effective and valuable, in that properly man-
12 aged forest stands are less susceptible to cata-
13 strophic fire, as dramatized by the catastrophic fire
14 seasons of 1998 and 2000.

15 (6) Owners of private nonindustrial forest lands
16 are being faced with increased pressure to convert
17 their forestland to development and other uses.

18 (7) Complex, long-rotation forest investments,
19 including sustainable hardwood management, are
20 often the most difficult commitment for small, non-
21 industrial private forest landowners and, thus,
22 should receive equal consideration under cost-share
23 programs.

24 (8) The investment of one Federal dollar in
25 State and private forestry programs is estimated to

1 leverage \$9 on average from State, local, and private
2 sources.

3 (b) PURPOSE.—It is the purpose of this section to
4 strengthen the commitment of the Department of Agri-
5 culture to sustainable forestry and to establish a coordi-
6 nated and cooperative Federal, State, and local sustain-
7 able forest program for the establishment, management,
8 maintenance, enhancement, and restoration of forests on
9 nonindustrial private forest lands in the United States.

10 (c) FOREST LAND ENHANCEMENT PROGRAM.—The
11 Cooperative Forestry Assistance Act of 1978 is amended
12 by inserting after section 3 (16 U.S.C. 2102) the following
13 new section 4:

14 **“SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.**

15 “(a) ESTABLISHMENT.—

16 “(1) ESTABLISHMENT; PURPOSE.—The Sec-
17 retary shall establish a Forest Land Enhancement
18 Program (in this section referred to as the ‘Pro-
19 gram’) for the purpose of providing financial, tech-
20 nical, educational, and related assistance to State
21 foresters to encourage the long-term sustainability of
22 nonindustrial private forest lands in the United
23 States by assisting the owners of such lands in more
24 actively managing their forest and related resources
25 by utilizing existing State, Federal, and private sec-

1 tor resource management expertise, financial assist-
2 ance, and educational programs.

3 “(2) ADMINISTRATION.—The Secretary shall
4 carry out the Program within, and administer the
5 Program through, the Natural Resources Conserva-
6 tion Service.

7 “(3) COORDINATION.—The Secretary shall im-
8 plement the Program in coordination with State for-
9 esters.

10 “(b) PROGRAM OBJECTIVES.—In implementing the
11 Program, the Secretary shall target resources to achieve
12 the following objectives:

13 “(1) Investment in practices to establish, re-
14 store, protect, manage, maintain, and enhance the
15 health and productivity of the nonindustrial private
16 forest lands in the United States for timber, habitat
17 for flora and fauna, water quality, and wetlands.

18 “(2) Ensuring that afforestation, reforestation,
19 improvement of poorly stocked stands, timber stand
20 improvement, practices necessary to improve seed-
21 ling growth and survival, and growth enhancement
22 practices occur where needed to enhance and sustain
23 the long-term productivity of timber and nontimber
24 forest resources to help meet future public demand

1 for all forest resources and provide environmental
2 benefits.

3 “(3) Reduce the risks and help restore, recover,
4 and mitigate the damage to forests caused by fire,
5 insects, invasive species, disease, and damaging
6 weather.

7 “(4) Increase and enhance carbon sequestration
8 opportunities.

9 “(5) Enhance implementation of agroforestry
10 practices.

11 “(6) Maintain and enhance the forest landbase
12 and leverage State and local financial and technical
13 assistance to owners that promote the same con-
14 servation and environmental values.

15 “(c) ELIGIBILITY.—

16 “(1) IN GENERAL.—An owner of nonindustrial
17 private forest land is eligible for cost-sharing assist-
18 ance under the Program if the owner—

19 “(A) agrees to develop and implement an
20 individual stewardship, forest, or stand manage-
21 ment plan addressing site specific activities and
22 practices in cooperation with, and approved by,
23 the State forester, state official, or private sec-
24 tor program in consultation with the State for-
25 ester;

1 “(B) agrees to implement approved activi-
2 ties in accordance with the plan for a period of
3 not less than 10 years, unless the State forester
4 approves a modification to such plan; and

5 “(C) meets the acreage restrictions as de-
6 termined by the State forester in conjunction
7 with the State Forest Stewardship Coordinating
8 Committee established under section 19.

9 “(2) STATE PRIORITIES.—The Secretary, in
10 consultation with the State forester and the State
11 Forest Stewardship Coordinating Committee may
12 develop State priorities for cost sharing under the
13 Program that will promote forest management objec-
14 tives in that State.

15 “(3) DEVELOPMENT OF PLAN.—An owner shall
16 be eligible for cost-share assistance for the develop-
17 ment of the individual stewardship, forest, or stand
18 management plan required by paragraph (1).

19 “(d) APPROVED ACTIVITIES.—

20 “(1) DEVELOPMENT.—The Secretary, in con-
21 sultation with the State forester and the State For-
22 est Stewardship Coordinating Committee, shall de-
23 velop a list of approved forest activities and prac-
24 tices that will be eligible for cost-share assistance
25 under the Program within each State.

1 “(2) TYPE OF ACTIVITIES.—In developing a list
2 of approved activities and practices under paragraph
3 (1), the Secretary shall attempt to achieve the estab-
4 lishment, restoration, management, maintenance,
5 and enhancement of forests and trees for the fol-
6 lowing:

7 “(A) The sustainable growth and manage-
8 ment of forests for timber production.

9 “(B) The restoration, use, and enhance-
10 ment of forest wetlands and riparian areas.

11 “(C) The protection of water quality and
12 watersheds through the application of State-de-
13 veloped forestry best management practices.

14 “(D) Energy conservation and carbon se-
15 questration purposes.

16 “(E) Habitat for flora and fauna.

17 “(F) The control, detection, and moni-
18 toring of invasive species on forestlands as well
19 as preventing the spread and providing for the
20 restoration of lands affected by invasive species.

21 “(G) Hazardous fuels reduction and other
22 management activities that reduce the risks and
23 help restore, recover, and mitigate the damage
24 to forests caused by fire.

1 “(H) The development of forest or stand
2 management plans.

3 “(I) Other activities approved by the Sec-
4 retary, in coordination with the State forester
5 and the State Forest Stewardship Coordinating
6 Committee.

7 “(e) COOPERATION.—In implementing the Program,
8 the Secretary shall cooperate with other Federal, State,
9 and local natural resource management agencies, institu-
10 tions of higher education, and the private sector.

11 “(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

12 “(1) IN GENERAL.—The Secretary shall share
13 the cost of implementing the approved activities that
14 the Secretary determines are appropriate, in the
15 case of an owner that has entered into an agreement
16 to place nonindustrial private forest lands of the
17 owner in the Program.

18 “(2) RATE.—The Secretary shall determine the
19 appropriate reimbursement rate for cost-share pay-
20 ments under paragraph (1) and the schedule for
21 making such payments.

22 “(3) MAXIMUM.—The Secretary shall not make
23 cost-share payments under this subsection to an
24 owner in an amount in excess of 75 percent of the
25 total cost, or a lower percentage as determined by

1 the State forester, to such owner for implementing
2 the practices under an approved plan. The maximum
3 payments to any one owner shall be determined by
4 the Secretary.

5 “(4) CONSULTATION.—The Secretary shall
6 make determinations under this subsection in con-
7 sultation with the State forester.

8 “(g) RECAPTURE.—

9 “(1) IN GENERAL.—The Secretary shall estab-
10 lish and implement a mechanism to recapture pay-
11 ments made to an owner in the event that the owner
12 fails to implement any approved activity specified in
13 the individual stewardship, forest, or stand manage-
14 ment plan for which such owner received cost-share
15 payments.

16 “(2) ADDITIONAL REMEDY.—The remedy pro-
17 vided in paragraph (1) is in addition to any other
18 remedy available to the Secretary.

19 “(h) DISTRIBUTION.—The Secretary shall distribute
20 funds available for cost sharing under the Program among
21 the States only after giving appropriate consideration to—

22 “(1) the total acreage of nonindustrial private
23 forest land in each State;

24 “(2) the potential productivity of such land;

1 “(3) the number of owners eligible for cost
2 sharing in each State;

3 “(4) the opportunities to enhance non-timber
4 resources on such forest lands;

5 “(5) the anticipated demand for timber and
6 nontimber resources in each State;

7 “(6) the need to improve forest health to mini-
8 mize the damaging effects of catastrophic fire, in-
9 sects, disease, or weather; and

10 “(7) the need and demand for agroforestry
11 practices in each State.

12 “(i) DEFINITIONS.—In this section:

13 “(1) NONINDUSTRIAL PRIVATE FOREST
14 LANDS.—The term ‘nonindustrial private forest
15 lands’ means rural lands, as determined by the Sec-
16 retary, that—

17 “(A) have existing tree cover or are suit-
18 able for growing trees; and

19 “(B) are owned or controlled by any non-
20 industrial private individual, group, association,
21 corporation, Indian tribe, or other private legal
22 entity (other than a nonprofit private legal enti-
23 ty) so long as the individual, group, association,
24 corporation, tribe, or entity has definitive deci-
25 sion-making authority over the lands, including

1 through long-term leases and other land tenure
2 systems, for a period of time long enough to en-
3 sure compliance with the Program.

4 “(2) OWNER.—The term ‘owner’ includes a pri-
5 vate individual, group, association, corporation, In-
6 dian tribe, or other private legal entity (other than
7 a nonprofit private legal entity) that has definitive
8 decision-making authority over nonindustrial private
9 forest lands through a long-term lease or other land
10 tenure systems.

11 “(3) SECRETARY.—The term ‘Secretary’ means
12 the Secretary of Agriculture.

13 “(4) STATE FORESTER.—The term ‘State for-
14 ester’ means the director or other head of a State
15 Forestry Agency or equivalent State official.

16 “(j) AVAILABILITY OF FUNDS.—The Secretary shall
17 use \$200,000,000 of funds of the Commodity Credit Cor-
18 poration to carry out the Program during the period be-
19 ginning on October 1, 2001, and ending on September 30,
20 2011.”.

21 (d) CONFORMING AMENDMENT.—Section 246(b)(2)
22 of the Department of Agriculture Reorganization Act of
23 1994 (7 U.S.C. 6962(b)(2)) is amended by striking “for-
24 estry incentive program” and inserting “Forest Land En-
25 hancement Program”.

1 **SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

2 (a) EXTENSION AND AUTHORIZATION INCREASE.—

3 Section 6 of the Renewable Resources Extension Act of
4 1978 (16 U.S.C. 1675) is amended—

5 (1) by striking “\$15,000,000” and inserting
6 “\$30,000,000”; and

7 (2) by striking “2002” and inserting “2011”.

8 (b) SUSTAINABLE FORESTRY OUTREACH INITIA-
9 TIVE.—The Renewable Resources Extension Act of 1978
10 is amended by inserting after section 5A (16 U.S.C.
11 1674a) the following new section:

12 **“SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.**

13 “The Secretary shall establish a program to be known
14 as the ‘Sustainable Forestry Outreach Initiative’ for the
15 purpose of educating landowners regarding the following:

16 “(1) The value and benefits of practicing sus-
17 tainable forestry.

18 “(2) The importance of professional forestry
19 advice in achieving their sustainable forestry objec-
20 tives.

21 “(3) The variety of public and private sector re-
22 sources available to assist them in planning for and
23 practicing sustainable forestry.”.

24 **SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.**

25 (a) FINDINGS.—Congress finds the following:

1 (1) The severity and intensity of wildland fires
2 has increased dramatically over the past few decades
3 as a result of past fire and land management poli-
4 cies.

5 (2) The record 2000 fire season is a prime ex-
6 ample of what can be expected if action is not taken.

7 (3) These wildfires threaten not only the na-
8 tion's forested resources, but the thousands of com-
9 munities intermingled with the wildlands in the
10 wildland-urban interface.

11 (4) The National Fire Plan developed in re-
12 sponse to the 2000 fire season is the proper, coordi-
13 nated, and most effective means to address this wild-
14 fire issue.

15 (5) Whereas adequate authorities exist to tackle
16 the wildfire issues at the landscape level on Federal
17 lands, there is limited authority to take action on
18 most private lands where the largest threat to life
19 and property lies.

20 (6) There is a significant Federal interest in en-
21 hancing community protection from wildfire.

22 (b) ENHANCED PROTECTION.—The Cooperative For-
23 estry Assistance Act of 1978 is amended by inserting after
24 section 10 (16 U.S.C. 2106) the following new section:

1 **“SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.**

2 “(a) COOPERATIVE MANAGEMENT RELATED TO
3 WILDFIRE THREATS.—The Secretary may cooperate with
4 State foresters and equivalent State officials in the man-
5 agement of lands in the United States for the following
6 purposes:

7 “(1) Aid in wildfire prevention and control.

8 “(2) Protect communities from wildfire threats.

9 “(3) Enhance the growth and maintenance of
10 trees and forests that promote overall forest health.

11 “(4) Ensure the continued production of all for-
12 est resources, including timber, outdoor recreation
13 opportunities, wildlife habitat, and clean water,
14 through conservation of forest cover on watersheds,
15 shelterbelts, and windbreaks.

16 “(b) COMMUNITY AND PRIVATE LAND FIRE ASSIST-
17 ANCE PROGRAM.—

18 “(1) ESTABLISHMENT; PURPOSE.—The Sec-
19 retary shall establish a Community and Private
20 Land Fire Assistance program (in this section re-
21 ferred to as the ‘Program’)—

22 “(A) to focus the Federal role in pro-
23 moting optimal firefighting efficiency at the
24 Federal, State, and local levels;

25 “(B) to augment Federal projects that es-
26 tablish landscape level protection from wildfires;

1 “(C) to expand outreach and education
2 programs to homeowners and communities
3 about fire prevention; and

4 “(D) to establish defensible space around
5 private landowners homes and property against
6 wildfires.

7 “(2) ADMINISTRATION AND IMPLEMENTA-
8 TION.—The Program shall be administered by the
9 Forest Service and implemented through the State
10 forester or equivalent State official.

11 “(3) COMPONENTS.—In coordination with exist-
12 ing authorities under this Act, the Secretary may
13 undertake on both Federal and non-Federal lands—

14 “(A) fuel hazard mitigation and preven-
15 tion;

16 “(B) invasive species management;

17 “(C) multi-resource wildfire planning;

18 “(D) community protection planning;

19 “(E) community and landowner education
20 enterprises, including the program known as
21 FIREWISE;

22 “(F) market development and expansion;

23 “(G) improved wood utilization;

24 “(H) special restoration projects.

1 “(4) CONSIDERATIONS.—The Secretary shall
2 use local contract personnel wherever possible to
3 carry out projects under the Program.

4 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
5 are hereby authorized to be appropriated to the Secretary
6 \$35,000,000 for each of fiscal years 2002 through 2011,
7 and such sums as may be necessary thereafter, to carry
8 out this section.”.

9 **SEC. 805. INTERNATIONAL FORESTRY PROGRAM.**

10 Section 2405(d) of the Global Climate Change Pre-
11 vention Act of 1990 (title XXIV of Public Law 101–624;
12 7 U.S.C. 6704(d)) is amended by striking “2002” and in-
13 serting “2011”.

14 **SEC. 806. LONG-TERM FOREST STEWARDSHIP CONTRACTS**
15 **FOR HAZARDOUS FUELS REMOVAL AND IM-**
16 **PLEMENTATION OF NATIONAL FIRE PLAN.**

17 (a) ANNUAL ASSESSMENT OF TREATMENT ACRE-
18 AGE.—Not later than March 1 of each of fiscal years 2002
19 through 2006, the Secretary of Agriculture shall submit
20 to Congress an assessment of the number of acres of for-
21 ested National Forest System lands recommended to be
22 treated during the next fiscal year using stewardship end
23 result contracts authorized by subsection (c). The assess-
24 ment shall be based on the treatment schedules contained
25 in the report entitled “Protecting People and Sustaining

1 Resources in Fire-Adapted Ecosystems”, dated October
2 13, 2000, and incorporated into the National Fire Plan.
3 The assessment shall identify the acreage by condition
4 class, type of treatment, and treatment year to achieve
5 the restoration goals outlined in the report within 10-, 15-
6 , and 20-year time periods. The assessment shall also in-
7 clude changes in the restoration goals based on the effects
8 of fire, hazardous fuel treatments pursuant to the Na-
9 tional Fire Plan, or updates in data.

10 (b) FUNDING RECOMMENDATION.—The Secretary of
11 Agriculture shall include in the annual assessment a re-
12 quest for funds sufficient to implement the recommenda-
13 tions contained in the assessment using stewardship end
14 result contracts under subsection (c) when the Secretary
15 determines that the objectives of the National Fire Plan
16 are best accomplished through forest stewardship end re-
17 sult contracting.

18 (c) STEWARDSHIP END RESULT CONTRACTING.—

19 (1) AUTHORITY.—Subject to the amount of
20 funds made available pursuant to subsection (b), the
21 Secretary of Agriculture may enter into stewardship
22 end result contracts to implement the National Fire
23 Plan on National Forest System lands based upon
24 the stewardship treatment schedules provided in the
25 annual assessments under subsection (a). The con-

1 tracting goals and authorities described in sub-
2 sections (b) through (f) of section 347 of the De-
3 partment of the Interior and Related Agencies Ap-
4 propriations Act, 1999 (as contained in section
5 101(e) of division A of Public Law 105–277; 16
6 U.S.C. 2104 note; commonly known as the Steward-
7 ship End Result Contracting Demonstration Project)
8 shall apply to contracts entered into under this sub-
9 section, except that the period of the contract shall
10 be 10 years.

11 (2) DURATION.—The authority of the Secretary
12 of Agriculture to enter into contracts under this sub-
13 section expires September 30, 2007.

14 (d) STATUS REPORT.—Beginning with the assess-
15 ment required under subsection (a) in 2003, the Secretary
16 of Agriculture shall include in the annual assessment a
17 status report of the stewardship end result contracts en-
18 tered into under the authority of this section.

19 **SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RE-**
20 **SEARCH PROGRAM.**

21 It is the sense of Congress to reaffirm the importance
22 of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly
23 known as the McIntire-Stennis Cooperative Forestry Act.

1 **TITLE IX—MISCELLANEOUS**
2 **PROVISIONS**
3 **Subtitle A—Tree Assistance**
4 **Program**

5 **SEC. 901. ELIGIBILITY.**

6 (a) **LOSS.**—Subject to the limitation in subsection
7 (b), the Secretary of Agriculture shall provide assistance,
8 as specified in section 902, to eligible orchardists that
9 planted trees for commercial purposes but lost such trees
10 as a result of a natural disaster, as determined by the
11 Secretary.

12 (b) **LIMITATION.**—An eligible orchardist shall qualify
13 for assistance under subsection (a) only if such orchard-
14 ist's tree mortality, as a result of the natural disaster, ex-
15 ceeds 15 percent (adjusted for normal mortality).

16 **SEC. 902. ASSISTANCE.**

17 The assistance provided by the Secretary of Agri-
18 culture to eligible orchardists for losses described in sec-
19 tion 901 shall consist of either—

20 (1) reimbursement of 75 percent of the cost of
21 replanting trees lost due to a natural disaster, as de-
22 termined by the Secretary, in excess of 15 percent
23 mortality (adjusted for normal mortality); or

24 (2) at the discretion of the Secretary, sufficient
25 seedlings to reestablish the stand.

1 **SEC. 903. LIMITATION ON ASSISTANCE.**

2 (a) **LIMITATION.**—The total amount of payments
3 that a person shall be entitled to receive under this subtitle
4 may not exceed \$50,000, or an equivalent value in tree
5 seedlings.

6 (b) **REGULATIONS.**—The Secretary of Agriculture
7 shall issue regulations—

8 (1) defining the term “person” for the purposes
9 of this subtitle, which shall conform, to the extent
10 practicable, to the regulations defining the term
11 “person” issued under section 1001 of the Food Se-
12 curity Act of 1985 (7 U.S.C. 1308) and the Disaster
13 Assistance Act of 1988 (7 U.S.C. 1421 note); and

14 (2) prescribing such rules as the Secretary de-
15 termines necessary to ensure a fair and reasonable
16 application of the limitation established under this
17 section.

18 **SEC. 904. DEFINITIONS.**

19 In this subtitle:

20 (1) **ELIGIBLE ORCHARDIST.**—The term “eligible
21 orchardist” means a person who produces annual
22 crops from trees for commercial purposes and owns
23 500 acres or less of such trees.

24 (2) **NATURAL DISASTER.**—The term “natural
25 disaster” includes plant disease, insect infestation,

1 drought, fire, freeze, flood, earthquake, and other
2 occurrences, as determined by the Secretary.

3 (3) TREE.—The term “tree” includes trees,
4 bushes, and vines.

5 **Subtitle B—Other Matters**

6 **SEC. 921. HAZARDOUS FUEL REDUCTION GRANTS TO PRE-** 7 **VENT WILDFIRE DISASTERS AND TRANS-** 8 **FORM HAZARDOUS FUELS TO ELECTRIC EN-** 9 **ERGY, USEFUL HEAT, OR TRANSPORTATION** 10 **FUELS.**

11 (a) FINDINGS.—Congress finds the following:

12 (1) The damages caused by wildfire disasters
13 have been equivalent in magnitude to the damage re-
14 sulting from the Northridge earthquake, Hurricane
15 Andrew, and the recent flooding of the Mississippi
16 River and the Red River.

17 (2) More than 20,000 communities in the
18 United States are at risk to wildfire and approxi-
19 mately 11,000 of these communities are located near
20 Federal lands. More than 72,000,000 acres of Na-
21 tional Forest System lands and 57,000,000 acres of
22 lands managed by the Secretary of the Interior are
23 at risk of catastrophic fire in the near future. The
24 accumulation of heavy forest fuel loads continues to
25 increase as a result of disease, insect infestations,

1 and drought, further raising the risk of fire each
2 year.

3 (3) Modification of forest fuel load conditions
4 through the removal of hazardous fuels will minimize
5 catastrophic damage from wildfires, reducing the
6 need for emergency funding to respond to wildfires
7 and protecting lives, communities, watersheds, and
8 wildlife habitat.

9 (4) The hazardous fuels removed from forest
10 lands represent an abundant renewable resource as
11 well as a significant supply of biomass for biomass-
12 to-energy facilities.

13 (b) HAZARDOUS FUELS TO ENERGY GRANT PRO-
14 GRAM.—The Secretary concerned may make a grant to a
15 person that operates a biomass-to-energy facility to offset
16 the costs incurred to purchase hazardous fuels from forest
17 lands for use by the facility in the production of electric
18 energy, useful heat, or transportation fuels. The Secretary
19 concerned shall select grant recipients on the basis of their
20 planned purchases of hazardous fuels and the level of an-
21 ticipated benefits to reduced wildfire risk.

22 (c) GRANT AMOUNTS.—A grant under this section
23 shall be equal to at least \$5 per ton of hazardous fuels
24 delivered, but not to exceed \$10 per ton of hazardous fuels

1 delivered, based on the distance of the hazardous fuels
2 from the biomass-to-energy facility.

3 (d) MONITORING OF GRANT RECIPIENT ACTIVI-
4 TIES.—As a condition on a grant under this section, the
5 grant recipient shall keep such records as the Secretary
6 concerned may require to fully and correctly disclose the
7 use of the grant funds and all transactions involved in the
8 purchase of hazardous fuels derived from forest lands.
9 Upon notice by a duly authorized representative of the
10 Secretary concerned, the operator of a biomass-to-energy
11 facility that purchases or uses the resulting hazardous
12 fuels shall afford the representative reasonable access to
13 the facility and an opportunity to examine the inventory
14 and records of the facility.

15 (e) MONITORING OF EFFECT OF TREATMENTS.—The
16 Secretary concerned shall monitor Federal lands from
17 which hazardous fuels are removed and sold to a biomass-
18 to-energy facility to determine and document the reduction
19 in fire hazards on such lands.

20 (f) DEFINITIONS.—In this section:

21 (1) BIOMASS-TO-ENERGY FACILITY.—The term
22 “biomass-to-energy facility” means a facility that
23 uses forest biomass as a raw material to produce
24 electric energy, useful heat, or transportation fuels.

1 (2) FOREST BIOMASS.—The term “forest bio-
2 mass” means hazardous fuels and biomass accumu-
3 lations from precommercial thinnings, slash, and
4 brush on forest lands that do not satisfy the defini-
5 tion of hazardous fuels.

6 (3) HAZARDOUS FUELS.—The term “hazardous
7 fuels” means any unnaturally excessive accumulation
8 of organic material, particularly in areas designated
9 as condition class 2 or condition class 3 (as defined
10 in the report entitled “Protecting People and Sus-
11 tainable Resources in Fire-Adapted Ecosystems”,
12 prepared by the Forest Service, and dated October
13 13, 2000), on forest lands that the Secretary con-
14 cerned determines poses a substantial present or po-
15 tential hazard to forest ecosystems, wildlife, human,
16 community, or firefighter safety in the case of a
17 wildfire, particularly a wildfire in a drought year.

18 (4) SECRETARY CONCERNED.—The term “Sec-
19 retary concerned” means—

20 (A) the Secretary of Agriculture or the
21 designee of the Secretary of Agriculture with
22 respect to the National Forest System lands
23 and private lands; and

24 (B) the Secretary of the Interior or the
25 designee of the Secretary of the Interior with

1 respect to Federal lands under the jurisdiction
 2 of the Secretary of the Interior and Indian
 3 lands.

4 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
 5 authorized to be appropriated \$50,000,000 for each fiscal
 6 year to carry out this section.

7 **SEC. 922. BIOENERGY PROGRAM.**

8 Notwithstanding any limitations in the Commodity
 9 Credit Corporation Charter Act (15 U.S.C. 714 et seq.)
 10 or part 1424 of title 7, Code of Federal Regulations, the
 11 Commodity Credit Corporation shall designate animal
 12 fats, agricultural byproducts, and oils as eligible agricul-
 13 tural commodities for use in the Bioenergy Program to
 14 promote industrial consumption of agricultural commod-
 15 ities for the production of ethanol and biodiesel fuels.

16 **SEC. 923. AVAILABILITY OF SECTION 32 FUNDS.**

17 The 2d undesignated paragraph of section 32 of the
 18 Act of August 24, 1935 (Public Law 320; 49 Stat. 774;
 19 7 U.S.C. 612c), is amended by striking “\$300,000,000”
 20 and inserting “\$500,000,000”.

21 **SEC. 924. SENIORS FARMERS’ MARKET NUTRITION PRO-**
 22 **GRAM.**

23 (a) ESTABLISHMENT.—For each of the fiscal years
 24 2002 through 2011, the Secretary of Agriculture shall use
 25 \$15,000,000 of the funds available to the Commodity

1 Credit Corporation to carry out and expand a seniors
2 farmers' market nutrition program.

3 (b) PROGRAM PURPOSES.— The purposes of the sen-
4 iors farmers' market nutrition program are—

5 (1) to provide resources in the form of fresh,
6 nutritious, unprepared, locally grown fruits, vegeta-
7 bles, and herbs from farmers' markets, roadside
8 stands and community supported agriculture pro-
9 grams to low-income seniors;

10 (2) to increase the domestic consumption of ag-
11 ricultural commodities by expanding or aiding in the
12 expansion of domestic farmers' markets, roadside
13 stands, and community supported agriculture pro-
14 grams; and

15 (3) to develop or aid in the development of new
16 and additional farmers' markets, roadside stands,
17 and community supported agriculture programs.

18 (c) REGULATIONS.—The Secretary may issue such
19 regulations as the Secretary considers necessary to carry
20 out the seniors farmers' market nutrition program.

21 **SEC. 925. DEPARTMENT OF AGRICULTURE AUTHORITIES**
22 **REGARDING CANEBERRIES.**

23 (a) AUTHORITY FOR MARKETING ORDER AND RE-
24 SEARCH AND PROMOTION ORDER.—Section 8c of the Ag-
25 ricultural Adjustment Act (7 U.S.C. 608c), reenacted with

1 amendments by the Agricultural Marketing Agreement
2 Act of 1937, is amended—

3 (1) in subsection (2)—

4 (A) in paragraph (A), by inserting
5 “caneberries (including raspberries, black-
6 berries, and logenberries),” after “other than
7 pears, olives, grapefruit,”; and

8 (B) in the second sentence, by inserting
9 “caneberries (including raspberries, black-
10 berries, and logenberries),” after “effective as
11 to cherries, apples,”; and

12 (2) in subsection (6)(I), by inserting
13 “caneberries (including raspberries, blackberries,
14 and logenberries)” after “tomatoes,”.

15 (b) **AUTHORITY WITH RESPECT TO IMPORTS.**—Sec-
16 tion 8e(a) of such Act (7 U.S.C. 608e–1(a)) is amended
17 by inserting “caneberries (including raspberries, black-
18 berries, and logenberries),” after “pistachios,”.

19 **SEC. 926. NATIONAL APPEALS DIVISION.**

20 Section 278 of the Department of Agriculture Reor-
21 ganization Act of 1994 (7 U.S.C. 6998) is amended by
22 adding at the end the following new subsection:

23 “(f) **FINALITY OF CERTAIN APPEAL DECISIONS.**—If
24 an appellant prevails at the regional level in an adminis-
25 trative appeal of a decision by the Division, the agency

1 may not pursue an administrative appeal of that decision
2 to the national level.”.

3 **SEC. 927. OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-**
4 **ADVANTAGED FARMERS AND RANCHERS.**

5 Subsection (a) of section 2501 of the Food, Agri-
6 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
7 2279) is amended to read as follows:

8 “(a) OUTREACH AND ASSISTANCE.—

9 “(1) IN GENERAL.—The Secretary of Agri-
10 culture (in this section referred to as the ‘Secretary’)
11 shall provide outreach and technical assistance pro-
12 grams specifically to encourage and assist socially
13 disadvantaged farmers and ranchers to own and op-
14 erate farms and ranches and to participate equitably
15 in the full range of agricultural programs. This as-
16 sistance, which should enhance coordination and
17 make more effective the outreach, technical assist-
18 ance, and education efforts authorized in specific ag-
19 riculture programs, shall include information and as-
20 sistance on commodity, conservation, credit, rural,
21 and business development programs, application and
22 bidding procedures, farm and risk management,
23 marketing, and other essential information to par-
24 ticipate in agricultural and other programs of the
25 Department.

1 “(2) GRANTS AND CONTRACTS.—The Secretary
2 may make grants and enter into contracts and other
3 agreements in the furtherance of this section with
4 the following entities:

5 “(A) Any community-based organization,
6 network, or coalition of community-based orga-
7 nizations that—

8 “(i) has demonstrated experience in
9 providing agricultural education or other
10 agriculturally related services to socially
11 disadvantaged farmers and ranchers;

12 “(ii) provides documentary evidence of
13 its past experience of working with socially
14 disadvantaged farmers and ranchers dur-
15 ing the 2 years preceding its application
16 for assistance under this section; and

17 “(iii) does not engage in activities pro-
18 hibited under section 501(c)(3) of the In-
19 ternal Revenue Code of 1986.

20 “(B) 1890 Land-Grant Colleges, including
21 Tuskegee Institute, Indian tribal community
22 colleges and Alaska native cooperative colleges,
23 Hispanic serving post-secondary educational in-
24 stitutions, and other post-secondary educational
25 institutions with demonstrated experience in

1 providing agriculture education or other agri-
2 culturally related services to socially disadvan-
3 taged family farmers and ranchers in their re-
4 gion.

5 “(C) Federally recognized tribes and na-
6 tional tribal organizations with demonstrated
7 experience in providing agriculture education or
8 other agriculturally related services to socially
9 disadvantaged family farmers and ranchers in
10 their region.

11 “(3) FUNDING.—There are authorized to be ap-
12 propriated \$25,000,000 for each fiscal year to make
13 grants and enter into contracts and other agree-
14 ments with the entities described in paragraph (2)
15 and to otherwise carry out the purposes of this sub-
16 section.”.

17 **SEC. 928. EQUAL TREATMENT OF POTATOES AND SWEET**
18 **POTATOES.**

19 Section 508(a)(2) of the Federal Crop Insurance Act
20 (7 U.S.C. 1508(a)(2)) is amended by striking “and pota-
21 toes” and inserting “, potatoes, and sweet potatoes”.

1 **SEC. 929. REFERENCE TO SEA GRASS AND SEA OATS AS**
2 **CROPS COVERED BY NONINSURED CROP DIS-**
3 **ASTER ASSISTANCE PROGRAM.**

4 Section 196(a)(2)(B) of the Federal Agriculture Im-
5 provement and Reform Act of 1996 (7 U.S.C.
6 7333(a)(2)(B)) is amended by inserting “sea grass and
7 sea oats,” after “fish,”.

8 **SEC. 930. OPERATION OF GRADUATE SCHOOL OF DEPART-**
9 **MENT OF AGRICULTURE.**

10 (a) COMPETITION.—Section 921 of the Federal Agri-
11 culture Improvement and Reform Act of 1996 (7 U.S.C.
12 2279b) is amended—

13 (1) in subsection (c)—

14 (A) by striking “Under” and inserting the
15 following:

16 “(1) EDUCATIONAL, TRAINING, AND PROFES-
17 SIONAL DEVELOPMENT ACTIVITIES.—Under”; and

18 (B) by adding at the end the following new
19 paragraph:

20 “(2) COMPETITION.—The Graduate School may
21 not enter into a contract or agreement with a Fed-
22 eral agency to provide services or conduct activities
23 described in paragraph (1) unless, before the award-
24 ing of the contract or agreement, the contract or
25 agreement was subject to competition that was open

1 to individuals and entities of the private sector.”;
2 and

3 (2) in subsection (i), by striking “The” and in-
4 serting “Subject to subsection (c)(2), the”.

5 (b) AUDITS OF RECORDS.—Such section is further
6 amended by adding at the end the following new sub-
7 section:

8 “(k) AUDITS OF RECORDS.—The financial records of
9 the Graduate School relating to contracts and agreements
10 for services or activities described in subsection (c)(1)
11 shall be made available to the Comptroller General for
12 purposes of conducting an audit.”.

13 (c) CONFORMING REPEAL.—Section 1669 of the
14 Food, Agriculture, Conservation, and Trade Act of 1990
15 (7 U.S.C. 5922) is repealed.

16 **SEC. 931. ASSISTANCE FOR LIVESTOCK PRODUCERS.**

17 (a) AVAILABILITY OF ASSISTANCE.—In such
18 amounts as are provided in advance in appropriation Acts,
19 the Secretary may provide assistance to dairy and other
20 livestock producers to cover economic losses incurred by
21 such producers in connection with the production of live-
22 stock.

23 (b) TYPES OF ASSISTANCE.—The assistance provided
24 to livestock producers may be in the form of—

1 (1) indemnity payments to livestock producers
2 who incur livestock mortality losses;

3 (2) livestock feed assistance to livestock pro-
4 ducers affected by shortages of feed;

5 (3) compensation for sudden increases in pro-
6 duction costs; and

7 (4) such other assistance, and for such other
8 economic losses, as the Secretary considers appro-
9 priate.

10 (c) LIMITATIONS.—Notwithstanding section 181(a),
11 the Secretary may not use the funds of the Commodity
12 Credit Corporation to provide assistance under this sec-
13 tion.

14 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
15 authorized to be appropriated to the Secretary such sums
16 as may be necessary to carry out this section.

17 **SEC. 932. COMPLIANCE WITH BUY AMERICAN ACT AND**
18 **SENSE OF CONGRESS REGARDING PURCHASE**
19 **OF AMERICAN-MADE EQUIPMENT, PROD-**
20 **UCTS, AND SERVICES USING FUNDS PRO-**
21 **VIDED UNDER THIS ACT.**

22 (a) COMPLIANCE WITH BUY AMERICAN ACT.—No
23 funds made available under this Act, whether directly
24 using funds of the Commodity Credit Corporation or pur-
25 suant to an authorization of appropriations contained in

1 this Act, may be provided to a producer or other person
2 or entity unless the producer, person, or entity agrees to
3 comply with the Buy American Act (41 U.S.C. 10a–10c)
4 in the expenditure of the funds.

5 (b) SENSE OF CONGRESS.—In the case of any equip-
6 ment, products, or services that may be authorized to be
7 purchased using funds provided under this Act, it is the
8 sense of Congress that producers and other recipients of
9 such funds should, in expending the funds, purchase only
10 American-made equipment, products, and services.

11 (c) NOTICE TO RECIPIENTS OF FUNDS.—In pro-
12 viding payments or other assistance under this Act, the
13 Secretary of Agriculture shall provide to each recipient of
14 the funds a notice describing the requirements of sub-
15 section (a) and the statement made in subsection (b) by
16 Congress.

17 **SEC. 933. REPORT REGARDING GENETICALLY ENGINEERED**
18 **FOODS.**

19 (a) IN GENERAL.—Not later than 1 year after funds
20 are made available to carry out this section, the Secretary
21 of Agriculture, acting through the National Academy of
22 Sciences, shall complete and transmit to Congress a report
23 that includes recommendations for the following:

24 (1) DATA AND TESTS.—The type of data and
25 tests that are needed to sufficiently assess and

1 evaluate human health risks from the consumption
2 of genetically engineered foods.

3 (2) MONITORING SYSTEM.—The type of Federal
4 monitoring system that should be created to assess
5 any future human health consequences from long-
6 term consumption of genetically engineered foods.

7 (3) REGULATIONS.—A Federal regulatory
8 structure to approve genetically engineered foods
9 that are safe for human consumption.

10 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
11 authorized to be appropriated to the Secretary of Agri-
12 culture \$500,000 to carry out this section.

13 **SEC. 934. MARKET NAME FOR PANGASIUS FISH SPECIES.**

14 The term “catfish” may not be considered to be a
15 common or usual name (or part thereof) for the fish
16 *Pangasius bocourti*, or for any other fish not classified
17 within the family Ictalariidae, for purposes of section 403
18 of the Federal Food, Drug, and Cosmetic Act, including
19 with respect to the importation of such fish pursuant to
20 section 801 of such Act.

21 **SEC. 935. PROGRAM OF PUBLIC EDUCATION REGARDING**
22 **USE OF BIOTECHNOLOGY IN PRODUCING**
23 **FOOD FOR HUMAN CONSUMPTION.**

24 (a) PUBLIC INFORMATION CAMPAIGN.—Not later
25 than 1 year after the date of the enactment of this Act,

1 the Secretary of Agriculture shall develop and implement
2 a program to communicate with the public regarding the
3 use of biotechnology in producing food for human con-
4 sumption. The information provided under the program
5 shall include the following:

6 (1) Science-based evidence on the safety of
7 foods produced with biotechnology.

8 (2) Scientific data on the human outcomes of
9 the use of biotechnology to produce food for human
10 consumption.

11 (b) AUTHORIZATION OF APPROPRIATIONS.—For each
12 of fiscal years 2002 through 2011 there are authorized
13 to be appropriated such sums as may be necessary to carry
14 out this section.

15 **SEC. 936. GAO STUDY.**

16 (a) IN GENERAL.—The Comptroller General shall
17 conduct a study and make findings and recommendations
18 with respect to determining how producer income would
19 be affected by updating yield bases, including—

20 (1) whether crop yields have increased over the
21 past 20 years for both program crops and oilseeds;

22 (2) whether program payments would be dis-
23 bursed differently in this Act if yield bases were up-
24 dated;

1 (3) what impact this Act’s target prices with
2 updated yield bases would have on producer income;
3 and

4 (4) what impact lower target prices with up-
5 dated yield bases would have on producer income
6 compared to this Act.

7 (b) REPORT.—The Comptroller General shall submit
8 a report to Congress on the study, findings, and rec-
9 ommendations required by subsection (a), not later than
10 6 months after the date of the enactment of this Act.

11 **SEC. 937. INTERAGENCY TASK FORCE ON AGRICULTURAL**
12 **COMPETITION.**

13 (a) APOINTMENT.—Not later than 90 days after the
14 date of the enactment of this Act, the Secretary of Agri-
15 culture shall establish an Interagency Task Force on Agri-
16 cultural Competition (in this section referred to as the
17 “Task Force”) and, after consultation with the Attorney
18 General, shall appoint as members of the Task Force such
19 nine employees of the Department of Agriculture and the
20 Department of Justice as the Secretary considers to be
21 appropriate. The Secretary shall designate one member of
22 the Task Force to serve as chairperson of the Task Force.

23 (b) HEARINGS.—The Task Force shall conduct hear-
24 ings to review the lessening of competition among pur-
25 chasers of livestock, poultry, and unprocessed agricultural

1 commodities in the United States and shall include in such
2 hearings review of the following matters:

3 (1) The enforcement of particular Federal laws
4 relating to competition.

5 (2) The concentration and vertical integration
6 of the business operations of such purchasers.

7 (3) Discrimination and transparency in prices
8 paid by such purchasers to producers of livestock,
9 poultry, and unprocessed agricultural commodities in
10 the United States.

11 (4) The economic protection and bargaining
12 rights of producers who raise livestock and poultry
13 under contracts.

14 (5) Marketing innovations and alternatives
15 available to producers of livestock, poultry, and un-
16 processed agricultural commodities in the United
17 States.

18 (c) REPORT.—Not later than 1 year after the last
19 member of the Task Force is appointed, the Task Force
20 shall submit, to the Committee on Agriculture of the
21 House of Representatives and the Committee on Agri-
22 culture, Nutrition, and Forestry of the Senate, a report
23 containing the findings and recommendations of the Task
24 Force for appropriate administrative and legislative ac-
25 tion.

1 **SEC. 938. AUTHORIZATION FOR ADDITIONAL STAFF AND**
2 **FUNDING FOR THE GRAIN INSPECTION,**
3 **PACKERS AND STOCKYARDS ADMINISTRA-**
4 **TION.**

5 There are authorized to be appropriated such sums
6 as are necessary to enhance the capability of the Grain
7 Inspection, Packers and Stockyards Administration to
8 monitor, investigate, and pursue the competitive implica-
9 tions of structural changes in the meat packing industry.
10 Sums are specifically earmarked to hire litigating attor-
11 neys to allow the Grain Inspection, Packers and Stock-
12 yards Administration to more comprehensively and effec-
13 tively pursue its enforcement activities.

14 **SEC. 939. ENFORCEMENT OF THE HUMANE METHODS OF**
15 **SLAUGHTER ACT OF 1958.**

16 (a) FINDINGS.—Congress finds as follows:

17 (1) Public demand for passage of Public Law
18 85–765 (7 U.S.C. 1901 et seq.; commonly known as
19 the “Humane Methods of Slaughter Act of 1958”) was
20 so great that when President Eisenhower was
21 asked at a press conference if he would sign the bill,
22 he replied, “If I went by mail, I’d think no one was
23 interested in anything but humane slaughter”.

24 (2) The Humane Methods of Slaughter Act of
25 1958 requires that animals be rendered insensible to
26 pain when they are slaughtered.

1 (3) Scientific evidence indicates that treating
2 animals humanely results in tangible economic bene-
3 fits.

4 (4) The United States Animal Health Associa-
5 tion passed a resolution at a meeting in October
6 1998 to encourage strong enforcement of the Hu-
7 mane Methods of Slaughter Act of 1958 and reiter-
8 ated support for the resolution at a meeting in 2000.

9 (5) The Secretary of Agriculture is responsible
10 for fully enforcing the Act, including monitoring
11 compliance by the slaughtering industry.

12 (b) SENSE OF CONGRESS.—It is the sense of Con-
13 gress that the Secretary of Agriculture should fully en-
14 force Public Law 85–765 (7 U.S.C. 1901 et seq.; com-
15 monly known as the “Humane Methods of Slaughter Act
16 of 1958”) by ensuring that humane methods in the
17 slaughter of livestock—

18 (1) prevent needless suffering;

19 (2) result in safer and better working condi-
20 tions for persons engaged in the slaughtering indus-
21 try;

22 (3) bring about improvement of products and
23 economies in slaughtering operations; and

24 (4) produce other benefits for producers, proc-
25 essors, and consumers that tend to expedite an or-

1 derly flow of livestock and livestock products in
2 interstate and foreign commerce.

3 (c) POLICY OF THE UNITED STATES.—It is the pol-
4 icy of the United States that the slaughtering of livestock
5 and the handling of livestock in connection with slaughter
6 shall be carried out only by humane methods, as provided
7 by Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly
8 known as the “Humane Methods of Slaughter Act of
9 1958”).

10 **SEC. 940. PENALTIES AND FOREIGN COMMERCE PROVI-**
11 **SIONS OF THE ANIMAL WELFARE ACT.**

12 (a) PENALTIES AND FOREIGN COMMERCE PROVI-
13 SIONS OF THE ANIMAL WELFARE ACT.—Section 26 of the
14 Animal Welfare Act (7 U.S.C. 2156) is amended—

15 (1) in subsection (e)—

16 (A) by inserting “PENALTIES.—” after
17 “(e)”;

18 (B) by striking “\$5,000” and inserting
19 “\$15,000”; and

20 (C) by striking “1 year” and inserting “2
21 years”; and

22 (2) in subsection (g)(2)(B), by inserting at the
23 end before the semicolon the following: “or from any
24 State into any foreign country”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section take effect 30 days after the date of the enact-
3 ment of this Act.

4 **SEC. 941. PROHIBITION ON INTERSTATE MOVEMENT OF**
5 **ANIMALS FOR ANIMAL FIGHTING.**

6 (a) PROHIBITION ON INTERSTATE MOVEMENT OF
7 ANIMALS FOR ANIMAL FIGHTING.—Section 26(d) of the
8 Animal Welfare Act (7 U.S.C. 2156(d)) is amended to
9 read as follows:

10 “(d) ACTIVITIES NOT SUBJECT TO PROHIBITION.—
11 This section does not apply to the selling, buying, trans-
12 porting, or delivery of an animal in interstate or foreign
13 commerce for any purpose, so long as the purpose does
14 not include participation of the animal in an animal fight-
15 ing venture.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section take effect 30 days after the date of the enact-
18 ment of this Act.

19 **SEC. 942. RENEWABLE ENERGY RESOURCES.**

20 (a) ENVIRONMENTAL QUALITY INCENTIVES PRO-
21 GRAM.—Section 1240 of the Food Security Act of 1985
22 (16 U.S.C. 3839aa), as amended by section 231 of this
23 Act, is amended—

24 (1) by striking “and” at the end of paragraph

25 (3);

1 (2) by striking the period at the end of para-
2 graph (4); and

3 (3) by adding at the end the following:

4 “(5) assistance to farmers and ranchers for the
5 assessment and development of their on-farm renew-
6 able resources, including biomass for the production
7 of power and fuels, wind, and solar.”.

8 (b) COOPERATIVE STATE RESEARCH, EDUCATION,
9 AND EXTENSION SERVICE.—The Secretary of Agri-
10 culture, through the Cooperative State Research, Edu-
11 cation, and Extension Service and, to the extent prac-
12 ticable, in collaboration with the Natural Resources Con-
13 servation Service, regional biomass programs under the
14 Department of Energy, and other appropriate entities,
15 may provide education and technical assistance to farmers
16 and ranchers for the development and marketing of renew-
17 able energy resources, including biomass for the produc-
18 tion of power and fuels, wind, solar, and geothermal.

19 **SEC. 943. USE OF AMOUNTS PROVIDED FOR FIXED, DECOU-**
20 **PLED PAYMENTS TO PROVIDE NECESSARY**
21 **FUNDS FOR RURAL DEVELOPMENT PRO-**
22 **GRAMS.**

23 Notwithstanding section 104 of this Act, in each of
24 fiscal years 2002 through 2011, the Secretary of Agri-
25 culture shall—

1 (1) reduce the total amount payable under sec-
2 tion 104 of this Act, on a pro rata basis, so that the
3 total amount of such reductions equals
4 \$100,000,000; and

5 (2) expend—

6 (A) \$45,000,000 for grants under 306A of
7 the Consolidated Farm and Rural Development
8 Act (relating to the community water assistance
9 grant program);

10 (B) \$45,000,000 for grants under 613 of
11 this Act (relating to the pilot program for devel-
12 opment and implementation of strategic re-
13 gional development plans); and

14 (C) \$10,000,000 for grants under section
15 231(a)(1) of the Agricultural Risk Protection
16 Act of 2000 (relating to value-added agricul-
17 tural product market development grants).

18 **SEC. 944. COUNTRY OF ORIGIN LABELING OF PERISHABLE**

19 **AGRICULTURAL COMMODITIES.**

20 (a) ESTABLISHMENT OF LABELING REQUIRE-
21 MENT.—The Perishable Agricultural Commodities Act,
22 1930, is amended by inserting after section 17 (7 U.S.C.
23 499q) the following new section:

1 **“SEC. 18. COUNTRY OF ORIGIN LABELING OF PERISHABLE**
2 **AGRICULTURAL COMMODITIES.**

3 “(a) NOTICE OF COUNTRY OF ORIGIN REQUIRED.—
4 Except as provided in subsection (b), a retailer of a perish-
5 able agricultural commodity shall inform consumers, at
6 the final point of sale of the perishable agricultural com-
7 modity to consumers, of the country of origin of the per-
8 ishable agricultural commodity. This requirement shall
9 apply to imported and domestically produced perishable
10 agricultural commodities.

11 “(b) EXEMPTION FOR FOOD SERVICE ESTABLISH-
12 MENTS.—

13 “(1) EXEMPTION.—Subsection (a) shall not
14 apply to a perishable agricultural commodity to the
15 extent that the perishable agricultural commodity
16 is—

17 “(A) prepared or served in a food service
18 establishment; and

19 “(B) offered for sale or sold at the food
20 service establishment in normal retail quantities
21 or served to consumers at the food service es-
22 tablishment.

23 “(2) DEFINITION.—In this subsection, the term
24 ‘food service establishment’ means a restaurant, caf-
25 eteria, lunch room, food stand, saloon, tavern, bar,
26 lounge, or other similar facility, which is operated as

1 an enterprise engaged in the business of selling
2 foods to the public.

3 “(c) METHOD OF NOTIFICATION.—

4 “(1) IN GENERAL.—The information required
5 by subsection (a) may be provided to consumers by
6 means of a label, stamp, mark, placard, or other
7 clear and visible sign on the perishable agricultural
8 commodity or on the package, display, holding unit,
9 or bin containing the commodity at the final point
10 of sale to consumers.

11 “(2) LABELED COMMODITIES.—If a perishable
12 agricultural commodity is already individually la-
13 beled regarding country of origin by a packer, im-
14 porter, or another person, the retailer shall not be
15 required to provide any additional information to
16 comply with this section.

17 “(d) VIOLATIONS.—If a retailer fails to indicate the
18 country of origin of a perishable agricultural commodity
19 as required by subsection (a), the Secretary of Agriculture
20 may assess a civil penalty on the retailer in an amount
21 not to exceed—

22 “(1) \$1,000 for the first day on which the viola-
23 tion occurs; and

24 “(2) \$250 for each day on which the same vio-
25 lation continues.

1 “(e) DEPOSIT OF FUNDS.—Amounts collected under
2 subsection (d) shall be deposited in the Treasury of the
3 United States as miscellaneous receipts.”.

4 (b) APPLICATION OF AMENDMENT.—Section 18 of
5 the Perishable Agricultural Commodities Act, 1930, as
6 added by subsection (a), shall apply with respect to a per-
7 ishable agricultural commodity offered for retail sale after
8 the end of the six-month period beginning on the date of
9 the enactment of this Act.

10 **SEC. 945. UNLAWFUL STOCKYARD PRACTICES INVOLVING**
11 **NONAMBULATORY LIVESTOCK.**

12 Title III of the Packers and Stockyards Act, 1921,
13 (7 U.S.C. 201 et seq.) is amended by adding at the end
14 the following:

15 **“SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING**
16 **NONAMBULATORY LIVESTOCK.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) HUMANELY EUTHANIZE.—The term ‘hu-
19 manely euthanize’ means to kill an animal by me-
20 chanical, chemical, or other means that immediately
21 render the animal unconscious, with this state re-
22 maining until the animal’s death.

23 “(2) NONAMBULATORY LIVESTOCK.—The term
24 ‘nonambulatory livestock’ means any livestock that
25 is unable to stand and walk unassisted.

1 “(b) UNLAWFUL PRACTICES.—

2 “(1) IN GENERAL.—Except as provided in para-
3 graph (2), it shall be unlawful for any stockyard
4 owner, market agency, or dealer to buy, sell, give,
5 receive, transfer, market, hold, or drag any non-
6 ambulatory livestock unless the nonambulatory live-
7 stock has been humanely euthanized.

8 “(2) EXCEPTIONS.—

9 “(A) NON-GIPSA FARMS.—Paragraph (1)
10 shall not apply to any farm the animal care
11 practices of which are not subject to the author-
12 ity of the Grain Inspection, Packers, and Stock-
13 yards Administration.

14 “(B) VETERINARY CARE.—Paragraph (1)
15 shall not apply in a case in which non-
16 ambulatory livestock receive veterinary care in-
17 tended to render the livestock ambulatory.

18 “(c) APPLICATION OF PROHIBITION.—Subsection (b)
19 shall apply beginning one year after the date of the enact-
20 ment of the Farm Security Act of 2001. By the end of
21 such period, the Secretary shall promulgate regulations to
22 carry out this section.”.

1 **SEC. 946. ANNUAL REPORT ON IMPORTS OF BEEF AND**
2 **PORK.**

3 The Secretary shall submit to the Congress an annual
4 report on the amount of beef and pork that is imported
5 into the United States each calendar year.

Passed the House of Representatives October 5,
2001.

Attest:

Clerk.

107TH CONGRESS
1ST SESSION

H. R. 2646

AN ACT

To provide for the continuation of agricultural
programs through fiscal year 2011.