

# Union Calendar No. 121

107TH CONGRESS  
1ST SESSION

# H. R. 2646

**[Report No. 107–191, Parts I, II, and III]**

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

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## IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2001

Mr. COMBEST (for himself and Mr. STENHOLM) introduced the following bill;  
which was referred to the Committee on Agriculture

AUGUST 2, 2001

Reported with an amendment and referred to the Committee on International  
Relations for a period ending not later than September 7, 2001, for con-  
sideration of such provisions of the bill and amendment as fall within the  
jurisdiction of that committee pursuant to clause 1(j), rule X

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

SEPTEMBER 7, 2001

Referral to the Committee on International Relations extended for a period  
ending not later than September 10, 2001

SEPTEMBER 10, 2001

Reported from the Committee on International Relations with amendments,  
committed to the Committee of the Whole House on the State of the  
Union, and ordered to be printed

[Omit the part struck through in italic and insert the part printed in boldface roman]

[For text of introduced bill, see copy of bill as introduced on July 26, 2001]

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# A BILL

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,*

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

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

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

*Sec. 1. Short title; table of contents.*

## **TITLE I—COMMODITY PROGRAMS**

*Sec. 100. Definitions.*

### **Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments**

*Sec. 101. Payments to eligible producers.*

*Sec. 102. Establishment of payment yield.*

*Sec. 103. Establishment of base acres and payment acres for a farm.*

*Sec. 104. Availability of fixed, decoupled payments.*

*Sec. 105. Availability of counter-cyclical payments.*

*Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.*

*Sec. 107. Planting flexibility.*

*Sec. 108. Relation to remaining payment authority under production flexibility contracts.*

*Sec. 109. Payment limitations.*

*Sec. 110. Period of effectiveness.*

### **Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments**

*Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.*

- Sec. 122. Loan rates for nonrecourse marketing assistance loans.*  
*Sec. 123. Term of loans.*  
*Sec. 124. Repayment of loans.*  
*Sec. 125. Loan deficiency payments.*  
*Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.*  
*Sec. 127. Special marketing loan provisions for upland cotton.*  
*Sec. 128. Special competitive provisions for extra long staple cotton.*  
*Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.*  
*Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.*  
*Sec. 131. Availability of nonrecourse marketing assistance loans for honey.*

### **Subtitle C—Other Commodities**

#### *CHAPTER 1—DAIRY*

- Sec. 141. Milk price support program.*  
*Sec. 142. Repeal of recourse loan program for processors.*  
*Sec. 143. Dairy export incentive program.*  
*Sec. 144. Fluid milk promotion.*  
*Sec. 145. Dairy product mandatory reporting.*  
*Sec. 146. Funding of dairy promotion and research program.*

#### *CHAPTER 2—SUGAR*

- Sec. 151. Sugar program.*  
*Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.*  
*Sec. 153. Storage facility loans.*

#### *CHAPTER 3—PEANUTS*

- Sec. 161. Definitions.*  
*Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.*  
*Sec. 163. Availability of fixed, decoupled payments for peanuts.*  
*Sec. 164. Availability of counter-cyclical payments for peanuts.*  
*Sec. 165. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.*  
*Sec. 166. Planting flexibility.*  
*Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.*  
*Sec. 168. Quality improvement.*  
*Sec. 169. Payment limitations.*  
*Sec. 170. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.*

### **Subtitle D—Administration**

- Sec. 181. Administration generally.*  
*Sec. 182. Extension of suspension of permanent price support authority.*  
*Sec. 183. Limitations.*  
*Sec. 184. Adjustments of loans.*  
*Sec. 185. Personal liability of producers for deficiencies.*  
*Sec. 186. Extension of existing administrative authority regarding loans.*  
*Sec. 187. Assignment of payments.*

**TITLE II—CONSERVATION**

**Subtitle A—Definition**

*Sec. 201. Definition of agricultural commodity.*

**Subtitle B—Wetland Conservation Program**

*Sec. 211. Ineligibility for certain loans and payments.*

**Subtitle C—Environmental Conservation Acreage Reserve Program**

*Sec. 221. Elimination of general provisions.*

**Subtitle D—Conservation Reserve Program**

*Sec. 231. Reauthorization.*

*Sec. 232. Enrollment.*

*Sec. 233. Duties of owners and operators.*

*Sec. 234. Duties of the Secretary.*

*Sec. 235. Acceptance of contract offers.*

*Sec. 236. Contracts.*

**Subtitle E—Wetlands Reserve Program**

*Sec. 241. Enrollment.*

*Sec. 242. Easements and agreements.*

*Sec. 243. Duties of the Secretary.*

*Sec. 244. Payment limitation.*

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**Subtitle F—Environmental Quality Incentives Program**

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*Sec. 253. Establishment and administration.*

*Sec. 254. Evaluation of offers and payments.*

*Sec. 255. Duties of producers.*

*Sec. 256. Environmental Quality Incentives Program plan.*

*Sec. 257. Duties of the Secretary.*

*Sec. 258. Limitation on payments.*

*Sec. 259. Groundwater conservation.*

**Subtitle G—Funding and Administration**

*Sec. 261. Reauthorization.*

*Sec. 262. Funding.*

*Sec. 263. Allocation for livestock production.*

*Sec. 264. Use of other agencies.*

*Sec. 265. Administration and technical assistance.*

**Subtitle H—Other Programs**

*Sec. 271. Wildlife Habitat Incentives Program.*

*Sec. 272. Farmland Protection Program.*

*Sec. 273. Resource Conservation and Development Program.*

*Sec. 274. Grassland Reserve Program.*

*Sec. 275. Farmland Stewardship Program.*

*Sec. 276. Small Watershed Rehabilitation Program.*

***Subtitle I—Availability of Funds***

*Sec. 281. Availability of funds appropriated pursuant to the Soil Conservation and Domestic Allotment Act.*

***Subtitle J—Repeals***

*Sec. 291. Provisions of the Food Security Act of 1985.*

*Sec. 292. National Natural Resources Conservation Foundation Act.*

***TITLE III—TRADE***

*Sec. 301. Market Access Program.*

*Sec. 302. Food for Progress.*

*Sec. 303. Export Enhancement Program.*

*Sec. 304. Foreign Market Development Cooperator Program.*

*Sec. 305. Export Credit Guarantee Program.*

*Sec. 306. Food for Peace (PL 480).*

*Sec. 307. Emerging markets.*

*Sec. 308. Bill Emerson Humanitarian Trust.*

*Sec. 309. Technical assistance for specialty crops.*

***TITLE III—TRADE***

**Sec. 301. Market Access Program.**

**Sec. 302. Food for Progress.**

**Sec. 303. Surplus commodities for developing or friendly countries.**

**Sec. 304. Export Enhancement Program.**

**Sec. 305. Foreign Market Development Cooperator Program.**

**Sec. 306. Export Credit Guarantee Program.**

**Sec. 307. Food for Peace (PL 480).**

**Sec. 308. Emerging markets.**

**Sec. 309. Bill Emerson Humanitarian Trust.**

**Sec. 310. Fee for services.**

**Sec. 311. Multiyear agricultural trade strategy.**

**Sec. 312. George McGovern–Robert Dole International Food for Education and Child Nutrition Program.**

**Sec. 313. Farmers for Africa and Caribbean Basin Program.**

**Sec. 314. International food relief partnership.**

**Sec. 315. Technical assistance for specialty crops.**

***TITLE IV—NUTRITION PROGRAMS***

***Subtitle A—Food Stamp Program***

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*Sec. 402. Standard deduction.*

*Sec. 403. Transitional food stamps for families moving from welfare.*

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*Sec. 441. Distribution of surplus commodities to special nutrition projects.*

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### **Subtitle C—Miscellaneous Provisions**

*Sec. 461. Hunger fellowship program.*

*Sec. 462. General effective date.*

### **TITLE V—CREDIT**

*Sec. 501. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.*

*Sec. 502. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.*

*Sec. 503. Administration of Certified Lenders and Preferred Certified Lenders programs.*

*Sec. 504. Simplified loan guarantee application available for loans of greater amounts.*

*Sec. 505. Elimination of requirement that Secretary require county committees to certify in writing that certain loan reviews have been conducted.*

*Sec. 506. Authority to reduce percentage of loan guaranteed if borrower income is insufficient to service debt.*

*Sec. 507. Timing of loan assessments.*

*Sec. 508. Making and servicing of loans by personnel of State, county, or area committees.*

*Sec. 509. Eligibility of employees of State, county, or area committee for loans and loan guarantees.*

*Sec. 510. Emergency loans in response to an economic emergency resulting from quarantines and sharply increasing energy costs.*

*Sec. 511. Extension of authority to contract for servicing of farmer program loans.*

*Sec. 512. Authorization for loans.*

*Sec. 513. Reservation of funds for direct operating loans for beginning farmers and ranchers.*

*Sec. 514. Extension of interest rate reduction program.*

*Sec. 515. Increase in duration of loans under down payment loan program.*

*Sec. 516. Horse breeder loans.*

*Sec. 517. Sunset of direct loan programs under the Consolidated Farm and Rural Development Act.*

*Sec. 518. Definition of debt forgiveness.*

*Sec. 519. Loan eligibility for borrowers with prior debt forgiveness.*

*Sec. 520. Allocation of certain funds for socially disadvantaged farmers and ranchers.*

*Sec. 521. Horses considered to be livestock under the Consolidated Farm and Rural Development Act.*

### **TITLE VI—RURAL DEVELOPMENT**

*Sec. 601. Funding for rural local television broadcast signal loan guarantees.*

*Sec. 602. Expanded eligibility for value-added agricultural product market development grants.*

*Sec. 603. Agriculture innovation center demonstration program.*

*Sec. 604. Funding of community water assistance grant program.*

*Sec. 605. Loan guarantees for the financing of the purchase of renewable energy systems.*

*Sec. 606. Loans and loan guarantees for renewable energy systems.*

- Sec. 607. Rural business opportunity grants.*
- Sec. 608. Grants for water systems for rural and native villages in Alaska.*
- Sec. 609. Rural cooperative development grants.*
- Sec. 610. National reserve account of Rural Development Trust Fund.*
- Sec. 611. Rural venture capital demonstration program.*
- Sec. 612. Increase in limit on certain loans for rural development.*
- Sec. 613. Pilot program for development and implementation of strategic regional development plans.*
- Sec. 614. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.*
- Sec. 615. National Rural Development Partnership.*
- Sec. 616. Eligibility of rural empowerment zones, rural enterprise communities, and champion communities for direct and guaranteed loans for essential community facilities.*
- Sec. 617. Grants to train farm workers in new technologies and to train farm workers in specialized skills necessary for higher value crops.*
- Sec. 618. Loan guarantees for the purchase of stock in a farmer cooperative seeking to modernize or expand.*
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## **TITLE VII—RESEARCH AND RELATED MATTERS**

### **Subtitle A—Extensions**

- Sec. 700. Market expansion research.*
- Sec. 701. National Rural Information Center Clearinghouse.*
- Sec. 702. Grants and fellowships for food and agricultural sciences education.*
- Sec. 703. Policy research centers.*
- Sec. 704. Human nutrition intervention and health promotion research program.*
- Sec. 705. Pilot research program to combine medical and agricultural research.*
- Sec. 706. Nutrition education program.*
- Sec. 707. Continuing animal health and disease research programs.*
- Sec. 708. Appropriations for research on national or regional problems.*
- Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.*
- Sec. 710. National research and training centennial centers at 1890 land-grant institutions.*
- Sec. 711. Hispanic-serving institutions.*
- Sec. 712. Competitive grants for international agricultural science and education programs.*
- Sec. 713. University research.*
- Sec. 714. Extension service.*
- Sec. 715. Supplemental and alternative crops.*
- Sec. 716. Aquaculture research facilities.*
- Sec. 717. Rangeland research.*
- Sec. 718. National genetics resources program.*
- Sec. 719. High-priority research and extension initiatives.*
- Sec. 720. Nutrient management research and extension initiative.*
- Sec. 721. Agricultural telecommunications program.*

- Sec. 722. Alternative Agricultural Research And Commercialization Revolving Fund.*
- Sec. 723. Assistive technology program for farmers with disabilities.*
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- Sec. 730. Precision agriculture.*
- Sec. 731. Thomas Jefferson Initiative for Crop Diversification.*
- Sec. 732. Support for research regarding diseases of wheat, triticale, and barley caused by *Fusarium graminearum* or by *Tilletia indica*.*
- Sec. 733. Office of Pest Management policy.*
- Sec. 734. National Agricultural Research, Extension, Education, and Economics Advisory Board.*
- Sec. 735. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.*
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### **Subtitle B—Modifications**

- Sec. 741. Equity in Educational Land-Grant Status Act of 1994.*
- Sec. 742. National Agricultural Research, Extension, and Teaching Policy Act of 1977.*
- Sec. 743. Agricultural Research, Extension, and Education Reform Act of 1998.*
- Sec. 744. Food, Agriculture, Conservation, and Trade Act of 1990.*
- Sec. 745. National Agricultural Research, Extension, and Teaching Policy Act of 1977.*
- Sec. 746. Biomass research and development.*
- Sec. 747. Biotechnology risk assessment research.*
- Sec. 748. Competitive, special, and facilities research grants.*
- Sec. 749. Matching funds requirement for research and extension activities of 1890 Institutions.*
- Sec. 750. Initiative for future agriculture and food systems.*
- Sec. 751. Carbon cycle research.*
- Sec. 752. Definition of food and agricultural sciences.*
- Sec. 753. Federal extension service.*

### **Subtitle C—Related Matters**

- Sec. 761. Resident instruction at land-grant colleges in United States territories.*
- Sec. 762. Declaration of extraordinary emergency and resulting authorities.*

### **Subtitle D—Repeal of Certain Activities and Authorities**

- Sec. 771. Food Safety Research Information Office and National Conference.*
- Sec. 772. Reimbursement of expenses under Sheep Promotion, Research, and Information Act of 1994.*
- Sec. 773. National genetic resources program.*



- Sec. 774. *National Advisory Board on Agricultural Weather.*  
 Sec. 775. *Agricultural information exchange with Ireland.*  
 Sec. 776. *Pesticide resistance study.*  
 Sec. 777. *Expansion of education study.*  
 Sec. 778. *Support for Advisory Board.*  
 Sec. 779. *Task force on 10-year strategic plan for agricultural research facilities.*

**Subtitle E—Agriculture Facility Protection**

- Sec. 790. *Additional protections for animal or agricultural enterprises, research facilities, and other entities.*

**TITLE VIII—FORESTRY INITIATIVES**

- Sec. 801. *Repeal of forestry incentives program and stewardship incentive program.*  
 Sec. 802. *Establishment of forest land enhancement program.*  
 Sec. 803. *Renewable resources extension activities.*  
 Sec. 804. *Enhanced community fire protection.*  
 Sec. 805. *International forestry program.*  
 Sec. 806. *Long-term forest stewardship contracts for hazardous fuels removal and implementation of National Fire Plan.*  
 Sec. 807. *McIntire-Stennis cooperative forestry research program.*

**TITLE IX—MISCELLANEOUS PROVISIONS**

**Subtitle A—Tree Assistance Program**

- Sec. 901. *Eligibility.*  
 Sec. 902. *Assistance.*  
 Sec. 903. *Limitation on assistance.*  
 Sec. 904. *Definitions.*

**Subtitle B—Advisory Council and Federal Interagency Working Group on Upper Mississippi River**

- Sec. 911. *Definitions.*  
 Sec. 912. *Establishment of Advisory Council on the Upper Mississippi River Stewardship Initiative.*  
 Sec. 913. *Responsibilities of Advisory Council.*  
 Sec. 914. *Advisory nature of council.*  
 Sec. 915. *Federal Interagency Working Group*  
 Sec. 916. *Authorization of appropriations.*

**Subtitle C—Other Matters**

- Sec. 921. *Hazardous fuel reduction grants to prevent wildfire disasters and transform hazardous fuels to electric energy, useful heat, or transportation fuels.*  
 Sec. 922. *Bioenergy program.*  
 Sec. 923. *Availability of section 32 funds.*  
 Sec. 924. *Seniors farmers' market nutrition program.*  
 Sec. 925. *Federal marketing order for cane berries.*  
 Sec. 926. *National Appeals Division.*  
 Sec. 927. *Outreach and assistance for socially disadvantaged farmers and ranchers.*

1                   **TITLE I—COMMODITY**  
2                   **PROGRAMS**

3 **SEC. 100. DEFINITIONS.**

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

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

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

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 Secretary*  
2 *under section 105 to determine whether counter-cycli-*  
3 *cal payments are required to be made for that crop*  
4 *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 oilseed”*  
12 *means a crop of sunflower seed, rapeseed, canola, saf-*  
13 *flower, flaxseed, mustard seed, or, if designated by the*  
14 *Secretary, another oilseed.*

15 (9) *PAYMENT ACRES.*—*The term “payment*  
16 *acres” means 85 percent of the base acres of a covered*  
17 *commodity on a farm, as established under section*  
18 *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 sharecropper*  
25 *who shares in the risk of producing a crop and who*

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

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

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

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

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

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

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

5 (a) *PAYMENTS REQUIRED.*—Beginning with the 2002  
6 crop of covered commodities, the Secretary shall make fixed  
7 decoupled payments and counter-cyclical payments under  
8 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 Act*  
12 *of 1996 (7 U.S.C. 7211) for fiscal year 2002; and*

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

15 (b) *TENANTS AND SHARECROPPERS.*—In carrying out  
16 this title, the Secretary shall provide adequate safeguards  
17 to protect the interests of tenants and sharecroppers.

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

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

23 (a) *ESTABLISHMENT AND PURPOSE.*—For the purpose  
24 of making fixed decoupled payments and counter-cyclical  
25 payments under this subtitle, the Secretary shall provide

1 *for the establishment of a payment yield for each farm for*  
2 *each covered commodity in accordance with this section.*

3 (b) *USE OF FARM PROGRAM PAYMENT YIELD.*—*Ex-*  
4 *cept as otherwise provided in this section, the payment yield*  
5 *for each of the 2002 through 2011 crops of a covered com-*  
6 *modity for a farm shall be the farm program payment yield*  
7 *in effect for the 2002 crop of the covered commodity under*  
8 *section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).*

9 (c) *FARMS WITHOUT FARM PROGRAM PAYMENT*  
10 *YIELD.*—*In the case of a farm for which a farm program*  
11 *payment yield is unavailable for a covered commodity*  
12 *(other than soybeans or other oilseeds), the Secretary shall*  
13 *establish an appropriate payment yield for the covered com-*  
14 *modity on the farm taking in consideration the farm pro-*  
15 *gram payment yields applicable to the commodity under*  
16 *subsection (b) for similar farms in the area.*

17 (d) *PAYMENT YIELDS FOR OILSEEDS.*—

18 (1) *AVERAGE YIELD.*—*In the case of soybeans*  
19 *and each other oilseed, the Secretary shall establish a*  
20 *payment yield for a farm for the oilseed by first de-*  
21 *termining the average yield for the oilseed on the*  
22 *farm for the 1998 through 2001 crop years, excluding*  
23 *any crop year in which the acreage planted to the oil-*  
24 *seed was zero. If, for any of these four crop years in*  
25 *which the oilseed was planted, the farm would have*

1       *satisfied the eligibility criteria established to carry*  
2       *out section 1102 of the Agriculture, Rural Develop-*  
3       *ment, Food and Drug Administration, and Related*  
4       *Agencies Appropriations Act, 1999 (Public Law 105-*  
5       *277; 7 U.S.C. 1421 note), the Secretary shall assign*  
6       *a yield for that year equal to 65 percent of the county*  
7       *yield.*

8               (2) *REDUCTION.*—*The Secretary shall reduce the*  
9       *average yield determined under paragraph (1) for the*  
10       *oilseed by a percentage equal to the percentage in-*  
11       *crease in national average yields for the oilseed be-*  
12       *tween the following two periods:*

13                       (A) *The 1981 through 1985 crops.*

14                       (B) *The 1998 through 2001 crops.*

15       **SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT**

16                       **ACRES FOR A FARM.**

17               (a) *ELECTION BY PRODUCERS OF BASE ACRE CAL-*  
18       *CULATION METHOD.*—*For the purpose of making fixed de-*  
19       *coupled payments and counter-cyclical payments with re-*  
20       *spect to a farm, the Secretary shall give producers on the*  
21       *farm an opportunity to elect one of the following as the*  
22       *method by which the base acres of all covered commodities*  
23       *on the farm are to be determined:*

24                       (1) *The four-year average of acreage actually*  
25       *planted on the farm to a covered commodity for har-*

1        *vest, grazing, haying, silage, or other similar purposes*  
2        *during crop years 1998, 1999, 2000, and 2001 and*  
3        *any acreage on the farm that the producers were pre-*  
4        *vented from planting during such crop years to the*  
5        *covered commodity because of drought, flood, or other*  
6        *natural disaster, or other condition beyond the control*  
7        *of the producer, as determined by the Secretary.*

8            *(2) The contract acreage (as defined in section*  
9        *102 of the Federal Agriculture Improvement and Re-*  
10        *form Act of 1996 (7 U.S.C. 7202)) used by the Sec-*  
11        *retary to calculate the fiscal year 2002 payment that,*  
12        *subject to section 109, would be made under section*  
13        *114 of such Act (7 U.S.C. 7214) for the covered com-*  
14        *modity on the farm.*

15        *(b) SINGLE ELECTION; TIME FOR ELECTION.—The op-*  
16        *portunity to make the election described in subsection (a)*  
17        *shall be available to producers on a farm only once. The*  
18        *producers shall notify the Secretary of the election made*  
19        *by the producers under such subsection not later than 180*  
20        *days after the date of the enactment of this Act.*

21        *(c) EFFECT OF FAILURE TO MAKE ELECTION.—If the*  
22        *producers on a farm fail to make the election under sub-*  
23        *section (a), or fail to timely notify the Secretary of the se-*  
24        *lected option as required by subsection (b), the producers*  
25        *shall be deemed to have made the election described in sub-*



1 *section (a)(2) to determine base acres for all covered com-*  
2 *modities on the farm.*

3       *(d) APPLICATION OF ELECTION TO ALL COVERED*  
4 *COMMODITIES.—The election made under subsection (a) or*  
5 *deemed to be made under subsection (c) with respect to a*  
6 *farm shall apply to all of the covered commodities on the*  
7 *farm. Producers may not make the election described in sub-*  
8 *section (a)(1) for one covered commodity and the election*  
9 *described in subsection (a)(2) for other covered commodities*  
10 *on the farm.*

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

13           *(1) IN GENERAL.—In the case of producers on a*  
14 *farm that make the election described in subsection*  
15 *(a)(2), the Secretary shall provide for an adjustment*  
16 *in the base acres for the farm whenever either of the*  
17 *following circumstances occur:*

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

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

1           (2) *SPECIAL PAYMENT RULES.*—*For the fiscal*  
2           *year and crop year in which a base acre adjustment*  
3           *under paragraph (1) is first made, the producers on*  
4           *the farm shall elect to receive either fixed decoupled*  
5           *payments and counter-cyclical payments with respect*  
6           *to the acreage added to the farm under this subsection*  
7           *or a prorated payment under the conservation reserve*  
8           *contract, but not both.*

9           (f) *PAYMENT ACRES.*—*The payment acres for a cov-*  
10          *ered commodity on a farm shall be equal to 85 percent of*  
11          *the base acres for the commodity.*

12          (g) *PREVENTION OF EXCESS PAYMENT ACRES.*—

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

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

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

5           (B) Any acreage on the farm enrolled in the  
6 conservation reserve program or wetlands reserve  
7 program under chapter 1 of subtitle D of title  
8 XII of the Food Security Act of 1985 (16 U.S.C.  
9 3830 *et seq.*).

10          (C) Any other acreage on the farm enrolled  
11 in a conservation program for which payments  
12 are made in exchange for not producing an agri-  
13 cultural commodity on the acreage.

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

15          (a) *PAYMENT REQUIRED.*—For each of the 2002  
16 through 2011 crop years of each covered commodity, the  
17 Secretary shall make fixed, decoupled payments to eligible  
18 producers.

19          (b) *PAYMENT RATE.*—The payment rates used to make  
20 fixed, decoupled payments with respect to covered commod-  
21 ities for a crop year are as follows:

22           (1) Wheat, \$0.53 per bushel.

23           (2) Corn, \$0.30 per bushel.

24           (3) Grain sorghum, \$0.36 per bushel.

25           (4) Barley, \$0.25 per bushel.

1           (5) *Oats, \$0.025 per bushel.*

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

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

4           (8) *Soybeans, \$0.42 per bushel.*

5           (9) *Other oilseeds, \$0.0074 per pound.*

6           (c) *PAYMENT AMOUNT.—The amount of the fixed, de-*  
7 *coupled payment to be paid to the eligible producers on a*  
8 *farm for a covered commodity for a crop year shall be equal*  
9 *to the product of the following:*

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

11           (2) *The payment acres of the covered commodity*  
12 *on the farm.*

13           (3) *The payment yield for the covered commodity*  
14 *for the farm.*

15           (d) *TIME FOR PAYMENT.—*

16           (1) *GENERAL RULE.—Fixed, decoupled payments*  
17 *shall be paid not later than September 30 of each of*  
18 *fiscal years 2002 through 2011. In the case of the*  
19 *2002 crop, payments may begin to be made on or*  
20 *after December 1, 2001.*

21           (2) *ADVANCE PAYMENTS.—At the option of an el-*  
22 *igible producer, 50 percent of the fixed, decoupled*  
23 *payment for a fiscal year shall be paid on a date se-*  
24 *lected by the producer. The selected date shall be on*  
25 *or after December 1 of that fiscal year, and the pro-*

1        *ducer may change the selected date for a subsequent*  
2        *fiscal year by providing advance notice to the Sec-*  
3        *retary.*

4            (3) *REPAYMENT OF ADVANCE PAYMENTS.—If a*  
5        *producer that receives an advance fixed, decoupled*  
6        *payment for a fiscal year ceases to be an eligible pro-*  
7        *ducer before the date the fixed, decoupled payment*  
8        *would otherwise have been made by the Secretary*  
9        *under paragraph (1), the producer shall be respon-*  
10       *sible for repaying the Secretary the full amount of the*  
11       *advance payment.*

12 **SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.**

13        (a) *PAYMENT REQUIRED.—The Secretary shall make*  
14        *counter-cyclical payments with respect to a covered com-*  
15        *modity whenever the Secretary determines that the effective*  
16        *price for the commodity is less than the target price for*  
17        *the commodity.*

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

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

22                    (A) *The national average market price re-*  
23                    *ceived by producers during the 12-month mar-*  
24                    *keting year for the commodity, as determined by*  
25                    *the Secretary.*

1           (B) *The national average loan rate for a*  
2           *marketing assistance loan for the covered com-*  
3           *modity in effect for the same period under sub-*  
4           *title B.*

5           (2) *The payment rate in effect for the covered*  
6           *commodity under section 104 for the purpose of mak-*  
7           *ing fixed, decoupled payments with respect to the*  
8           *commodity.*

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

- 11           (1) *Wheat, \$4.04 per bushel.*  
12           (2) *Corn, \$2.78 per bushel.*  
13           (3) *Grain sorghum, \$2.64 per bushel.*  
14           (4) *Barley, \$2.39 per bushel.*  
15           (5) *Oats, \$1.47 per bushel.*  
16           (6) *Upland cotton, \$0.736 per pound.*  
17           (7) *Rice, \$10.82 per hundredweight.*  
18           (8) *Soybeans, \$5.86 per bushel.*  
19           (9) *Other oilseeds, \$0.1036 per pound.*

20          (d) *PAYMENT RATE.—The payment rate used to make*  
21          *counter-cyclical payments with respect to a covered com-*  
22          *modity for a crop year shall be equal to the difference*  
23          *between—*

- 24           (1) *the target price for the commodity; and*

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

3           (e) *PAYMENT AMOUNT.—The amount of the counter-*  
4           *cyclical payment to be paid to the eligible producers on a*  
5           *farm for a covered commodity for a crop year shall be equal*  
6           *to the product of the following:*

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

8           (2) *The payment acres of the covered commodity*  
9           *on the farm.*

10          (3) *The payment yield for the covered commodity*  
11          *for the farm.*

12          (f) *TIME FOR PAYMENTS.—*

13          (1) *GENERAL RULE.—The Secretary shall make*  
14          *counter-cyclical payments under this section for a*  
15          *crop of a covered commodity as soon as possible after*  
16          *determining under subsection (a) that such payments*  
17          *are required for that crop year.*

18          (2) *PARTIAL PAYMENT.—The Secretary may per-*  
19          *mit, and, if so permitted, an eligible producer may*  
20          *elect to receive, up to 50 percent of the projected*  
21          *counter-cyclical payment, as determined by the Sec-*  
22          *retary, to be made under this section for a crop of a*  
23          *covered commodity upon completion of the first six*  
24          *months of the marketing year for that crop. The pro-*  
25          *ducer shall repay to the Secretary the amount, if any,*





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

4           (C) to comply with the planting flexibility  
5           requirements of section 107; and

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

11          (2) COMPLIANCE.—The Secretary may issue such  
12          rules as the Secretary considers necessary to ensure  
13          producer compliance with the requirements of para-  
14          graph (1).

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

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

2           (1) *TERMINATION.*—*Except as provided in para-*  
3 *graph (4), a transfer of (or change in) the interest of*  
4 *a producer in base acres for which fixed, decoupled*  
5 *payments or counter-cyclical payments are made*  
6 *shall result in the termination of the payments with*  
7 *respect to the base acres, unless the transferee or*  
8 *owner of the acreage agrees to assume all obligations*  
9 *under subsection (a). The termination shall be effec-*  
10 *tive on the date of the transfer or change.*

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

15           (3) *MODIFICATION.*—*At the request of the trans-*  
16 *feree or owner, the Secretary may modify the require-*  
17 *ments of subsection (a) if the modifications are con-*  
18 *sistent with the objectives of such subsection, as deter-*  
19 *mined by the Secretary.*

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

1       (d) *ACREAGE REPORTS.*—

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

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

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

13 **SEC. 107. PLANTING FLEXIBILITY.**

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

17       (b) *LIMITATIONS AND EXCEPTIONS REGARDING*  
18 *FRUITS AND VEGETABLES.*—

19               (1) *LIMITATIONS.*—The planting of fruits and  
20 vegetables (other than lentils, mung beans, and dry  
21 peas) shall be prohibited on base acres.

22               (2) *EXCEPTIONS.*—Paragraph (1) shall not limit  
23 the planting of a fruit or vegetable—

24                       (A) in any region in which there is a his-  
25 tory of double-cropping of covered commodities

1           *with fruits or vegetables, as determined by the*  
2           *Secretary, in which case the double-cropping*  
3           *shall be permitted;*

4                   *(B) on a farm that the Secretary determines*  
5           *has a history of planting fruits or vegetables on*  
6           *base acres, except that fixed, decoupled payments*  
7           *and counter-cyclical payments shall be reduced*  
8           *by an acre for each acre planted to the fruit or*  
9           *vegetable; or*

10                   *(C) by a producer who the Secretary deter-*  
11           *mines has an established planting history of a*  
12           *specific fruit or vegetable, except that—*

13                           *(i) the quantity planted may not ex-*  
14                           *ceed the producer's average annual planting*  
15                           *history of the fruit or vegetable in the 1991*  
16                           *through 1995 crop years (excluding any*  
17                           *crop year in which no plantings were*  
18                           *made), as determined by the Secretary; and*

19                           *(ii) fixed, decoupled payments and*  
20                           *counter-cyclical payments shall be reduced*  
21                           *by an acre for each acre planted to the fruit*  
22                           *or vegetable.*

1 **SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY**  
2 **UNDER PRODUCTION FLEXIBILITY CON-**  
3 **TRACTS.**

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

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

20 **SEC. 109. PAYMENT LIMITATIONS.**

21 *Sections 1001 through 1001C of the Food Security Act*  
22 *of 1985 (7 U.S.C. 1308 through 1308–3) shall apply to*  
23 *fixed, decoupled payments and counter-cyclical payments.*  
24 *A producer eligible to receive a fixed, decoupled payment*  
25 *or counter-cyclical payment satisfies the requirements of*  
26 *section 1001A(b) of such Act.*

1 **SEC. 110. PERIOD OF EFFECTIVENESS.**

2 *This subtitle shall be effective beginning with the 2002*  
3 *crop year of each covered commodity through the 2011 crop*  
4 *year.*

5 **Subtitle B—Marketing Assistance**  
6 **Loans and Loan Deficiency Pay-**  
7 **ments**

8 **SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING AS-**  
9 **SISTANCE LOANS FOR COVERED COMMOD-**  
10 **ITIES.**

11 *(a) NONRECOURSE LOANS AVAILABLE.—*

12 *(1) AVAILABILITY.—For each of the 2002 through*  
13 *2011 crops of each covered commodity, the Secretary*  
14 *shall make available to producers on a farm non-*  
15 *recourse marketing assistance loans for covered com-*  
16 *modities produced on the farm. The loans shall be*  
17 *made under terms and conditions that are prescribed*  
18 *by the Secretary and at the loan rate established*  
19 *under section 122 for the covered commodity.*

20 *(2) INCLUSION OF EXTRA LONG STAPLE COT-*  
21 *TON.—In this subtitle, the term “covered commodity”*  
22 *includes extra long staple cotton.*

23 *(b) ELIGIBLE PRODUCTION.—Any production of a cov-*  
24 *ered commodity on a farm shall be eligible for a marketing*  
25 *assistance loan under subsection (a).*

1           (c) *TREATMENT OF CERTAIN COMMINGLED COMMOD-*  
2 *ITIES.—In carrying out this subtitle, the Secretary shall*  
3 *make loans to a producer that is otherwise eligible to obtain*  
4 *a marketing assistance loan, but for the fact the covered*  
5 *commodity owned by the producer is commingled with cov-*  
6 *ered commodities of other producers in facilities unlicensed*  
7 *for the storage of agricultural commodities by the Secretary*  
8 *or a State licensing authority, if the producer obtaining*  
9 *the loan agrees to immediately redeem the loan collateral*  
10 *in accordance with section 166 of the Federal Agriculture*  
11 *Improvement and Reform Act of 1996 (7 U.S.C. 7286).*

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

20           (e) *DEFINITION OF EXTRA LONG STAPLE COTTON.—*  
21 *In this subtitle, the term “extra long staple cotton” means*  
22 *cotton that—*

23                   (1) *is produced from pure strain varieties of the*  
24 *Barbadense species or any hybrid thereof, or other*  
25 *similar types of extra long staple cotton, designated*

1        *by the Secretary, having characteristics needed for*  
 2        *various end uses for which United States upland cot-*  
 3        *ton is not suitable and grown in irrigated cotton-*  
 4        *growing regions of the United States designated by*  
 5        *the Secretary or other areas designated by the Sec-*  
 6        *retary as suitable for the production of the varieties*  
 7        *or types; and*

8                *(2) is ginned on a roller-type gin or, if author-*  
 9                *ized by the Secretary, ginned on another type gin for*  
 10               *experimental purposes.*

11        *(f) TERMINATION OF SUPERSEDED LOAN AUTHOR-*  
 12        *ITY.—Notwithstanding section 131 of the Federal Agri-*  
 13        *culture Improvement and Reform Act of 1996 (7 U.S.C.*  
 14        *7231), nonrecourse marketing assistance loans shall not be*  
 15        *made for the 2002 crop of covered commodities under sub-*  
 16        *title C of title I of such Act.*

17        **SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING AS-**  
 18                **SISTANCE LOANS.**

19        *(a) WHEAT.—*

20                *(1) LOAN RATE.—Subject to paragraph (2), the*  
 21                *loan rate for a marketing assistance loan under sec-*  
 22                *tion 121 for wheat shall be—*

23                        *(A) not less than 85 percent of the simple*  
 24                        *average price received by producers of wheat, as*  
 25                        *determined by the Secretary, during the mar-*



1            *keting years for the immediately preceding five*  
 2            *crops of wheat, excluding the year in which the*  
 3            *average price was the highest and the year in*  
 4            *which the average price was the lowest in the pe-*  
 5            *riod; but*

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

7            *(2) STOCKS TO USE RATIO ADJUSTMENT.—If the*  
 8            *Secretary estimates for any marketing year that the*  
 9            *ratio of ending stocks of wheat to total use for the*  
 10           *marketing year will be—*

11                    *(A) equal to or greater than 30 percent, the*  
 12            *Secretary may reduce the loan rate for wheat for*  
 13            *the corresponding crop by an amount not to ex-*  
 14            *ceed 10 percent in any year;*

15                    *(B) less than 30 percent but not less than*  
 16            *15 percent, the Secretary may reduce the loan*  
 17            *rate for wheat for the corresponding crop by an*  
 18            *amount not to exceed 5 percent in any year; or*

19                    *(C) less than 15 percent, the Secretary may*  
 20            *not reduce the loan rate for wheat for the cor-*  
 21            *responding crop.*

22            *(b) FEED GRAINS.—*

23                    *(1) LOAN RATE FOR CORN AND GRAIN SOR-*  
 24            *GHUM.—Subject to paragraph (2), the loan rate for a*

1        *marketing assistance loan under section 121 for corn*  
2        *and grain sorghum shall be—*

3                *(A) not less than 85 percent of the simple*  
4                *average price received by producers of corn or*  
5                *grain sorghum, respectively, as determined by*  
6                *the Secretary, during the marketing years for the*  
7                *immediately preceding five crops of the covered*  
8                *commodity, excluding the year in which the av-*  
9                *erage price was the highest and the year in*  
10               *which the average price was the lowest in the pe-*  
11               *riod; but*

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

13               *(2) STOCKS TO USE RATIO ADJUSTMENT.—If the*  
14               *Secretary estimates for any marketing year that the*  
15               *ratio of ending stocks of corn or grain sorghum to*  
16               *total use for the marketing year will be—*

17               *(A) equal to or greater than 25 percent, the*  
18               *Secretary may reduce the loan rate for the cov-*  
19               *ered commodity for the corresponding crop by an*  
20               *amount not to exceed 10 percent in any year;*

21               *(B) less than 25 percent but not less than*  
22               *12.5 percent, the Secretary may reduce the loan*  
23               *rate for the covered commodity for the cor-*  
24               *responding crop by an amount not to exceed 5*  
25               *percent in any year; or*

1           (C) less than 12.5 percent, the Secretary  
2           may not reduce the loan rate for the covered  
3           commodity for the corresponding crop.

4           (3) *OTHER FEED GRAINS.*—The loan rate for a  
5           marketing assistance loan under section 121 for bar-  
6           ley and oats shall be—

7                   (A) established at such level as the Secretary  
8                   determines is fair and reasonable in relation to  
9                   the rate that loans are made available for corn,  
10                  taking into consideration the feeding value of the  
11                  commodity in relation to corn, but

12                  (B) not more than—

13                          (i) \$1.65 per bushel for barley; and

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

15           (c) *UPLAND COTTON.*—

16                  (1) *LOAN RATE.*—Subject to paragraph (2), the  
17                  loan rate for a marketing assistance loan under sec-  
18                  tion 121 for upland cotton shall be established by the  
19                  Secretary at such loan rate, per pound, as will reflect  
20                  for the base quality of upland cotton, as determined  
21                  by the Secretary, at average locations in the United  
22                  States a rate that is not less than the smaller of—

23                          (A) 85 percent of the average price (weight-  
24                          ed by market and month) of the base quality of  
25                          cotton as quoted in the designated United States

1        *spot markets during three years of the five-year*  
2        *period ending July 31 of the year preceding the*  
3        *year in which the crop is planted, excluding the*  
4        *year in which the average price was the highest*  
5        *and the year in which the average price was the*  
6        *lowest in the period; or*

7                *(B) 90 percent of the average, for the 15-*  
8        *week period beginning July 1 of the year pre-*  
9        *ceding the year in which the crop is planted, of*  
10        *the five lowest-priced growths of the growths*  
11        *quoted for Middling 1<sup>3</sup>/<sub>32</sub>-inch cotton C.I.F.*  
12        *Northern Europe (adjusted downward by the av-*  
13        *erage difference during the period April 15*  
14        *through October 15 of the year preceding the*  
15        *year in which the crop is planted between the av-*  
16        *erage Northern European price quotation of such*  
17        *quality of cotton and the market quotations in*  
18        *the designated United States spot markets for the*  
19        *base quality of upland cotton), as determined by*  
20        *the Secretary.*

21                *(2) LIMITATIONS.—The loan rate for a mar-*  
22        *keting assistance loan for upland cotton shall not be*  
23        *less than \$0.50 per pound or more than \$0.5192 per*  
24        *pound.*

1       (d) *EXTRA LONG STAPLE COTTON.*—The loan rate for  
2 a marketing assistance loan under section 121 for extra  
3 long staple cotton shall be—

4           (1) not less than 85 percent of the simple average  
5 price received by producers of extra long staple cotton,  
6 as determined by the Secretary, during three years of  
7 the five-year period ending July 31 of the year pre-  
8 ceding the year in which the crop is planted, exclud-  
9 ing the year in which the average price was the high-  
10 est and the year in which the average price was the  
11 lowest in the period; but

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

13       (e) *RICE.*—The loan rate for a marketing assistance  
14 loan under section 121 for rice shall be \$6.50 per hundred-  
15 weight.

16       (f) *OILSEEDS.*—

17           (1) *SOYBEANS.*—The loan rate for a marketing  
18 assistance loan under section 121 for soybeans shall  
19 be—

20           (A) not less than 85 percent of the simple  
21 average price received by producers of soybeans,  
22 as determined by the Secretary, during the mar-  
23 keting years for the immediately preceding five  
24 crops of soybeans, excluding the year in which  
25 the average price was the highest and the year

1           *in which the average price was the lowest in the*  
2           *period; but*

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

4           (2) *OTHER OILSEEDS.—The loan rate for a mar-*  
5           *keting assistance loan under section 121 for other oil-*  
6           *seeds shall be—*

7                     *(A) not less than 85 percent of the simple*  
8           *average price received by producers of the other*  
9           *oilseed, as determined by the Secretary, during*  
10          *the marketing years for the immediately pre-*  
11          *ceding five crops of the other oilseed, excluding*  
12          *the year in which the average price was the high-*  
13          *est and the year in which the average price was*  
14          *the lowest in the period; but*

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

16 **SEC. 123. TERM OF LOANS.**

17          (a) *TERM OF LOAN.—In the case of each covered com-*  
18          *modity (other than upland cotton or extra long staple cot-*  
19          *ton), a marketing assistance loan under section 121 shall*  
20          *have a term of nine months beginning on the first day of*  
21          *the first month after the month in which the loan is made.*

22          (b) *SPECIAL RULE FOR COTTON.—A marketing assist-*  
23          *ance loan for upland cotton or extra long staple cotton shall*  
24          *have a term of 10 months beginning on the first day of*  
25          *the month in which the loan is made.*

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

4 **SEC. 124. REPAYMENT OF LOANS.**

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

10           (1) *the loan rate established for the commodity*  
 11 *under section 122, plus interest (as determined by the*  
 12 *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 *the commodity by the Federal Government;*

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

19                   (D) *allow the commodity produced in the*  
 20 *United States to be marketed freely and competi-*  
 21 *tively, both domestically and internationally.*

22       (b) *REPAYMENT RATES FOR UPLAND COTTON AND*  
 23 *RICE.*—*The Secretary shall permit producers to repay a*  
 24 *marketing assistance loan under section 121 for upland cot-*  
 25 *ton and rice 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 the*  
3           *Secretary); or*

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

7           (c) *REPAYMENT RATES FOR EXTRA LONG STAPLE*  
8           *COTTON.—Repayment of a marketing assistance loan for*  
9           *extra long staple cotton shall be at the loan rate established*  
10          *for the commodity under section 122, plus interest (as deter-*  
11          *mined by the Secretary).*

12          (d) *PREVAILING WORLD MARKET PRICE.—For pur-*  
13          *poses of this section and section 127, the Secretary shall*  
14          *prescribe by regulation—*

15                 (1) *a formula to determine the prevailing world*  
16                 *market price for each covered commodity, adjusted to*  
17                 *United States quality and location; and*

18                 (2) *a mechanism by which the Secretary shall*  
19                 *announce periodically the prevailing world market*  
20                 *price for each covered commodity.*

21          (e) *ADJUSTMENT OF PREVAILING WORLD MARKET*  
22          *PRICE FOR UPLAND COTTON.—*

23                 (1) *IN GENERAL.—During the period beginning*  
24                 *on the date of the enactment of this Act and ending*  
25                 *July 31, 2012, the prevailing world market price for*



1        *upland cotton (adjusted to United States quality and*  
2        *location) established under subsection (d) shall be fur-*  
3        *ther adjusted if—*

4                *(A) the adjusted prevailing world market*  
5                *price is less than 115 percent of the loan rate for*  
6                *upland cotton established under section 122, as*  
7                *determined by the Secretary; and*

8                *(B) the Friday through Thursday average*  
9                *price quotation for the lowest-priced United*  
10               *States growth as quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-*  
11               *inch cotton delivered C.I.F. Northern Europe is*  
12               *greater than the Friday through Thursday aver-*  
13               *age price of the 5 lowest-priced growths of up-*  
14               *land cotton, as quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-*  
15               *inch cotton, delivered C.I.F. Northern Europe*  
16               *(referred to in this section as the “Northern Eu-*  
17               *rope price”).*

18               *(2) FURTHER ADJUSTMENT.—Except as provided*  
19               *in paragraph (3), the adjusted prevailing world mar-*  
20               *ket price for upland cotton shall be further adjusted*  
21               *on the basis of some or all of the following data, as*  
22               *available:*

23               *(A) The United States share of world ex-*  
24               *ports.*

1           (B) *The current level of cotton export sales*  
2           *and cotton export shipments.*

3           (C) *Other data determined by the Secretary*  
4           *to be relevant in establishing an accurate pre-*  
5           *vailing world market price for upland cotton*  
6           *(adjusted to United States quality and location).*

7           (3) *LIMITATION ON FURTHER ADJUSTMENT.—*  
8           *The adjustment under paragraph (2) may not exceed*  
9           *the difference between—*

10           (A) *the Friday through Thursday average*  
11           *price for the lowest-priced United States growth*  
12           *as quoted for Middling 1<sup>3</sup>/<sub>32</sub>-inch cotton delivered*  
13           *C.I.F. Northern Europe; and*

14           (B) *the Northern Europe price.*

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

16           (a) *AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—*  
17           *Except as provided in subsection (d), the Secretary may*  
18           *make loan deficiency payments available to producers who,*  
19           *although eligible to obtain a marketing assistance loan*  
20           *under section 121 with respect to a covered commodity,*  
21           *agree to forgo obtaining the loan for the commodity in re-*  
22           *turn for payments under this section.*

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

1           (1) *the loan payment rate determined under sub-*  
2           *section (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 which—*

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

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

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

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

20               (1) *The date on which the producer marketed or*  
21               *otherwise lost beneficial interest in the commodity, as*  
22               *determined by the Secretary.*

23               (2) *The date the producer requests the payment.*

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

3 (a) *ELIGIBLE PRODUCERS.*—Effective for the 2002  
4 through 2011 crop years, in the case of a producer that  
5 would be eligible for a loan deficiency payment under sec-  
6 tion 125 for wheat, barley, or oats, but that elects to use  
7 acreage planted to the wheat, barley, or oats for the grazing  
8 of livestock, the Secretary shall make a payment to the pro-  
9 ducer under this section if the producer enters into an  
10 agreement with the Secretary to forgo any other harvesting  
11 of the wheat, barley, or oats on that acreage.

12 (b) *PAYMENT AMOUNT.*—The amount of a payment  
13 made to a producer on a farm under this section shall be  
14 equal to the amount determined by multiplying—

15 (1) the loan deficiency payment rate determined  
16 under section 125(c) in effect, as of the date of the  
17 agreement, for the county in which the farm is lo-  
18 cated; by

19 (2) the payment quantity determined by  
20 multiplying—

21 (A) the quantity of the grazed acreage on  
22 the farm with respect to which the producer  
23 elects to forgo harvesting of wheat, barley, or  
24 oats; and

25 (B) the payment yield for that covered com-  
26 modity on the farm.

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

2 (1) *TIME AND MANNER.*—A payment under this  
3 section shall be made at the same time and in the  
4 same manner as loan deficiency payments are made  
5 under section 125.

6 (2) *AVAILABILITY.*—The Secretary shall establish  
7 an availability period for the payment authorized by  
8 this section that is consistent with the availability pe-  
9 riod for wheat, barley, and oats established by the  
10 Secretary for marketing assistance loans authorized  
11 by this subtitle.

12 (d) *PROHIBITION ON CROP INSURANCE OR NON-*  
13 *INSURED CROP ASSISTANCE.*—A 2002 through 2011 crop  
14 of wheat, barley, or oats planted on acreage that a producer  
15 elects, in the agreement required by subsection (a), to use  
16 for the grazing of livestock in lieu of any other harvesting  
17 of the crop shall not be eligible for insurance under the Fed-  
18 eral Crop Insurance Act (7 U.S.C. 1501 et seq.) or non-  
19 insured crop assistance under section 196 of the Federal Ag-  
20 riculture Improvement and Reform Act of 1996 (7 U.S.C.  
21 7333).

22 **SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UP-**  
23 **LAND COTTON.**

24 (a) *COTTON USER MARKETING CERTIFICATES.*—

1           (1) *ISSUANCE.*—During the period beginning on  
2           the date of the enactment of this Act and ending July  
3           31, 2012, the Secretary shall issue marketing certifi-  
4           cates or cash payments, at the option of the recipient,  
5           to domestic users and exporters for documented pur-  
6           chases by domestic users and sales for export by ex-  
7           porters made in the week following a consecutive four-  
8           week period in which—

9                   (A) the Friday through Thursday average  
10                  price quotation for the lowest-priced United  
11                  States growth, as quoted for Middling (M)  $1\frac{3}{32}$ -  
12                  inch cotton, delivered C.I.F. Northern Europe ex-  
13                  ceeds the Northern Europe price by more than  
14                  1.25 cents per pound; and

15                  (B) the prevailing world market price for  
16                  upland cotton (adjusted to United States quality  
17                  and location) does not exceed 134 percent of the  
18                  loan rate for upland cotton established under sec-  
19                  tion 122.

20           (2) *VALUE OF CERTIFICATES OR PAYMENTS.*—  
21           The value of the marketing certificates or cash pay-  
22           ments shall be based on the amount of the difference  
23           (reduced by 1.25 cents per pound) in the prices dur-  
24           ing the fourth week of the consecutive four-week period

1       *multiplied by the quantity of upland cotton included*  
2       *in the documented sales.*

3               (3) *ADMINISTRATION OF MARKETING CERTIFI-*  
4       *CATES.—*

5               (A) *REDEMPTION, MARKETING, OR EX-*  
6       *CHANGE.—The Secretary shall establish proce-*  
7       *dures for redeeming marketing certificates for*  
8       *cash or marketing or exchange of the certificates*  
9       *for agricultural commodities owned by the Com-*  
10       *modity Credit Corporation or pledged to the*  
11       *Commodity Credit Corporation as collateral for*  
12       *a loan in such manner, and at such price levels,*  
13       *as the Secretary determines will best effectuate*  
14       *the purposes of cotton user marketing certificates,*  
15       *including enhancing the competitiveness and*  
16       *marketability of United States cotton. Any price*  
17       *restrictions that would otherwise apply to the*  
18       *disposition of agricultural commodities by the*  
19       *Commodity Credit Corporation shall not apply*  
20       *to the redemption of certificates under this sub-*  
21       *section.*

22               (B) *DESIGNATION OF COMMODITIES AND*  
23       *PRODUCTS.—To the extent practicable, the Sec-*  
24       *retary shall permit owners of certificates to des-*  
25       *ignate the commodities and products, including*

1           *storage sites, the owners would prefer to receive*  
2           *in exchange for certificates*

3           (C) *TRANSFERS.—Marketing certificates*  
4           *issued to domestic users and exporters of upland*  
5           *cotton may be transferred to other persons in ac-*  
6           *cordance with regulations issued by the Sec-*  
7           *retary.*

8           (b) *SPECIAL IMPORT QUOTA.—*

9           (1) *ESTABLISHMENT.—*

10           (A) *IN GENERAL.—The President shall*  
11           *carry out an import quota program during the*  
12           *period beginning on the date of the enactment of*  
13           *this Act and ending July 31, 2012, as provided*  
14           *in this subsection.*

15           (B) *PROGRAM REQUIREMENTS.—Except as*  
16           *provided in subparagraph (C), whenever the Sec-*  
17           *retary determines and announces that for any*  
18           *consecutive four-week period, the Friday through*  
19           *Thursday average price quotation for the lowest-*  
20           *priced United States growth, as quoted for Mid-*  
21           *dling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, delivered C.I.F.*  
22           *Northern Europe, adjusted for the value of any*  
23           *certificate issued under subsection (a), exceeds*  
24           *the Northern Europe price by more than 1.25*



1           cents per pound, there shall immediately be in  
2           effect a special import quota.

3           (C) *TIGHT DOMESTIC SUPPLY.*—During any  
4           month for which the Secretary estimates the sea-  
5           son-ending United States upland cotton stocks-  
6           to-use ratio, as determined under subparagraph  
7           (D), to be below 16 percent, the Secretary, in  
8           making the determination under subparagraph  
9           (B), shall not adjust the Friday through Thurs-  
10          day average price quotation for the lowest-priced  
11          United States growth, as quoted for Middling  
12          (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, delivered C.I.F. Northern  
13          Europe, for the value of any certificates issued  
14          under subsection (a).

15          (D) *SEASON-ENDING UNITED STATES*  
16          *STOCKS-TO-USE RATIO.*—For the purposes of  
17          making estimates under subparagraph (C), the  
18          Secretary shall, on a monthly basis, estimate  
19          and report the season-ending United States up-  
20          land cotton stocks-to-use ratio, excluding pro-  
21          jected raw cotton imports but including the  
22          quantity of raw cotton that has been imported  
23          into the United States during the marketing  
24          year.

1           (2) *QUANTITY.*—*The quota shall be equal to one*  
2 *week’s consumption of upland cotton by domestic*  
3 *mills at the seasonally adjusted average rate of the*  
4 *most recent three months for which data are avail-*  
5 *able.*

6           (3) *APPLICATION.*—*The quota shall apply to up-*  
7 *land cotton purchased not later than 90 days after the*  
8 *date of the Secretary’s announcement under para-*  
9 *graph (1) and entered into the United States not later*  
10 *than 180 days after the date.*

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

17           (5) *PREFERENTIAL TARIFF TREATMENT.*—*The*  
18 *quantity under a special import quota shall be con-*  
19 *sidered to be an in-quota quantity for purposes of—*

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

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

24                   (C) *section 503(d) of the Trade Act of 1974*  
25 *(19 U.S.C. 2463(d)); and*

1                   (D) *General Note 3(a)(iv) to the Har-*  
2                   *monized Tariff Schedule.*

3                   (6) *DEFINITION.—In this subsection, the term*  
4                   *“special import quota” means a quantity of imports*  
5                   *that is not subject to the over-quota tariff rate of a*  
6                   *tariff-rate quota.*

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

15                  (c) *LIMITED GLOBAL IMPORT QUOTA FOR UPLAND*  
16 *COTTON.—*

17                  (1) *IN GENERAL.—The President shall carry out*  
18                  *an import quota program that provides that whenever*  
19                  *the Secretary determines and announces that the av-*  
20                  *erage price of the base quality of upland cotton, as de-*  
21                  *termined by the Secretary, in the designated spot*  
22                  *markets for a month exceeded 130 percent of the aver-*  
23                  *age price of such quality of cotton in the markets for*  
24                  *the preceding 36 months, notwithstanding any other*  
25                  *provision of law, there shall immediately be in effect*

1        *a limited global import quota subject to the following*  
2        *conditions:*

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

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

16               (C) *PREFERENTIAL TARIFF TREATMENT.*—  
17               *The quantity under a limited global import*  
18               *quota shall be considered to be an in-quota quan-*  
19               *tity for purposes of—*

20                        (i) *section 213(d) of the Caribbean*  
21                        *Basin Economic Recovery Act (19 U.S.C.*  
22                        *2703(d));*

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

1                   (iii) section 503(d) of the Trade Act of  
2                   1974 (19 U.S.C. 2463(d)); and

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

5                   (D) DEFINITIONS.—In this subsection:

6                   (i) SUPPLY.—The term “supply”  
7                   means, using the latest official data of the  
8                   Bureau of the Census, the Department of  
9                   Agriculture, and the Department of the  
10                  Treasury—

11                   (I) the carry-over of upland cotton  
12                   at the beginning of the marketing year  
13                   (adjusted to 480-pound bales) in which  
14                   the quota is established;

15                   (II) production of the current  
16                   crop; and

17                   (III) imports to the latest date  
18                   available during the marketing year.

19                   (ii) DEMAND.—The term “demand”  
20                   means—

21                   (I) the average seasonally adjusted  
22                   annual rate of domestic mill consump-  
23                   tion during the most recent three  
24                   months for which data are available;  
25                   and

1 (II) the larger of—

2 (aa) average exports of up-  
3 land cotton during the preceding  
4 six marketing years; or

5 (bb) cumulative exports of  
6 upland cotton plus outstanding  
7 export sales for the marketing  
8 year in which the quota is estab-  
9 lished.

10 (iii) LIMITED GLOBAL IMPORT  
11 QUOTA.—The term “limited global import  
12 quota” means a quantity of imports that is  
13 not subject to the over-quota tariff rate of a  
14 tariff-rate quota.

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

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

1 **SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**  
2 **LONG STAPLE COTTON.**

3 (a) *COMPETITIVENESS PROGRAM.*—Notwithstanding  
4 any other provision of law, during the period beginning on  
5 the date of the enactment of this Act and ending on July  
6 31, 2012, the Secretary shall carry out a program to main-  
7 tain and expand the domestic use of extra long staple cotton  
8 produced in the United States, to increase exports of extra  
9 long staple cotton produced in the United States, and to  
10 ensure that extra long staple cotton produced in the United  
11 States remains competitive in world markets.

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

15 (1) for a consecutive four-week period, the world  
16 market price for the lowest priced competing growth  
17 of extra long staple cotton (adjusted to United States  
18 quality and location and for other factors affecting  
19 the competitiveness of such cotton), as determined by  
20 the Secretary, is below the prevailing United States  
21 price for a competing growth of extra long staple cot-  
22 ton; and

23 (2) the lowest priced competing growth of extra  
24 long staple cotton (adjusted to United States quality  
25 and location and for other factors affecting the com-  
26 petitiveness of such cotton), as determined by the Sec-

1       retary, is less than 134 percent of the loan rate for  
2       extra long staple cotton.

3       (c) *ELIGIBLE RECIPIENTS.*—The Secretary shall make  
4       payments available under this section to domestic users of  
5       extra long staple cotton produced in the United States and  
6       exporters of extra long staple cotton produced in the United  
7       States who enter into an agreement with the Commodity  
8       Credit Corporation to participate in the program under  
9       this section.

10       (d) *PAYMENT AMOUNT.*—Payments under this section  
11       shall be based on the amount of the difference in the prices  
12       referred to in subsection (b)(1) during the fourth week of  
13       the consecutive four-week period multiplied by the amount  
14       of documented purchases by domestic users and sales for  
15       export by exporters made in the week following such a con-  
16       secutive four-week period.

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

21       **SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH**  
22                               **MOISTURE FEED GRAINS AND SEED COTTON**  
23                               **AND OTHER FIBERS.**

24       (a) *HIGH MOISTURE FEED GRAINS.*—



1           (1) *RECOURSE LOANS AVAILABLE.*—*For each of*  
2 *the 2002 through 2011 crops of corn and grain sor-*  
3 *ghum, the Secretary shall make available recourse*  
4 *loans, as determined by the Secretary, to producers on*  
5 *a farm who—*

6           (A) *normally harvest all or a portion of*  
7 *their crop of corn or grain sorghum in a high*  
8 *moisture state;*

9           (B) *present—*

10           (i) *certified scale tickets from an in-*  
11 *spected, certified commercial scale, includ-*  
12 *ing a licensed warehouse, feedlot, feed mill,*  
13 *distillery, or other similar entity approved*  
14 *by the Secretary, pursuant to regulations*  
15 *issued by the Secretary; or*

16           (ii) *field or other physical measure-*  
17 *ments of the standing or stored crop in re-*  
18 *gions of the United States, as determined by*  
19 *the Secretary, that do not have certified*  
20 *commercial scales from which certified scale*  
21 *tickets may be obtained within reasonable*  
22 *proximity of harvest operation;*

23           (C) *certify that they were the owners of the*  
24 *feed grain at the time of delivery to, and that the*  
25 *quantity to be placed under loan under this sub-*

1            *section was in fact harvested on the farm and de-*  
2            *livered to, a feedlot, feed mill, or commercial or*  
3            *on-farm high-moisture storage facility, or to a*  
4            *facility maintained by the users of corn and*  
5            *grain sorghum in a high moisture state; and*

6            *(D) comply with deadlines established by*  
7            *the Secretary for harvesting the corn or grain*  
8            *sorghum and submit applications for loans*  
9            *under this subsection within deadlines estab-*  
10           *lished by the Secretary.*

11           *(2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—*

12           *A loan under this subsection shall be made on a*  
13           *quantity of corn or grain sorghum of the same crop*  
14           *acquired by the producer equivalent to a quantity de-*  
15           *termined by multiplying—*

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

19           *(B) the lower of the farm program payment*  
20           *yield or the actual yield on a field, as deter-*  
21           *mined by the Secretary, that is similar to the*  
22           *field from which the corn or grain sorghum was*  
23           *obtained.*

24           *(3) HIGH MOISTURE STATE DEFINED.—In this*  
25           *subsection, the term “high moisture state” means corn*

1        *or grain sorghum having a moisture content in excess*  
2        *of Commodity Credit Corporation standards for mar-*  
3        *keting assistance loans made by the Secretary under*  
4        *section 121.*

5        *(b) RECOURSE LOANS AVAILABLE FOR SEED COT-*  
6        *TON.—For each of the 2002 through 2011 crops of upland*  
7        *cotton and extra long staple cotton, the Secretary shall make*  
8        *available recourse seed cotton loans, as determined by the*  
9        *Secretary, on any production.*

10       *(c) REPAYMENT RATES.—Repayment of a recourse*  
11       *loan made under this section shall be at the loan rate estab-*  
12       *lished for the commodity by the Secretary, plus interest (as*  
13       *determined by the Secretary).*

14       *(d) TERMINATION OF SUPERSEDED LOAN AUTHOR-*  
15       *ITY.—Notwithstanding section 137 of the Federal Agri-*  
16       *culture Improvement and Reform Act of 1996 (7 U.S.C.*  
17       *7237), recourse loans shall not be made for the 2002 crop*  
18       *of corn, grain sorghum, and seed cotton under such section.*

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

21       *(a) NONRECOURSE LOANS AVAILABLE.—During the*  
22       *2002 through 2011 marketing years for wool and mohair,*  
23       *the Secretary shall make available to producers on a farm*  
24       *nonrecourse marketing assistance loans for wool and mo-*  
25       *hair produced on the farm during that marketing year.*

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

3                   (1) *\$1.00 per pound for graded wool;*

4                   (2) *\$0.40 per pound for nongraded wool; and*

5                   (3) *\$4.20 per pound for mohair.*

6           (c) *TERM OF LOAN.*—*A loan under subsection (a) shall*  
7 *have a term of one year beginning on the first day of the*  
8 *first month after the month in which the loan is made.*

9           (d) *REPAYMENT RATES.*—*The Secretary shall permit*  
10 *a producer to repay a marketing assistance loan under sub-*  
11 *section (a) for wool or mohair at a rate that is the lesser*  
12 *of—*

13                   (1) *the loan rate established for the commodity*  
14 *under subsection (b), plus interest (as determined by*  
15 *the Secretary); or*

16                   (2) *a rate that the Secretary determines will—*

17                           (A) *minimize potential loan forfeitures;*

18                           (B) *minimize the accumulation of stocks of*  
19 *the commodity by the Federal Government;*

20                           (C) *minimize the cost incurred by the Fed-*  
21 *eral Government in storing the commodity; and*

22                           (D) *allow the commodity produced in the*  
23 *United States to be marketed freely and competi-*  
24 *tively, both domestically and internationally.*

25           (e) *LOAN DEFICIENCY PAYMENTS.*—

1           (1) *AVAILABILITY.*—*The Secretary may make*  
2           *loan deficiency payments available to producers that,*  
3           *although eligible to obtain a marketing assistance*  
4           *loan under this section, agree to forgo obtaining the*  
5           *loan in return for payments under this section.*

6           (2) *COMPUTATION.*—*A loan deficiency payment*  
7           *under this subsection shall be computed by*  
8           *multiplying—*

9                   (A) *the loan payment rate in effect under*  
10                  *paragraph (3) for the commodity; by*

11                   (B) *the quantity of the commodity produced*  
12                  *by the eligible producers, excluding any quantity*  
13                  *for which the producers obtain a loan under this*  
14                  *subsection.*

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

18                   (A) *the loan rate in effect for the commodity*  
19                  *under subsection (b); exceeds*

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

22           (4) *TIME FOR PAYMENT.*—*The Secretary shall*  
23           *make a payment under this subsection to a producer*  
24           *with respect to a quantity of a wool or mohair as of*  
25           *the earlier of the following:*

1           (A) *The date on which the producer mar-*  
2           *keted or otherwise lost beneficial interest in the*  
3           *wool or mohair, as determined by the Secretary.*

4           (B) *The date the producer requests the pay-*  
5           *ment.*

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

14   **SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING AS-**  
15                                   **SISTANCE LOANS FOR HONEY.**

16          (a) *NONRECOURSE LOANS AVAILABLE.—During the*  
17          *2002 through 2011 crop years for honey, the Secretary shall*  
18          *make available to producers on a farm nonrecourse mar-*  
19          *keting assistance loans for honey produced on the farm dur-*  
20          *ing that crop year.*

21          (b) *LOAN RATE.—The loan rate for a marketing assist-*  
22          *ance loan for honey under subsection (a) shall be equal to*  
23          *\$0.60 cents per pound.*

24          (c) *TERM OF LOAN.—A marketing assistance loan*  
25          *under subsection (a) shall have a term of one year begin-*

1 *ning on the first day of the first month after the month*  
2 *in which the loan is made.*

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

6 *(1) the loan rate for honey, plus interest (as de-*  
7 *termined by the Secretary); or*

8 *(2) the prevailing domestic market price for*  
9 *honey, as determined by the Secretary.*

10 *(e) LOAN DEFICIENCY PAYMENTS.—*

11 *(1) AVAILABILITY.—The Secretary may make*  
12 *loan deficiency payments available to any producer of*  
13 *honey that, although eligible to obtain a marketing*  
14 *assistance loan under subsection (a), agrees to forgo*  
15 *obtaining the loan in return for a payment under*  
16 *this subsection.*

17 *(2) COMPUTATION.—A loan deficiency payment*  
18 *under this subsection shall be determined by*  
19 *multiplying—*

20 *(A) the loan payment rate determined*  
21 *under paragraph (3); by*

22 *(B) the quantity of honey that the producer*  
23 *is eligible to place under loan, but for which the*  
24 *producer forgoes obtaining the loan in return for*  
25 *a payment under this subsection.*

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

4                   (A) *the loan rate established under sub-*  
5                   *section (b); exceeds*

6                   (B) *the rate at which a loan may be repaid*  
7                   *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 honey as of the earlier*  
11          *of the following:*

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

15                   (B) *The date the producer requests the pay-*  
16                   *ment.*

17          (f) *LIMITATIONS.*—*The marketing assistance loan*  
18          *gains and loan deficiency payments that a person may re-*  
19          *ceive for a crop of honey under this section shall be subject*  
20          *to a separate payment limitation, but in the same dollar*  
21          *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 the*  
24          *same crop year.*



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

## 4       ***Subtitle C—Other Commodities***

### 5                   ***CHAPTER 1—DAIRY***

#### 6       ***SEC. 141. MILK PRICE SUPPORT PROGRAM.***

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

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

17       (c) *PURCHASE PRICES.*—The support purchase prices  
18 under this section for each of the products of milk (butter,  
19 cheese, and nonfat dry milk) announced by the Secretary  
20 shall be the same for all of that product sold by persons  
21 offering to sell the product to the Secretary. The purchase  
22 prices shall be sufficient to enable plants of average effi-  
23 ciency to pay producers, on average, a price that is not  
24 less than the rate of price support for milk in effect under  
25 subsection (b).

1       (d) *SPECIAL RULE FOR BUTTER AND NONFAT DRY*  
2 *MILK PURCHASE PRICES.*—

3           (1) *ALLOCATION OF PURCHASE PRICES.*—*The*  
4 *Secretary may allocate the rate of price support be-*  
5 *tween the purchase prices for nonfat dry milk and*  
6 *butter in a manner that will result in the lowest level*  
7 *of expenditures by the Commodity Credit Corporation*  
8 *or achieve such other objectives as the Secretary con-*  
9 *siders appropriate. Not later than 10 days after mak-*  
10 *ing or changing an allocation, the Secretary shall no-*  
11 *tify the Committee on Agriculture of the House of*  
12 *Representatives and the Committee on Agriculture,*  
13 *Nutrition, and Forestry of the Senate of the alloca-*  
14 *tion. Section 553 of title 5, United States Code, shall*  
15 *not apply with respect to the implementation of this*  
16 *section.*

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

22       (e) *COMMODITY CREDIT CORPORATION.*—*The Sec-*  
23 *retary shall carry out the program authorized by this sec-*  
24 *tion through the Commodity Credit Corporation.*

1 **SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR**  
2 **PROCESSORS.**

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

5 **SEC. 143. DAIRY EXPORT INCENTIVE PROGRAM.**

6 *Section 153(a) of the Food Security Act of 1985 (15*  
7 *U.S.C. 713a–14(a)) is amended by striking “2002” and in-*  
8 *serting “2011”.*

9 **SEC. 144. FLUID MILK PROMOTION.**

10 *(a) DEFINITION OF FLUID MILK PRODUCT.—Section*  
11 *1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C.*  
12 *6402) is amended by striking paragraph (3) and inserting*  
13 *the following new paragraph:*

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

16 *“(A) in section 1000.15 of title 7, Code of*  
17 *Federal Regulations, subject to such amendments*  
18 *as may be made from time to time; or*

19 *“(B) in any successor regulation providing*  
20 *a definition of such term that is promulgated*  
21 *pursuant to the Agricultural Adjustment Act (7*  
22 *U.S.C. 601 et seq.), reenacted with amendments*  
23 *by the Agricultural Marketing Agreement Act of*  
24 *1937.”.*

25 *(b) DEFINITION OF FLUID MILK PROCESSOR.—Sec-*  
26 *tion 1999C(4) of the Fluid Milk Promotion Act of 1990 (7*

1 *U.S.C. 6402(4)* is amended by striking “500,000” and in-  
2 serting “3,000,000”.

3 (c) *ELIMINATION OF ORDER TERMINATION DATE.*—  
4 *Section 1999O of the Fluid Milk Promotion Act of 1990*  
5 *(7 U.S.C. 6414)* is amended—

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

7 (2) by redesignating subsections (b) and (c) as  
8 subsections (a) and (b), respectively.

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

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

12 (1) by inserting “and substantially identical  
13 products designated by the Secretary” after “dairy  
14 products” the first place it appears; and

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

18 **SEC. 146. FUNDING OF DAIRY PROMOTION AND RESEARCH**  
19 **PROGRAM.**

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

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

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

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

4           “(m) *the term ‘imported dairy product’ means*  
5 *any dairy product that is imported into the United*  
6 *States, including dairy products imported into the*  
7 *United States in the form of—*

8                 “(1) *milk, cream, and fresh and dried dairy*  
9 *products;*

10                “(2) *butter and butterfat mixtures;*

11                “(3) *cheese; and*

12                “(4) *casein and mixtures;*

13           “(n) *the term ‘importer’ means a person that*  
14 *imports an imported dairy product into the United*  
15 *States; and*

16           “(o) *the term ‘Customs’ means the United States*  
17 *Customs Service.”.*

18           ***(b) REPRESENTATION OF IMPORTERS ON BOARD.—***  
19 *Section 113(b) of the Dairy Production Stabilization Act*  
20 *of 1983 (7 U.S.C. 4504(b)) is amended—*

21                (1) *by inserting “NATIONAL DAIRY PROMOTION*  
22 *AND RESEARCH BOARD.—” after “(b)”;*

23                (2) *by designating the first through ninth sen-*  
24 *tences as paragraphs (1) through (5) and paragraphs*

1       (7) through (10), respectively, and indenting the  
2       paragraphs appropriately;

3               (3) in paragraph (2) (as so designated), by strik-  
4       ing “Members” and inserting “Except as provided in  
5       paragraph (6), the members”; and

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

8               “(6) IMPORTERS.—

9                       “(A) REPRESENTATION.—The Secretary  
10                      shall appoint not more than 2 members who rep-  
11                      resent importers of dairy products and are sub-  
12                      ject to assessments under the order, to reflect the  
13                      proportion of domestic production and imports  
14                      supplying the United States market, which shall  
15                      be based on the Secretary’s determination of the  
16                      average volume of domestic production of dairy  
17                      products proportionate to the average volume of  
18                      imports of dairy products in the United States  
19                      over the previous three years.

20                     “(B) ADDITIONAL MEMBERS; NOMINA-  
21                     TIONS.—The members appointed under this  
22                     paragraph—

23                               “(i) shall be in addition to the total  
24                               number of members appointed under para-  
25                               graph (2); and

1                   “(ii) shall be appointed from nomina-  
2                   tions submitted by importers under such  
3                   procedures as the Secretary determines to be  
4                   appropriate.”.

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

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

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

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

13                  “(6) *IMPORTERS.*—

14                         “(A) *IN GENERAL.*—The order shall provide  
15                         that each importer of imported dairy products  
16                         shall pay an assessment to the Board in the  
17                         manner prescribed by the order.

18                         “(B) *TIME FOR PAYMENT.*—The assessment  
19                         on imported dairy products shall be paid by the  
20                         importer to Customs at the time of the entry of  
21                         the products into the United States and shall be  
22                         remitted by Customs to the Board. For purposes  
23                         of this subparagraph, entry of the products into  
24                         the United States shall be deemed to have oc-  
25                         curred when the products are released from cus-

1 *tody of Customs and introduced into the stream*  
2 *of commerce within the United States. Importers*  
3 *include persons who hold title to foreign-pro-*  
4 *duced dairy products immediately upon release*  
5 *by Customs, as well as persons who act on behalf*  
6 *of others, as agents, brokers, or consignees, to se-*  
7 *cure the release of dairy products from Customs*  
8 *and the introduction of the released dairy prod-*  
9 *ucts into the stream of commerce.*

10 *“(C) RATE.—The rate of assessment on im-*  
11 *ported dairy products shall be determined in the*  
12 *same manner as the rate of assessment per hun-*  
13 *dredweight or the equivalent of milk.*

14 *“(D) VALUE OF PRODUCTS.—For the pur-*  
15 *pose of determining the assessment on imported*  
16 *dairy products under subparagraph (C), the*  
17 *value to be placed on imported dairy products*  
18 *shall be established by the Secretary in a fair*  
19 *and equitable manner.*

20 *“(E) USE OF ASSESSMENTS ON IMPORTED*  
21 *DAIRY.—Assessments collected on imported dairy*  
22 *products shall not be used for foreign market*  
23 *promotion.”.*

24 *(d) RECORDS.—Section 113(k) of the Dairy Produc-*  
25 *tion Stabilization Act of 1983 (7 U.S.C. 4504(k)) is amend-*



1 *ed in the first sentence by striking “person receiving” and*  
2 *inserting “importer of imported dairy products, each per-*  
3 *son receiving”.*

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

7 (1) *in the first sentence—*

8 (A) *by inserting after “of producers” the fol-*  
9 *lowing: “and importers”; and*

10 (B) *by inserting after “the producers” the*  
11 *following: “and importers”; and*

12 (2) *in the second sentence, by inserting after*  
13 *“commercial use” the following: “and importers vot-*  
14 *ing in the referendum (who have been engaged in the*  
15 *importation of dairy products during the same rep-*  
16 *resentative period, as determined by the Secretary).”.*

17 (f) *CONFORMING AMENDMENTS TO REFLECT ADDI-*  
18 *TION OF IMPORTERS.—Section 110(b) of the Dairy Produc-*  
19 *tion Stabilization Act of 1983 (7 U.S.C. 4501(b)) is*  
20 *amended—*

21 (1) *in the first sentence—*

22 (A) *by inserting after “commercial use” the*  
23 *following: “and on imported dairy products”;*

24 *and*

1                   (B) by striking “products produced in the  
2                   United States.” and inserting “products.”; and  
3                   (2) in the second sentence, by inserting after  
4                   “produce milk” the following: “or the right of any  
5                   person to import dairy products”.

## 6                   **CHAPTER 2—SUGAR**

### 7                   **SEC. 151. SUGAR PROGRAM.**

8                   (a) *CONTINUATION OF PROGRAM.*—Subsection (i) of  
9                   section 156 of the Federal Agriculture Improvement and Re-  
10                  form Act of 1996 (7 U.S.C. 7251) is amended—

11                  (1) by striking “(other than subsection (f))”; and  
12                  (2) by striking “2002 crops” and inserting  
13                  “2011 crops”.

14                  (b) *TERMINATION OF MARKETING ASSESSMENT.*—Ef-  
15                  fective as of October 1, 2001, subsection (f) of such section  
16                  is repealed.

17                  (c) *LOAN RATE ADJUSTMENTS.*—Subsection (c) of such  
18                  section is amended—

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

21                  (2) in paragraph (1)—

22                          (A) by striking “REDUCTION REQUIRED”  
23                          and inserting “POSSIBLE REDUCTION”; and

24                          (B) by striking “shall” and inserting  
25                          “may”.

1       (d) *NOTIFICATION.*—Subsection (e) of such section is  
2 amended by adding at the end the following new paragraph:

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

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

12       “(f) *LOANS FOR IN-PROCESS SUGAR.*—

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

21           “(2) *FURTHER PROCESSING UPON FOR-*  
22 *FEITURE.*—As a condition on the forfeiture of in-  
23 process sugars and syrups serving as collateral for a  
24 loan under paragraph (1), the processor shall, within  
25 such reasonable time period as the Secretary may

1        *prescribe and at no cost to the Commodity Credit*  
2        *Corporation, convert the in-process sugars and syrups*  
3        *into raw cane sugar or refined beet sugar of accept-*  
4        *able grade and quality for sugars eligible for loans*  
5        *under subsection (a) or (b). Once the in-process sug-*  
6        *ars and syrups are fully processed into raw cane*  
7        *sugar or refined beet sugar, the processor shall trans-*  
8        *fer the sugar to the Corporation, which shall make a*  
9        *payment to the processor in an amount equal to the*  
10       *difference between the loan rate for raw cane sugar or*  
11       *refined beet sugar, whichever applies, and the loan*  
12       *rate the processor received under paragraph (1).*

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

21            *“(4) DEFINITION.—In this subsection the term*  
22        *‘in-process sugars and syrups’ does not include raw*  
23        *sugar, liquid sugar, invert sugar, invert syrup, or*  
24        *other finished products that are otherwise eligible for*  
25        *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 program*  
8 *established under this section at no cost to the Federal*  
9 *Government by avoiding the forfeiture of sugar to the*  
10 *Commodity Credit Corporation.*

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

1           (g) *INFORMATION REPORTING.*—*Subsection (h) of such*  
2 *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.*—*The*  
9 *Secretary shall require a producer of sugarcane*  
10 *located in a State (other than Puerto Rico) in*  
11 *which there are in excess of 250 sugarcane pro-*  
12 *ducers to report, in the manner prescribed by the*  
13 *Secretary, the producer’s sugarcane yields and*  
14 *acres planted to sugarcane.*

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

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

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

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

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

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

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

22       (b) *ESTIMATES*.—Section 359b of the Agricultural Ad-  
 23      justment Act of 1938 (7 U.S.C. 1359bb) is amended:

24               (1) in the section heading—

1           (A) by inserting “**FLEXIBLE**” before “**MAR-**  
2           **KETING**”; 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 (E),  
16           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” through  
24           “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”; and

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

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

13                   (II) by inserting “human” after  
14                   “imported for”;

15                   (III) by inserting after “consump-  
16                   tion” the following: “or to be used for  
17                   the extraction of sugar for human con-  
18                   sumption”;

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

1                   (V) by striking “in (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 fol-  
7                   lowing new paragraph:

8                   “(2) *EXCLUSION.*—The estimates in this section  
9                   shall not include sugar imported for the production of  
10                  polyhydric alcohol or to be refined and re-exported in  
11                  refined form or in sugar containing products.”;

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

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

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

17                  (3) in subsection (b)—

18                         (A) by striking paragraph (1) and inserting  
19                         the following new paragraph:

20                         “(1) *IN GENERAL.*—By the beginning of each fis-  
21                         cal year, the Secretary shall establish for that fiscal  
22                         year appropriate allotments under section 359c for  
23                         the marketing by processors of sugar processed from  
24                         sugar beets and from domestically-produced sugarcane  
25                         at a level that the Secretary estimates will result in

1       *no forfeitures of sugar to the Commodity Credit Cor-*  
2       *poration under the loan program for sugar.”; and*

3               *(B) in paragraph (2), by striking “or crys-*  
4               *talline fructose”;*

5               *(4) by striking subsection (c);*

6               *(5) by redesignating subsection (d) as subsection*  
7       *(c); and*

8               *(6) in subsection (c), as so redesignated—*

9                       *(A) by striking paragraph (2);*

10                      *(B) by redesignating paragraphs (3) and*  
11                      *(4) as paragraphs (2) and (3), respectively; and*

12                      *(C) in paragraph (2), as so redesignated—*

13                               *(i) by striking “or manufacturer”*  
14                               *through “(2)”;* and

15                               *(ii) by striking “or crystalline fruc-*  
16                               *tose”.*

17       *(c) ESTABLISHMENT.—Section 359c of the Agricul-*  
18       *tural Adjustment Act of 1938 (7 U.S.C. 1359cc) is*  
19       *amended—*

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

22               *(2) in subsection (a), by inserting “flexible” after*  
23       *“establish”;*

24               *(3) in subsection (b)—*

1           (A) in paragraph (1)(A), by striking  
2           “1,250,000” and inserting “1,532,000”; and

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

5           (4) by striking subsection (c) and inserting the  
6           following new subsection:

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

11           “(1) *sugar derived from sugarbeets by estab-*  
12          *lishing a marketing allotment for a fiscal year at a*  
13          *quantity equal to the product of multiplying the over-*  
14          *all allotment quantity for the fiscal year by the per-*  
15          *centage of 54.35; and*

16           “(2) *sugar derived from sugarcane by estab-*  
17          *lishing a marketing allotment for a fiscal year at a*  
18          *quantity equal to the product of multiplying the over-*  
19          *all allotment quantity for the fiscal year by the per-*  
20          *centage of 45.65.”;*

21           (5) by amending subsection (d) to read as fol-  
22          lows:

23           “(d) *FILLING CANE SUGAR AND BEET SUGAR ALLOT-*  
24          *MENTS.—Each marketing allotment for cane sugar estab-*  
25          *lished under this section may only be filled with sugar proc-*

1 *essed from domestically grown sugarcane, and each mar-*  
2 *keting allotment for beet sugar established under this section*  
3 *may only be filled with sugar domestically processed from*  
4 *sugar beets.”;*

5 *(6) by striking subsection (e);*

6 *(7) by redesignating subsection (f) as subsection*  
7 *(e);*

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

9 *(A) by inserting “(1) IN GENERAL.—” be-*  
10 *fore “The allotment for sugar” and indenting*  
11 *such paragraph appropriately;*

12 *(B) in such paragraph (1)—*

13 *(i) by striking “the 5” and inserting*  
14 *“the”;*

15 *(ii) by inserting after “sugarcane is*  
16 *produced,” the following: “after a hearing,*  
17 *if requested by the affected sugar cane proc-*  
18 *essors and growers, and on such notice as*  
19 *the Secretary by regulation may prescribe,”;*

20 *(iii) by striking “on the basis of past*  
21 *marketings” and all that follows through*  
22 *“allotments”, and inserting “as provided in*  
23 *this subsection and section*  
24 *359(d)(a)(2)(A)(iv)”;* and

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

3           “(2) *OFFSHORE ALLOTMENT.*—

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

8           “(B) *INDIVIDUALLY.*—The collective offshore  
9           State allotment provided for under subparagraph  
10          (A) shall be further allotted among the offshore  
11          States in which sugarcane is produced, after a  
12          hearing if requested by the affected sugar cane  
13          processors and growers, and on such notice as  
14          the Secretary by regulation may prescribe, in a  
15          fair and equitable manner on the basis of—

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

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

23               “(iii) past processings of sugar from  
24               sugarcane based on the 3 year average of  
25               the crop years 1998 through 2000.

1           “(3) *MAINLAND ALLOTMENT.*—*The allotment for*  
2           *sugar derived from sugarcane, less the amount pro-*  
3           *vided for under paragraph (2), shall be allotted*  
4           *among the mainland States in the United States in*  
5           *which sugarcane is produced, after a hearing if re-*  
6           *quested by the affected sugar cane processors and*  
7           *growers, and on such notice as the Secretary by regu-*  
8           *lation may prescribe, in a fair and equitable manner*  
9           *on the basis of—*

10                   “(A) *past marketings of sugar, based on the*  
11                   *average of the 2 highest years of production of*  
12                   *raw cane sugar from the 1996 through 2000*  
13                   *crops;*

14                   “(B) *the ability of processors to market the*  
15                   *sugar covered under the allotments for the crop*  
16                   *year; and*

17                   “(C) *past processings of sugar from sugar-*  
18                   *cane, based on the 3 crop years with the greatest*  
19                   *processings (in the mainland States collectively)*  
20                   *during the 1991 through 2000 crop years.”;*

21           (9) *by inserting after subsection (e), as so reded-*  
22           *ignated, the following new subsection (f):*

23                   “(f) *FILLING CANE SUGAR ALLOTMENTS.*—*Except as*  
24           *otherwise provided in section 359e, a State cane sugar allot-*  
25           *ment established under subsection (e) for a fiscal year may*

1 *be filled only with sugar processed from sugarcane grown*  
2 *in the State covered by the allotment.”;*

3 (10) *in subsection (g)—*

4 (A) *in paragraph (1), by striking*  
5 *“359b(a)(2)—” through the end of subparagraph*  
6 *(C) and inserting “359b(a)(3), adjust upward or*  
7 *downward marketing allotments in a fair and*  
8 *equitable manner”;*

9 (B) *in paragraph (2) by striking “359f(b)”*  
10 *and inserting “359f(c)”;* and

11 (C) *in paragraph (3)—*

12 (i) *by striking “REDUCTIONS” and in-*  
13 *serting “CARRY-OVER OF REDUCTIONS”;*

14 (ii) *by inserting after “this subsection,*  
15 *if” the following: “at the time of the reduc-*  
16 *tion”;*

17 (iii) *by striking “price support” and*  
18 *inserting “nonrecourse”;*

19 (iv) *by striking “206” through “the al-*  
20 *lotment” and inserting “156 of the Agricul-*  
21 *tural Market Transition Act (7 U.S.C.*  
22 *7272),”;* and

23 (v) *by striking “, if any,”;* and

24 (11) *by amending subsection (h) to read as fol-*  
25 *lows:*



1       “(h) *SUSPENSION OF ALLOTMENTS.*—Whenever the  
2 Secretary estimates, or reestimates, under section 359b(a),  
3 or has reason to believe that imports of sugars, syrups or  
4 molasses for human consumption or to be used for the ex-  
5 traction of sugar for human consumption, whether under  
6 a tariff-rate quota or in excess or outside of a tariff-rate  
7 quota, will exceed 1.532 million short tons, raw value equiv-  
8 alent, and that such imports would lead to a reduction of  
9 the overall allotment quantity, the Secretary shall suspend  
10 the marketing allotments until such time as such imports  
11 have been restricted, eliminated, or otherwise reduced to or  
12 below the level of 1.532 million tons.”.

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

15               (1) in subsection (a)(2)(A)—

16                       (A) by inserting “(i) *IN GENERAL.*—” before  
17 “The Secretary shall” and indenting such clause  
18 appropriately;

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

20                               (i) by striking “interested parties” and  
21 inserting “the affected sugar cane processors  
22 and growers”;

23                               (ii) by striking “by taking” through  
24 “allotment allocated.” and inserting “with  
25 this subparagraph.”; and

1           (iii) by inserting at the end the fol-  
2           lowing new sentence: “Each such allocation  
3           shall be subject to adjustment under section  
4           359c(g).”;

5           (C) by inserting after clause (i) the fol-  
6           lowing new clause:

7                   “(i) *MULTIPLE PROCESSOR STATES.*—  
8           *Except as provided in clause (iii), the Sec-*  
9           *retary shall allocate the allotment for cane*  
10          *sugar among multiple cane sugar processors*  
11          *in a single State based upon—*

12                   “(I) *past marketings of sugar,*  
13           *based on the average of the 2 highest*  
14           *years of production of raw cane sugar*  
15           *from among the 1996 through 2000*  
16           *crops;*

17                   “(II) *the ability of processors to*  
18           *market sugar covered by that portion*  
19           *of the allotment allocated for the crop*  
20           *year;*

21                   “(III) *past processings of sugar*  
22           *from sugarcane, based on the average*  
23           *of the 3 highest years from among crop*  
24           *years 1996 through 2000; and*

1           “(IV) however, only with respect  
2           to allotments under subclauses (I), (II),  
3           and (III) attributable to the former op-  
4           erations of the Talisman processing fa-  
5           cility, shall be allocated among proc-  
6           essors in the State coincident with the  
7           provisions of the agreements of March  
8           25 and March 26, 1999, between the  
9           affected processors and the Department  
10          of the Interior.

11          “(iii)        *PROPORTIONATE        SHARE*  
12          *STATES.*—In the case of States subject to  
13          section 359f(c), the Secretary shall allocate  
14          the allotment for cane sugar among mul-  
15          tiple cane sugar processors in a single state  
16          based upon—

17                “(I) past marketings of sugar,  
18                based on the average of the two highest  
19                years of production of raw cane sugar  
20                from among the 1997 through 2001  
21                crop years;

22                “(II) the ability of processors to  
23                market sugar covered by that portion  
24                of the allotments allocated for the crop  
25                year; and

1                   “(III) *past processings of sugar*  
2                   *from sugarcane, based on the average*  
3                   *of the two highest crop years from the*  
4                   *five crop years 1997 through 2001.*

5                   “(iv) *NEW ENTRANTS.—Notwith-*  
6                   *standing clauses (ii) and (iii), the Sec-*  
7                   *retary, on application of any processor that*  
8                   *begins processing sugarcane on or after the*  
9                   *date of enactment of this clause, and after*  
10                   *a hearing if requested by the affected sugar-*  
11                   *cane processors and growers, and on such*  
12                   *notice as the Secretary by regulation may*  
13                   *prescribe, may provide such processor with*  
14                   *an allocation which provides a fair, effi-*  
15                   *cient and equitable distribution of the allo-*  
16                   *cations from the allotment for the State in*  
17                   *which the processor is located and, in the*  
18                   *case of proportionate share States, shall es-*  
19                   *tablish proportionate shares in an amount*  
20                   *sufficient to produce the sugarcane required*  
21                   *to satisfy such allocations. However, the al-*  
22                   *lotment for a new processor under this*  
23                   *clause shall not exceed 50,000 short tons,*  
24                   *raw value.*

1                   “(v) *TRANSFER OF OWNERSHIP.*—*Ex-*  
2                   *cept as otherwise provided in section*  
3                   *359f(c)(8), in the event that a sugarcane*  
4                   *processor is sold or otherwise transferred to*  
5                   *another owner, or closed as part of an affili-*  
6                   *ated corporate group processing consolida-*  
7                   *tion, the Secretary shall transfer the allot-*  
8                   *ment allocation for the processor to the pur-*  
9                   *chaser, new owner, or successor in interest,*  
10                  *as applicable, of the processor.”; and*

11                  (2) *in subsection (a)(2)(B)—*

12                   (A) *by striking “interested parties” and in-*  
13                   *serting “the affected sugar beet processors and*  
14                   *growers”;* and

15                   (B) *by striking “processing capacity”*  
16                   *through “allotment allocated” and inserting the*  
17                   *following: “the marketings of sugar processed*  
18                   *from sugar beets of any or all of the 1996*  
19                   *through 2000 crops, and such other factors as the*  
20                   *Secretary may deem appropriate after consulta-*  
21                   *tion with the affected sugar beet processors and*  
22                   *growers. However, in the case of any processor*  
23                   *which has started processing sugar beets after*  
24                   *January 1, 1996, the Secretary shall provide*  
25                   *such processor with an allocation which provides*

1           *a fair, efficient and equitable distribution of the*  
2           *allocations.”.*

3           *(e) REASSIGNMENT.—Section 359e(b) of the Agricul-*  
4           *tural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is*  
5           *amended—*

6           *(1) in paragraph (1)—*

7                   *(A) in subparagraph (B) by striking the*  
8                   *“and” after the semicolon;*

9                   *(B) by redesignating subparagraph (C) as*  
10                   *subparagraph (D);*

11                   *(C) by inserting after subparagraph (B) the*  
12                   *following new subparagraph:*

13                           *“(C) if after the reassignments, the deficit*  
14                           *cannot be completely eliminated, the Secretary*  
15                           *shall reassign the estimated quantity of the def-*  
16                           *icit to the sale of any inventories of sugar held*  
17                           *by the Commodity Credit Corporation; and”;*  
18                   *and*

19                   *(D) in subparagraph (D), as so redesign-*  
20                   *ated, by inserting “and sales” after “reassign-*  
21                   *ments”;* *and*

22           *(2) in paragraph (2)—*

23                   *(A) in subparagraph (A) by striking the*  
24                   *“and” after the semicolon;*

1           (B) in subparagraph (B), by striking “reas-  
2           sign the remainder to imports.” and inserting  
3           “use the estimated quantity of the deficit for the  
4           sale of any inventories of sugar held by the Com-  
5           modity Credit Corporation; and”;

6           (C) by inserting after subparagraph (B) the  
7           following new subparagraph:

8           “(C) if after such reassignments and sales,  
9           the deficit cannot be completely eliminated, the  
10          Secretary shall reassign the remainder to im-  
11          ports.”.

12          (f) *PRODUCER PROVISIONS.*—Section 359f of the Agri-  
13          cultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is  
14          amended—

15               (1) in subsection (a)—

16                   (A) by striking “processor’s allocation” in  
17                   the second sentence and inserting “allocation to  
18                   the processor”; and

19                   (B) by inserting after “request of either  
20                   party” the following: “, and such arbitration  
21                   should be completed within 45 days, but not  
22                   more than 60 days, of the request”;

23               (2) by redesignating subsection (b) as subsection  
24          (c);

1           (3) by inserting after subsection (a) the following  
2           new subsection:

3           “(b) SUGAR BEET PROCESSING FACILITY CLO-  
4 SURES.— In the event that a sugar beet processing facility  
5 is closed and the sugar beet growers who previously deliv-  
6 ered beets to such facility desire to deliver their beets to an-  
7 other processing company:

8           “(1) Such growers may petition the Secretary to  
9           modify existing allocations to accommodate such a  
10          transition; and

11          “(2) The Secretary may increase the allocation  
12          to the processing company to which the growers desire  
13          to deliver their sugar beets, and which the processing  
14          company agrees to accept, not to exceed its processing  
15          capacity, to accommodate the change in deliveries.

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

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

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

24                  (A) in paragraph (3)(A), by striking “the  
25                  preceding five years” and inserting “the two



1           *highest years from among the years 1999, 2000,*  
2           *and 2001”;*

3           *(B) in paragraph (4)(A), by striking “each”*  
4           *through “in effect” and inserting “the two high-*  
5           *est of the three (3) crop years 1999, 2000, and*  
6           *2001”;* and

7           *(C) by inserting after paragraph (7) the fol-*  
8           *lowing new paragraph:*

9           *“(8) PROCESSING FACILITY CLOSURES.—In the*  
10          *event that a sugarcane processing facility subject to*  
11          *this subsection is closed and the sugarcane growers*  
12          *who previously delivered sugarcane to such facility*  
13          *desire to deliver their sugarcane to another processing*  
14          *company—*

15                *“(A) such growers may petition the Sec-*  
16                *retary to modify existing allocations to accom-*  
17                *modate such a transition;*

18                *“(B) the Secretary may increase the alloca-*  
19                *tion to the processing company to which the*  
20                *growers desire to deliver the sugarcane, and*  
21                *which the processing company agrees to accept,*  
22                *not to exceed its processing capacity, to accom-*  
23                *modate the change in deliveries;*

24                *“(C) such increased allocation shall be de-*  
25                *ducted from the allocation to the company that*

1           *owned the processing facility that has been closed*  
 2           *and the remaining allocation will be unaffected;*  
 3           *and*

4                   “(D) *the Secretary’s determination on the*  
 5           *issues raised by the petition shall be made with-*  
 6           *in 60 days of the filing of the petition.”.*

7           (g) *CONFORMING AMENDMENTS.—(1) The heading of*  
 8 *part VII of subtitle B of Title III of the Agricultural Adjust-*  
 9 *ment Act of 1938 (7 U.S.C. 359aa et seq.) is amended to*  
 10 *read as follows:*

11           **“PART VII—FLEXIBLE MARKETING ALLOTMENTS**  
 12                                   **FOR SUGAR”.**

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

15                   (A) *by striking “359f” each place it appears and*  
 16 *inserting “359f(c);*

17                   (B) *in subsection (b), by striking “3 consecutive”*  
 18 *and inserting “5 consecutive”; and*

19                   (C) *in subsection (c), by inserting “or adjusted”*  
 20 *after “share established”.*

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

23                   (A) *by amending the subsection heading to read*  
 24 *as follows: “DEFINITIONS.—”;*

1           (B) by striking “Notwithstanding” and inserting  
2           the following:

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

5           (C) by inserting after such paragraph (1) the fol-  
6           lowing new paragraph:

7           “(2) OFFSHORE STATES.—For purposes of this  
8           part, the term ‘offshore States’ means the sugarcane  
9           producing States located outside of the continental  
10          United States.”.

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

16          **SEC. 153. STORAGE FACILITY LOANS.**

17          (a) STORAGE FACILITY LOAN PROGRAM.—Notwith-  
18          standing any other provision of law and as soon as prac-  
19          ticable after the date of enactment of this section, the Com-  
20          modity Credit Corporation shall amend part 1436 of title  
21          7, Code of Federal Regulations, to establish a sugar storage  
22          facility loan program to provide financing for processors  
23          of domestically-produced sugarcane and sugar beets to build  
24          or upgrade storage and handling facilities for raw sugars  
25          and refined sugars.

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

7       (c) *TERM OF LOANS.*—Storage facility loans shall be  
 8 for a minimum of seven years, and shall be in such amounts  
 9 and on such terms and conditions (including down pay-  
 10 ment, security requirements, and eligible equipment) as are  
 11 normal, customary, and appropriate for the size and com-  
 12 mercial nature of the borrower.

13       (d) *ADMINISTRATION.*—The sugar storage facility loan  
 14 program shall be administered using the services, facilities,  
 15 funds, and authorities of the Commodity Credit Corpora-  
 16 tion.

### 17                                   **CHAPTER 3—PEANUTS**

#### 18   **SEC. 161. DEFINITIONS.**

19       *In this chapter:*

20               (1) *COUNTER-CYCLICAL PAYMENT.*—The term  
 21 “counter-cyclical payment” means a payment made  
 22 to producers under section 164.

23               (2) *EFFECTIVE PRICE.*—The term “effective  
 24 price” means the price calculated by the Secretary  
 25 under section 164 for peanuts to determine whether

1       *counter-cyclical payments are required to be made*  
2       *under such section for a crop year.*

3           (3) *ELIGIBLE PEANUT PRODUCER.*—*The term*  
4       *“eligible producer” means a producer on a farm in*  
5       *the United States that produced or attempted to*  
6       *produce peanuts during any or all of crop years*  
7       *1998, 1999, 2000, and 2001.*

8           (4) *FIXED, DECOUPLED PAYMENT.*—*The term*  
9       *“fixed, decoupled payment” means a payment made*  
10       *to producers under section 163.*

11          (5) *PAYMENT ACRES.*—*The term “payment*  
12       *acres” means 85 percent of the peanut acres on a*  
13       *farm, as established under section 162, upon which*  
14       *fixed, decoupled payments and counter-cyclical pay-*  
15       *ments are to be made.*

16          (6) *PEANUT ACRES.*—*The term “peanut acres”*  
17       *means the number of acres planted and prevented*  
18       *from being planted to peanuts for harvest on the farm*  
19       *over a certain number of crop years, as established*  
20       *under section 162.*

21          (7) *PAYMENT YIELD.*—*The term “payment*  
22       *yield” means the yield established under section 162*  
23       *for a farm for peanuts.*

24          (8) *PRODUCER.*—*The term “producer” means an*  
25       *owner, operator, landlord, tenant, or sharecropper*

1 *who shares in the risk of producing a crop of peanuts*  
2 *and who is entitled to share in the crop available for*  
3 *marketing from the farm, or would have shared had*  
4 *the crop been produced.*

5 (9) *SECRETARY.*—*The term “Secretary” means*  
6 *the Secretary of Agriculture.*

7 (10) *STATE.*—*The term “State” means each of*  
8 *the several States of the United States, the District of*  
9 *Columbia, the Commonwealth of Puerto Rico, and*  
10 *any other territory or possession of the United States.*

11 (11) *TARGET PRICE.*—*The term “target price”*  
12 *means the price per ton of peanuts used to determine*  
13 *the payment rate for counter-cyclical payments.*

14 (12) *UNITED STATES.*—*The term “United*  
15 *States”, when used in a geographical sense, means all*  
16 *of the States.*

17 **SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT**  
18 **ACRES, AND PAYMENT ACRES FOR A FARM.**

19 (a) *ESTABLISHMENT OF PAYMENT YIELD.*—

20 (1) *ESTABLISHMENT AND PURPOSE.*—*For the*  
21 *purpose of making fixed decoupled payments and*  
22 *counter-cyclical payments to eligible peanut producers*  
23 *under this chapter, the Secretary shall provide for the*  
24 *establishment of a payment yield for each peanut*  
25 *farm in accordance with this subsection.*

1           (2) *AVERAGE YIELD.*—*The Secretary shall estab-*  
2           *lish a payment yield for peanuts on a farm by first*  
3           *determining the average yield for peanuts on the farm*  
4           *for the 1998 through 2001 crop years, excluding any*  
5           *crop year in which the acreage planted to peanuts*  
6           *was zero. If, for any of these four crop years in which*  
7           *peanuts were planted, the farm would have satisfied*  
8           *the eligibility criteria established to carry out section*  
9           *1102 of the Agriculture, Rural Development, Food*  
10           *and Drug Administration, and Related Agencies Ap-*  
11           *propriations Act, 1999 (7 U.S.C. 1421 note; Public*  
12           *Law 105–277), the Secretary shall assign a yield for*  
13           *that year equal to 65 percent of the county yield, as*  
14           *determined by the Secretary.*

15           (b) *PEANUT ACRES.*—*The peanut acres for a farm*  
16           *shall be equal to the four-year average of acreage actually*  
17           *planted on the farm in peanuts for harvest during crop*  
18           *years 1998, 1999, 2000, and 2001 and any acreage on the*  
19           *farm that the producers were prevented from planting to*  
20           *peanuts during such crop years because of drought, flood,*  
21           *or other natural disaster, or other condition beyond the con-*  
22           *trol of the producer, as determined by the Secretary.*

23           (c) *PAYMENT ACRES.*—*The payment acres for peanuts*  
24           *on a farm shall be equal to 85 percent of the peanut acres*  
25           *for the farm.*

1       (d) *PREVENTION OF EXCESS PAYMENT ACRES.*—

2           (1) *REQUIRED REDUCTION.*—*If the sum of the*  
3 *peanut acres for a farm, together with the acreage de-*  
4 *scribed in paragraph (2), exceeds the actual cropland*  
5 *acreage of the farm, the Secretary shall reduce the*  
6 *quantity of peanut acres for the farm or base acres*  
7 *for one or more covered commodities for the farm as*  
8 *necessary so that the sum of the peanut acres and*  
9 *acreage described in paragraph (2) does not exceed*  
10 *the actual cropland acreage of the farm. The Sec-*  
11 *retary shall give the producers on the farm the oppor-*  
12 *tunity to select the peanut acres or base acres against*  
13 *which the reduction will be made.*

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

16           (A) *Any base acres for the farm under sub-*  
17 *title A.*

18           (B) *Any acreage on the farm enrolled in the*  
19 *conservation reserve program or wetlands reserve*  
20 *program under chapter 1 of subtitle D of title*  
21 *XII of the Food Security Act of 1985 (16 U.S.C.*  
22 *3830 et seq.).*

23           (C) *Any other acreage on the farm enrolled*  
24 *in a conservation program for which payments*



1           *are made in exchange for not producing an agri-*  
2           *cultural commodity on the acreage.*

3 **SEC. 163. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS**  
4           **FOR PEANUTS.**

5           *(a) PAYMENT REQUIRED.—For each of the 2002*  
6 *through 2011 crop years, the Secretary shall make fixed,*  
7 *decoupled payments to eligible peanut producers on a farm.*

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

11           *(c) PAYMENT AMOUNT.—The amount of the fixed, de-*  
12 *coupled payment to be paid to the eligible peanut producers*  
13 *on a farm for a covered commodity for a crop year shall*  
14 *be equal to the product of the following:*

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

16                   *(2) The payment acres on the farm.*

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

18           *(d) TIME FOR PAYMENT.—*

19                   *(1) GENERAL RULE.—Fixed, decoupled payments*  
20 *shall be paid not later than September 30 of each of*  
21 *fiscal years 2002 through 2011. In the case of the*  
22 *2002 crop, payments may begin to be made on or*  
23 *after December 1, 2001.*

24                   *(2) ADVANCE PAYMENTS.—At the option of an el-*  
25 *igible peanut producer, 50 percent of the fixed, decou-*

1        *pled payment for a fiscal year shall be paid on a date*  
2        *selected by the producer. The selected date shall be on*  
3        *or after December 1 of that fiscal year, and the pro-*  
4        *ducer may change the selected date for a subsequent*  
5        *fiscal year by providing advance notice to the Sec-*  
6        *retary.*

7                (3) *REPAYMENT OF ADVANCE PAYMENTS.—If a*  
8        *producer that receives an advance fixed, decoupled*  
9        *payment for a fiscal year ceases to be an eligible pea-*  
10        *nut producer before the date the fixed, decoupled pay-*  
11        *ment would otherwise have been made by the Sec-*  
12        *retary under paragraph (1), the producer shall be re-*  
13        *sponsible for repaying the Secretary the full amount*  
14        *of the advance payment.*

15        **SEC. 164. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS**  
16                **FOR PEANUTS.**

17                (a) *PAYMENT REQUIRED.—During the 2002 through*  
18        *2011 crop years for peanuts, the Secretary shall make*  
19        *counter-cyclical payments with respect to peanuts whenever*  
20        *the Secretary determines that the effective price for peanuts*  
21        *is less than the target price.*

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

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

1           (A) *The national average market price re-*  
2           *ceived by producers during the 12-month mar-*  
3           *keting year for peanuts, as determined by the*  
4           *Secretary.*

5           (B) *The national average loan rate for a*  
6           *marketing assistance loan for peanuts in effect*  
7           *for the same period under this chapter.*

8           (2) *The payment rate in effect under section 163*  
9           *for the purpose of making fixed, decoupled payments.*

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

12          (d) *PAYMENT RATE.*—*The payment rate used to make*  
13          *counter-cyclical payments for a crop year shall be equal to*  
14          *the difference between—*

15                 (1) *the target price; and*

16                 (2) *the effective price determined under sub-*  
17                 *section (b).*

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

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

23                 (2) *The payment acres on the farm.*

24                 (3) *The payment yield for the farm.*

25          (f) *TIME FOR PAYMENTS.*—

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

6           (2) *PARTIAL PAYMENT.*—*The Secretary may per-*  
 7           *mit, and, if so permitted, an eligible peanut producer*  
 8           *may elect to receive, up to 50 percent of the projected*  
 9           *counter-cyclical payment, as determined by the Sec-*  
 10          *retary, to be made under this section for a peanut*  
 11          *crop upon completion of the first six months of the*  
 12          *marketing year for that crop. The producer shall*  
 13          *repay to the Secretary the amount, if any, by which*  
 14          *the partial payment exceeds the actual counter-cycli-*  
 15          *cal payment to be made for that crop.*

16 **SEC. 165. PRODUCER AGREEMENT REQUIRED AS CONDI-**  
 17                                   **TION ON PROVISION OF FIXED, DECOUPLED**  
 18                                   **PAYMENTS AND COUNTER-CYCLICAL PAY-**  
 19                                   **MENTS.**

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

21           (1) *REQUIREMENTS.*—*Before the producers on a*  
 22           *farm may receive fixed, decoupled payments or*  
 23           *counter-cyclical payments with respect to the farm,*  
 24           *the producers shall agree, in exchange for the*  
 25           *payments—*

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

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

8           (C) to comply with the planting flexibility  
9 requirements of section 166; and

10           (D) to use the land on the farm, in an  
11 amount equal to the peanut acres, for an agricul-  
12 tural or conserving use, and not for a non-  
13 agricultural commercial or industrial use, as de-  
14 termined by the Secretary.

15           (2) COMPLIANCE.—The Secretary may issue such  
16 rules as the Secretary considers necessary to ensure  
17 producer compliance with the requirements of para-  
18 graph (1).

19           (b) EFFECT OF FORECLOSURE.—A producer may not  
20 be required to make repayments to the Secretary of fixed,  
21 decoupled payments and counter-cyclical payments if the  
22 farm has been foreclosed on and the Secretary determines  
23 that forgiving the repayments is appropriate to provide fair  
24 and equitable treatment. This subsection shall not void the  
25 responsibilities of the producer under subsection (a) if the

1 *producer continues or resumes operation, or control, of the*  
2 *farm. On the resumption of operation or control over the*  
3 *farm by the producer, the requirements of subsection (a) in*  
4 *effect on the date of the foreclosure shall apply.*

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

6 *(1) TERMINATION.—Except as provided in para-*  
7 *graph (4), a transfer of (or change in) the interest of*  
8 *a producer in peanut acres for which fixed, decoupled*  
9 *payments or counter-cyclical payments are made*  
10 *shall result in the termination of the payments with*  
11 *respect to the peanut acres, unless the transferee or*  
12 *owner of the acreage agrees to assume all obligations*  
13 *under subsection (a). The termination shall be effec-*  
14 *tive on the date of the transfer or change.*

15 *(2) TRANSFER OF PAYMENT BASE.—There is no*  
16 *restriction on the transfer of a farm's peanut acres or*  
17 *payment yield as part of a change in the producers*  
18 *on the farm.*

19 *(3) MODIFICATION.—At the request of the trans-*  
20 *feree or owner, the Secretary may modify the require-*  
21 *ments of subsection (a) if the modifications are con-*  
22 *sistent with the objectives of such subsection, as deter-*  
23 *mined by the Secretary.*

24 *(4) EXCEPTION.—If a producer entitled to a*  
25 *fixed, decoupled payment or counter-cyclical payment*

1        *dies, becomes incompetent, or is otherwise unable to*  
2        *receive the payment, the Secretary shall make the*  
3        *payment, in accordance with regulations prescribed*  
4        *by the Secretary.*

5        *(d) ACREAGE REPORTS.—As a condition on the receipt*  
6        *of any benefits under this chapter, the Secretary shall re-*  
7        *quire producers to submit to the Secretary acreage reports.*

8        *(e) TENANTS AND SHARECROPPERS.—In carrying out*  
9        *this chapter, the Secretary shall provide adequate safe-*  
10       *guards to protect the interests of tenants and sharecroppers.*

11       *(f) SHARING OF PAYMENTS.—The Secretary shall pro-*  
12       *vide for the sharing of fixed, decoupled payments and*  
13       *counter-cyclical payments among the eligible peanut pro-*  
14       *ducers on a farm on a fair and equitable basis.*

15       **SEC. 166. PLANTING FLEXIBILITY.**

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

19       *(b) LIMITATIONS AND EXCEPTIONS REGARDING*  
20       *FRUITS AND VEGETABLES.—*

21                *(1) LIMITATIONS.—The planting of fruits and*  
22        *vegetables (other than lentils, mung beans, and dry*  
23        *peas) shall be prohibited on peanut acres.*

24                *(2) EXCEPTIONS.—Paragraph (1) shall not limit*  
25        *the planting of a fruit or vegetable—*

1           (A) in any region in which there is a his-  
2           tory of double-cropping of peanuts with fruits or  
3           vegetables, as determined by the Secretary, in  
4           which case the double-cropping shall be per-  
5           mitted;

6           (B) on a farm that the Secretary determines  
7           has a history of planting fruits or vegetables on  
8           peanut acres, except that fixed, decoupled pay-  
9           ments and counter-cyclical payments shall be re-  
10          duced by an acre for each acre planted to the  
11          fruit or vegetable; or

12          (C) by a producer who the Secretary deter-  
13          mines has an established planting history of a  
14          specific fruit or vegetable, except that—

15               (i) the quantity planted may not ex-  
16               ceed the producer's average annual planting  
17               history of the fruit or vegetable in the 1991  
18               through 1995 crop years (excluding any  
19               crop year in which no plantings were  
20               made), as determined by the Secretary; and

21               (ii) fixed, decoupled payments and  
22               counter-cyclical payments shall be reduced  
23               by an acre for each acre planted to the fruit  
24               or vegetable.



1 **SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.**  
2

3 (a) *NONRECOURSE LOANS AVAILABLE.*—

4 (1) *AVAILABILITY.*—*For each of the 2002 through*  
5 *2011 crops of peanuts, the Secretary shall make avail-*  
6 *able to producers on a farm nonrecourse marketing*  
7 *assistance loans for peanuts produced on the farm.*  
8 *The loans shall be made under terms and conditions*  
9 *that are prescribed by the Secretary and at the loan*  
10 *rate established under subsection (b).*

11 (2) *ELIGIBLE PRODUCTION.*—*Any production of*  
12 *peanuts on a farm shall be eligible for a marketing*  
13 *assistance loan under this subsection.*

14 (3) *TREATMENT OF CERTAIN COMMINGLED COM-*  
15 *MODITIES.*—*In carrying out this subsection, the Sec-*  
16 *retary shall make loans to a producer that is other-*  
17 *wise eligible to obtain a marketing assistance loan,*  
18 *but for the fact the peanuts owned by the producer are*  
19 *commingled with other peanuts in facilities unli-*  
20 *censed for the storage of agricultural commodities by*  
21 *the Secretary or a State licensing authority, if the*  
22 *producer obtaining the loan agrees to immediately re-*  
23 *deem the loan collateral in accordance with section*  
24 *166 of the Federal Agriculture Improvement and Re-*  
25 *form Act of 1996 (7 U.S.C. 7286).*

1           (4) *OPTIONS FOR OBTAINING LOAN.*—A mar-  
2           keting assistance loan under this subsection, and loan  
3           deficiency payments under subsection (e), may be ob-  
4           tained at the option of the producer through—

5                   (A) a designated marketing association of  
6           peanut producers that is approved by the Sec-  
7           retary;

8                   (B) a loan servicing agent approved by the  
9           Secretary; or

10                  (C) the Farm Service Agency.

11           (5) *LOAN SERVICING AGENT.*—As a condition of  
12           the Secretary's approval of an entity to serve as a  
13           loan servicing agent or to handle or store peanuts for  
14           producers that receive any marketing loan benefits,  
15           the entity shall agree to provide adequate storage (if  
16           available) and handling of peanuts at the commercial  
17           rate to other approved loan servicing agents and mar-  
18           keting associations.

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

22           (c) *TERM OF LOAN.*—

23                   (1) *IN GENERAL.*—A marketing assistance loan  
24           for peanuts under subsection (a) shall have a term of

1       *nine months beginning on the first day of the first*  
2       *month after the month in which the loan is 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       *producers to repay a marketing assistance loan for peanuts*  
8       *under subsection (a) at a rate that is the lesser of—*

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

12                      (2) *a rate that the Secretary determines will—*

13                               (A) *minimize potential loan forfeitures;*

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

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

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

21               (e) *LOAN DEFICIENCY PAYMENTS.*—

22                       (1) *AVAILABILITY.*—*The Secretary may make*  
23       *loan deficiency payments available to producers who,*  
24       *although eligible to obtain a marketing assistance*  
25       *loan for peanuts under subsection (a), agree to forgo*

1       obtaining the loan for the peanuts in return for pay-  
2       ments under this subsection.

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

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

8               (B) the quantity of the peanuts produced by  
9       the eligible producers, excluding any quantity for  
10       which the producers obtain a loan under sub-  
11       section (a).

12              (3) *LOAN PAYMENT RATE.*—For purposes of this  
13       subsection, the loan payment rate shall be the amount  
14       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 peanuts as of the earlier  
22       of the following:

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

1                   (B) *The date the producer requests the pay-*  
2                   *ment.*

3           (f) *COMPLIANCE WITH CONSERVATION AND WETLANDS*  
4 *REQUIREMENTS.—As a condition of the receipt of a mar-*  
5 *keting assistance loan under subsection (a), the producer*  
6 *shall comply with applicable conservation requirements*  
7 *under subtitle B of title XII of the Food Security Act of*  
8 *1985 (16 U.S.C. 3811 et seq.) and applicable wetland pro-*  
9 *tection requirements under subtitle C of title XII of the Act*  
10 *(16 U.S.C. 3821 et seq.) during the term of the loan.*

11           (g) *REIMBURSABLE AGREEMENTS AND PAYMENT OF*  
12 *EXPENSES.—To the extent practicable, the Secretary shall*  
13 *implement any reimbursable agreements or provide for the*  
14 *payment of expenses under this chapter in a manner that*  
15 *is consistent with such activities in regard to other commod-*  
16 *ities.*

17           (h) *TERMINATION OF SUPERSEDED PRICE SUPPORT*  
18 *AUTHORITY.—*

19                   (1) *REPEAL.—Section 155 of the Federal Agri-*  
20 *culture Improvement and Reform Act of 1996 (7*  
21 *U.S.C. 7271) is repealed.*

22                   (2) *CONFORMING AMENDMENTS.—The Agricul-*  
23 *tural Act of 1949 (7 U.S.C. 1441 et seq.) is*  
24 *amended—*

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

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

5 **SEC. 168. QUALITY IMPROVEMENT.**

6           (a) *OFFICIAL INSPECTION.*—

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

11                   (2) *OPTIONAL INSPECTION.*—Peanuts not placed  
12                   under a marketing assistance loan may be graded at  
13                   the option of the producer.

14           (b) *TERMINATION OF PEANUT ADMINISTRATIVE COM-*  
15 *MITTEE.*—The Peanut Administrative Committee estab-  
16 *lished under Marketing Agreement No. 1436, which regu-*  
17 *lates the quality of domestically produced peanuts under*  
18 *the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), re-*  
19 *enacted with amendments by the Agricultural Marketing*  
20 *Agreement Act of 1937, is terminated.*

21           (c) *ESTABLISHMENT OF PEANUT STANDARDS*  
22 *BOARD.*—The Secretary shall establish a Peanut Standards  
23 *Board for the purpose of assisting in the establishment of*  
24 *quality standards with respect to peanuts. The authority*  
25 *of the Board is limited to assisting in the establishment of*

1 *quality standards for peanuts. The members of the Board*  
 2 *should fairly reflect all segments of the peanut industry.*

3 (d) *EFFECTIVE DATE.*—*This section shall take effect*  
 4 *with the 2002 crop of peanuts.*

5 **SEC. 169. PAYMENT LIMITATIONS.**

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

10 (1) *fixed, decoupled payments;*

11 (2) *counter-cyclical payments, and*

12 (3) *limitations on marketing loan gains and*  
 13 *loan deficiency payments.*

14 **SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS**  
 15 **FOR PEANUTS AND COMPENSATION TO PEA-**  
 16 **NUT QUOTA HOLDERS FOR LOSS OF QUOTA**  
 17 **ASSET VALUE.**

18 (a) *REPEAL OF MARKETING QUOTA.*—*Part VI of sub-*  
 19 *title B of title III of the Agricultural Adjustment Act of*  
 20 *1938 (7 U.S.C. 1357–1359a), relating to peanuts, is re-*  
 21 *pealed.*

22 (b) *COMPENSATION REQUIRED.*—*During fiscal years*  
 23 *2002 through 2006, the Secretary shall make payments*  
 24 *under this section to eligible peanut quota holders to com-*  
 25 *pensate them for the lost value of the quota on account of*

1 *the repeal of the marketing quota program for peanuts*  
2 *under subsection (a).*

3 (c) *TIME FOR PAYMENT.*—*The payments required by*  
4 *this section shall be provided in five equal installments not*  
5 *later than September 30 of each of fiscal years 2002 through*  
6 *2006.*

7 (d) *PAYMENT AMOUNT.*—*The amount of the payment*  
8 *for a fiscal year to a peanut quota holder under this section*  
9 *shall be equal to the product obtained by multiplying—*

10 (1) *\$0.10 per pound; by*

11 (2) *the actual farm poundage quota (excluding*  
12 *seed and experimental peanuts) established for the*  
13 *peanut quota holder's farm under section 358–1(b) of*  
14 *the Agricultural Adjustment Act of 1938 (7 U.S.C.*  
15 *1358–1(b)) for the 2001 marketing year.*

16 (e) *ASSIGNMENT OF PAYMENTS.*—*The provisions of*  
17 *section 8(g) of the Soil Conservation and Domestic Allot-*  
18 *ment Act (16 U.S.C. 590h(g)), relating to assignment of*  
19 *payments, shall apply to the payments made to peanut*  
20 *quota holders under this section. The peanut quota holder*  
21 *making the assignment, or the assignee, shall provide the*  
22 *Secretary with notice, in such manner as the Secretary may*  
23 *require, of any assignment made under this subsection.*



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

4           (1) *was eligible, immediately before the date of*  
5 *the enactment of this Act, to have a peanut quota es-*  
6 *tablished upon it;*

7           (2) *if there are not quotas currently established,*  
8 *would be eligible to have a quota established upon it*  
9 *for the succeeding crop year, in the absence of the*  
10 *amendment made by subsection (a); or*

11           (3) *is otherwise a farm that was eligible for such*  
12 *a quota at the time the general quota establishment*  
13 *authority was repealed.*

14 *The Secretary shall apply this definition without regard to*  
15 *temporary leases or transfers or quotas for seed or experi-*  
16 *mental purposes.*

## 17           ***Subtitle D—Administration***

### 18       ***SEC. 181. ADMINISTRATION GENERALLY.***

19       (a) *USE OF COMMODITY CREDIT CORPORATION.*—*The*  
20 *Secretary shall carry out this title through the Commodity*  
21 *Credit Corporation.*

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

1           (c) *REGULATIONS.*—Not later than 90 days after the  
2 date of the enactment of this Act, the Secretary and the  
3 Commodity Credit Corporation, as appropriate, shall issue  
4 such regulations as are necessary to implement this title.  
5 The issuance of the regulations shall be made without re-  
6 gard to—

7           (1) the notice and comment provisions of section  
8 553 of title 5, United States Code;

9           (2) the Statement of Policy of the Secretary of  
10 Agriculture effective July 24, 1971 (36 Fed. Reg.  
11 13804) relating to notices of proposed rulemaking and  
12 public participation in rulemaking; and

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

15           (d) *PROTECTION OF PRODUCERS.*—The protection af-  
16 fforded producers that elect the option to accelerate the re-  
17 ceipt of any payment under a production flexibility con-  
18 tract payable under the Federal Agriculture Improvement  
19 and Reform Act of 1996 (7 U.S.C. 7212 note) shall also  
20 apply to the advance payment of fixed, decoupled payments  
21 and counter-cyclical payments.

22 **SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT**  
23 **PRICE SUPPORT AUTHORITY.**

24           (a) *AGRICULTURAL ADJUSTMENT ACT OF 1938.*—Sec-  
25 tion 171(a)(1) of the Federal Agriculture Improvement and

1 *Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by*  
2 *striking “2002” both places it appears and inserting*  
3 *“2011”.*

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

8 *(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—*  
9 *Section 171(c) of the Federal Agriculture Improvement and*  
10 *Reform Act of 1996 (7 U.S.C. 7301(c)) is amended by strik-*  
11 *ing “2002” and inserting “2011”.*

12 **SEC. 183. LIMITATIONS.**

13 *(a) LIMITATION ON AMOUNTS RECEIVED.—Section*  
14 *1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is*  
15 *amended—*

16 *(1) in paragraph (1)—*

17 *(A) by striking “PAYMENTS UNDER PRODUC-*  
18 *TION FLEXIBILITY CONTRACTS” and inserting*  
19 *“FIXED, DECOUPLED PAYMENTS”;*

20 *(B) by striking “contract payments made*  
21 *under the Agricultural Market Transition Act to*  
22 *a person under 1 or more production flexibility*  
23 *contracts” and inserting “fixed, decoupled pay-*  
24 *ments made to a person”;*

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

1           (2) in paragraphs (2) and (3)—

2                   (A) by striking “payments specified” and  
3 all that follows through “and oilseeds” and in-  
4 serting “following payments that a person shall  
5 be entitled to receive”;

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

8                   (C) by striking the period at the end of  
9 paragraph (2) and all that follows through “the  
10 following” in paragraph (3);

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

17                   (E) by striking “section 135” and inserting  
18 “section 125”; and

19           (3) by inserting after paragraph (2) the fol-  
20 lowing new paragraph (3):

21                   “(3) *LIMITATION ON COUNTER-CYCLICAL PAY-*  
22 *MENTS.—The total amount of counter-cyclical pay-*  
23 *ments that a person may receive during any crop*  
24 *year shall not exceed the amount specified in para-*

1        *graph (2), as in effect on the day before the date of*  
2        *the enactment of the Farm Security Act of 2001.”.*

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

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

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

16        **SEC. 184. ADJUSTMENTS OF LOANS.**

17        *Section 162(b) of the Federal Agriculture Improvement*  
18        *and Reform Act of 1996 (7 U.S.C. 7282(b)) is amended by*  
19        *striking “this title” and inserting “this title and title I of*  
20        *the Farm Security Act of 2001”.*

21        **SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**

22                **CIENCIES.**

23        *Section 164 of the Federal Agriculture Improvement*  
24        *and Reform Act of 1996 (7 U.S.C. 7284) is amended by*

1 *striking “this title” both places it appears and inserting*  
2 *“this title and title I of the Farm Security Act of 2001”.*

3 **SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AU-**  
4 **THORITY REGARDING LOANS.**

5 *Section 166 of the Federal Agriculture Improvement*  
6 *and Reform Act of 1996 (7 U.S.C. 7286) is amended by*  
7 *striking “subtitle C” both places it appears and inserting*  
8 *“subtitle C of this title and title I of the Farm Security*  
9 *Act of 2001”.*

10 **SEC. 187. ASSIGNMENT OF PAYMENTS.**

11 *The provisions of section 8(g) of the Soil Conservation*  
12 *and Domestic Allotment Act (16 U.S.C. 590h(g)), relating*  
13 *to assignment of payments, shall apply to payments made*  
14 *under the authority of this Act. The producer making the*  
15 *assignment, or the assignee, shall provide the Secretary with*  
16 *notice, in such manner as the Secretary may require, of*  
17 *any assignment made under this section.*

18 **TITLE II—CONSERVATION**

19 **Subtitle A—Definition**

20 **SEC. 201. DEFINITION OF AGRICULTURAL COMMODITY.**

21 *Section 1201(a)(1) of the Food Security Act of 1985*  
22 *(16 U.S.C. 3801(a)(1)) is amended to read as follows:*

23 *“(1) AGRICULTURAL COMMODITY.—The term ‘agricul-*  
24 *tural commodity’ means any agricultural crop planted or*  
25 *produced in a State.”.*

1     **Subtitle B—Wetland Conservation**  
2                             **Program**

3     **SEC. 211. INELIGIBILITY FOR CERTAIN LOANS AND PAY-**  
4                             **MENTS.**

5             Section 1221(b) of the Food Security Act of 1985 (16  
6     U.S.C. 3821(b)) is amended by inserting “relating to any  
7     commodity produced during that crop year by such person”  
8     before “for which the person”.

9     **Subtitle C—Environmental Con-**  
10                            **servation Acreage Reserve Pro-**  
11                            **gram**

12     **SEC. 221. ELIMINATION OF GENERAL PROVISIONS.**

13             Chapter 1 of subtitle D of title XII of the Food Security  
14     Act of 1985 is amended—

15                     (1) by striking the heading for subchapter A;

16                     (2) by striking section 1230 (16 U.S.C. 3830);

17                     (3) in section 1230A (16 U.S.C. 3830a), by strik-  
18     ing “chapter” each place it appears and inserting  
19     “title”;

20                     (4) by redesignating section 1230A as section  
21     1244; and

22                     (5) by transferring section 1244 (as so redesign-  
23     ated) to the end of subtitle E.

1     ***Subtitle D—Conservation Reserve***  
2                     ***Program***

3     ***SEC. 231. REAUTHORIZATION.***

4             (a) *IN GENERAL.*—Section 1231 of the Food Security  
5 Act of 1985 (16 U.S.C. 3831) is amended in each of sub-  
6 sections (a), (b)(3), and (d), by striking “2002” and insert-  
7 ing “2011”.

8             (b) *SCOPE OF PROGRAM.*—Section 1231(a) of such Act  
9 (16 U.S.C. 3831(a)) is amended by striking “and water”  
10 and inserting “, water, and wildlife”.

11     ***SEC. 232. ENROLLMENT.***

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

14                     (1) by striking paragraphs (2) and (3) and in-  
15 serting the following:

16                             “(2) marginal pasturelands to be devoted to nat-  
17 ural vegetation in or near riparian areas or for simi-  
18 lar water quality purposes;”;

19                     (2) in paragraph (4)—

20                             (A) by striking subparagraph (A) and in-  
21 serting the following:

22                                     “(A) if the Secretary determines that—

23   “(i) the lands contribute to the deg-  
24 radation of soil, water, or air quality, or  
25 would pose an on-site or off-site environ-



1           *mental threat to soil, water, or air quality*  
2           *if permitted to remain in agricultural pro-*  
3           *duction; and*

4                     *“(i) soil, water, and air quality objec-*  
5                     *tives with respect to the land cannot be*  
6                     *achieved under the environmental quality*  
7                     *incentives program established under chap-*  
8                     *ter 4;”;*

9           *(B) by striking “or” at the end of subpara-*  
10           *graph (C);*

11                    *(C) by striking the period at the end of sub-*  
12                    *paragraph (D) and inserting “; or”;* and

13                    *(D) by adding at the end the following:*

14                             *“(E) if the Secretary determines that enroll-*  
15                             *ment of such lands would contribute to conserva-*  
16                             *tion of ground or surface water.”;* and

17                    *(3) by redesignating paragraph (4) as para-*  
18                    *graph (3).*

19           *(b) INCREASE IN MAXIMUM ENROLLMENT.—Section*  
20           *1231(d) of such Act (16 U.S.C. 3831(d)) is amended by*  
21           *striking “36,400,000” and inserting “39,200,000”.*

22           *(c) ELIGIBILITY ON CONTRACT EXPIRATION.—Section*  
23           *1231(f) of such Act (16 U.S.C. 3831(f)) is amended to read*  
24           *as follows:*

1       “(f) *ELIGIBILITY ON CONTRACT EXPIRATION.*—On the  
2 *expiration of a contract entered into under this subchapter,*  
3 *the land subject to the contract shall be eligible to be re-*  
4 *enrolled in the conservation reserve.”.*

5       (d) *BALANCE AMONG CONTRACTS AWARDED.*—

6           (1) *IN GENERAL.*—Section 1231 of such Act (16  
7 *U.S.C. 3831) is amended by adding at the end the fol-*  
8 *lowing:*

9       “(i) *BALANCE AMONG CONTRACTS AWARDED.*—In de-  
10 *termining the acceptability of contract offers under this sub-*  
11 *chapter, the Secretary shall balance conservation interests*  
12 *in soil erosion, water quality, and wildlife habitat.”.*

13           (2) *REGULATIONS.*—Not later than 180 days  
14 *after the date of the enactment of this Act, the Sec-*  
15 *retary of Agriculture shall issue final regulations im-*  
16 *plementing section 1231(i) of the Food Security Act*  
17 *of 1985, as added by paragraph (1) of this subsection.*

18 **SEC. 233. DUTIES OF OWNERS AND OPERATORS.**

19       Section 1232 of the Food Security Act of 1985 (16  
20 *U.S.C. 3832) is amended—*

21           (1) *in subsection (a)—*

22                   (A) *in paragraph (3), by inserting “as de-*  
23 *scribed in section 1232(a)(7) or for other pur-*  
24 *poses” before “as permitted”;*

1           (B) in paragraph (4), by inserting “where  
2           *practicable, or maintain existing cover*” before  
3           *“on such land”*; and

4           (C) in paragraph (7), by striking “Sec-  
5           *retary—*” and all that follows and inserting  
6           *“Secretary may permit—*

7           *“(A) managed grazing and limited haying,*  
8           *in which case the Secretary shall reduce the con-*  
9           *servation reserve payment otherwise payable*  
10           *under the contract by an amount commensurate*  
11           *with the economic value of the activity;*

12           *“(B) wind turbines for the provision of*  
13           *wind energy, whether or not commercial in na-*  
14           *ture; and*

15           *“(C) land subject to the contract to be har-*  
16           *vested for recovery of biomass used in energy*  
17           *production, in which case the Secretary shall re-*  
18           *duce the conservation reserve payment otherwise*  
19           *payable under the contract by an amount com-*  
20           *mensurate with the economic value of such activ-*  
21           *ity;”*; and

22           (2) by striking subsections (c) and (d) and redesi-  
23           gnating subsection (e) as subsection (c).

1 **SEC. 234. DUTIES OF THE SECRETARY.**

2 *Section 1233 of the Food Security Act of 1985 (16*  
3 *U.S.C. 3833) is amended—*

4 *(1) in paragraph (1), by adding “and” at the*  
5 *end;*

6 *(2) in paragraph (2), by striking “; and” and*  
7 *inserting a period; and*

8 *(3) striking paragraph (3).*

9 **SEC. 235. ACCEPTANCE OF CONTRACT OFFERS.**

10 *Section 1234(c) of the Food Security Act of 1985 (16*  
11 *U.S.C. 3834(c)) is amended by striking paragraph (3).*

12 **SEC. 236. CONTRACTS.**

13 *(a) IN GENERAL.—Section 1235 of the Food Security*  
14 *Act of 1985 (16 U.S.C. 3835) is amended—*

15 *(1) in subsection (a)(1)—*

16 *(A) in subparagraph (A), by adding “or” at*  
17 *the end;*

18 *(B) by striking subparagraphs (B) and (C);*  
19 *and*

20 *(C) by redesignating subparagraph (D) and*  
21 *subparagraph (B).*

22 *(2) by adding at the end the following:*

23 *“(f) RESTORATION OF BASE.—On the expiration of a*  
24 *contract entered into under this subchapter, the Secretary*  
25 *shall restore the base, contract acreage, quota, or allotment*

1 *history applicable to the land when the contract was entered*  
 2 *into.”.*

3 (b) *CONSERVATION RESERVE PAYMENT.*—Subchapter  
 4 *B of chapter 1 of subtitle D of title XII of such Act (16*  
 5 *U.S.C. 3831–3836) is amended by striking “rental pay-*  
 6 *ment” each place it appears and inserting “conservation*  
 7 *reserve payment”.*

8 ***Subtitle E—Wetlands Reserve***  
 9 ***Program***

10 ***SEC. 241. ENROLLMENT.***

11 (a) *MAXIMUM.*—Section 1237(b) of the Food Security  
 12 Act of 1985 (16 U.S.C. 3837(b)) is amended by striking  
 13 paragraph (1) and inserting the following:

14 “(1) *ANNUAL ENROLLMENT.*—In addition to any  
 15 acres enrolled in the wetlands reserve program as of  
 16 the end of a calendar year, the Secretary may in the  
 17 succeeding calendar year enroll in the program a  
 18 number of additional acres equal to—

19 “(A) if the succeeding calendar year is cal-  
 20 endar year 2002, 150,000;

21 “(B) if the succeeding calendar year is a  
 22 calendar year after calendar year 2002—

23 “(i) 150,000; plus

24 “(ii) the amount (if any) by which  
 25 150,000, multiplied by the number of cal-

1           *endar years in the period that begins with*  
2           *calendar year 2002 and ends with the cal-*  
3           *endar year preceding such succeeding cal-*  
4           *endar year, exceeds the total number of*  
5           *acres added to the reserve during the pe-*  
6           *riod.”.*

7           **(b) METHODS.**—*Section 1237(b)(2) of such Act (16*  
8 *U.S.C. 3837(b)(2)) is amended to read as follows:*

9           **“(2) METHODS OF ENROLLMENT.**—*The Secretary*  
10          *shall enroll acreage into the wetlands reserve program*  
11          *through the use of easements, restoration cost share*  
12          *agreements, or both.”.*

13          **(c) ELIGIBILITY.**—*Section 1237 of such Act (16 U.S.C.*  
14 *3837) is amended by striking subsections (c), (d), and (e)*  
15 *and inserting the following:*

16          **“(c) PRIORITY.**—*For purposes of enrolling acreage in*  
17 *the wetlands reserve program, the Secretary shall give pri-*  
18 *ority to land that maximizes wetland functions and values.*

19          **“(d) INELIGIBLE LAND.**—*The Secretary may not ac-*  
20 *quire an easement under this chapter on land which is—*

21                 **“(1) enrolled in the conservation reserve program**  
22                 *established under subchapter B; or*

23                 **“(2) subject to a contract under the environ-**  
24                 *mental quality incentives program established by*  
25                 *chapter 4.”.*

1           (d) *CONFORMING AMENDMENTS.*—Section 1237 of such  
2 Act (16 U.S.C. 3837) is amended—

3           (1) by redesignating subsection (f) as subsection  
4 (e); and

5           (2) by striking subsection (g).

6 **SEC. 242. EASEMENTS AND AGREEMENTS.**

7           Section 1237A of the Food Security Act of 1985 (16  
8 U.S.C. 3837a) is amended—

9           (1) in subsection (b), by striking paragraph (2)  
10 and inserting the following:

11           “(2) prohibits the alteration of wildlife habitat  
12 and other natural features of such land, unless spe-  
13 cifically permitted by the plan;”;

14           (2) in subsection (e), by striking paragraph (2)  
15 and inserting the following:

16           “(2) shall be consistent with applicable State  
17 law.”;

18           (3) by striking subsections (c) and (h) and redesi-  
19 gnating subsections (d) through (g) as subsections (c)  
20 through (f), respectively.

21 **SEC. 243. DUTIES OF THE SECRETARY.**

22           Section 1237C of the Food Security Act of 1985 (16  
23 U.S.C. 3837c) is amended—

24           (1) in subsection (a)—

1           (A) by striking “shall—” and all that fol-  
2           lows through “(1)” and inserting “shall”; and

3           (B) by striking “interest;” and all that fol-  
4           lows and inserting “interest.”; and

5           (2) by striking subsection (d).

6 **SEC. 244. PAYMENT LIMITATION.**

7           Section 1237D(c)(1) of the Food Security Act of 1985  
8           (16 U.S.C. 3837d(c)(1)) is amended by striking “easement  
9           payments” and inserting “payments”.

10 **SEC. 245. CHANGES IN OWNERSHIP; AGREEMENT MODIFICA-**  
11 **TION; TERMINATION.**

12           Section 1237E(a)(2) of the Food Security Act of 1985  
13           (16 U.S.C. 3837e(a)(2)) is amended to read as follows:

14           “(2) the ownership change occurred due to fore-  
15           closure on the land and the owner of the land imme-  
16           diately before the foreclosure exercises a right of re-  
17           demption from the mortgage holder in accordance  
18           with State law, or”.

19 **Subtitle F—Environmental Quality**  
20 **Incentives Program**

21 **SEC. 251. PURPOSES.**

22           on 1240 of the Food Security Act of 1985 (16 U.S.C.  
23           3839aa) is amended—

24           (1) by striking “to—” and all that follows  
25           through “provides—” and inserting “provide—”;



1           (2) by striking “that face the most serious threats  
2 to” and inserting “to address environmental needs  
3 and provide benefits to air,”;

4           (3) by redesignating the subparagraphs (A)  
5 through (D) that follow the matter amended by para-  
6 graph (2) of this section as paragraphs (1) through  
7 (4), respectively;

8           (4) by moving each of such redesignated provi-  
9 sions 2 ems to the left; and

10           (5) by striking “farmers and ranchers” each  
11 place it appears and inserting “producers”.

12 **SEC. 252. DEFINITIONS.**

13           Section 1240A of the Food Security Act of 1985 (16  
14 U.S.C. 3839aa–1) is amended—

15           (1) in paragraph (1)—

16                   (A) by inserting “non-industrial private  
17 forest land,” before “and other land”; and

18                   (B) by striking “poses a serious threat” and  
19 all that follows and inserting “provides increased  
20 environmental benefits to air, soil, water, or re-  
21 lated resources.”;

22           (2) in paragraph (4), by inserting “, including  
23 non-industrial private forestry” before the period; and

24           (3) in paragraph (5), by striking “permanent  
25 wildlife habitat,”.

1 **SEC. 253. ESTABLISHMENT AND ADMINISTRATION.**

2 (a) *REAUTHORIZATION.*—Section 1240B(a)(1) of the  
3 *Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1))* is  
4 amended by striking “2002” and inserting “2011”.

5 (b) *TERM OF CONTRACTS.*—Section 1240B(b)(2) of  
6 such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by strik-  
7 ing “not less than 5, nor more than 10, years” and insert-  
8 ing “not less than 1 year, nor more than 10 years”.

9 (c) *STRUCTURAL PRACTICES.*—Section  
10 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa–2(c)(1)(B))  
11 is amended to read as follows:

12 “(B) achieving the purposes established  
13 under this subtitle.”.

14 (d) *ELIMINATION OF CERTAIN LIMITATIONS ON ELIGI-*  
15 *BILITY FOR COST-SHARE PAYMENTS.*—Section 1240B(e)(1)  
16 of such Act (16 U.S.C. 3839aa–2(e)(1)) is amended—

17 (1) by striking subparagraph (B) and redesign-  
18 ating subparagraph (C) as subparagraph (B); and

19 (2) in subparagraph (B) (as so redesignated), by  
20 striking “or 3”.

21 (e) *INCENTIVE PAYMENTS.*—Section 1240B of such Act  
22 (16 U.S.C. 3839aa–2) is amended—

23 (1) in subsection (e)—

24 (A) in the subsection heading, by striking “,  
25 *INCENTIVE PAYMENTS,*”; and

26 (B) by striking paragraph (2); and

1           (2) by redesignating subsection (f) as subsection  
2           (g) and inserting after subsection (e) the following:

3           “(f) *FARMLAND CONSERVATION INCENTIVE PAY-*  
4 *MENTS.—*

5           “(1) *IN GENERAL.—The Secretary may make in-*  
6 *centive payments in an amount and at a rate deter-*  
7 *mined by the Secretary to be necessary to encourage*  
8 *a producer to perform multiple land management*  
9 *practices and to promote the enhancement of soil,*  
10 *water, air, and related resources.*

11           “(2) *SPECIAL RULE.—In determining the*  
12 *amount and rate of incentive payments, the Secretary*  
13 *may accord great weight to those practices that in-*  
14 *clude residue, nutrient, pest, invasive species, and air*  
15 *quality management.”.*

16 **SEC. 254. EVALUATION OF OFFERS AND PAYMENTS.**

17           *Section 1240C of the Food Security Act of 1985 (16*  
18 *U.S.C. 3839aa–3) is amended by striking paragraphs (1)*  
19 *through (3) and inserting the following:*

20           “(1) *aid producers in complying with this title*  
21 *and Federal and State environmental laws, and en-*  
22 *courage environmental enhancement and conserva-*  
23 *tion; and*

1           “(2) maximize the beneficial usage of animal  
2           manure and other similar soil amendments which im-  
3           prove soil health, tilth, and water-holding capacity.”.

4 **SEC. 255. DUTIES OF PRODUCERS.**

5           Section 1240D of the Food Security Act of 1985 (16  
6 U.S.C. 3839aa-4) is amended by striking paragraph (2)  
7 and redesignating paragraphs (3) through (6) as para-  
8 graphs (2) through (5), respectively.

9 **SEC. 256. ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
10 **GRAM PLAN.**

11           Section 1240E(a) of the Food Security Act of 1985 (16  
12 U.S.C. 3839aa-5(a)) is amended by striking “that incor-  
13 porates such conservation practices” and all that follows  
14 and inserting “that provides or will continue to provide in-  
15 creased environmental benefits to air, soil, water, or related  
16 resources.”.

17 **SEC. 257. DUTIES OF THE SECRETARY.**

18           Section 1240F of the Food Security Act of 1985 (16  
19 U.S.C. 3839aa-6) is amended by striking paragraphs (2)  
20 and (3) and redesignating paragraphs (4) and (5) as para-  
21 graphs (2) and (3), respectively.

22 **SEC. 258. LIMITATION ON PAYMENTS.**

23           Section 1240G of the Food Security Act of 1985 (16  
24 U.S.C. 3839aa-7) is amended—

25           (1) in subsection (a)—

1           (A) in paragraph (1), by striking “\$10,000”  
2           and inserting “\$50,000”; and

3           (B) in paragraph (2), by striking  
4           “\$50,000” and inserting “\$200,000”;

5           (2) in subsection (b), by striking “the maximiza-  
6           tion of environmental benefits per dollar expended  
7           and”; and

8           (3) by striking subsection (c).

9   **SEC. 259. GROUNDWATER CONSERVATION.**

10        Section 1240H of the Food Security Act of 1985 (16  
11        U.S.C. 3839aa-8) is amended to read as follows:

12   **“SEC. 1240H. GROUNDWATER CONSERVATION.**

13        “The Secretary shall use \$60,000,000 of the funds of  
14        the Commodity Credit Corporation in each of fiscal years  
15        2002 through 2011 to provide cost-share payments and low-  
16        interest loans to encourage groundwater conservation, in-  
17        cluding irrigation system improvement, and to provide in-  
18        centive payments for capping wells, reducing use of water  
19        for irrigation, and switching from irrigation to dryland  
20        farming.”.

1                   ***Subtitle G—Funding and***  
2                   ***Administration***

3 **SEC. 261. REAUTHORIZATION.**

4           *Section 1241(a) of the Food Security Act of 1985 (16*  
5 *U.S.C. 3841(a)) is amended by striking “2002” and insert-*  
6 *ing “2011”.*

7 **SEC. 262. FUNDING.**

8           *Section 1241(b)(1) of the Food Security Act of 1985*  
9 *(16 U.S.C. 3841(b)(1)) is amended—*

10                   *(1) by striking “and” the 1st place it appears;*

11                   *and*

12                   *(2) by striking “\$130,000,000” and all that fol-*  
13 *lows through “2002” and inserting “\$200,000,000 for*  
14 *fiscal year 2001, and \$1,200,000,000 for each of fiscal*  
15 *years 2002 through 2011”.*

16 **SEC. 263. 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” and*  
19 *inserting “2011”.*

20 **SEC. 264. USE OF OTHER AGENCIES.**

21           *Section 1242(a) of the Food Security Act of 1985 (16*  
22 *U.S.C. 3842(a)) is amended to read as follows:*

23           *“(a) PRINCIPAL AGENCY.—The Secretary shall use the*  
24 *Farm Service Agency in carrying out subtitles B and C,*

1 *and subchapter B of chapter 1, and chapters 2 and 4, of*  
2 *subtitle D.”.*

3 **SEC. 265. ADMINISTRATION AND TECHNICAL ASSISTANCE.**

4 *(a) BROADENING OF EXCEPTION TO ACREAGE LIMITA-*  
5 *TION.—Section 1243(b)(2) of the Food Security Act of 1985*  
6 *(16 U.S.C. 3843(b)(2)) is amended by striking “that—”*  
7 *and all that follows and inserting “that the action would*  
8 *not adversely affect the local economy of the county.”.*

9 *(b) RULES GOVERNING PROVISION OF TECHNICAL AS-*  
10 *SISTANCE.—Section 1243(d) of the Food Security Act of*  
11 *1985 (16 U.S.C. 3843(d)) is amended to read as follows:*

12 *“(d) RULES GOVERNING PROVISION OF TECHNICAL*  
13 *ASSISTANCE.—*

14 *“(1) IN GENERAL.—The Secretary shall provide*  
15 *technical assistance under this title to a producer eli-*  
16 *gible for such assistance, by providing the assistance*  
17 *directly or, at the option of the producer, through an*  
18 *approved third party if available.*

19 *“(2) AMOUNT.—The Secretary shall determine*  
20 *the amount of technical assistance to be provided to*  
21 *a producer under this title, and on making the deter-*  
22 *mination, shall make the necessary funds available*  
23 *to—*

1           “(A) if the producer has selected an ap-  
2 proved third party to provide the assistance,  
3 such approved third party; or

4           “(B) otherwise, the Natural Resources Con-  
5 servation Service.

6           “(3) FUNDING SOURCE; LIMITATION.—

7           “(A) USE OF CCC FUNDS.—Subject to sub-  
8 paragraph (B), the Secretary may use not more  
9 than \$100,000,000 of funds of the Commodity  
10 Credit Corporation for each of fiscal years 2002  
11 through 2011 to carry out this subsection.

12           “(B) LIMITATION.—The total amount ex-  
13 pended under this subsection for fiscal years  
14 2002 through 2011 may not exceed \$850,000,000.

15           “(4) CERTIFICATION OF THIRD-PARTY PRO-  
16 VIDERS.—

17           “(A) IN GENERAL.—Not later than 6  
18 months after the date of the enactment of this  
19 Act, the Secretary of Agriculture shall, by regula-  
20 tion, establish a system for approving persons to  
21 provide technical assistance pursuant to this  
22 title. In the system, the Secretary shall give pri-  
23 ority to a person who has a memorandum of un-  
24 derstanding regarding the provision of technical



1           *assistance in place with the Secretary before the*  
2           *date of the enactment of this subsection.*

3           “(B) *EXPERTISE REQUIRED.*—*In pre-*  
4           *scribing such regulations, the Secretary shall en-*  
5           *sure that persons with expertise in the technical*  
6           *aspects of conservation planning, watershed*  
7           *planning, environmental engineering, including*  
8           *commercial entities, nonprofit entities, State or*  
9           *local governments or agencies, and other Federal*  
10           *agencies, are eligible to become approved pro-*  
11           *viders of such technical assistance.”.*

12           (c) *DUTY OF SECRETARY.*—

13           (1) *IN GENERAL.*—*Section 1770(d) of such Act*  
14           *(7 U.S.C. 2276(d)) is amended—*

15           (A) *by striking “or” at the end of para-*  
16           *graph (9);*

17           (B) *by striking the period at the end of*  
18           *paragraph (11) and inserting “; or”; and*

19           (C) *by adding at the end the following:*

20           *“(12) title XII of this Act.”.*

21           (2) *CONFORMING AMENDMENTS.*—*Section*  
22           *1770(e) of such Act (7 U.S.C. 2276(e)) is amended—*

23           (A) *by striking the subsection heading and*  
24           *inserting “EXCEPTIONS”; and*

1           (B) by inserting “, or as necessary to carry  
2           out a program under title XII of this Act as de-  
3           termined by the Secretary” before the period.

4           (d) CONFORMING AMENDMENTS.—

5           (1) HIGHLY ERODIBLE LAND CONSERVATION.—  
6           Section 1213(e) of such Act (16 U.S.C. 3812a(e)) is  
7           amended to read as follows:

8           “(e) TECHNICAL ASSISTANCE.—A producer who is sub-  
9           ject to this subtitle shall be eligible to receive technical as-  
10          sistance in accordance with section 1243(d) throughout the  
11          development, revision, and application of the conservation  
12          plan and any conservation system of the producer.”.

13          (2) CONSERVATION RESERVE PROGRAM.—Section  
14          1233 of such Act (16 U.S.C. 3833) is amended—

15                 (A) by inserting “(a) IN GENERAL.—” be-  
16                 fore “In return”;

17                 (B) by adding “and” at the end of para-  
18                 graph (1);

19                 (C) by striking “; and” at the end of para-  
20                 graph (2)(B) and inserting a period;

21                 (D) by striking paragraph (3); and

22                 (E) by adding after and below the end the  
23                 following:

24                 “(b) TECHNICAL ASSISTANCE.—An owner or operator  
25                 who is participating in the program under this subtitle

1 *shall be eligible to receive technical assistance in accordance*  
2 *with section 1243(d) to assist the owner or operator in car-*  
3 *rying out a contract entered into under section 1232.”.*

4 (3) *WETLANDS RESERVE PROGRAM.—Section*  
5 *1237C(b) of such Act (16 U.S.C. 3837c(b)) is*  
6 *amended—*

7 (A) *in the subsection heading, by striking*  
8 *“AND TECHNICAL ASSISTANCE”;* and

9 (B) *by striking paragraph (3) and inserting*  
10 *the following:*

11 “(2) *TECHNICAL ASSISTANCE.—A producer who*  
12 *is participating in the program under this subtitle*  
13 *shall be eligible to receive technical assistance in ac-*  
14 *cordance with section 1243(d) to assist the producer*  
15 *in complying with the terms of easements and res-*  
16 *toration cost share agreements under this sub-*  
17 *chapter.”.*

18 (4) *ENVIRONMENTAL QUALITY INCENTIVES PRO-*  
19 *GRAM.—*

20 (A) *IN GENERAL.—Section 1240B of such*  
21 *Act (16 U.S.C. 3839aa-2) is amended—*

22 (i) *in subsection (a)(1), by striking*  
23 *“technical assistance,”;* and

24 (ii) *in subsection (e)—*

1                   (I) in the subsection heading, by  
2                   striking “AND TECHNICAL ASSIST-  
3                   ANCE”; and

4                   (II) by striking paragraph (3)  
5                   and inserting the following:

6                   “(2) TECHNICAL ASSISTANCE.—A producer who  
7                   is participating in the program under this subtitle  
8                   shall be eligible to receive technical assistance in ac-  
9                   cordance with section 1243(d) to assist the producer  
10                  in writing and developing proposals and plans for  
11                  contracts under this chapter, and in the implementa-  
12                  tion of structural practices and land management  
13                  practices covered by such contracts.”.

14                  (B) CONFORMING AMENDMENTS.—Section  
15                  1241(b) of such Act (16 U.S.C. 3841(b)) is  
16                  amended—

17                         (i) in paragraph (1), by striking “tech-  
18                         nical assistance,”; and

19                         (ii) in paragraph (2), by striking  
20                         “technical assistance” and all that follows  
21                         through “education” and inserting “cost-  
22                         share payments and incentive payments”.

1           ***Subtitle H—Other Programs***

2   ***SEC. 271. WILDLIFE HABITAT INCENTIVES PROGRAM.***

3           *Section 387(c) of the Federal Agriculture Improvement*  
4 *and Reform Act of 1996 (16 U.S.C. 3836a(c)) is amended*  
5 *to read as follows:*

6           “(c) *FUNDING.—To carry out this section, there shall*  
7 *be made available \$25,000,000 for each of fiscal years 2002*  
8 *through 2011, from funds made available from the Com-*  
9 *modity Credit Corporation.”.*

10 ***SEC. 272. FARMLAND PROTECTION PROGRAM.***

11           (a) *CONSERVATION OF HISTORIC AND ARCHAEOLOGICAL*  
12 *RESOURCES.—Section 388(a) of the Federal Ag-*  
13 *riculture Improvement and Reform Act of 1996 (16 U.S.C.*  
14 *3830 note) is amended by inserting “, or agricultural land*  
15 *that contains historic or archeological resources,” after*  
16 *“other productive soil”.*

17           (b) *FUNDING.—Section 388(c) of such Act (16 U.S.C.*  
18 *3830 note) is amended to read as follows:*

19           “(c) *FUNDING.—The Secretary shall use not more than*  
20 *\$50,000,000 of the funds of the Commodity Credit Corpora-*  
21 *tion in each of fiscal years 2002 through 2011 to carry out*  
22 *this section.”.*

1 **SEC. 273. RESOURCE CONSERVATION AND DEVELOPMENT**  
2 **PROGRAM.**

3 (a) *PURPOSE.*—Section 1528 of the Agriculture and  
4 Food Act of 1981 (16 U.S.C. 3451) is amended—

5 (1) by striking the section heading and all that  
6 follows through “SEC. 1528. It is the purpose” and  
7 inserting the following:

8 **“SEC. 1528. STATEMENT OF PURPOSE.**

9 “It is the purpose”; and

10 (2) by inserting “through designated RC&D  
11 councils” before “in rural areas”.

12 (b) *DEFINITIONS.*—Section 1529 of such Act (16  
13 U.S.C. 3452) is amended—

14 (1) by striking the section heading and all that  
15 follows through “SEC. 1529. As used in this subtitle—  
16 ” and inserting the following:

17 **“SEC. 1529. DEFINITIONS.**

18 “In this title:”;

19 (2) in paragraph (1)—

20 (A) in the matter preceding subparagraph  
21 (A), by inserting “RC&D council” before “area  
22 plan”;

23 (B) in subparagraph (B), by striking  
24 “through control of nonpoint sources of pollu-  
25 tion”;

26 (C) in subparagraph (C)—

1                   (i) by striking “natural resources  
2                   based” and inserting “resource-based”;

3                   (ii) by striking “development of aqua-  
4                   culture,”;

5                   (iii) by striking “and satisfaction” and  
6                   inserting “satisfaction”; and

7                   (iv) by inserting “food security, eco-  
8                   nomic development, and education” before  
9                   the semicolon; and

10                  (D) in subparagraph (D), by striking  
11                  “other” and inserting “land management”;

12                  (3) in paragraph (3), by striking “any State,  
13                  local unit of government, or local nonprofit organiza-  
14                  tion” and inserting “the designated RC&D council”;

15                  (4) by striking paragraphs (4) through (6) and  
16                  inserting the following:

17                  “(4)(A) The term ‘financial assistance’ means  
18                  the Secretary may—

19                         “(i) provide funds directly to RC&D coun-  
20                         cils or associations of RC&D councils through  
21                         grants, cooperative agreements, and interagency  
22                         agreements that directly implement RC&D area  
23                         plans; and

24                         “(ii) may join with other federal agencies  
25                         through interagency agreements and other ar-

1           *rangements as needed to carry out the program’s*  
2           *purpose.*

3           “(B) *Funds may be used for such things as—*

4                   “(i) *technical assistance;*

5                   “(ii) *financial assistance in the form of*  
6                   *grants for planning, analysis and feasibility*  
7                   *studies, and business plans;*

8                   “(iii) *training and education; and*

9                   “(iv) *all costs associated with making such*  
10                  *services available to RC&D councils or RC&D*  
11                  *associations.*

12                  “(5) *The term ‘RC&D council’ means the respon-*  
13                  *sible leadership of the RC&D area. RC&D councils*  
14                  *and associations are non-profit entities whose mem-*  
15                  *bers are volunteers and include local civic and elected*  
16                  *officials. Affiliations of RC&D councils are formed in*  
17                  *states and regions.”;*

18                  (5) *in paragraph (8), by inserting “and federally*  
19                  *recognized Indian tribes” before the period;*

20                  (6) *in paragraph (9), by striking “works of im-*  
21                  *provement” and inserting “projects”;*

22                  (7) *by redesignating paragraphs (7) through (9)*  
23                  *as paragraphs (6) through (8), respectively; and*

24                  (8) *by striking paragraph (10) and inserting the*  
25                  *following:*



1           “(9) *The term ‘project’ means any action taken*  
2           *by a designated RC&D council that achieves any of*  
3           *the elements identified under paragraph (1).”.*

4           (c) *ESTABLISHMENT AND SCOPE.—Section 1530 of*  
5           *such Act (16 U.S.C. 3453) is amended—*

6           (1) *by striking the section heading and all that*  
7           *follows through “SEC. 1530. The Secretary” and in-*  
8           *serting the following:*

9           **“SEC. 1530. ESTABLISHMENT AND SCOPE.**

10          *“The Secretary”; and*

11          (2) *by striking “the technical and financial as-*  
12          *sistance necessary to permit such States, local units*  
13          *of government, and local nonprofit organizations”*  
14          *and inserting “through designated RC&D councils the*  
15          *technical and financial assistance necessary to permit*  
16          *such RC&D Councils”.*

17          (d) *SELECTION OF DESIGNATED AREAS.—Section*  
18          *1531 of such Act (16 U.S.C. 3454) is amended by striking*  
19          *the section heading and all that follows through “SEC. 1531.*  
20          *The Secretary” and inserting the following:*

21          **“SEC. 1531. SELECTION OF DESIGNATED AREAS.**

22          *“The Secretary”.*

23          (e) *AUTHORITY OF SECRETARY.—Section 1532 of such*  
24          *Act (16 U.S.C. 3455) is amended—*

1           (1) *by striking the section heading and all that*  
2           *follows through “SEC. 1532. In carrying” and insert-*  
3           *ing the following:*

4   **“SEC. 1532. AUTHORITY OF SECRETARY.**

5           *“In carrying”;*

6           (2) *in each of paragraphs (1) and (3)—*

7                 (A) *by striking “State, local unit of govern-*  
8                 *ment, or local nonprofit organization” and in-*  
9                 *serting “RC&D council”; and*

10                (B) *by inserting “RC&D council” before*  
11                *“area plan”;*

12           (3) *in paragraph (2), by inserting “RC&D coun-*  
13           *cil” before “area plans”; and*

14           (4) *in paragraph (4), by striking “States, local*  
15           *units of government, and local nonprofit organiza-*  
16           *tions” and inserting “RC&D councils or affiliations*  
17           *of RC&D councils”.*

18           (f) *TECHNICAL AND FINANCIAL ASSISTANCE.—Section*  
19    1533 *of such Act (16 U.S.C. 3456) is amended—*

20                (1) *by striking the section heading and all that*  
21                *follows through “SEC. 1533. (a) Technical” and in-*  
22                *serting the following:*

23    **“SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.**

24           *“(a) Technical”;*

25           (2) *in subsection (a)—*

1           (A) by striking “State, local unit of govern-  
2           ment, or local nonprofit organization to assist in  
3           carrying out works of improvement specified in  
4           an” and inserting “RC&D councils or affil-  
5           iations of RC&D councils to assist in carrying  
6           out a project specified in a RC&D council”;

7           (B) in paragraph (1)—

8                 (i) by striking “State, local unit of  
9                 government, or local nonprofit organiza-  
10                tion” and inserting “RC&D council or affil-  
11                iate”; and

12               (ii) by striking “works of improve-  
13               ment” each place it appears and inserting  
14               “project”;

15           (C) in paragraph (2)—

16                 (i) by striking “works of improvement”  
17                 and inserting “project”; and

18                 (ii) by striking “State, local unit of  
19                 government, or local nonprofit organiza-  
20                 tion” and inserting “RC&D council”;

21           (C) in paragraph (3), by striking “works of  
22           improvement” and all that follows and inserting  
23           “project concerned is necessary to accomplish  
24           and RC&D council area plan objective”;

1           (D) in paragraph (4), by striking “the  
2           works of improvement provided for in the” and  
3           inserting “the project provided for in the RC&D  
4           council”;

5           (E) in paragraph (5), by inserting “feder-  
6           ally recognized Indian tribe” before “or local”  
7           each place it appears; and

8           (F) in paragraph (6), by inserting “RC&D  
9           council” before “area plan”;

10          (3) in subsection (b), by striking “works of im-  
11          provement” and inserting “project”; and

12          (4) in subsection (c), by striking “any State,  
13          local unit of government, or local nonprofit organiza-  
14          tion to carry out any” and inserting “RC&D council  
15          to carry out any RC&D council”.

16          (g) *RESOURCE CONSERVATION AND DEVELOPMENT*  
17 *POLICY BOARD.*—Section 1534(b) of such Act (16 U.S.C.  
18 3457(b)) is amended—

19               (1) by striking the section heading and all that  
20               follows through “SEC. 1534. (a) The Secretary” and  
21               inserting the following:

22               **“SEC. 1534. RESOURCE CONSERVATION AND DEVELOPMENT**  
23               **POLICY BOARD.**

24               “(a) The Secretary”; and

25               (2) by striking “seven”.

1       (h) *PROGRAM EVALUATION.*—Section 1535 of such Act  
2 (16 U.S.C. 3458) is amended—

3           (1) by striking the section heading and all that  
4 follows through “SEC. 1535. The Secretary” and in-  
5 serting the following:

6 **“SEC. 1535. PROGRAM EVALUATION.**

7       *“The Secretary”;*

8           (2) by inserting “with assistance from RC&D  
9 councils” before “provided”;

10          (3) by inserting “federally recognized Indian  
11 tribes,” before “local units”; and

12          (4) by striking “1986” and inserting “2007”.

13       (i) *LIMITATION ON ASSISTANCE.*—Section 1536 of such  
14 Act (16 U.S.C. 3458) is amended by striking the section  
15 heading and all that follows through “SEC. 1536. The pro-  
16 gram” and inserting the following:

17 **“SEC. 1536. LIMITATION ON ASSISTANCE.**

18       *“The program”.*

19       (j) *SUPPLEMENTAL AUTHORITY OF THE SEC-*  
20 *RETARY.*—Section 1537 of such Act (16 U.S.C. 3460) is  
21 amended—

22          (1) by striking the section heading and all that  
23 follows through “SEC. 1537. The authority” and in-  
24 serting the following:

1 **“SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.**

2 *“The authority”*; and

3 (2) by striking *“States, local units of govern-*  
4 *ment, and local nonprofit organizations”* and insert-  
5 *ing “RC&D councils”*.

6 (i) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
7 1538 of such Act (16 U.S.C. 3461) is amended—

8 (1) by striking the section heading and all that  
9 follows through *“SEC. 1538. There are”* and inserting  
10 the following:

11 **“SEC. 1537. AUTHORIZATION OF APPROPRIATIONS.**

12 *“There are”*; and

13 (2) by striking *“for each of the fiscal years 1996*  
14 *through 2002”*.

15 **SEC. 274. GRASSLAND RESERVE PROGRAM.**

16 Chapter 1 of subtitle D of title XII of the Food Security  
17 Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding  
18 at the end the following:

19 **“Subchapter D—Grassland Reserve Program**

20 **“SEC. 1238. GRASSLAND RESERVE PROGRAM.**

21 *“(a) ESTABLISHMENT.—The Secretary, acting through*  
22 *the Farm Service Agency, shall establish a grassland reserve*  
23 *program (referred to in this subchapter as the ‘program’)*  
24 *to assist owners in restoring and conserving eligible land*  
25 *described in subsection (c).*

26 *“(b) ENROLLMENT CONDITIONS.—*

1           “(1) *MAXIMUM ENROLLMENT.*—*The total number*  
2 *of acres enrolled in the program shall not exceed*  
3 *2,000,000 acres, not more than 1,000,000 of which*  
4 *shall be restored grassland, and not more than*  
5 *1,000,000 of which shall be virgin (never cultivated)*  
6 *grassland.*

7           “(2) *METHODS OF ENROLLMENT.*—*The Secretary*  
8 *shall enroll in the program for a willing owner not*  
9 *less than 100 contiguous acres of land west of the 90th*  
10 *meridian or not less than 50 contiguous acres of land*  
11 *east of the 90th meridian through 10-year, 15-year, or*  
12 *20-year contracts.*

13           “(c) *ELIGIBLE LAND.*—*Land shall be eligible to be en-*  
14 *rolled in the program if the Secretary determines that—*

15           “(1) *the land is natural grass or shrubland; or*

16           “(2) *the land—*

17           “(A) *is located in an area that has been his-*  
18 *torically dominated by natural grass or*  
19 *shrubland; and*

20           “(B) *has potential to serve as habitat for*  
21 *animal or plant populations of significant eco-*  
22 *logical value if the land is restored to natural*  
23 *grass or shrubland.*

1 **“SEC. 1238A. CONTRACTS AND AGREEMENTS.**

2       “(a) *REQUIREMENTS OF LANDOWNER.*—*To be eligible*  
3 *to enroll land in the program, the owner of the land shall—*

4               “(1) *agree to comply with the terms of the con-*  
5 *tract and related restoration agreements; and*

6               “(2) *agree to the suspension of any existing crop-*  
7 *land base and allotment history for the land under*  
8 *any program administered by the Secretary.*

9       “(b) *TERMS OF CONTRACT.*—*A contract under sub-*  
10 *section (a) shall—*

11               “(1) *permit—*

12                       “(A) *common grazing practices on the land*  
13 *in a manner that is consistent with maintaining*  
14 *the viability of natural grass and shrub species*  
15 *indigenous to that locality;*

16                       “(B) *haying, mowing, or haying for seed*  
17 *production, except that such uses shall not be*  
18 *permitted until after the end of the nesting sea-*  
19 *son for birds in the local area which are in sig-*  
20 *nificant decline or are conserved pursuant to*  
21 *State or Federal law, as determined by the Nat-*  
22 *ural Resources Conservation Service State con-*  
23 *servationist; and*

24                       “(C) *construction of fire breaks and fences,*  
25 *including placement of the posts necessary for*  
26 *fences;*



1           “(2) prohibit—

2                   “(A) the production of any agricultural  
3 commodity (other than hay); and

4                   “(B) unless allowed under subsection (d),  
5 the conduct of any other activity that would dis-  
6 turb the surface of the land covered by the con-  
7 tract; and

8           “(3) include such additional provisions as the  
9 Secretary determines are appropriate to carry out or  
10 facilitate the administration of this subchapter.

11           “(c) *RANKING CONTRACT APPLICATIONS.*—

12                   “(1) *ESTABLISHMENT OF CRITERIA.*—The Sec-  
13 retary shall establish criteria to evaluate and rank  
14 applications for contracts under this subchapter.

15                   “(2) *EMPHASIS.*—In establishing the criteria, the  
16 Secretary shall emphasize support for native grass  
17 and shrubland, grazing operations, and plant and  
18 animal biodiversity.

19           “(d) *RESTORATION AGREEMENTS.*—The Secretary  
20 shall prescribe the terms by which grassland that is subject  
21 to a contract under the program shall be restored. The  
22 agreement shall include duties of the land owner and the  
23 Secretary, including the Federal share of restoration pay-  
24 ments and technical assistance.

1       “(e) *VIOLATIONS.*—*On the violation of the terms or*  
2 *conditions of a contract or restoration agreement entered*  
3 *into under this section—*

4               “(1) *the contract shall remain in force; and*

5               “(2) *the Secretary may require the owner to re-*  
6 *fund all or part of any payments received by the*  
7 *owner under this subchapter, with interest on the*  
8 *payments as determined appropriate by the Sec-*  
9 *retary.*

10   **“SEC. 1238B. DUTIES OF SECRETARY.**

11       “(a) *IN GENERAL.*—*In return for the granting of a*  
12 *contract by an owner under this subchapter, the Secretary*  
13 *shall make contract payments and payments of the Federal*  
14 *share of restoration and provide technical assistance to the*  
15 *owner in accordance with this section.*

16       “(b) *CONTRACT PAYMENTS.*—*In return for the grant-*  
17 *ing of contract by an owner under this subchapter, the Sec-*  
18 *retary shall make annual contract payments to the owner*  
19 *in an amount that is not more than 75 percent of the graz-*  
20 *ing value of the land.*

21       “(c) *FEDERAL SHARE OF RESTORATION.*—*The Sec-*  
22 *retary shall make payments to the owner of not more*  
23 *than—*

24               “(1) *in the case of virgin (never cultivated)*  
25 *grassland, 90 percent of the costs of carrying out*

1       *measures and practices necessary to restore grassland*  
2       *functions and values; or*

3               “(2) *in the case of restored grassland, 75 percent*  
4       *of such costs.*”

5       “(d) *TECHNICAL ASSISTANCE.—A landowner who is*  
6       *receiving a benefit under this subchapter shall be eligible*  
7       *to receive technical assistance in accordance with section*  
8       *1243(d) to assist the owner or operator in carrying out a*  
9       *contract entered into under this subchapter.*”

10       “(e) *PAYMENTS TO OTHERS.—If an owner who is enti-*  
11       *tled to a payment under this subchapter dies, becomes in-*  
12       *competent, is otherwise unable to receive the payment, or*  
13       *is succeeded by another person who renders or completes the*  
14       *required performance, the Secretary shall make the pay-*  
15       *ment, in accordance with regulations promulgated by the*  
16       *Secretary and without regard to any other provision of law,*  
17       *in such manner as the Secretary determines is fair and rea-*  
18       *sonable in light of all the circumstances.”.*

19       **SEC. 275. FARMLAND STEWARDSHIP PROGRAM.**

20       *Subtitle D of title XII of the Food Security Act of 1985*  
21       *(16 U.S.C. 3830–3839bb) is amended by inserting after*  
22       *chapter 1 (and the matter added by section 274 of this Act)*  
23       *the following:*

1    **“CHAPTER 2—FARMLAND STEWARDSHIP**  
2                                    **PROGRAM**

3    **“SEC. 1239. DEFINITIONS.**

4            *“In this chapter:*

5                    *“(1) AGREEMENT.—The terms ‘farmland stew-*  
6                    *ardship agreement’ and ‘agreement’ mean a steward-*  
7                    *ship contract authorized by this chapter.*

8                    *“(2) CONTRACTING AGENCY.—The term ‘con-*  
9                    *tracting agency’ means a local conservation district,*  
10                    *resource conservation and development council, local*  
11                    *office of the Department of Agriculture, other partici-*  
12                    *parting government agency, or other nongovernmental*  
13                    *organization that is designated by the Secretary to*  
14                    *enter into farmland stewardship agreements on behalf*  
15                    *of the Secretary.*

16                    *“(3) ELIGIBLE AGRICULTURAL LANDS.—The*  
17                    *term ‘eligible agricultural lands’ means private lands*  
18                    *that are in primarily native or natural condition or*  
19                    *are classified as cropland, pastureland, grazing lands,*  
20                    *timberlands, or other lands as specified by the Sec-*  
21                    *retary that—*

22                            *“(A) contain wildlife habitat, wetlands, or*  
23                            *other natural resources; or*

24                            *“(B) provide benefits to the public at large,*  
25                            *such as—*

1                   “(i) conservation of soil, water, and re-  
2                   lated resources;

3                   “(ii) water quality protection or im-  
4                   provement;

5                   “(iii) control of invasive and exotic  
6                   species;

7                   “(iv) wetland restoration, protection,  
8                   and creation; and

9                   “(v) wildlife habitat development and  
10                  protection;

11                  “(vi) preservation of open spaces, or  
12                  prime, unique, or other productive farm  
13                  lands; and

14                  “(vii) and other similar conservation  
15                  purposes.

16                  “(4) *FARMLAND STEWARDSHIP PROGRAM; PRO-*  
17                  *GRAM.—The terms ‘Farmland Stewardship Program’*  
18                  *and ‘Program’ mean the conservation program of the*  
19                  *Department of Agriculture established by this chapter.*

20                  **“SEC. 1239A. ESTABLISHMENT AND PURPOSE OF PROGRAM.**

21                  “(a) *ESTABLISHMENT.—The Secretary shall establish*  
22                  *a conservation program of the Department of Agriculture,*  
23                  *to be known as the Farmland Stewardship Program, that*  
24                  *is designed to more precisely tailor and target existing con-*  
25                  *servations programs to the specific conservation needs and*

1 *opportunities presented by individual parcels of eligible ag-*  
2 *ricultural lands.*

3       “(b) *RELATION TO OTHER CONSERVATION PRO-*  
4 *GRAMS.—Under the Farmland Stewardship Program, the*  
5 *Secretary may implement, or combine together, the features*  
6 *of—*

7               “(1) *the Wetlands Reserve Program;*

8               “(2) *the Wildlife Habitat Incentives Program;*

9               “(3) *the Forest Land Enhancement Program;*

10              “(4) *the Farmland Protection Program; or*

11              “(5) *other conservation programs administered*  
12 *by other Federal agencies and State and local govern-*  
13 *ment entities, where feasible and with the consent of*  
14 *the administering agency or government.*

15       “(c) *FUNDING SOURCES.—*

16              “(1) *IN GENERAL.—The Farmland Stewardship*  
17 *Program and agreements under the Program shall be*  
18 *funded by the Secretary using—*

19                      “(A) *the funding authorities of the conserva-*  
20 *tion programs that are implemented in whole, or*  
21 *in part, through the use of agreements or ease-*  
22 *ments; and*

23                      “(B) *such funds as are provided to carry*  
24 *out the programs specified in paragraphs (1)*  
25 *through (4) of subsection (b).*



1 *to maintain and protect for the natural and agricultural*  
2 *resources on the lands.*

3 “(b) *BASIC PURPOSES.*—*An agreement with the owner*  
4 *or operator of eligible agricultural lands shall be used—*

5 “(1) *to negotiate a mutually agreeable set of*  
6 *guidelines, practices, and procedures under which*  
7 *conservation practices will be provided by the owner*  
8 *or operator to protect, maintain, and, where possible,*  
9 *improve, the natural resources on the lands covered by*  
10 *the agreement in return for annual payments to the*  
11 *owner or operator;*

12 “(2) *to implement a conservation program or se-*  
13 *ries of programs where there is no such program or*  
14 *to implement conservation management activities*  
15 *where there is no such activity; and*

16 “(3) *to expand conservation practices and re-*  
17 *source management activities to a property where it*  
18 *is not possible at the present time to negotiate or*  
19 *reach agreement on a public purchase of a fee-simple*  
20 *or less-than-fee interest in the property for conserva-*  
21 *tion purposes.*

22 “(c) *MODIFICATION OF OTHER CONSERVATION PRO-*  
23 *GRAM ELEMENTS.*—*If most, but not all, of the limitations,*  
24 *conditions, and requirements of a conservation program*  
25 *that is implemented in whole, or in part, through the Farm-*



1 *land Stewardship Program are met with respect to a parcel*  
2 *of eligible agricultural lands, and the purposes to be*  
3 *achieved by the agreement to be entered into for such lands*  
4 *are consistent with the purposes of the conservation pro-*  
5 *gram, then the Secretary may waive any remaining limita-*  
6 *tions, conditions, or requirements of the conservation pro-*  
7 *gram that would otherwise prohibit or limit the agreement.*

8       “(d) *STATE AND LOCAL CONSERVATION PRIORITIES.—*  
9 *To the maximum extent practicable, agreements shall ad-*  
10 *dress the conservation priorities established by the State*  
11 *and locality in which the eligible agricultural lands are lo-*  
12 *cated.*

13       “(e) *WATERSHED ENHANCEMENT.—To the extent*  
14 *practicable, the Secretary shall encourage the development*  
15 *of Farmland Stewardship Program applications on a wa-*  
16 *tershed basis.*

17 **“SEC. 1239C. PARTNERSHIP APPROACH TO PROGRAM.**

18       “(a) *AUTHORITY OF SECRETARY EXERCISED*  
19 *THROUGH PARTNERSHIPS.—The Secretary may admin-*  
20 *ister agreements under the Farmland Stewardship Program*  
21 *in partnership with other Federal, State, and local agencies*  
22 *whose programs are incorporated into the Program under*  
23 *section 1239A.*

24       “(b) *DESIGNATION AND USE OF CONTRACTING AGEN-*  
25 *CIES.—Subject to subsection (c), the Secretary may author-*

1 *ize a local conservation district, resource conservation & de-*  
2 *velopment district, nonprofit organization, or local office of*  
3 *the Department of Agriculture or other participating gov-*  
4 *ernment agency to enter into and administer agreements*  
5 *under the Program as a contracting agency on behalf of*  
6 *the Secretary.*

7       “(c) *CONDITIONS ON DESIGNATION.—The Secretary*  
8 *may designate an eligible district or office as a contracting*  
9 *agency under subsection (b) only if the district or office—*

10               “(1) *submits a written request for such designa-*  
11 *tion to the Secretary;*

12               “(2) *affirms that it is willing to follow all guide-*  
13 *lines for executing and administering an agreement,*  
14 *as promulgated by the Secretary;*

15               “(3) *demonstrates to the satisfaction of the Sec-*  
16 *retary that it has established working relationships*  
17 *with owners and operators of eligible agricultural*  
18 *lands, and based on the history of these working rela-*  
19 *tionships, demonstrates that it has the ability to work*  
20 *with owners and operators of eligible agricultural*  
21 *lands in a cooperative manner;*

22               “(4) *affirms its responsibility for preparing all*  
23 *documentation for the agreement, negotiating its*  
24 *terms with an owner or operator, monitoring compli-*  
25 *ance, making annual reports to the Secretary, and*

1       *administering the agreement throughout its full term;*  
2       *and*

3               “(5) *demonstrates to the satisfaction of the Sec-*  
4       *retary that it has or will have the necessary staff re-*  
5       *sources and expertise to carry out its responsibilities*  
6       *under paragraphs (3) and (4).*

7       **“SEC. 1239D. PARTICIPATION OF OWNERS AND OPERATORS**  
8               **OF ELIGIBLE AGRICULTURAL LANDS.**

9               “(a) *APPLICATION AND APPROVAL PROCESS.—To par-*  
10       *ticipate in the Farmland Stewardship Program, an owner*  
11       *or operator of eligible agricultural lands shall—*

12               “(1) *submit to the Secretary an application in-*  
13       *dicating interest in the Program and describing the*  
14       *owner’s or operator’s property, its resources, and their*  
15       *ecological and agricultural values;*

16               “(2) *submit to the Secretary a list of services to*  
17       *be provided, a management plan to be implemented,*  
18       *or both, under the proposed agreement;*

19               “(3) *if the application and list are accepted by*  
20       *the Secretary, enter into an agreement that details the*  
21       *services to be provided, management plan to be imple-*  
22       *mented, or both, and requires compliance with the*  
23       *other terms of the agreement.*

24               “(b) *APPLICATION ON BEHALF OF AN OWNER OR OP-*  
25       *ERATOR.—A designated contracting agency may submit the*

1 *application required by subsection (a) on behalf of an owner*  
 2 *or operator by if the contracting agency has secured the con-*  
 3 *sent of the owner or operator to enter into an agreement.”.*

4 **SEC. 276. SMALL WATERSHED REHABILITATION PROGRAM.**

5 *Section 14(h) of the Watershed Protection and Flood*  
 6 *Prevention Act (16 U.S.C. 1012(h)) is amended—*

7 *(1) by adding “and” at the end of paragraph*  
 8 *(1); and*

9 *(2) by striking all that follows paragraph (1)*  
 10 *and inserting the following:*

11 *“(2) \$15,000,000 for fiscal year 2002 and each*  
 12 *succeeding fiscal year.”.*

13 ***Subtitle I—Availability of Funds***

14 **SEC. 281. AVAILABILITY OF FUNDS APPROPRIATED PURSU-**  
 15 **ANT TO THE SOIL CONSERVATION AND DO-**  
 16 **MESTIC ALLOTMENT ACT.**

17 *Section 6 of the Soil Conservation and Domestic Allot-*  
 18 *ment Act (16 U.S.C. 590f) is amended—*

19 *(1) in the 1st undesignated paragraph, by insert-*  
 20 *ing “(a)” before “There”;*

21 *(2) in the 2nd undesignated paragraph, by in-*  
 22 *serting “(b)” before “Appropriations”; and*

23 *(3) by adding at the end the following:*

24 *“(c) Funds made available to carry out the purposes*  
 25 *of this Act may be used, to the extent determined by the*

1 *Secretary of Agriculture to be necessary, by the agency of*  
 2 *the Department of Agriculture to which the funds are ap-*  
 3 *propriated, to provide technical assistance to owners and*  
 4 *operators of land to achieve the objectives of any conserva-*  
 5 *tion program administered by the Secretary of Agri-*  
 6 *culture.”.*

## 7 ***Subtitle J—Repeals***

### 8 ***SEC. 291. PROVISIONS OF THE FOOD SECURITY ACT OF 1985.***

9 *(a) WETLANDS MITIGATION BANKING PROGRAM.—*  
 10 *Section 1222 of the Food Security Act of 1985 (16 U.S.C.*  
 11 *3822) is amended by striking subsection (k).*

12 *(b) PAYMENT LIMITATIONS UNDER THE CONSERVA-*  
 13 *TION RESERVE PROGRAM.—Section 1234(f) of such Act (16*  
 14 *U.S.C. 3837d(c)) is amended by striking paragraph (3).*

15 *(c) BASE HISTORY PROVISION.—*

16 *(1) REPEAL.—Section 1236 of such Act (16*  
 17 *U.S.C. 3836) is repealed.*

18 *(2) CONFORMING AMENDMENT.—Section*  
 19 *1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is*  
 20 *amended by striking “in addition to the remedies pro-*  
 21 *vided under section 1236(d),”.*

22 *(d) PAYMENT LIMITATIONS UNDER THE WETLANDS*  
 23 *RESERVE PROGRAM.—Section 1237D(c) of such Act (16*  
 24 *U.S.C. 3837d(c)) is amended by striking paragraph (3).*

25 *(e) ENVIRONMENTAL EASEMENT PROGRAM.—*

1           (1) *REPEAL*.—Chapter 3 of subtitle D of title  
2       *XII of such Act (16 U.S.C. 3839–3839d) is repealed.*

3           (2)       *CONFORMING        AMENDMENT*.—Section  
4       1243(a)(3) of such Act (16 U.S.C. 3843(a)(3)) is  
5       amended by striking “or 3”.

6           (f) *CONSERVATION FARM OPTION*.—Chapter 5 of sub-  
7       title D of title XII of such Act (16 U.S.C. 3839bb) is re-  
8       pealed.

9           (g) *TREE PLANTING INITIATIVE*.—Section 1256 of such  
10      Act (16 U.S.C. 2101 note) is repealed.

11   **SEC. 292. NATIONAL NATURAL RESOURCES CONSERVATION**  
12                           **FOUNDATION ACT.**

13        Subtitle F of title III of the Federal Agriculture Im-  
14       provement and Reform Act of 1996 (16 U.S.C. 5801–5809)  
15       is repealed.

16                           **TITLE III—TRADE**

17   **SEC. 301. MARKET ACCESS PROGRAM.**

18        (a) *IN GENERAL*.—Section 211(e)(1) of the Agricul-  
19       tural Trade Act of 1978 (7 U.S.C. 5641(e)(1)) is amended—

20           (1) by striking “and not more” and inserting  
21        “not more”;

22           (2) by inserting “and not more than  
23        \$200,000,000 for each of fiscal years 2002 through  
24        2011,” after “2002”; and

25           (3) by striking “2002” and inserting “2001”.

1       **(b) COMMODITY ELIGIBILITY.**—Section 1302(b)(3) of  
2 *the Agricultural Reconciliation Act of 1993* (7 U.S.C. 5623  
3 *note*) is amended by inserting “, other than leaf tobacco”  
4 after “tobacco”.

5 **SEC. 302. FOOD FOR PROGRESS.**

6       **(a) IN GENERAL.**—Subsections (f)(3), (g), (h), and  
7 (l)(1) of section 1110 of the *Food Security Act of 1985* (7  
8 U.S.C. 17360) are each amended by striking “2002” and  
9 inserting “2011”.

10       **(b) INCREASE IN FUNDING.**—Section 1110(l)(1) of the  
11 *Food Security Act of 1985* (7 U.S.C. 17360(l)(1)) is amend-  
12 ed by striking “fiscal year 1999” and inserting “fiscal years  
13 2002 through 2011”.

14       **(c) EXCLUSION FROM LIMITATION.**—Section  
15 1110(e)(2) of the *Food Security Act of 1985* (7 U.S.C.  
16 17360(e)(2)) is amended by inserting “, and subsection (g)  
17 does not apply to such commodities furnished on a grant  
18 basis or on credit terms under title I of the *Agricultural*  
19 *Trade Development Act of 1954*” before the final period.

20       **(d) TRANSPORTATION COSTS.**—Section 1110(f)(3) of  
21 the *Food Security Act of 1985* (7 U.S.C. 17360(f)(3)) is  
22 amended by striking “\$30,000,000” and inserting  
23 “\$35,000,000”.

24       **(e) MULTYEAR BASIS.**—Section 1110(j) of the *Food*  
25 *Security Act of 1985* (7 U.S.C. 17360(j)) is amended—





1           (1) by inserting “(a) *PRIOR YEARS.*—”;

2           (1) by striking “2002” and inserting “2001”;

3           and

4           (2) by adding at the end the following new sub-  
5           section:

6           “(b) *FISCAL 2002 AND LATER.*—For each of fiscal years  
7 2002 through 2011 there are authorized to be appropriated  
8 such sums as may be necessary to carry out this title, and,  
9 in addition to any sums so appropriated, the Secretary  
10 shall use \$35,000,000 of the funds of, or an equal value of  
11 the commodities of, the Commodity Credit Corporation to  
12 carry out this title.”.

13          (b) *VALUE ADDED PRODUCTS.*—

14           (1) *IN GENERAL.*—Section 702(a) of the *Agricultural Trade Act of 1978* (7 U.S.C. 5721 et seq.) is  
15 amended by inserting “, with a significant emphasis  
16 on the importance of the export of value-added United  
17 States agricultural products into emerging markets”  
18 after “products”.

20           (2) *REPORT TO CONGRESS.*—Section 702 of the  
21 *Agricultural Trade Act of 1978* (7 U.S.C. 5722) is  
22 amended by adding at the end the following:

23           “(c) *REPORT TO CONGRESS.*—The Secretary shall re-  
24 port annually to Congress the amount of funding provided,  
25 types of programs funded, the value added products that

1 *have been targeted, and the foreign markets for those prod-*  
 2 *ucts that have been developed.”.*

3 **SEC. 305. EXPORT CREDIT GUARANTEE PROGRAM.**

4 *(a) REAUTHORIZATION.—Section 211(b)(1) of the Ag-*  
 5 *ricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is*  
 6 *amended by striking “2002” and inserting “2011”.*

7 *(b) PROCESSED AND HIGH VALUE PRODUCTS.—Sec-*  
 8 *tion 202(k)(1) of the Agricultural Trade Act of 1978 (7*  
 9 *U.S.C. 5622(k)(1)) is amended by striking “, 2001, and*  
 10 *2002” and inserting “through 2011”.*

11 **SEC. 306. FOOD FOR PEACE (PL 480).**

12 *The Agricultural Trade Development and Assistance*  
 13 *Act of 1954 (7 U.S.C. 1691 et seq.) is amended—*

14 *(1) in section 204(a), by striking “2002” each*  
 15 *place it appears and inserting “2011”;*

16 *(2) in section 208(f), by striking “2002” and in-*  
 17 *serting “2011”;*

18 *(3) in section 407(e)(4), by striking “2001 and*  
 19 *2002” and inserting “2001 through 2011”;*

20 *(4) in section 408, by striking “2002” and in-*  
 21 *serting “2011”; and*

22 *(5) in section 501(e), by striking “2002” and in-*  
 23 *serting “2011”.*

1 **SEC. 307. EMERGING MARKETS.**

2 *Section 1542 of the Food, Agriculture, Conservation,*  
3 *and Trade Act of 1990 (7 U.S.C. 5622n) is amended in*  
4 *subsections (a) and (d)(1)(A)(i), by striking “2002” and in-*  
5 *serting “2011”.*

6 **SEC. 308. BILL EMERSON HUMANITARIAN TRUST.**

7 *Subsections (b)(2)(i), (h)(1), and (h)(2) of section 302*  
8 *of the Bill Emerson Humanitarian Trust Act (7 U.S.C.*  
9 *1736f-1) are each amended by striking “2002” and insert-*  
10 *ing “2011”.*

11 **SEC. 309. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

12 *(a) ESTABLISHMENT.—The Secretary of Agriculture*  
13 *shall establish an export assistance program (referred to in*  
14 *this section as the “program”) to address unique barriers*  
15 *that prohibit or threaten the export of United States spe-*  
16 *cialty crops.*

17 *(b) PURPOSE.—The program shall provide direct as-*  
18 *sistance through public and private sector projects and tech-*  
19 *nical assistance to remove, resolve, or mitigate sanitary and*  
20 *phytosanitary and related barriers to trade.*

21 *(c) PRIORITY.—The program shall address time sen-*  
22 *sitive and strategic market access projects based on—*

23 *(1) trade effect on market retention, market ac-*  
24 *cess, and market expansion; and*

25 *(2) trade impact.*

1       (d) *FUNDING.*—*The Secretary shall make available*  
2 *\$3,000,000 for each of fiscal years 2002 through 2011 of*  
3 *the funds of, or an equal value of commodities owned by,*  
4 *the Commodity Credit Corporation.*

## 5                                   **TITLE III—TRADE**

### 6       **SEC. 301. MARKET ACCESS PROGRAM.**

7           **Section 211(c)(1) of the Agricultural Trade**  
8 **Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—**

9                   **(1) by striking “and not more” and in-**  
10 **serting “not more”;**

11                   **(2) by striking “2002” and inserting**  
12 **“2001”; and**

13                   **(3) by inserting “and not more than**  
14 **\$180,000,000 for each of fiscal years 2002**  
15 **through 2007,” after “2001.”**

### 16       **SEC. 302. FOOD FOR PROGRESS.**

17           **(a) IN GENERAL.**—**Subsections (f)(3), (g),**  
18 **and (k) of section 1110 of the Food Security**  
19 **Act of 1985 (7 U.S.C. 1736o) are each amended**  
20 **by striking “2002” and inserting “2007”.**

21           **(b) INCREASE IN FUNDING.**—**Section**  
22 **1110(l)(1) of the Food Security Act of 1985 (7**  
23 **U.S.C. 1736o(l)(1)) is amended—**

1           (1) by striking “fiscal years 1996  
2           through 2002” and inserting “fiscal years  
3           2002 through 2007”; and

4           (2) by striking “\$10,000,000 (or in the  
5           case of fiscal year 1999, \$12,000,000)” and  
6           inserting “\$15,000,000”.

7           (c) **EXCLUSION FROM LIMITATION.**—Section  
8           1110(e)(2) of the Food Security Act of 1985 (7  
9           U.S.C. 1736o(e)(2)) is amended by inserting be-  
10          fore the period “, and subsection (g) does not  
11          apply to such commodities furnished on a  
12          grant basis or on credit terms under title I of  
13          the Agricultural Trade Development and As-  
14          sistance Act of 1954”.

15          (d) **TRANSPORTATION COSTS.**—Section  
16          1110(f)(3) of the Food Security Act of 1985 (7  
17          U.S.C. 1736o(f)(3)) is amended by striking  
18          “\$30,000,000” and inserting “\$40,000,000”.

19          (e) **AMOUNTS OF COMMODITIES.**—Section  
20          1110(g) of the Food Security Act of 1985 (7  
21          U.S.C. 1736o(g)) is amended by striking  
22          “500,000” and inserting “1,000,000”.

23          (f) **MULTIYEAR BASIS.**—Section 1110(j) of  
24          the Food Security Act of 1985 (7 U.S.C.  
25          1736o(j)) is amended—

1           (1) by striking “may” and inserting “is  
2           encouraged”; and

3           (2) by inserting “to” before “approve”.

4           (g) MONETIZATION.—Section 1110(l)(3) of  
5 the Food Security Act of 1985 (7 U.S.C.  
6 1736o(l)(3)) is amended by striking “local cur-  
7 rencies” and inserting “proceeds”.

8           (h) NEW PROVISIONS.—Section 1110 of the  
9 Food Security Act of 1985 (7 U.S.C. 1736o) is  
10 amended by adding at the end the following:

11           “(p) The Secretary is encouraged to final-  
12 ize program agreements and resource re-  
13 quests for programs under this section before  
14 the beginning of the relevant fiscal year. By  
15 November 1 of the relevant fiscal year, the  
16 Secretary shall provide to the Committee on  
17 Agriculture and the Committee on Inter-  
18 national Relations of the House of Represent-  
19 atives, and the Committee on Agriculture, Nu-  
20 trition, and Forestry of the Senate a list of ap-  
21 proved programs, countries, and commod-  
22 ities, and the total amounts of funds approved  
23 for transportation and administrative costs,  
24 under this section.”.

1 SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR  
2 FRIENDLY COUNTRIES.

3 (a) USE OF CURRENCIES.—Section  
4 416(b)(7)(D) of the Agricultural Act of 1949 (7  
5 U.S.C. 1431(b)(7)(D)) is amended—

6 (1) in clauses (i) and (iii), by striking  
7 “foreign currency” each place it appears;

8 (2) in clause (ii)—

9 (A) by striking “Foreign cur-  
10 rencies” and inserting “Proceeds”;  
11 and

12 (B) by striking “foreign currency”;  
13 and

14 (3) in clause (iv)—

15 (A) by striking “Foreign currency  
16 proceeds” and inserting “Proceeds”;

17 (B) by striking “country of origin”  
18 the second place it appears and all  
19 that follows through “as necessary to  
20 expedite” and inserting “country of  
21 origin as necessary to expedite”;

22 (C) by striking “; or” and insert-  
23 ing a period; and

24 (D) by striking subclause (II).

1       **(b) IMPLEMENTATION OF AGREEMENTS.—Sec-**  
2 **tion 416(b)(8)(A) of the Agricultural Act of**  
3 **1949 (7 U.S.C. 1431(b)(8)(A)) is amended—**

4           **(1) by inserting “(i)” after “(A)”;** and

5           **(2) by adding at the end the following**  
6 **new clauses:**

7       **“(ii) The Secretary shall publish in the**  
8 **Federal Register, not later than October 31 of**  
9 **each fiscal year, an estimate of the commod-**  
10 **ities that shall be available under this section**  
11 **for that fiscal year.**

12       **“(iii) The Secretary is encouraged to final-**  
13 **ize program agreements under this section**  
14 **not later than December 31 of each fiscal**  
15 **year.”.**

16 **SEC. 304. EXPORT ENHANCEMENT PROGRAM.**

17       **Section 301(e)(1)(G) of the Agricultural**  
18 **Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is**  
19 **amended by inserting “and for each fiscal**  
20 **year thereafter through fiscal year 2007” after**  
21 **“2002”.**



1 SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR  
2 PROGRAM.

3 (a) IN GENERAL.—Section 703 of the Agri-  
4 cultural Trade Act of 1978 (7 U.S.C.5723) is  
5 amended—

6 (1) by striking “There are authorized”  
7 and inserting “(a) PRIOR YEARS.—There  
8 are authorized”;

9 (2) by striking “2002” and inserting  
10 “2001”; and

11 (3) by adding at the end the following  
12 new subsection:

13 “(b) FISCAL 2002 AND LATER.—For each of  
14 fiscal years 2002 through 2007 there are au-  
15 thorized to be appropriated such sums as may  
16 be necessary to carry out this title, and, in ad-  
17 dition to any sums so appropriated, the Sec-  
18 retary shall use \$40,000,000 of the funds of, or  
19 an equal value of the commodities of, the  
20 Commodity Credit Corporation to carry out  
21 this title.”.

22 (b) REPORT TO CONGRESS.—Section 702 of  
23 the Agricultural Trade Act of 1978 (7 U.S.C.  
24 5722) is amended by adding at the end the fol-  
25 lowing:

26 “(c) REPORT TO CONGRESS.—

1           **“(1) IN GENERAL.—The Secretary shall**  
2           **report annually to the appropriate con-**  
3           **gressional committees the amount of**  
4           **funding provided, types of programs**  
5           **funded, the value added products that**  
6           **have been targeted, and the foreign mar-**  
7           **kets for those products that have been**  
8           **developed.**

9           **“(2) DEFINITION.—In this subsection,**  
10          **the term ‘appropriate congressional com-**  
11          **mittees’ means—**

12               **“(A) the Committee on Agri-**  
13               **culture and the Committee on Inter-**  
14               **national Relations of the House of**  
15               **Representatives; and**

16               **“(B) the Committee on Agri-**  
17               **culture, Nutrition and Forestry and**  
18               **the Committee on Foreign Relations**  
19               **of the Senate.”.**

20   **SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.**

21          **(a) REAUTHORIZATION.—Section 211(b)(1) of**  
22          **the Agricultural Trade Act of 1978 (7 U.S.C.**  
23          **5641(b)(1)) is amended by striking “2002” and**  
24          **inserting “2007”.**

1       **(b) PROCESSED AND HIGH VALUE PROD-**  
2 **UCTS.—Section 202(k)(1) of the Agricultural**  
3 **Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is**  
4 **amended by striking “, 2001, and 2002” and in-**  
5 **serting “through 2007”.**

6       **(c) REPORT.—Section 211 of the Agricul-**  
7 **tural Trade Act of 1978 (7 U.S.C. 5641) is**  
8 **amended by adding at the end the following:**

9       **“(d) REPORT ON AGRICULTURAL EXPORT**  
10 **CREDIT PROGRAMS.—**

11           **“(1) IN GENERAL.—Not later than one**  
12 **year after the date of the enactment of**  
13 **the Farm Security Act of 2001, and annu-**  
14 **ally thereafter, the Secretary shall pre-**  
15 **pare and submit to the designated con-**  
16 **gressional committees a report on the**  
17 **status of multilateral negotiations re-**  
18 **garding agricultural export credit pro-**  
19 **grams at the World Trade Organization**  
20 **and the Organization of Economic Co-**  
21 **operation and Development in fulfillment**  
22 **of Article 10.2 of the Agreement on Agri-**  
23 **culture (as described in section 101(d)(2)**  
24 **of the Uruguay Round Agreements Act).**  
25 **The report submitted under this para-**

1 graph shall be submitted in unclassified  
2 form, but may contain a classified annex.

3 “(2) DEFINITION.—In this subsection,  
4 the term ‘designated congressional com-  
5 mittees’ means the Committee on Agri-  
6 culture and the Committee on Inter-  
7 national Relations of the House of Rep-  
8 resentatives and the Committee on Agri-  
9 culture, Nutrition and Forestry of the  
10 Senate.”.

11 SEC. 307. FOOD FOR PEACE (PL 480).

12 The Agricultural Trade Development and  
13 Assistance Act of 1954 (7 U.S.C. 1691 et seq.)  
14 is amended—

15 (1) in section 2 (7 U.S.C. 1691), by  
16 striking paragraph (2) and inserting the  
17 following:

18 “(2) promote broad-based, equitable,  
19 and sustainable development, including  
20 agricultural development as well as con-  
21 flict prevention;”;

22 (2) in section 202(e)(1) (7 U.S.C.  
23 1722(e)(1)), by striking “not less than  
24 \$10,000,000, and not more than  
25 \$28,000,000” and inserting “not less than 5

1       **percent and not more than 10 percent of**  
2       **such funds”;**

3           **(3) in section 203(a) (7 U.S.C. 1723(a)),**  
4       **by striking “the recipient country, or in a**  
5       **country” and inserting “one or more re-**  
6       **ipient countries, or one or more coun-**  
7       **tries”;**

8           **(4) in section 203(c) (7 U.S.C.**  
9       **1723(c))—**

10           **(A) by striking “foreign currency”;**

11       **and**

12           **(B) by striking “the recipient**  
13       **country, or in a country” and insert-**  
14       **ing “one or more recipient countries,**  
15       **or one or more countries”; and**

16           **(5) in section 203(d) (7 U.S.C.**  
17       **1723(d))—**

18           **(A) by striking “Foreign cur-**  
19       **rencies” and inserting “Proceeds”;**

20           **(B) in paragraph (2)—**

21           **(i) by striking “income gener-**  
22       **ating” and inserting “income-gener-**  
23       **ating”; and**

24           **(ii) by striking “the recipient**  
25       **country or within a country” and**

1           **inserting “one or more recipient**  
2           **countries, or one or more coun-**  
3           **tries”;** and

4           **(C) in paragraph (3), by inserting**  
5           **a comma after “invested” and “used”;**  
6           **(6) in section 204(a)(1) (7 U.S.C.**  
7           **1724(a)(1))—**

8           **(A) by striking “1996 through**  
9           **2002” and inserting “2002 through**  
10           **2007”;** and

11           **(B) by striking “2,025,000” and in-**  
12           **serting “2,250,000”;**

13           **(7) in section 205(f) (7 U.S.C. 1725(f)),**  
14           **by striking “2002” and inserting “2007”;**

15           **(8) in section 207(a) (7 U.S.C.**  
16           **1726a(a))—**

17           **(A) by redesignated paragraph (2)**  
18           **as paragraph (3); and**

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

21           **“(1) RECIPIENT COUNTRIES.—A proposal**  
22           **to enter into a non-emergency food assist-**  
23           **ance agreement under this title shall**  
24           **identify the recipient country or coun-**  
25           **tries subject to the agreement.**

1           **“(2) TIME FOR DECISION.—Not later**  
2           **than 120 days after receipt by the Admin-**  
3           **istrator of a proposal submitted by an eli-**  
4           **gible organization under this title, the**  
5           **Administrator shall make a decision con-**  
6           **cerning such proposal.”; and**

7           **(9) in section 403 (7 U.S.C. 1733), by**  
8           **inserting after subsection (k) the fol-**  
9           **lowing:**

10          **“(1) SALES PROCEDURES.—Subsections (b)**  
11          **and (h) shall apply to sales of commodities to**  
12          **generate proceeds for titles II and III of this**  
13          **Act, section 416(b) of the Agricultural Act of**  
14          **1949, and section 1110 of the Food and Secu-**  
15          **rity Act of 1985. Such sales transactions may**  
16          **be in United States dollars and other cur-**  
17          **rencies.”.**

18          **SEC. 308. EMERGING MARKETS.**

19          **Section 1542 of the Food, Agriculture,**  
20          **Conservation, and Trade Act of 1990 (7 U.S.C.**  
21          **5622 note) is amended—**

22                  **(1) in subsections (a) and (d)(1)(A)(i),**  
23                  **by striking “2002” and inserting “2007”;**  
24                  **and**

1           **(2) in subsection (d)(1)(H), by striking**  
2           **“\$10,000,000 in any fiscal year” and in-**  
3           **serting “\$15,000,000 for each of fiscal**  
4           **years 2002 through 2007”.**

5 **SEC. 309. BILL EMERSON HUMANITARIAN TRUST.**

6           **Subsections (b)(2)(B)(i), (h)(1), and (h)(2)**  
7           **of section 302 of the Bill Emerson Humani-**  
8           **tarian Trust Act (7 U.S.C. 1736f-1) are each**  
9           **amended by striking “2002” each place it ap-**  
10          **pears and inserting “2007”.**

11 **SEC. 310. FEE FOR SERVICES.**

12          **(a) AUTHORITY TO CHARGE FEE.—The Sec-**  
13          **retary of Agriculture may, subject to sub-**  
14          **section (c), charge and retain a fee to cover**  
15          **the costs for providing persons (other than an**  
16          **agency of the United States Government) with**  
17          **commercial services performed abroad on**  
18          **matters within the authority of the Depart-**  
19          **ment of Agriculture administered through the**  
20          **Foreign Agricultural Service or any successor**  
21          **agency.**

22          **(b) TREATMENT OF FEES.—Fees collected**  
23          **under the authority of subsection (a) shall be**  
24          **deposited as an offsetting collection to any**  
25          **Department of Agriculture appropriation ac-**



1 count to recover the cost of providing com-  
2 mercial services.

3 (c) COMPLIANCE WITH BUDGET ACT.—Fees  
4 collected under the authority of subsection  
5 (a) shall be collected and available to the Sec-  
6 retary of Agriculture only to such extent or in  
7 such amounts as are provided in advance in  
8 an appropriations Act and, after so provided  
9 in an appropriations Act, shall remain avail-  
10 able until expended.

11 SEC. 311. MULTIYEAR AGRICULTURAL TRADE STRATEGY.

12 (a) IN GENERAL.—Not later than one year  
13 after the date of the enactment of this Act, the  
14 Secretary of Agriculture shall develop and im-  
15 plement a comprehensive long-term agricul-  
16 tural trade strategy that meets the goals de-  
17 scribed in subsection (b).

18 (b) GOALS.—The agricultural trade strat-  
19 egy described in subsection (a) shall ensure—

20 (1) the elimination of export subsidies  
21 and other measures that distort agricul-  
22 tural trade in order to reduce levels of  
23 protection, foster market growth, and  
24 promote global food security;

1           **(2) the efficient and coordinated use**  
2           **of United States Government programs**  
3           **designed to promote the export of United**  
4           **States agricultural commodities; and**

5           **(3) the improvement in the commer-**  
6           **cial potential of markets in both devel-**  
7           **oped and developing countries for United**  
8           **States agricultural commodities.**

9           **(c) POLICY COORDINATION.—In imple-**  
10          **menting the agricultural trade strategy de-**  
11          **scribed in subsection (a), the Secretary shall**  
12          **consult with—**

13           **(1) the United States Trade Rep-**  
14           **resentative to ensure that the strategy is**  
15           **coordinated with the national trade pol-**  
16           **icy agenda and the annual report of the**  
17           **President on the trade agreements pro-**  
18           **gram;**

19           **(2) the Secretary of Commerce to en-**  
20           **sure that all the programs and activities**  
21           **of the Foreign Agricultural Service of the**  
22           **Department of Agriculture are coordi-**  
23           **nated with the programs and activities of**  
24           **the United States and Foreign Commer-**

1       **cial Service of the Department of Com-**  
2       **merce; and**

3               **(3) each of the designated representa-**  
4       **tives of 19 Federal agencies included on**  
5       **the Trade Promotion Coordinating Com-**  
6       **mittee to coordinate and report on gov-**  
7       **ernment-wide United States export pro-**  
8       **motion, financing, and policy activities.**

9       **(d) REPORT.—Not later than one year after**  
10      **the date of the enactment of this Act, the Sec-**  
11      **retary shall submit to the designated congres-**  
12      **sional committees a report on the develop-**  
13      **ment and implementation of the comprehen-**  
14      **sive long-term agricultural trade strategy**  
15      **under this section.**

16       **(e) DEFINITION.—In this section, the term**  
17      **“designated congressional committees” means**  
18      **the Committee on Agriculture and the Com-**  
19      **mittee on International Relations of the**  
20      **House of Representatives and the Committee**  
21      **on Agriculture, Nutrition and Forestry of the**  
22      **Senate.**

1 SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTER-  
2 NATIONAL FOOD FOR EDUCATION AND  
3 CHILD NUTRITION PROGRAM.

4 (a) **IN GENERAL.**—In fiscal year 2002 or any  
5 subsequent fiscal year during which the  
6 President determines to use the authority of  
7 section 416(b) of the Agricultural Act of 1949  
8 (hereinafter in this section referred to as “sec-  
9 tion 416(b)”) to initiate, continue, and  
10 expand—

11 (1) preschool and school feeding pro-  
12 grams to improve food security, reduce  
13 the incidence of hunger, and improve lit-  
14 eracy and primary education, particu-  
15 larly with respect to girls; and

16 (2) maternal, infant, and child nutri-  
17 tion programs for pregnant women, nurs-  
18 ing mothers, infants, and children who  
19 are five years of age or younger;

20 the President shall direct the purchase of  
21 commodities and the provision of financial  
22 and technical assistance to carry out such  
23 programs.

24 (b) **ELIGIBLE COMMODITIES AND COST**  
25 **ITEMS.**—Notwithstanding any other provision  
26 of law—

1           **(1) any agricultural commodity is eli-**  
2           **gible for distribution under this section;**

3           **(2) the Commodity Credit Corpora-**  
4           **tion shall purchase agricultural commod-**  
5           **ities for use under this section if its**  
6           **stocks are not sufficient to meet commit-**  
7           **ments entered into under this section;**

8           **(3) as necessary to achieve the pur-**  
9           **poses of this section—**

10           **(A) Commodity Credit Corpora-**  
11           **tion funds shall be used to pay the**  
12           **transportation costs incurred in mov-**  
13           **ing commodities (including**  
14           **prepositioned commodities) provided**  
15           **under this section from the des-**  
16           **ignated points of entry or ports of**  
17           **entry of one or more recipient coun-**  
18           **tries to storage and distribution sites**  
19           **in these countries, and associated**  
20           **storage and distribution costs;**

21           **(B) Commodity Credit Corpora-**  
22           **tion funds shall be used to pay the**  
23           **costs of activities conducted in the re-**  
24           **ipient countries by a nonprofit vol-**  
25           **untary organization, cooperative, or**

1           intergovernmental agency or organi-  
2           zation that would enhance the effec-  
3           tiveness of the activities implemented  
4           by such entities under this section;  
5           and

6           (C) Commodity Credit Corpora-  
7           tion funds shall be provided to meet  
8           the allowable administrative ex-  
9           penses of private voluntary organiza-  
10          tions, cooperatives, or intergovern-  
11          mental organizations which are im-  
12          plementing activities under this sec-  
13          tion; and

14          (4) for the purposes of this section,  
15          the term “agricultural commodities” in-  
16          cludes any agricultural commodity, or  
17          the products thereof, produced in the  
18          United States.

19          (c) GENERAL AUTHORITIES.—The President  
20          shall designate one or more Federal agencies  
21          to—

22                (1) implement the program estab-  
23                lished under this section;

24                (2) ensure that the program estab-  
25                lished under this section is consistent

1 with the foreign policy and development  
2 assistance objectives of the United States;  
3 and

4 (3) consider, in determining whether  
5 a country should receive assistance  
6 under this section, whether the govern-  
7 ment of the country is taking concrete  
8 steps to improve the preschool and  
9 school systems in its country.

10 (d) **ELIGIBLE RECIPIENTS.**—Assistance may  
11 be provided under this section to private vol-  
12 untary organizations, cooperatives, intergov-  
13 ernmental organizations, governments and  
14 their agencies, and other organizations.

15 (e) **PROCEDURES.**—

16 (1) **IN GENERAL.**—The President shall  
17 assure that procedures are established  
18 that—

19 (A) provide for the submission of  
20 proposals by eligible recipients, each  
21 of which may include one or more re-  
22 cipient countries, for commodities  
23 and other assistance under this sec-  
24 tion;

1           **(B) provide for eligible commod-**  
2 **ities and assistance on a multi-year**  
3 **basis;**

4           **(C) ensure eligible recipients**  
5 **demonstrate the organizational ca-**  
6 **capacity and the ability to develop, im-**  
7 **plement, monitor, report on, and pro-**  
8 **vide accountability for activities con-**  
9 **ducted under this section;**

10           **(D) provide for the expedited de-**  
11 **velopment, review, and approval of**  
12 **proposals submitted in accordance**  
13 **with this section;**

14           **(E) ensure monitoring and report-**  
15 **ing by eligible recipients on the use**  
16 **of commodities and other assistance**  
17 **provided under this section; and**

18           **(F) allow for the sale or barter of**  
19 **commodities by eligible recipients to**  
20 **acquire funds to implement activities**  
21 **that improve the food security of**  
22 **women and children or otherwise en-**  
23 **hance the effectiveness of programs**  
24 **and activities authorized under this**  
25 **section.**



1           **(2) PRIORITIES FOR PROGRAM FUND-**  
2           **ING.—In carrying out paragraph (1) with**  
3           **respect to criteria for determining the**  
4           **use of commodities and other assistance**  
5           **provided for programs and activities au-**  
6           **thorized under this section, the imple-**  
7           **menting agency shall consider the ability**  
8           **of eligible recipients to—**

9                   **(A) identify and assess the needs**  
10                   **of beneficiaries, especially malnour-**  
11                   **ished or undernourished mothers and**  
12                   **their children who are five years of**  
13                   **age or younger, and school-age chil-**  
14                   **dren who are malnourished, under-**  
15                   **nourished, or do not regularly attend**  
16                   **school;**

17                   **(B)(i) in the case of preschool and**  
18                   **school-age children, target low-in-**  
19                   **come areas where children’s enroll-**  
20                   **ment and attendance in school is low**  
21                   **or girls’ enrollment and participation**  
22                   **in preschool or school is low, and in-**  
23                   **corporate developmental objectives**  
24                   **for improving literacy and primary**

1           **education, particularly with respect**  
2           **to girls; and**

3           **(ii) in the case of programs to**  
4           **benefit mothers and children who are**  
5           **five years of age or younger, coordi-**  
6           **nate supplementary feeding and nu-**  
7           **trition programs with existing or**  
8           **newly-established maternal, infant,**  
9           **and children programs that provide**  
10          **health-needs interventions, and**  
11          **which may include maternal, pre-**  
12          **natal, and postnatal and newborn**  
13          **care;**

14          **(C) involve indigenous institu-**  
15          **tions as well as local communities**  
16          **and governments in the development**  
17          **and implementation to foster local ca-**  
18          **capacity building and leadership; and**

19          **(D) carry out multiyear programs**  
20          **that foster local self-sufficiency and**  
21          **ensure the longevity of recipient**  
22          **country programs.**

23          **(f) USE OF FOOD AND NUTRITION SERVICE.—**  
24          **The Food and Nutrition Service of the Depart-**  
25          **ment of Agriculture may provide technical ad-**

1 vice on the establishment of programs under  
2 subsection (a)(1) and on their implementation  
3 in the field in recipient countries.

4 (g) MULTILATERAL INVOLVEMENT.—The  
5 President is urged to engage existing inter-  
6 national food aid coordinating mechanisms to  
7 ensure multilateral commitments to, and par-  
8 ticipation in, programs like those supported  
9 under this section. The President shall report  
10 annually to the Committee on International  
11 Relations and the Committee on Agriculture  
12 of the United States House of Representatives  
13 and the Committee on Foreign Relations and  
14 the Committee on Agriculture, Nutrition, and  
15 Forestry of the United States Senate on the  
16 commitments and activities of governments,  
17 including the United States government, in  
18 the global effort to reduce child hunger and  
19 increase school attendance.

20 (h) PRIVATE SECTOR INVOLVEMENT.—The  
21 President is urged to encourage the support  
22 and active involvement of the private sector,  
23 foundations, and other individuals and orga-  
24 nizations in programs assisted under this sec-  
25 tion.

1           **(i) COOPERATION WITH OTHER GOVERNMENT**  
2 **AGENCIES.—**Notwithstanding section 11 of the  
3 **Commodity Credit Corporation Charter Act**  
4 **(15 U.S.C. 714i), Commodity Credit Corpora-**  
5 **tion funds may be used to pay the administra-**  
6 **tive expenses of any agency of the Federal**  
7 **Government, including any bureau, office, ad-**  
8 **ministration, or agency of the Department of**  
9 **Agriculture, implementing or assisting in the**  
10 **implementation of this section.**

11 **SEC. 313. FARMERS FOR AFRICA AND CARIBBEAN BASIN**  
12 **PROGRAM.**

13           **(a) FINDINGS.—**Congress finds the fol-  
14 **lowing:**

15               **(1) Many African farmers and farmers**  
16 **in Caribbean Basin countries use anti-**  
17 **quated techniques to produce their crops,**  
18 **which result in poor crop quality and low**  
19 **crop yields.**

20               **(2) Many of these farmers are losing**  
21 **business to farmers in European and**  
22 **Asian countries who use advanced plant-**  
23 **ing and production techniques and are**  
24 **supplying agricultural produce to res-**  
25 **taurants, resorts, tourists, grocery stores,**

1       **and other consumers in Africa and Carib-**  
2       **bean Basin countries.**

3           **(3) A need exists for the training of**  
4       **African farmers and farmers in Carib-**  
5       **bean Basin countries and other devel-**  
6       **oping countries in farming techniques**  
7       **that are appropriate for the majority of**  
8       **eligible farmers in African or Caribbean**  
9       **countries, including standard growing**  
10       **practices, insecticide and sanitation pro-**  
11       **cedures, and other farming methods that**  
12       **will produce increased yields of more nu-**  
13       **tritious and healthful crops.**

14           **(4) African-American and other Amer-**  
15       **ican farmers, as well as banking and in-**  
16       **surance professionals, are a ready source**  
17       **of agribusiness expertise that would be**  
18       **invaluable for African farmers and farm-**  
19       **ers in Caribbean Basin countries.**

20           **(5) A United States commitment is ap-**  
21       **propriate to support the development of**  
22       **a comprehensive agricultural skills train-**  
23       **ing program for these farmers that fo-**  
24       **cuses on—**

1           **(A) improving knowledge of insecticide and sanitation procedures to**  
2           **prevent crop destruction;**

3           **(B) teaching modern farming techniques, including the identifica-**  
4           **tion and development of standard growing practices and the establish-**  
5           **ment of systems for recordkeeping, that would facilitate a continual anal-**  
6           **ysis of crop production;**

7           **(C) the use and maintenance of farming equipment that is appro-**  
8           **priate for the majority of eligible farmers in African or Caribbean**  
9           **Basin countries;**

10           **(D) expansion of small farming operations into agribusiness enter-**  
11           **prises through the development and use of village banking systems and**  
12           **the use of agricultural risk insurance pilot products, resulting in increased**  
13           **access to credit for these farmers;**  
14           **and**

15           **(E) marketing crop yields to prospective purchasers (businesses and**  
16           **and**

1           **individuals) for local needs and ex-**  
2           **port.**

3           **(6) The participation of African-Amer-**  
4           **ican and other American farmers and**  
5           **American agricultural farming specialists**  
6           **in such a training program promises the**  
7           **added benefit of improving access to Afri-**  
8           **can and Caribbean Basin markets for**  
9           **American farmers and United States farm**  
10          **equipment and products and business**  
11          **linkages for United States insurance pro-**  
12          **viders offering technical assistance on,**  
13          **among other things, agricultural risk in-**  
14          **surance products.**

15          **(7) Existing programs that promote**  
16          **the exchange of agricultural knowledge**  
17          **and expertise through the exchange of**  
18          **American and foreign farmers have been**  
19          **effective in promoting improved agricul-**  
20          **tural techniques and food security, and,**  
21          **thus, the extension of additional re-**  
22          **sources to such farmer-to- farmer ex-**  
23          **changes is warranted.**

24          **(b) DEFINITIONS.—In this section:**

1           **(1) AGRICULTURAL FARMING SPE-**  
2           **CIALIST.—The term “agricultural farming**  
3           **specialist” means an individual trained to**  
4           **transfer information and technical sup-**  
5           **port relating to agribusiness, food secu-**  
6           **rity, the mitigation and alleviation of**  
7           **hunger, the mitigation of agricultural**  
8           **and farm risk, maximization of crop**  
9           **yields, agricultural trade, and other**  
10          **needs specific to a geographical location**  
11          **as determined by the Secretary.**

12          **(2) CARIBBEAN BASIN COUNTRY.—The**  
13          **term “Caribbean basin country” means a**  
14          **country eligible for designation as a ben-**  
15          **eficiary country under section 212 of the**  
16          **Caribbean Basin Economic Recovery Act**  
17          **(19 U.S.C. 2702).**

18          **(3) ELIGIBLE FARMER.—The term “eligi-**  
19          **ble farmer” means an individual owning**  
20          **or working on farm land (as defined by a**  
21          **particular country’s laws relating to**  
22          **property) in the sub-Saharan region of**  
23          **the continent of Africa, in a Caribbean**  
24          **Basin country, or in any other developing**  
25          **country in which the Secretary deter-**



1        **mines there is a need for farming exper-**  
2        **tise or for information or technical sup-**  
3        **port described in paragraph (1).**

4            **(4) PROGRAM.—The term “Program”**  
5        **means the Farmers for Africa and Carib-**  
6        **bean Basin Program established under**  
7        **this section.**

8            **(c) ESTABLISHMENT OF PROGRAM.—The**  
9        **President shall establish a grant program, to**  
10       **be known as the “Farmers for Africa and Car-**  
11       **ibbean Basin Program”, to assist eligible orga-**  
12       **nizations in carrying out bilateral exchange**  
13       **programs whereby African-American and**  
14       **other American farmers and American agri-**  
15       **cultural farming specialists share technical**  
16       **knowledge with eligible farmers regarding—**

17            **(1) maximization of crop yields;**

18            **(2) use of agricultural risk insurance**  
19        **as financial tools and a means of risk**  
20        **management (as allowed by Annex II of**  
21        **the World Trade Organization rules);**

22            **(3) expansion of trade in agricultural**  
23        **products;**

24            **(4) enhancement of local food secu-**  
25        **rity;**

1           **(5) the mitigation and alleviation of**  
2           **hunger;**

3           **(6) marketing agricultural products**  
4           **in local, regional, and international mar-**  
5           **kets; and**

6           **(7) other ways to improve farming in**  
7           **countries in which there are eligible**  
8           **farmers.**

9           **(d) ELIGIBLE GRANTEES.—The President**  
10          **may make a grant under the Program to—**

11           **(1) a college or university, including a**  
12           **historically black college or university, or**  
13           **a foundation maintained by a college or**  
14           **university; and**

15           **(2) a private organization or corpora-**  
16           **tion, including grassroots organizations,**  
17           **with an established and demonstrated ca-**  
18           **capacity to carry out such a bilateral ex-**  
19           **change program.**

20           **(e) TERMS OF PROGRAM.—(1) It is the goal**  
21           **of the Program that at least 1,000 farmers par-**  
22           **ticipate in the training program by December**  
23           **31, 2005, of which 80 percent of the total num-**  
24           **ber of participating farmers will be African**  
25           **farmers or farmers in Caribbean Basin coun-**

1 tries and 20 percent of the total number of  
2 participating farmers will be American farm-  
3 ers.

4 (2) Training under the Program will be  
5 provided to eligible farmers in groups to en-  
6 sure that information is shared and passed on  
7 to other eligible farmers. Eligible farmers will  
8 be trained to be specialists in their home com-  
9 munities and will be encouraged not to retain  
10 enhanced farming technology for their own  
11 personal enrichment.

12 (3) Through partnerships with American  
13 businesses, the Program will utilize the com-  
14 mercial industrial capability of businesses  
15 dealing in agriculture to train eligible farm-  
16 ers on farming equipment that is appropriate  
17 for the majority of eligible farmers in African  
18 or Caribbean Basin countries and to intro-  
19 duce eligible farmers to the use of insurance  
20 as a risk management tool.

21 (f) SELECTION OF PARTICIPANTS.—(1) The  
22 selection of eligible farmers, as well as Afri-  
23 can-American and other American farmers  
24 and agricultural farming specialists, to par-  
25 ticipate in the Program shall be made by

1 grant recipients using an application process  
2 approved by the President.

3 (2) Participating farmers must have suffi-  
4 cient farm or agribusiness experience and  
5 have obtained certain targets regarding the  
6 productivity of their farm or agribusiness.

7 (g) GRANT PERIOD.—The President may  
8 make grants under the Program during a pe-  
9 riod of 5 years beginning on October 1 of the  
10 first fiscal year for which funds are made  
11 available to carry out the Program.

12 (h) AUTHORIZATION OF APPROPRIATIONS.—  
13 There are authorized to be appropriated to  
14 carry out this section \$10,000,000 for each of  
15 fiscal years 2002 through 2007.

16 SEC. 314. INTERNATIONAL FOOD RELIEF PARTNERSHIP.

17 (a) ASSISTANCE FOR STOCKPILING AND RAPID  
18 TRANSPORTATION, DELIVERY, AND DISTRIBUTION  
19 OF SHELF-STABLE PREPACKAGED FOODS.—Sec-  
20 tion 208(f) of the Agricultural Trade Develop-  
21 ment and Assistance Act of 1954 (7 U.S.C.  
22 1726b(f)) is amended by striking “fiscal years  
23 2001 and 2002” and inserting “fiscal years  
24 2001 through 2007”.

1       **(b) PREPOSITIONING OF COMMODITIES.—Section**  
2 **tion 407(c)(4) of the Agricultural Trade Devel-**  
3 **opment and Assistance Act of 1954 (7 U.S.C.**  
4 **1736a(c)(4)) is amended by striking “fiscal**  
5 **years 2001 and 2002” and inserting “each of**  
6 **fiscal years 2001 through 2007”.**

7 **SEC. 315. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

8       **(a) ESTABLISHMENT.—The Secretary of Ag-**  
9 **riculture shall establish an export assistance**  
10 **program (referred to in this section as the**  
11 **“program”) to address unique barriers that**  
12 **prohibit or threaten the export of United**  
13 **States specialty crops.**

14       **(b) PURPOSE.—The program shall provide**  
15 **direct assistance through public and private**  
16 **sector projects and technical assistance to re-**  
17 **move, resolve, or mitigate sanitary and**  
18 **phytosanitary and related barriers to trade.**

19       **(c) PRIORITY.—The program shall address**  
20 **time sensitive and strategic market access**  
21 **projects based on—**

22               **(1) trade effect on market retention,**  
23               **market access, and market expansion;**  
24               **and**

25               **(2) trade impact.**

1        **(d) FUNDING.—The Secretary shall make**  
 2 **available \$3,000,000 for each of fiscal years**  
 3 **2002 through 2007 of the funds of, or an equal**  
 4 **value of commodities owned by, the Com-**  
 5 **modity Credit Corporation.**

6                    ***TITLE IV—NUTRITION***  
 7                                    ***PROGRAMS***

8        ***Subtitle A—Food Stamp Program***

9        ***SEC. 401. SIMPLIFIED DEFINITION OF INCOME.***

10        *Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C.*  
 11 *2014(d)) is amended—*

12                    *(1) in paragraph (3)—*

13                                    *(A) by striking “and (C)” and inserting*

14                                    *“(C)”;* and

15                                    *(B) by inserting after “premiums,” the fol-*  
 16 *lowing:*

17 *“(D) to the extent that any other educational loans on*  
 18 *which payment is deferred, grants, scholarships, fellowships,*  
 19 *veterans’ educational benefits, and the like, are required to*  
 20 *be excluded under title XIX of the Social Security Act, the*  
 21 *state agency may exclude it under this subsection,”;*

22                                    *(2) by striking “and (15)” and inserting “(15)”;*

23                                    *(3) by inserting before the period at the end the*  
 24 *following:*

1 “; (16) any state complementary assistance program pay-  
2 ments that are excluded pursuant to subsections (a) and  
3 (b) of section 1931 of title XIX of the Social Security Act;  
4 and (17) at the option of the State agency, any types of  
5 income that the State agency does not consider when deter-  
6 mining eligibility for cash assistance under a program  
7 funded under part A of title IV of the Social Security Act  
8 (42 U.S.C. 601 et seq.) or medical assistance under section  
9 1931 of the Social Security Act (42 U.S.C. 1396u–1), except  
10 that this paragraph shall not authorize a State agency to  
11 exclude earned income, payments under title I, II, IV, X,  
12 XIV, or XVI of the Social Security Act, or such other types  
13 of income whose consideration the Secretary determines es-  
14 sential to equitable determinations of eligibility and benefit  
15 levels except to the extent that those types of income may  
16 be excluded under other paragraphs of this subsection”.

17 **SEC. 402. STANDARD DEDUCTION.**

18 Section 5(e)(1) of the Food Stamp Act of 1977 (7  
19 U.S.C. 2014(e)(1)) is amended—

20 (1) by striking “of \$134, \$229, \$189, \$269, and  
21 \$118” and inserting “equal to 9.7 percent of the eligi-  
22 bility limit established under section 5(c)(1) for fiscal  
23 year 2002 but not more than 9.7 percent of the eligi-  
24 bility limit established under section 5(c)(1) for a

1 household of six for fiscal year 2002 nor less than  
2 \$134, \$229, \$189, \$269, and \$118”; and

3 (2) by inserting before the period at the end the  
4 following:

5 “, except that the standard deduction for Guam shall  
6 be determined with reference to 2 times the eligibility  
7 limits under section 5(c)(1) for fiscal year 2002 for  
8 the 48 contiguous states and the District of Colum-  
9 bia”.

10 **SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES**  
11 **MOVING FROM WELFARE.**

12 (a) *IN GENERAL.*—Section 11 of the Food Stamp Act  
13 of 1977 (7 U.S.C. 2020) is amended by adding at the end  
14 the following:

15 “(s) *TRANSITIONAL BENEFITS OPTION.*—

16 “(1) *IN GENERAL.*—A State may provide transi-  
17 tional food stamp benefits to a household that is no  
18 longer eligible to receive cash assistance under a State  
19 program funded under part A of title IV of the Social  
20 Security Act (42 U.S.C. 601 et seq.).

21 “(2) *TRANSITIONAL BENEFITS PERIOD.*—Under  
22 paragraph (1), a household may continue to receive  
23 food stamp benefits for a period of not more than 6  
24 months after the date on which cash assistance is ter-  
25 minated.



1           “(3) *AMOUNT.*—*During the transitional benefits*  
2           *period under paragraph (2), a household shall receive*  
3           *an amount equal to the allotment received in the*  
4           *month immediately preceding the date on which cash*  
5           *assistance is terminated. A household receiving bene-*  
6           *fits under this subsection may apply for recertifi-*  
7           *cation at any time during the transitional benefit pe-*  
8           *riod. If a household reapplies, its allotment shall be*  
9           *determined without regard to this subsection for all*  
10          *subsequent months.*

11           “(4) *DETERMINATION OF FUTURE ELIGI-*  
12          *BILITY.*—*In the final month of the transitional bene-*  
13          *fits period under paragraph (2), the State agency*  
14          *may—*

15                   “(A) *require a household to cooperate in a*  
16                   *redetermination of eligibility to receive an au-*  
17                   *thorization card; and*

18                   “(B) *renew eligibility for a new certifi-*  
19                   *cation period for the household without regard to*  
20                   *whether the previous certification period has ex-*  
21                   *pired.*

22           “(5) *LIMITATION.*—*A household sanctioned under*  
23          *section 6, or for a failure to perform an action re-*  
24          *quired by Federal, State, or local law relating to such*

1        *cash assistance program, shall not be eligible for tran-*  
2        *sitional benefits under this subsection.”.*

3        (b) *CONFORMING AMENDMENTS.—(1) Section 3(c) of*  
4        *the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended*  
5        *by adding at the end the following: “The limits in this sec-*  
6        *tion may be extended until the end of any transitional ben-*  
7        *efit period established under section 11(s).”.*

8        (2) *Section 6(c) of the Food Stamp Act of 1977 (7*  
9        *U.S.C. 2015(c)) is amended by striking “No household” and*  
10       *inserting “Except in a case in which a household is receiv-*  
11       *ing transitional benefits during the transitional benefits pe-*  
12       *riod under section 11(s), no household”.*

13       **SEC. 404. QUALITY CONTROL SYSTEMS.**

14       (a) *TARGETED QUALITY CONTROL SYSTEM.—Section*  
15       *16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c))*  
16       *is amended—*

17                (1) *in paragraph (1)(C)—*

18                        (A) *in the matter preceding clause (i), by*  
19                        *inserting “the Secretary determines that a 95*  
20                        *percent statistical probability exists that for the*  
21                        *3d consecutive year” after “year in which”; and*

22                        (B) *in clause (i)(II)(aa)(bbb) by striking*  
23                        *“the national performance measure for the fiscal*  
24                        *year” and inserting “10 percent”;*

25                (2) *in the 1st sentence of paragraph (4)—*

1           (A) by striking “or claim” and inserting  
2           “claim”; and

3           (B) by inserting “or performance under the  
4           measures established under paragraph (10),”  
5           after “for payment error,”;

6           (3) in paragraph (5), by inserting “to comply  
7           with paragraph (10) and” before “to establish”;

8           (4) in the 1st sentence of paragraph (6), by in-  
9           serting “one percentage point more than” after  
10          “measure that shall be”; and

11          (5) by inserting at the end the following:

12          “(10)(A) In addition to the measures established under  
13          paragraph (1), the Secretary shall measure the performance  
14          of State agencies in each of the following regards—

15               “(i) compliance with the deadlines established  
16               under paragraphs (3) and (9) of section 11(e); and

17               “(ii) the percentage of negative eligibility deci-  
18               sions that are made correctly.

19          “(B) For each fiscal year, the Secretary shall make ex-  
20          cellence bonus payments of \$1,000,000 each to the 5 States  
21          with the highest combined performance in the 2 measures  
22          in subparagraph (A) and to the 5 States whose combined  
23          performance under the 2 measures in subparagraph (A)  
24          most improved in such fiscal year.

1           “(C) For any fiscal year in which the Secretary deter-  
2 mines that a 95 percent statistical probability exists that  
3 a State agency’s performance with respect to any of the 2  
4 performance measures established in subparagraph (A) is  
5 substantially worse than a level the Secretary deems reason-  
6 able, other than for good cause shown, the Secretary shall  
7 investigate that State agency’s administration of the food  
8 stamp program. If this investigation determines that the  
9 State’s administration has been deficient, the Secretary  
10 shall require the State agency to take prompt corrective ac-  
11 tion.”.

12           (b) *IMPLEMENTATION.*—The amendment made by sub-  
13 section (a)(5) shall apply to all fiscal years beginning on  
14 or after October 1, 2001, and ending before October 1, 2007.  
15 All other amendments made by this section shall apply to  
16 all fiscal years beginning on or after October 1, 1999.

17 **SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DE-**  
18 **TERMINATION SYSTEMS.**

19           Section 16 of the Food Stamp Act of 1977 (7 U.S.C.  
20 2025) is amended by inserting at the end the following:

21           “(l) The Secretary shall expend up to \$10 million in  
22 each fiscal year to pay 100 percent of the costs of State  
23 agencies to develop and implement simple application and  
24 eligibility determination systems.”.

1 **SEC. 406. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) *EMPLOYMENT AND TRAINING PROGRAMS.*—Section  
3 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” and  
9 inserting “2011”.

10 (b) *COST ALLOCATION.*—Section 16(k)(3) of the Food  
11 Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

12 (1) in subparagraph (A) by striking “2002” and  
13 inserting “2011”; and

14 (2) in subparagraph (B)(i) by striking “2002”  
15 and inserting “2011”.

16 (c) *CASH PAYMENT PILOT PROJECTS.*—Section  
17 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.  
18 2026(b)(1)(B)(vi)) is amended by striking “2002” and in-  
19 serting “2011”.

20 (d) *OUTREACH DEMONSTRATION PROJECTS.*—Section  
21 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C.  
22 2026(i)(1)(A)) is amended by striking “1992 through 2002”  
23 and inserting “2003 through 2011”.

24 (e) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
25 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)(A) of the Food  
4 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended—

5 (1) in clause (ii) by striking “and” at the end;

6 (2) in clause (iii) by adding “and” at the end;

7 and

8 (3) by inserting after clause (iii) the following:

9 “(iv) for each of fiscal years 2003 through 2011,  
10 the amount equal to the amount required to be paid  
11 under this subparagraph for the preceding fiscal year,  
12 as adjusted by the percentage by which the thrifty  
13 food plan is adjusted under section 3(o)(4) for the  
14 current fiscal year for which the amount is deter-  
15 mined under this clause;”.

16 (g) *TERRITORY OF AMERICAN SAMOA*.—Section 24 of  
17 the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended  
18 by striking “1996 through 2002” and inserting “2003  
19 through 2011”.

20 (h) *ASSISTANCE FOR COMMUNITY FOOD PROJECTS*.—  
21 Section 25(b)(2) of the Food Stamp Act of 1977 (7 U.S.C.  
22 2034(b)(2)) is amended—

23 (1) in subparagraph (A) by striking “and” at  
24 the end;

25 (2) in subparagraph (B)—

1           (A) by striking “2002” and inserting  
2           “2001”; and

3           (B) by adding “and” at the end; and

4           (3) by inserting after subparagraph (B) the fol-  
5           lowing:

6                   “(C) \$7,500,000 for each of the fiscal years  
7                   2002 through 2011.”.

8           (i) *AVAILABILITY OF COMMODITIES FOR THE EMER-*  
9           *GENCY FOOD ASSISTANCE PROGRAM.*—Section 27 of the  
10          *Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—*

11                  (1) *in subsection (a)—*

12                          (A) by striking “1997 through 2002” and  
13                          inserting “2002 through 2011”; and

14                          (B) by striking “\$100,000,000” and insert-  
15                          ing “\$140,000,000”; and

16                  (2) *by adding at the end the following:*

17                          “(c) *USE OF FUNDS FOR RELATED COSTS.*—For each  
18                          of the fiscal years 2002 through 2011, the Secretary shall  
19                          use \$10,000,000 of the funds made available under sub-  
20                          section (a) to pay for the direct and indirect costs of the  
21                          States related to the processing, storing, transporting, and  
22                          distributing to eligible recipient agencies of commodities  
23                          purchased by the Secretary under such subsection and com-  
24                          modities secured from other sources, including commodities

1 *secured by gleaning (as defined in section 111 of the Hunger*  
 2 *Prevention Act of 1988 (7 U.S.C. 612c note)).”.*

3 (j) *SPECIAL EFFECTIVE DATE.*—*The amendments*  
 4 *made by subsections (h) and (i) shall take effect of October*  
 5 *1, 2001.*

## 6 ***Subtitle B—Commodity Distribution***

### 7 ***SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO*** 8 ***SPECIAL NUTRITION PROJECTS.***

9 *Section 1114(a) of the Agriculture and Food Act of*  
 10 *1981 (7 U.S.C. 1431e) is amended by striking “2002” and*  
 11 *inserting “2011”.*

### 12 ***SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.***

13 *The Agriculture and Consumer Protection Act of 1975*  
 14 *(7 U.S.C. 612c note) is amended—*

15 (1) *in section 4(a) by striking “1991 through*  
 16 *2002” and inserting “2003 through 2011”; and*

17 (2) *in subsections (a)(2) and (d)(2) of section 5*  
 18 *by striking “1991 through 2002” and inserting “2003*  
 19 *through 2011”.*

### 20 ***SEC. 443. EMERGENCY FOOD ASSISTANCE.***

21 *The 1st sentence of section 204(a)(1) of the Emergency*  
 22 *Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is*  
 23 *amended—*

24 (1) *by striking “1991 through 2002” and insert-*  
 25 *ing “2003 through 2011”;*



- 1           (2) by striking “administrative”, and  
2           (3) by inserting “storage,” after “processing,”.

3           **Subtitle C—Miscellaneous**  
4           **Provisions**

5   **SEC. 461. HUNGER FELLOWSHIP PROGRAM.**

6           (a) *SHORT TITLE; FINDINGS.*—

7           (1) *SHORT TITLE.*—This section may be cited as  
8   the “Congressional Hunger Fellows Act of 2001”.

9           (2) *FINDINGS.*—The Congress finds as follows:

10           (A) *There is a critical need for compas-*  
11           *sionate individuals who are committed to assist-*  
12           *ing people who suffer from hunger as well as a*  
13           *need for such individuals to initiate and admin-*  
14           *ister solutions to the hunger problem.*

15           (B) *Bill Emerson, the distinguished late*  
16           *Representative from the 8th District of Missouri,*  
17           *demonstrated his commitment to solving the*  
18           *problem of hunger in a bipartisan manner, his*  
19           *commitment to public service, and his great af-*  
20           *fection for the institution and the ideals of the*  
21           *United States Congress.*

22           (C) *George T. (Mickey) Leland, the distin-*  
23           *guished late Representative from the 18th Dis-*  
24           *trict of Texas, demonstrated his compassion for*

1           *those in need, his high regard for public service,*  
2           *and his lively exercise of political talents.*

3           *(D) The special concern that Mr. Emerson*  
4           *and Mr. Leland demonstrated during their lives*  
5           *for the hungry and poor was an inspiration for*  
6           *others to work toward the goals of equality and*  
7           *justice for all.*

8           *(E) These 2 outstanding leaders maintained*  
9           *a special bond of friendship regardless of polit-*  
10          *ical affiliation and worked together to encourage*  
11          *future leaders to recognize and provide service to*  
12          *others, and therefore it is especially appropriate*  
13          *to honor the memory of Mr. Emerson and Mr.*  
14          *Leland by creating a fellowship program to de-*  
15          *velop and train the future leaders of the United*  
16          *States to pursue careers in humanitarian serv-*  
17          *ice.*

18          *(b) ESTABLISHMENT.—There is established as an inde-*  
19          *pendent entity of the legislative branch of the United States*  
20          *Government the Congressional Hunger Fellows Program*  
21          *(hereinafter in this section referred to as the “Program”).*

22          *(c) BOARD OF TRUSTEES.—*

23                 *(1) IN GENERAL.—The Program shall be subject*  
24                 *to the supervision and direction of a Board of Trust-*  
25                 *ees.*

1           (2) *MEMBERS OF THE BOARD OF TRUSTEES.*—

2                   (A) *APPOINTMENT.*—*The Board shall be*  
3 *composed of 6 voting members appointed under*  
4 *clause (i) and 1 nonvoting ex officio member des-*  
5 *ignated in clause (ii) as follows:*

6                           (i) *VOTING MEMBERS.*—(I) *The Speak-*  
7 *er of the House of Representatives shall ap-*  
8 *point 2 members.*

9                                   (II) *The minority leader of the House*  
10 *of Representatives shall appoint 1 member.*

11                                   (III) *The majority leader of the Senate*  
12 *shall appoint 2 members.*

13                                   (IV) *The minority leader of the Senate*  
14 *shall appoint 1 member.*

15                                   (ii) *NONVOTING MEMBER.*—*The Execu-*  
16 *tive Director of the program shall serve as*  
17 *a nonvoting ex officio member of the Board.*

18                   (B) *TERMS.*—*Members of the Board shall*  
19 *serve a term of 4 years.*

20                   (C) *VACANCY.*—

21                           (i) *AUTHORITY OF BOARD.*—*A vacancy*  
22 *in the membership of the Board does not af-*  
23 *fect the power of the remaining members to*  
24 *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 member*  
6                   *of the Board does not serve the full term ap-*  
7                   *plicable to the member, the individual ap-*  
8                   *pointed to fill the resulting vacancy shall be*  
9                   *appointed for the remainder of the term of*  
10                   *the predecessor of the individual.*

11                   (D) *CHAIRPERSON.*—*As the first order of*  
12                   *business of the first meeting of the Board, the*  
13                   *members shall elect a Chairperson.*

14                   (E) *COMPENSATION.*—

15                   (i) *IN GENERAL.*—*Subject to clause*  
16                   *(ii), members of the Board may not receive*  
17                   *compensation for service on the Board.*

18                   (ii) *TRAVEL.*—*Members of the Board*  
19                   *may be reimbursed for travel, subsistence,*  
20                   *and other necessary expenses incurred in*  
21                   *carrying out the duties of the program.*

22                   (3) *DUTIES.*—

23                   (A) *BYLAWS.*—

24                   (i) *ESTABLISHMENT.*—*The Board shall*  
25                   *establish such bylaws and other regulations*

1           *as may be appropriate to enable the Board*  
2           *to carry out this section, including the du-*  
3           *ties described in this paragraph.*

4           (ii) *CONTENTS.—Such bylaws and*  
5           *other regulations shall include provisions—*

6                   (I) *for appropriate fiscal control,*  
7                   *funds accountability, and operating*  
8                   *principles;*

9                   (II) *to prevent any conflict of in-*  
10                  *terest, or the appearance of any con-*  
11                  *flict of interest, in the procurement*  
12                  *and employment actions taken by the*  
13                  *Board or by any officer or employee of*  
14                  *the Board and in the selection and*  
15                  *placement of individuals in the fellow-*  
16                  *ships developed under the program;*

17                  (III) *for the resolution of a tie*  
18                  *vote of the members of the Board; and*

19                  (IV) *for authorization of travel for*  
20                  *members of the Board.*

21           (iii) *TRANSMITTAL TO CONGRESS.—*  
22           *Not later than 90 days after the date of the*  
23           *first meeting of the Board, the Chairperson*  
24           *of the Board shall transmit to Congress*

1           **the appropriate congressional**  
2           **committees** *a copy of such bylaws.*

3           *(B) BUDGET.—For each fiscal year the pro-*  
4           *gram is in operation, the Board shall determine*  
5           *a budget for the program for that fiscal year. All*  
6           *spending by the program shall be pursuant to*  
7           *such budget unless a change is approved by the*  
8           *Board.*

9           *(C) PROCESS FOR SELECTION AND PLACE-*  
10          *MENT OF FELLOWS.—The Board shall review*  
11          *and approve the process established by the Exec-*  
12          *utive Director for the selection and placement of*  
13          *individuals in the fellowships developed under*  
14          *the program.*

15          *(D) ALLOCATION OF FUNDS TO FELLOW-*  
16          *SHIPS.—The Board of Trustees shall determine*  
17          *the priority of the programs to be carried out*  
18          *under this section and the amount of funds to be*  
19          *allocated for the Emerson and Leland fellow-*  
20          *ships.*

21          *(d) PURPOSES; AUTHORITY OF PROGRAM.—*

22                  *(1) PURPOSES.—The purposes of the program*  
23                  *are—*

24                          *(A) to encourage future leaders of the*  
25                          *United States to pursue careers in humanitarian*

1           *service, to recognize the needs of people who are*  
2           *hungry and poor, and to provide assistance and*  
3           *compassion for those in need;*

4           *(B) to increase awareness of the importance*  
5           *of public service; and*

6           *(C) to provide training and development*  
7           *opportunities for such leaders through placement*  
8           *in programs operated by appropriate organiza-*  
9           *tions or entities.*

10          (2) *AUTHORITY.*—*The program is authorized to*  
11          *develop such fellowships to carry out the purposes of*  
12          *this section, including the fellowships described in*  
13          *paragraph (3).*

14          (3) *FELLOWSHIPS.*—

15                (A) *IN GENERAL.*—*The program shall estab-*  
16                *lish and carry out the Bill Emerson Hunger Fel-*  
17                *lowship and the Mickey Leland Hunger Fellow-*  
18                *ship.*

19                (B) *CURRICULUM.*—

20                    (i) *IN GENERAL.*—*The fellowships es-*  
21                    *tablished under subparagraph (A) shall pro-*  
22                    *vide experience and training to develop the*  
23                    *skills and understanding necessary to im-*  
24                    *prove the humanitarian conditions and the*

1 *lives of individuals who suffer from hunger,*  
2 *including—*

3 *(I) training in direct service to*  
4 *the hungry in conjunction with com-*  
5 *munity-based organizations through a*  
6 *program of field placement; and*

7 *(II) experience in policy develop-*  
8 *ment through placement in a govern-*  
9 *mental entity or nonprofit organiza-*  
10 *tion.*

11 *(ii) FOCUS OF BILL EMERSON HUNGER*  
12 *FELLOWSHIP.—The Bill Emerson Hunger*  
13 *Fellowship shall address hunger and other*  
14 *humanitarian needs in the United States.*

15 *(iii) FOCUS OF MICKEY LELAND HUN-*  
16 *GER FELLOWSHIP.—The Mickey Leland*  
17 *Hunger Fellowship shall address inter-*  
18 *national hunger and other humanitarian*  
19 *needs.*

20 *(iv) WORKPLAN.—To carry out clause*  
21 *(i) and to assist in the evaluation of the fel-*  
22 *lowships under paragraph (4), the program*  
23 *shall, for each fellow, approve a work plan*  
24 *that identifies the target objectives for the*  
25 *fellow in the fellowship, including specific*



1 *duties and responsibilities related to those*  
2 *objectives.*

3 *(C) PERIOD OF FELLOWSHIP.—*

4 *(i) EMERSON FELLOW.—A Bill Emer-*  
5 *son Hunger Fellowship awarded under this*  
6 *paragraph shall be for no more than 1 year.*

7 *(ii) LELAND FELLOW.—A Mickey Le-*  
8 *land Hunger Fellowship awarded under*  
9 *this paragraph shall be for no more than 2*  
10 **years. Not less than one year of the**  
11 **Fellowship shall be dedicated to**  
12 **fulfilling the requirement of sub-**  
13 **paragraph (B)(i)(I).**

14 *(D) SELECTION OF FELLOWS.—*

15 *(i) IN GENERAL.—A fellowship shall be*  
16 *awarded pursuant to a nationwide competi-*  
17 *tion established by the program.*

18 *(ii) QUALIFICATION.—A successful ap-*  
19 *plicant shall be an individual who has*  
20 *demonstrated—*

21 *(I) an intent to pursue a career*  
22 *in humanitarian service and out-*  
23 *standing potential for such a career;*

24 *(II) a commitment to social*  
25 *change;*

1                   (III) leadership potential or ac-  
2                   tual leadership experience;

3                   (IV) diverse life experience;

4                   (V) proficient writing and speak-  
5                   ing skills; ~~and~~

6                   (VI) an ability to live in poor or  
7                   diverse communities; **and**

8                   **(VII) such other attributes**  
9                   **as determined to be appro-**  
10                   **priate by the Board of Trust-**  
11                   **ees.**

12                   (iii) AMOUNT OF AWARD.—

13                   (I) IN GENERAL.—Each indi-  
14                   vidual awarded a fellowship under this  
15                   paragraph shall receive a living allow-  
16                   ance and, subject to subclause (II), an  
17                   end-of-service award as determined by  
18                   the program.

19                   (II) REQUIREMENT FOR SUCCESS-  
20                   FUL COMPLETION OF FELLOWSHIP.—

21                   Each individual awarded a fellowship  
22                   under this paragraph shall be entitled  
23                   to receive an end-of-service award at  
24                   an appropriate rate for each month of

1                    *satisfactory service as determined by*  
2                    *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 comple-*  
18                    *tion 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 of*  
22                    *the purposes of the program.*

23                    *(D) An assessment of the impact of the fel-*  
24                    *low 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 the*  
4           *Treasury of the United States, consisting of amounts*  
5           *appropriated to the Fund under subsection (i),*  
6           *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 Fund.*  
10          *Each investment shall be made in an interest bearing*  
11          *obligation of the United States or an obligation guar-*  
12          *anteed as to principal and interest by the United*  
13          *States that, as determined by the Secretary in con-*  
14          *sultation with the Board, has a maturity suitable for*  
15          *the Fund.*

16          (3) *RETURN ON INVESTMENT.*—*Except as pro-*  
17          *vided in subsection (f)(2), the Secretary of the Treas-*  
18          *ury shall credit to the Fund the interest on, and the*  
19          *proceeds from the sale or redemption of, obligations*  
20          *held in the Fund.*

21          (f) *EXPENDITURES; AUDITS.*—

22                 (1) *IN GENERAL.*—*The Secretary of the Treasury*  
23                 *shall transfer to the program from the amounts de-*  
24                 *scribed in subsection (e)(3) and subsection (g)(3)(A)*  
25                 *such sums as the Board determines are necessary to*

1       enable the program to carry out the provisions of this  
2       section.

3               (2) *LIMITATION.*—*The Secretary may not trans-*  
4       *fer to the program the amounts appropriated to the*  
5       *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 ap-*  
15       *propriate insurance of the fellows, the program,*  
16       *and the Board.*

17                      (D) *TRAINING OF FELLOWS.*—*To defray the*  
18       *costs of preservice and midservice education and*  
19       *training of fellows.*

20                      (E) *SUPPORT STAFF.*—*Staff described in*  
21       *subsection (g).*

22                      (F) *AWARDS.*—*End-of-service awards under*  
23       *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 General*  
6 *of the United States shall conduct an annual*  
7 *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 all*  
11 *other papers, things, or property belonging to or*  
12 *in use by the program and necessary to facilitate*  
13 *such audit.*

14           (C) *REPORT TO CONGRESS.*—*The Comp-*  
15 *troller General shall submit a copy of the results*  
16 *of each such audit to the Congress* **appro-**  
17 **priate congressional committees.**

18           (g) *STAFF; POWERS OF PROGRAM.*—

19           (1) *EXECUTIVE DIRECTOR.*—

20           (A) *IN GENERAL.*—*The Board shall appoint*  
21 *an Executive Director of the program who shall*  
22 *administer the program. The Executive Director*  
23 *shall carry out such other functions consistent*  
24 *with the provisions of this section as the Board*  
25 *shall prescribe.*

1           (B) *RESTRICTION.*—*The Executive Director*  
2           *may not serve as Chairperson of the Board.*

3           (C) *COMPENSATION.*—*The Executive Direc-*  
4           *tor shall be paid at a rate not to exceed the rate*  
5           *of basic pay payable for level V of the Executive*  
6           *Schedule under section 5316 of title 5, United*  
7           *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 at*  
17           *a rate not to exceed the rate of basic pay payable*  
18           *for level GS–15 of the General Schedule.*

19           (3) *POWERS.*—*In order to carry out the provi-*  
20           *sions of this section, the program may perform the*  
21           *following functions:*

22           (A) *GIFTS.*—*The program may solicit, ac-*  
23           *cept, use, and dispose of gifts, bequests, or devises*  
24           *of services or property, both real and personal,*  
25           *for the purpose of aiding or facilitating the work*

1           of the program. Gifts, bequests, or devises of  
2           money and proceeds from sales of other property  
3           received as gifts, bequests, or devises shall be de-  
4           posited in the Fund and shall be available for  
5           disbursement upon order of the Board.

6           (B) *EXPERTS AND CONSULTANTS.*—The pro-  
7           gram may procure temporary and intermittent  
8           services under section 3109 of title 5, United  
9           States Code, but at rates for individuals not to  
10          exceed the daily equivalent of the maximum an-  
11          nual rate of basic pay payable for GS-15 of the  
12          General Schedule.

13          (C) *CONTRACT AUTHORITY.*—The program  
14          may contract, with the approval of a majority of  
15          the members of the Board, with and compensate  
16          Government and private agencies or persons  
17          without regard to section 3709 of the Revised  
18          Statutes (41 U.S.C. 5).

19          (D) *OTHER NECESSARY EXPENDITURES.*—  
20          The program shall make such other expenditures  
21          which the program considers necessary to carry  
22          out the provisions of this section, but excluding  
23          project development.

24          (h) *REPORT.*—Not later than December 31 of each  
25          year, the Board shall submit to Congress **the appro-**



1 **priate congressional committees** *a report on the*  
2 *activities of the program carried out during the previous*  
3 *fiscal year, and shall include the following:*

4 (1) *An analysis of the evaluations conducted*  
5 *under subsection (d)(4) (relating to evaluations of the*  
6 *Emerson and Leland fellowships and accomplishment*  
7 *of the program purposes) during that fiscal year.*

8 (2) *A statement of the total amount of funds at-*  
9 *tributable to gifts received by the program in that fis-*  
10 *cal year (as authorized under subsection (g)(3)(A)),*  
11 *and the total amount of such funds that were ex-*  
12 *pende*d to carry out the program that fiscal year.

13 (i) *AUTHORIZATION OF APPROPRIATIONS.—There are*  
14 *authorized to be appropriated \$18,000,000 to carry out the*  
15 *provisions of this section.*

16 (j) **DEFINITION.—In this section, the term**  
17 **“appropriate congressional committees”**  
18 **means—**

19 (1) **the Committee on Agriculture and**  
20 **the Committee on International Relations**  
21 **of the House of Representatives; and**

22 (2) **the Committee on Agriculture, Nu-**  
23 **trition and Forestry and the Committee**  
24 **on Foreign Relations of the Senate.**

1 **SEC. 462. GENERAL EFFECTIVE DATE.**

2 *Except as otherwise provided in this title, the amend-*  
3 *ments made by this title shall take effect on October 1, 2002.*

4 **TITLE V—CREDIT**

5 **SEC. 501. ELIGIBILITY OF LIMITED LIABILITY COMPANIES**

6 **FOR FARM OWNERSHIP LOANS, FARM OPER-**  
7 **ATING LOANS, AND EMERGENCY LOANS.**

8 *(a) Sections 302(a), 311(a), and 321(a) of the Consoli-*  
9 *dated Farm and Rural Development Act (7 U.S.C. 1922(a),*  
10 *1941(a), and 1961(a)) are each amended by striking “and*  
11 *joint operations” each place it appears and inserting “joint*  
12 *operations, and limited liability companies”.*

13 *(b) Section 321(a) of such Act (7 U.S.C. 1961(a)) is*  
14 *amended by striking “or joint operations” each place it ap-*  
15 *pears and inserting “joint operations, or limited liability*  
16 *companies”.*

17 **SEC. 502. SUSPENSION OF LIMITATION ON PERIOD FOR**

18 **WHICH BORROWERS ARE ELIGIBLE FOR**  
19 **GUARANTEED ASSISTANCE.**

20 *During the period beginning January 1, 2002, and*  
21 *ending December 31, 2006, section 319(b) of the Consoli-*  
22 *dated Farm and Rural Development Act (7 U.S.C. 1949(b))*  
23 *shall have no force or effect.*

1 **SEC. 503. ADMINISTRATION OF CERTIFIED LENDERS AND**  
2 **PREFERRED CERTIFIED LENDERS PRO-**  
3 **GRAMS.**

4 (a) *IN GENERAL.*—Section 331(b) of the Consolidated  
5 Farm and Rural Development Act (7 U.S.C. 1981(b)) is  
6 amended—

7 (1) by redesignating paragraphs (2) through (9)  
8 as paragraphs (3) through (10), respectively; and

9 (2) by inserting after paragraph (1) the fol-  
10 lowing:

11 “(2) administer the loan guarantee program  
12 under section 339(c) through central offices estab-  
13 lished in States or in multi-State areas;”.

14 (b) *CONFORMING AMENDMENT.*—Section 331(c) of  
15 such Act (7 U.S.C. 1981(c)) is amended by striking “(b)(5)”  
16 and inserting “(b)(6)”.

17 **SEC. 504. SIMPLIFIED LOAN GUARANTEE APPLICATION**  
18 **AVAILABLE FOR LOANS OF GREATER**  
19 **AMOUNTS.**

20 Section 333A(g)(1) of the Consolidated Farm and  
21 Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended  
22 by striking “\$50,000” and inserting “\$150,000”.

1 **SEC. 505. ELIMINATION OF REQUIREMENT THAT SEC-**  
2 **RETARY REQUIRE COUNTY COMMITTEES TO**  
3 **CERTIFY IN WRITING THAT CERTAIN LOAN**  
4 **REVIEWS HAVE BEEN CONDUCTED.**

5 *Section 333 of the Consolidated Farm and Rural De-*  
6 *velopment Act (7 U.S.C. 1983) is amended by striking*  
7 *paragraph (2) and redesignating paragraphs (3) through*  
8 *(5) as paragraphs (2) through (4), respectively.*

9 **SEC. 506. AUTHORITY TO REDUCE PERCENTAGE OF LOAN**  
10 **GUARANTEED IF BORROWER INCOME IS IN-**  
11 **SUFFICIENT TO SERVICE DEBT.**

12 *Section 339 of the Consolidated Farm and Rural De-*  
13 *velopment Act (7 U.S.C. 1989) is amended—*

14 *(1) in subsection (c)(4)(A), by inserting “, except*  
15 *that the Secretary may guarantee such lesser percent-*  
16 *age as the Secretary determines appropriate of such*  
17 *a loan if the income of the borrower is less than the*  
18 *income necessary to meet the requirements of sub-*  
19 *section (b)” before the period; and*

20 *(2) in subsection (d)(4)(A), by inserting “, except*  
21 *that the Secretary may guarantee such lesser percent-*  
22 *age as the Secretary determines appropriate of such*  
23 *a loan if the income of the borrower is less than the*  
24 *income necessary to meet the requirements of sub-*  
25 *section (b)” before the semicolon.*

1 **SEC. 507. TIMING OF LOAN ASSESSMENTS.**

2 *Section 360(a) of the Consolidated Farm and Rural*  
3 *Development Act (7 U.S.C. 2006b(a)) is amended by strik-*  
4 *ing “After an applicant is determined eligible for assistance*  
5 *under this title by the appropriate county committee estab-*  
6 *lished pursuant to section 332, the” and inserting “The”.*

7 **SEC. 508. MAKING AND SERVICING OF LOANS BY PER-**  
8 **SONNEL OF STATE, COUNTY, OR AREA COM-**  
9 **MITTEES.**

10 *(a) IN GENERAL.—Subtitle D of the Consolidated*  
11 *Farm and Rural Development Act (7 U.S.C. 1981–2008j)*  
12 *is amended by adding at the end the following:*

13 **“SEC. 376. MAKING AND SERVICING OF LOANS BY PER-**  
14 **SONNEL OF STATE, COUNTY, OR AREA COM-**  
15 **MITTEES.**

16 *“The Secretary shall employ personnel of a State,*  
17 *county or area committee established under section 8(b)(5)*  
18 *of the Soil Conservation and Domestic Allotment Act (16*  
19 *U.S.C 590h(b)(5)) to make and service loans under this title*  
20 *to the extent the personnel have been trained to do so.”.*

21 *(b) INAPPLICABILITY OF FINALITY RULE.—Section*  
22 *281(a)(1) of the Department of Agriculture Reorganization*  
23 *Act of 1994 (7 U.S.C. 7001(a)(1)) is amended by inserting*  
24 *“, except functions performed pursuant to section 376 of*  
25 *the Consolidated Farm and Rural Development Act” before*  
26 *the period.*

1 **SEC. 509. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**  
 2 **OR AREA COMMITTEE FOR LOANS AND LOAN**  
 3 **GUARANTEES.**

4 *Subtitle D of the Consolidated Farm and Rural Devel-*  
 5 *opment Act (7 U.S.C. 1981–2008j) is further amended by*  
 6 *adding at the end the following:*

7 **“SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**  
 8 **OR AREA COMMITTEE FOR LOANS AND LOAN**  
 9 **GUARANTEES.**

10 *“The Secretary shall not prohibit an employee of a*  
 11 *State, county or area committee established under section*  
 12 *8(b)(5) of the Soil Conservation and Domestic Allotment*  
 13 *Act (16 U.S.C. 590h(b)(5)) or an employee of the Depart-*  
 14 *ment of Agriculture from obtaining a loan or loan guar-*  
 15 *antee under subtitle A, B or C of this title if an office of*  
 16 *the Department of Agriculture other than the office in which*  
 17 *the employee is located determines that the employee is oth-*  
 18 *erwise eligible for the loan or loan guarantee.”.*

19 **SEC. 510. EMERGENCY LOANS IN RESPONSE TO AN ECO-**  
 20 **NOMIC EMERGENCY RESULTING FROM QUAR-**  
 21 **ANTINES AND SHARPLY INCREASING ENERGY**  
 22 **COSTS.**

23 *(a) LOAN AUTHORITY.—Section 321(a) of the Consoli-*  
 24 *dated Farm and Rural Development Act (7 U.S.C. 1961(a))*  
 25 *is amended—*

26 *(1) in each of the 1st and 3rd sentences—*

1           (A) by striking “a natural disaster in the  
2           United States or by” and inserting “a quar-  
3           antine imposed by the Secretary under the Plant  
4           Protection Act or the animal quarantine laws  
5           (as defined in section 2509 of the Food, Agri-  
6           culture, Conservation, and Trade Act of 1990),  
7           an economic emergency resulting from sharply  
8           increasing energy costs as described in section  
9           329(b), a natural disaster in the United States,  
10          or”; and

11           (B) by inserting “Robert T. Stafford” before  
12          “Disaster Relief and Emergency Assistance Act”;  
13          and

14          (2) in the 4th sentence—

15           (A) by striking “a natural disaster” and in-  
16           serting “such a quarantine, economic emergency,  
17           or natural disaster”; and

18           (B) by striking “by such natural disaster”  
19           and inserting “by such quarantine, economic  
20           emergency, or natural disaster”.

21          (b) *CONFORMING AMENDMENT.*—Section 323 of such  
22          Act (7 U.S.C. 1963) is amended—

23           (1) by inserting “quarantine,” before “natural  
24           disaster”; and

1           (2) by inserting “referred to in section 321(a),  
2           including, notwithstanding any other provision of  
3           this title, an economic emergency resulting from  
4           sharply increasing energy costs as described in section  
5           329(b)” after “emergency”.

6           (c) *SHARPLY INCREASING ENERGY COSTS.*—Section  
7           329 of such Act (7 U.S.C. 1969) is amended—

8           (1) by striking all that precedes “Secretary  
9           shall” and inserting the following:

10       **“SEC. 329. LOSS CONDITIONS.**

11       “(a) *IN GENERAL.*—Except as provided in subsection  
12       (b), the”; and

13       (2) by adding after and below the end the fol-  
14       lowing:

15       “(b) *LOSS RESULTING FROM SHARPLY INCREASING*  
16       *ENERGY COSTS.*—The Secretary shall make financial as-  
17       sistance under this subtitle available to any applicant seek-  
18       ing assistance based on an income loss resulting from  
19       sharply increasing energy costs referred to in section 323  
20       if—

21       “(1) the price of electricity, gasoline, diesel fuel,  
22       natural gas, propane, or other equivalent fuel during  
23       any 3-month period is at least 50 percent greater  
24       than the average price of the same form of energy



1       *during the preceding 5 years, as determined by the*  
2       *Secretary; and*

3               “(2) *the income loss of the applicant is directly*  
4       *related to expenses incurred to prevent livestock mor-*  
5       *tality, the degradation of a perishable agricultural*  
6       *commodity, or damage to a field crop.”.*

7       (d) *MAXIMUM AMOUNT OF LOAN.*—Section 324(a) of  
8 *such Act (7 U.S.C. 1964(a)) is amended—*

9               (1) *by striking “or” at the end of paragraph (1);*

10              (2) *by striking the period at the end of para-*  
11       *graph (2) and inserting a semicolon; and*

12              (3) *by adding at the end the following:*

13               “(3) *in the case of a loan made in response to*  
14       *a quarantine referred to in section 321, exceeds*  
15       *\$500,000; or*

16               “(4) *in the case of a loan made in response to*  
17       *an economic emergency referred to in section 321, ex-*  
18       *ceeds \$200,000.”.*

19 **SEC. 511. EXTENSION OF AUTHORITY TO CONTRACT FOR**  
20               **SERVICING OF FARMER PROGRAM LOANS.**

21       Section 331(d) of the Consolidated Farm and Rural  
22 *Development Act (7 U.S.C. 1981(d)) is amended—*

23               (1) *in the heading by striking “TEMPORARY”;*

24       *and*

1           (2) in paragraph (5), by striking “2002” and in-  
2           serting “2011”.

3   **SEC. 512. AUTHORIZATION FOR LOANS.**

4           Section 346(b)(1) of the Consolidated Farm and Rural  
5   Development Act (7 U.S.C. 1994(b)(1)) is amended by strik-  
6   ing “not more than the following amounts:” and all that  
7   follows and inserting “such sums as may be necessary.”.

8   **SEC. 513. RESERVATION OF FUNDS FOR DIRECT OPER-**  
9                   **ATING LOANS FOR BEGINNING FARMERS AND**  
10                   **RANCHERS.**

11          Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm  
12   and   Rural   Development   Act   (7   U.S.C.  
13   1994(b)(2)(A)(ii)(III)) is amended by striking “2000  
14   through 2002” and inserting “2002 through 2011”.

15   **SEC. 514. EXTENSION OF INTEREST RATE REDUCTION PRO-**  
16                   **GRAM.**

17          Section 351(a)(2) of the Consolidated Farm and Rural  
18   Development Act (7 U.S.C. 1999(a)(2)) is amended by  
19   striking “2002” and inserting “2011”.

20   **SEC. 515. INCREASE IN DURATION OF LOANS UNDER DOWN**  
21                   **PAYMENT LOAN PROGRAM.**

22          (a) *IN GENERAL.*—Section 310E(b)(3) of the Consoli-  
23   dated Farm and Rural Development Act (7 U.S.C.  
24   1935(b)(3)) is amended by striking “10” and inserting  
25   “15”.

1           (b)           CONFORMING           AMENDMENT.—Section  
2   310E(c)(3)(B) of the Consolidated Farm and Rural Devel-  
3   opment Act (7 U.S.C. 1935(c)(3)(B)) is amended by strik-  
4   ing “10-year” and inserting “15-year”.

5   **SEC. 516. HORSE BREEDER LOANS.**

6           (a) DEFINITION OF HORSE BREEDER.—In this sec-  
7   tion, the term “horse breeder” means a person that, as of  
8   the date of the enactment of this Act, derives more than  
9   70 percent of the income of the person from the business  
10  of breeding, boarding, raising, training, or selling horses,  
11  during the shorter of—

12           (1) the 5-year period ending on January 1,  
13   2001; or

14           (2) the period the person has been engaged in the  
15   business.

16           (b) LOAN AUTHORIZATION.—The Secretary shall make  
17  a loan to an eligible horse breeder to assist the breeder for  
18  losses suffered as a result of mare reproductive loss syn-  
19  drome.

20           (c) ELIGIBILITY.—A horse breeder shall be eligible for  
21  a loan under this section if the Secretary determines that,  
22  as a result of mare reproductive loss syndrome—

23           (1) during the period beginning January 1,  
24   2000, and ending October 1, 2000, or during the pe-

1        *riod beginning January 1, 2001, and ending October*  
2        *1, 2001—*

3                *(A) 30 percent or more of the mares owned*  
4                *by the breeder failed to conceive, miscarried,*  
5                *aborted, or otherwise failed to produce a live*  
6                *healthy foal; or*

7                *(B) 30 percent or more of the mares boarded*  
8                *on a farm owned, operated, or leased by the*  
9                *breeder failed to conceive, miscarried, aborted, or*  
10               *otherwise failed to produce a live healthy foal;*

11               *(2) during the period beginning January 1,*  
12               *2000, and ending on September 30, 2002, the breeder*  
13               *was unable to meet the financial obligations, or pay*  
14               *the ordinary and necessary expenses, of the breeder*  
15               *incurred in connection with breeding, boarding, rais-*  
16               *ing, training, or selling horses; and*

17               *(3) the breeder is not able to obtain sufficient*  
18               *credit elsewhere (within the meaning of section 321(a)*  
19               *of the Consolidated Farm and Rural Development*  
20               *Act).*

21        *(d) AMOUNT.—*

22               *(1) IN GENERAL.—Subject to paragraph (2), the*  
23               *Secretary shall determine the amount of a loan to be*  
24               *made to a horse breeder under this section, on the*  
25               *basis of the amount of losses suffered by the breeder,*

1        *and the financial needs of the breeder, as a result of*  
2        *mare reproductive loss syndrome.*

3            (2) *MAXIMUM AMOUNT.*—*The amount of a loan*  
4        *made under this section shall not exceed \$500,000.*

5        (e) *TERM.*—

6            (1) *IN GENERAL.*—*Subject to paragraph (2), the*  
7        *term for repayment of a loan made to a horse breeder*  
8        *under this section shall be determined by the Sec-*  
9        *retary based on the ability of the breeder to repay the*  
10       *loan.*

11           (2) *MAXIMUM TERM.*—*The term of a loan made*  
12       *under this section shall not exceed 15 years.*

13        (f) *INTEREST RATE.*—*Interest shall be payable on a*  
14       *loan made under this section, at the rate prescribed under*  
15       *section 324(b)(1) of the Consolidated Farm and Rural De-*  
16       *velopment Act.*

17        (g) *SECURITY.*—*Security shall be required on a loan*  
18       *made under this section, in accordance with section 324(d)*  
19       *of the Consolidated Farm and Rural Development Act.*

20        (h) *APPLICATION.*—*To be eligible to obtain a loan*  
21       *under this section, a horse breeder shall submit to the Sec-*  
22       *retary an application for the loan not later than September*  
23       *30, 2002.*

24        (i) *FUNDING.*—*The Secretary shall carry out this sec-*  
25       *tion using funds available for emergency loans under sub-*

1 *title C of the Consolidated Farm and Rural Development*  
2 *Act.*

3 (j) *TERMINATION.*—*The authority provided by this sec-*  
4 *tion shall terminate on September 30, 2003.*

5 **SEC. 517. SUNSET OF DIRECT LOAN PROGRAMS UNDER THE**  
6 **CONSOLIDATED FARM AND RURAL DEVELOP-**  
7 **MENT ACT.**

8 (a) *IN GENERAL.*—*Subtitle D of the Consolidated*  
9 *Farm and Rural Development Act (7 U.S.C. 1981–2008j)*  
10 *is amended by inserting after section 344 the following:*

11 **“SEC. 345. SUNSET OF DIRECT LOAN PROGRAMS.**

12 “(a) *IN GENERAL.*—*Except as provided in subsection*  
13 *(b), beginning 5 years after the date of the enactment of*  
14 *this section, the Secretary may not make a direct loan*  
15 *under section 302 or 311.*

16 “(b) *EXCEPTIONS.*—*Subsection (a) shall not apply to*  
17 *any authority to make direct loans to youths, qualified be-*  
18 *ginning farmers or ranchers, or members of socially dis-*  
19 *advantaged groups.*

20 “(c) *NO EFFECT ON EXISTING CONTRACTS.*—*Sub-*  
21 *section (a) shall not be construed to permit the violation*  
22 *of any contract entered into before the 5-year period de-*  
23 *scribed in subsection (a).”.*

24 (b) *EVALUATIONS OF DIRECT AND GUARANTEED LOAN*  
25 *PROGRAMS.*—

1           (1) *STUDIES.*—*The Secretary of Agriculture*  
2           *shall conduct 2 studies of the direct and guaranteed*  
3           *loan programs under sections 302 and 311 of the Con-*  
4           *solidated Farm and Rural Development Act, each of*  
5           *which shall include an examination of the number,*  
6           *average principal amount, and delinquency and de-*  
7           *fault rates of loans provided or guaranteed during the*  
8           *period covered by the study.*

9           (2) *PERIODS COVERED.*—

10           (A) *FIRST STUDY.*—*1 study under para-*  
11           *graph (1) shall cover the 1-year period that be-*  
12           *gins 1 year after the date of the enactment of*  
13           *this section.*

14           (B) *SECOND STUDY.*—*1 study under para-*  
15           *graph (1) shall cover the 1-year period that be-*  
16           *gins 3 years after such date of enactment.*

17           (3) *REPORTS TO THE CONGRESS.*—*At the end of*  
18           *the period covered by a study under this subsection,*  
19           *the Secretary of Agriculture shall submit to the Con-*  
20           *gress a report that contains an evaluation of the re-*  
21           *sults of the study, including an analysis of the effec-*  
22           *tiveness of loan programs referred to in paragraph*  
23           *(1) in meeting the credit needs of agricultural pro-*  
24           *ducers in an efficient and fiscally responsible manner.*

1 **SEC. 518. DEFINITION OF DEBT FORGIVENESS.**

2 *Section 343(a)(12)(B) of the Consolidated Farm and*  
3 *Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is*  
4 *amended to read as follows:*

5 “(B) *EXCEPTIONS.*—*The term ‘debt forgive-*  
6 *ness’ does not include—*

7 “(i) *consolidation, rescheduling, re-*  
8 *amortization, or deferral of a loan; or*

9 “(ii) *any write-down provided as a*  
10 *part of a resolution of a discrimination*  
11 *complaint against the Secretary.”.*

12 **SEC. 519. LOAN ELIGIBILITY FOR BORROWERS WITH PRIOR**  
13 **DEBT FORGIVENESS.**

14 *Section 373(b)(1) of the Consolidated Farm and Rural*  
15 *Development Act (7 U.S.C. 2008h(b)(1)) is amended to read*  
16 *as follows:*

17 “(1) *PROHIBITIONS.*—*Except as provided in*  
18 *paragraph (2)—*

19 “(A) *the Secretary may not make a loan*  
20 *under this title to a borrower who, on more than*  
21 *2 occasions, received debt forgiveness on a loan*  
22 *made or guaranteed under this title; and*

23 “(B) *the Secretary may not guarantee a*  
24 *loan under this title to a borrower who, on more*  
25 *than 3 occasions, received debt forgiveness on a*  
26 *loan made or guaranteed under this title.”.*



1 **SEC. 520. ALLOCATION OF CERTAIN FUNDS FOR SOCIALLY**  
 2 **DISADVANTAGED FARMERS AND RANCHERS.**

3 *The last sentence of section 355(c)(2) of the Consoli-*  
 4 *dated Farm and Rural Development Act (7 U.S.C.*  
 5 *2003(c)(2)) is amended to read as follows: “Any funds re-*  
 6 *served and allocated under this paragraph but not used*  
 7 *within a State shall, to the extent necessary to satisfy pend-*  
 8 *ing applications under this title, be available for use by*  
 9 *socially disadvantaged farmers and ranchers in other*  
 10 *States, as determined by the Secretary, and any remaining*  
 11 *funds shall be reallocated within the State.”.*

12 **SEC. 521. HORSES CONSIDERED TO BE LIVESTOCK UNDER**  
 13 **THE CONSOLIDATED FARM AND RURAL DE-**  
 14 **VELOPMENT ACT.**

15 *Section 343 of the Consolidated Farm and Rural De-*  
 16 *velopment Act (7 U.S.C. 1991) is amended by adding at*  
 17 *the end the following:*

18 *“(c) LIVESTOCK INCLUDES HORSES.—The term ‘live-*  
 19 *stock’ includes horses.”.*

20 **TITLE VI—RURAL DEVELOPMENT**

21 **SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROAD-**  
 22 **CAST SIGNAL LOAN GUARANTEES.**

23 *Section 1011(a) of the Launching Our Communities’*  
 24 *Access to Local Television Act of 2000 (title X of H.R. 5548,*  
 25 *as enacted by section 1(a)(2) of Public Law 106-553) is*  
 26 *amended by adding at the end the following: “In addition,*

1 a total of \$200,000,000 of the funds of the Commodity Cred-  
2 it Corporation shall be available during fiscal years 2002  
3 through 2006, without fiscal year limitation, for loan guar-  
4 antees under this title.”.

5 **SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRI-**  
6 **CULTURAL PRODUCT MARKET DEVELOPMENT**  
7 **GRANTS.**

8 Section 231(a) of the Agricultural Risk Protection Act  
9 of 2000 (7 U.S.C. 1621 note) is amended—

10 (1) by striking paragraph (1) and inserting the  
11 following:

12 “(1) *ESTABLISHMENT AND PURPOSES.*—In each  
13 of fiscal years 2002 through 2011, the Secretary shall  
14 use \$50,000,000 of the funds of the Commodity Credit  
15 Corporation to award competitive 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 of  
24 an agricultural commodity; or

1                   “(i) 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 com-  
10                  modity or product of an agricultural com-  
11                  modity; 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.”; and

16                  (2) by striking “producer” each place it appears  
17                  thereafter and inserting “grantee”.

18 **SEC. 603. AGRICULTURE INNOVATION CENTER DEM-**  
19 **ONSTRATION PROGRAM.**

20                  (a) *PURPOSES.*—The purposes of this section are to  
21                  carry out a demonstration program under which agricul-  
22                  tural producers are provided—

23                  (1) technical assistance, including engineering  
24                  services, applied research, scale production, and simi-

1        *lar services to enable the producers to establish busi-*  
2        *nesses for further processing of agricultural products;*

3            *(2) marketing, market development, and business*  
4        *planning;*

5            *(3) overall organizational, outreach, and develop-*  
6        *ment assistance to increase the viability, growth, and*  
7        *sustainability of value-added agricultural businesses.*

8        *(b) NATURE OF PROGRAM.—The Secretary of Agri-*  
9        *culture (in this section referred to as the “Secretary”)*  
10       *shall—*

11            *(1) make grants to eligible applicants for the*  
12        *purposes of enabling the applicants to obtain the as-*  
13        *sistance described in subsection (a); and*

14            *(2) provide assistance to eligible applicants*  
15        *through the research and technical services of the De-*  
16        *partment of Agriculture.*

17        *(c) ELIGIBILITY REQUIREMENTS.—*

18            *(1) IN GENERAL.—An applicant shall be eligible*  
19        *for a grant and assistance described in subsection (b)*  
20        *to establish an Agriculture Innovation Center if—*

21            *(A) the applicant—*

22                    *(i) has provided services similar to*  
23                    *those described in subsection (a); or*

24                    *(ii) shows the capability of providing*  
25                    *the services;*

1           (B) the application of the applicant for the  
2           grant and assistance sets forth a plan, in accord-  
3           ance with regulations which shall be prescribed  
4           by the Secretary, outlining support of the appli-  
5           cant in the agricultural community, the tech-  
6           nical and other expertise of the applicant, and  
7           the goals of the applicant for increasing and im-  
8           proving the ability of local producers to develop  
9           markets and processes for value-added agricul-  
10          tural products;

11          (C) the applicant demonstrates that re-  
12          sources (in cash or in kind) of definite value are  
13          available, or have been committed to be made  
14          available, to the applicant, to increase and im-  
15          prove the ability of local producers to develop  
16          markets and processes for value-added agricul-  
17          tural products; and

18          (D) the applicant meets the requirement of  
19          paragraph (2).

20          (2) BOARD OF DIRECTORS.—The requirement of  
21          this paragraph is that the applicant shall have a  
22          board of directors comprised of representatives of the  
23          following groups:

1           (A) *The 2 general agricultural organiza-*  
2           *tions with the greatest number of members in the*  
3           *State in which the applicant is located.*

4           (B) *The Department of Agriculture or simi-*  
5           *lar State organization or department, for the*  
6           *State.*

7           (C) *Organizations representing the 4 highest*  
8           *grossing commodities produced in the State, ac-*  
9           *cording to annual gross cash sales.*

10       (d) *GRANTS AND ASSISTANCE.—*

11           (1) *IN GENERAL.—Subject to subsection (g), the*  
12           *Secretary shall make annual grants to eligible appli-*  
13           *cants under this section, each of which grants shall*  
14           *not exceed the lesser of—*

15                   (A) *\$1,000,000; or*

16                   (B) *twice the dollar value of the resources*  
17                   *(in cash or in kind) that the applicant has dem-*  
18                   *onstrated are available, or have been committed*  
19                   *to be made available, to the applicant in accord-*  
20                   *ance with subsection (c)(1)(C).*

21           (2) *INITIAL LIMITATION.—In the first year of the*  
22           *demonstration program under this section, the Sec-*  
23           *retary shall make grants under this section, on a*  
24           *competitive basis, to not more than 5 eligible appli-*  
25           *cants.*

1           (3) *EXPANSION OF DEMONSTRATION PROGRAM.*—  
2           *In the second year of the demonstration program*  
3           *under this section, the Secretary may make grants*  
4           *under this section to not more than 10 eligible appli-*  
5           *cants, in addition to any entities to which grants are*  
6           *made under paragraph (2) for such year.*

7           (4) *STATE LIMITATION.*—*In the first 3 years of*  
8           *the demonstration program under this section, the*  
9           *Secretary shall not make an Agricultural Innovation*  
10           *Center Demonstration Program grant under this sec-*  
11           *tion to more than 1 entity in a single State.*

12           (e) *USE OF FUNDS.*—*An entity to which a grant is*  
13           *made under this section may use the grant only for the fol-*  
14           *lowing purposes, but only to the extent that the use is not*  
15           *described in section 231(d) of the Agricultural Risk Protec-*  
16           *tion Act of 2000:*

17                   (1) *Applied research.*

18                   (2) *Consulting services.*

19                   (3) *Hiring of employees, at the discretion of the*  
20                   *board of directors of the entity.*

21                   (4) *The making of matching grants, each of*  
22                   *which shall be not more than \$5,000, to agricultural*  
23                   *producers, so long as the aggregate amount of all such*  
24                   *matching grants shall be not more than \$50,000.*

25                   (5) *Legal services.*

1           (f) *RULE OF INTERPRETATION.*—*This section shall not*  
2 *be construed to prevent a recipient of a grant under this*  
3 *section from collaborating with any other institution with*  
4 *respect to activities conducted using the grant.*

5           (g) *AVAILABILITY OF FUNDS.*—*Of the amount made*  
6 *available under section 231(a)(1) of the Agricultural Risk*  
7 *Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1621*  
8 *note), the Secretary shall use to carry out this section—*

9                   (1) *not less than \$5,000,000 for fiscal year 2002;*

10           *and*

11                   (2) *not less than \$10,000,000 for each of the fis-*  
12 *cal years 2003 and 2004.*

13           (h) *REPORT ON BEST PRACTICES.*—

14                   (1) *EFFECTS ON THE AGRICULTURAL SECTOR.*—  
15 *The Secretary shall utilize \$300,000 per year of the*  
16 *funds made available pursuant to this section to sup-*  
17 *port research at any university into the effects of*  
18 *value-added projects on agricultural producers and*  
19 *the commodity markets. The research should system-*  
20 *atically examine possible effects on demand for agri-*  
21 *cultural commodities, market prices, farm income,*  
22 *and Federal outlays on commodity programs using*  
23 *linked, long-term, global projections of the agricul-*  
24 *tural sector.*



1           (2) *DEPARTMENT OF AGRICULTURE.*—Not later  
2           than 3 years after the first 10 grants are made under  
3           this section, the Secretary shall prepare and submit  
4           to the Committee on Agriculture, Nutrition, and For-  
5           estry of the Senate and to the Committee on Agri-  
6           culture of the House of Representatives a written re-  
7           port on the effectiveness of the demonstration program  
8           conducted under this section at improving the produc-  
9           tion of value-added agricultural products and on the  
10          effects of the program on the economic viability of the  
11          producers, which shall include the best practices and  
12          innovations found at each of the Agriculture Innova-  
13          tion Centers established under the demonstration pro-  
14          gram under this section, and detail the number and  
15          type of agricultural projects assisted, and the type of  
16          assistance provided, under this section.

17 **SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE**  
18 **GRANT PROGRAM.**

19          (a) *FUNDING.*—In each of fiscal years 2002 through  
20          2011, the Secretary of Agriculture shall use \$30,000,000 of  
21          the funds of the Commodity Credit Corporation to carry  
22          out section 306A of the Consolidated Farm and Rural De-  
23          velopment Act (7 U.S.C. 1926a).

24          (b) *EXTENSION OF PROGRAM.*—Section 306A(i) of the  
25          Consolidated Farm and Rural Development Act (7 U.S.C.

1 1926a(i)) is amended by striking “2002” and inserting  
2 “2011”.

3 (c) *MISCELLANEOUS AMENDMENTS.*—Section 306A of  
4 such Act (7 U.S.C. 1926a) is amended—

5 (1) in the heading by striking **EMERGENCY**;

6 (2) in subsection (a)(1)—

7 (A) by striking “after” and inserting  
8 “when”; and

9 (B) by inserting “is imminent” after “com-  
10 munities”; and

11 (3) in subsection (c), by striking “shall—” and  
12 all that follows and inserting “shall be a public or  
13 private nonprofit entity.”.

14 **SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE**  
15 **PURCHASE OF RENEWABLE ENERGY SYS-**  
16 **TEMS.**

17 Section 4 of the Rural Electrification Act of 1936 (7  
18 U.S.C. 904) is amended—

19 (1) by inserting “(a)” before “The Secretary”;  
20 and

21 (2) by adding after and below the end the fol-  
22 lowing:

23 “(b) *LOAN GUARANTEES FOR THE FINANCING OF THE*  
24 *PURCHASE OF RENEWABLE ENERGY SYSTEMS.*—The Sec-  
25 retary may provide a loan guarantee, on such terms and

1 *conditions as the Secretary deems appropriate, for the pur-*  
2 *pose of financing the purchase of a renewable energy system,*  
3 *including a wind energy system and anaerobic digestors for*  
4 *the purpose of energy generation, by any person or indi-*  
5 *vidual who is a farmer, a rancher, or an owner of a small*  
6 *business (as defined by the Secretary) that is located in a*  
7 *rural area (as defined by the Secretary). In providing guar-*  
8 *antees under this subsection, the Secretary shall give pri-*  
9 *ority to loans used primarily for power generation on a*  
10 *farm, ranch, or small business (as so defined).”.*

11 **SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE**  
12 **ENERGY SYSTEMS.**

13 *Section 310B(a)(3) of the Consolidated Farm and*  
14 *Rural Development Act (7 U.S.C. 1932(a)(3)) is amended*  
15 *by inserting “and other renewable energy systems including*  
16 *wind energy systems and anaerobic digestors for the pur-*  
17 *pose of energy generation” after “solar energy systems”.*

18 **SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.**

19 *Section 306(a)(11)(D) of the Consolidated Farm and*  
20 *Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is*  
21 *amended by striking “2002” and inserting “2011”.*

1 **SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND**  
2 **NATIVE VILLAGES IN ALASKA.**

3 *Section 306D(d)(1) of the Consolidated Farm and*  
4 *Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended*  
5 *by striking “and 2002” and inserting “through 2011”.*

6 **SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

7 *Section 310B(e)(9) of the Consolidated Farm and*  
8 *Rural Development Act (7 U.S.C. 1932(e)(9)) is amended*  
9 *by striking “2002” and inserting “2011”.*

10 **SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVEL-**  
11 **OPMENT TRUST FUND.**

12 *Section 381E(e)(3)(F) of the Consolidated Farm and*  
13 *Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is*  
14 *amended by striking “fiscal year 2002” and inserting “each*  
15 *of the fiscal years 2002 through 2011”.*

16 **SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PRO-**  
17 **GRAM.**

18 *Section 381O(b)(3) of the Consolidated Farm and*  
19 *Rural Development Act (7 U.S.C. 2009n(b)(3)) is amended*  
20 *by striking “2002” and inserting “2011”.*

21 **SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR**  
22 **RURAL DEVELOPMENT.**

23 *Section 310B(a) of the Consolidated Farm and Rural*  
24 *Development Act (7 U.S.C. 1932(a)) is amended by striking*  
25 *“\$25,000,000” and inserting “\$100,000,000”.*

1 **SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLE-**  
2 **MENTATION OF STRATEGIC REGIONAL DE-**  
3 **VELOPMENT PLANS.**

4 (a) *DEVELOPMENT.*—

5 (1) *SELECTION OF STATES.*—*The Secretary of*  
6 *Agriculture (in this section referred to as the “Sec-*  
7 *retary”)* shall select 10 States in which to implement  
8 strategic regional development plans developed under  
9 this subsection.

10 (2) *GRANTS.*—

11 (A) *AUTHORITY.*—

12 (i) *IN GENERAL.*—*From the funds*  
13 *made available to carry out this subsection,*  
14 *the Secretary shall make a matching grant*  
15 *to 1 or more entities in each State selected*  
16 *under subsection (a), to develop a strategic*  
17 *regional development plan that provides for*  
18 *rural economic development in a region in*  
19 *the State in which the entity is located.*

20 (ii) *PRIORITY.*—*In making grants*  
21 *under this subsection, the Secretary shall*  
22 *give priority to entities that represent a re-*  
23 *gional coalition of community-based plan-*  
24 *ning, development, governmental, and busi-*  
25 *ness organizations.*

1           (B) *TERMS OF MATCH.*—*In order for an en-*  
2           *tity to be eligible for a matching grant under*  
3           *this subsection, the entity shall make a commit-*  
4           *ment to the Secretary to provide funds for the*  
5           *development of a strategic regional development*  
6           *plan of the kind referred to in subparagraph (A)*  
7           *in an amount that is not less than the amount*  
8           *of the matching grant.*

9           (C) *LIMITATION.*—*The Secretary shall not*  
10          *make a grant under this subsection in an*  
11          *amount that exceeds \$150,000.*

12          (3) *FUNDING.*—

13               (A) *IN GENERAL.*—*The Secretary shall use*  
14               *\$2,000,000 of the funds of the Commodity Credit*  
15               *Corporation in each of fiscal years 2002 through*  
16               *2011 to carry out this subsection.*

17               (B) *AVAILABILITY.*—*Funds made available*  
18               *pursuant to subparagraph (A) shall remain*  
19               *available without fiscal year limitation.*

20          (b) *STRATEGIC PLANNING IMPLEMENTATION.*—

21               (1) *The Secretary shall use the authorities pro-*  
22               *vided in the provisions of law specified in section*  
23               *793(c)(1)(A)(ii) of the Federal Agriculture Improve-*  
24               *ment and Reform Act of 1996 to implement the stra-*

1        *tegic regional development plans developed pursuant*  
2        *to subsection (a) of this section.*

3            (2) *FUNDING.—*

4                    (A) *IN GENERAL.—The Secretary shall use*  
5                    *\$13,000,000 of the funds of the Commodity Cred-*  
6                    *it Corporation in each of fiscal years 2002*  
7                    *through 2011 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            (c) *USE OF FUNDS.—The amounts made available*  
12            *under subsections (a) and (b) may be used as the Secretary*  
13            *deems appropriate to carry out any provision of this sec-*  
14            *tion.*

15        **SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**  
16                    **NANCE THE CONSTRUCTION, REFURBISHING,**  
17                    **AND SERVICING OF INDIVIDUALLY-OWNED**  
18                    **HOUSEHOLD WATER WELL SYSTEMS IN**  
19                    **RURAL AREAS FOR INDIVIDUALS WITH LOW**  
20                    **OR MODERATE INCOMES.**

21            (a) *IN GENERAL.—Subtitle A of the Consolidated*  
22            *Farm and Rural Development Act (7 U.S.C. 1922–1949)*  
23            *is amended by inserting after section 306D the following:*

1 **“SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**  
2 **NANCE THE CONSTRUCTION, REFURBISHING,**  
3 **AND SERVICING OF INDIVIDUALLY-OWNED**  
4 **HOUSEHOLD WATER WELL SYSTEMS IN**  
5 **RURAL AREAS FOR INDIVIDUALS WITH LOW**  
6 **OR MODERATE INCOMES.**

7 *“(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this*  
8 *section, the term ‘eligible individual’ means an individual*  
9 *who is a member of a household, the combined income of*  
10 *whose members for the most recent 12-month period for*  
11 *which the information is available, is not more than 100*  
12 *percent of the median nonmetropolitan household income*  
13 *for the State or territory in which the individual resides,*  
14 *according to the most recent decennial census of the United*  
15 *States.*

16 *“(b) GRANTS.—The Secretary may make grants to pri-*  
17 *vate nonprofit organizations for the purpose of assisting eli-*  
18 *gible individuals in obtaining financing for the construc-*  
19 *tion, refurbishing, and servicing of individual household*  
20 *water well systems in rural areas that are owned (or to*  
21 *be owned) by the eligible individuals.*

22 *“(c) USE OF FUNDS.—A grant made under this section*  
23 *may be—*

24 *“(1) used, or invested to provide income to be*  
25 *used, to carry out subsection (b); and*





1           “(1) *the National Rural Development Coordi-*  
2           *nating Committee established in accordance with sub-*  
3           *section (c); and*

4           “(2) *State rural development councils established*  
5           *in accordance with subsection (d).*

6           “(c) *NATIONAL RURAL DEVELOPMENT COORDINATING*  
7           *COMMITTEE.—*

8           “(1) *COMPOSITION.—The National Rural Devel-*  
9           *opment Coordinating Committee (in this section re-*  
10           *ferred to as the “Coordinating Committee”) may be*  
11           *composed of—*

12                   “(A) *representatives of all Federal depart-*  
13                   *ments and agencies with policies and programs*  
14                   *that affect or benefit rural areas;*

15                   “(B) *representatives of national associations*  
16                   *of State, regional, local, and tribal governments*  
17                   *and intergovernmental and multi-jurisdictional*  
18                   *agencies and organizations;*

19                   “(C) *national public interest groups; and*

20                   “(D) *other national nonprofit organizations*  
21                   *that elect to participate in the activities of the*  
22                   *Coordinating Committee.*

23           “(2) *FUNCTIONS.—The Coordinating Committee*  
24           *may—*

1           “(A) provide support for the work of the  
2           State rural development councils established in  
3           accordance with subsection (d); and

4           “(B) develop and facilitate strategies to re-  
5           duce or eliminate conflicting or duplicative ad-  
6           ministrative and regulatory impediments con-  
7           fronting rural areas.

8           “(d) STATE RURAL DEVELOPMENT COUNCILS.—

9           “(1) COMPOSITION.—A State rural development  
10          council may—

11           “(A) be composed of representatives of Fed-  
12           eral, State, local, and tribal governments, and  
13           nonprofit organizations, the private sector, and  
14           other entities committed to rural advancement;  
15           and

16           “(B) have a nonpartisan and nondiscrim-  
17           inatory membership that is broad and represent-  
18           ative of the economic, social, and political diver-  
19           sity of the State.

20           “(2) FUNCTIONS.—A State rural development  
21          council may—

22           “(A) facilitate collaboration among Federal,  
23           State, local, and tribal governments and the pri-  
24           vate and non-profit sectors in the planning and  
25           implementation of programs and policies that

1           *affect the rural areas of the State, and to do so*  
2           *in such a way that provides the greatest degree*  
3           *of flexibility and innovation in responding to the*  
4           *unique needs of the State and the rural areas;*  
5           *and*

6                     *“(B) in conjunction with the Coordinating*  
7           *Committee, develop and facilitate strategies to*  
8           *reduce or eliminate conflicting or duplicative ad-*  
9           *ministrative and regulatory impediments con-*  
10          *fronting the rural areas of the State.*

11          *“(e) ADMINISTRATION OF THE PARTNERSHIP.—The*  
12          *Secretary may provide for any additional support staff to*  
13          *the Partnership as the Secretary determines to be necessary*  
14          *to carry out the duties of the Partnership.*

15          *“(f) TERMINATION.—The authority provided by this*  
16          *section shall terminate on the date that is 5 years after the*  
17          *date of the enactment of this section.”.*

18          **SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES,**  
19                     **RURAL ENTERPRISE COMMUNITIES, AND**  
20                     **CHAMPION COMMUNITIES FOR DIRECT AND**  
21                     **GUARANTEED LOANS FOR ESSENTIAL COM-**  
22                     **MUNITY FACILITIES.**

23           *Section 306(a)(1) of the Consolidated Farm and Rural*  
24          *Development Act (7 U.S.C. 1926(a)(1)) is amended by in-*  
25          *serting after the 1st sentence the following: “The Secretary*

1 *may also make or insure loans to communities that have*  
2 *been designated as rural empowerment zones or rural enter-*  
3 *prise communities pursuant to part I of subchapter U of*  
4 *chapter 1 of the Internal Revenue Code of 1986, as rural*  
5 *enterprise communities pursuant to section 766 of the Agri-*  
6 *culture, Rural Development, Food and Drug Administra-*  
7 *tion, and Related Agencies Appropriations Act, 1999, or as*  
8 *champion communities (as determined by the Secretary),*  
9 *to provide for the installation or improvement of essential*  
10 *community facilities including necessary related equip-*  
11 *ment, and to furnish financial assistance or other aid in*  
12 *planning projects for such purposes.”.*

13 **SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECH-**  
14 **NOLOGIES AND TO TRAIN FARM WORKERS IN**  
15 **SPECIALIZED SKILLS NECESSARY FOR HIGH-**  
16 **ER VALUE CROPS.**

17 (a) *IN GENERAL.*—*The Secretary of Agriculture may*  
18 *make a grant to a nonprofit organization with the capacity*  
19 *to train farm workers, or to a consortium of non-profit or-*  
20 *ganizations, agribusinesses, State and local governments,*  
21 *agricultural labor organizations, and community-based or-*  
22 *ganizations with that capacity.*

23 (b) *USE OF FUNDS.*—*An entity to which a grant is*  
24 *made under this section shall use the grant to train farm*

1 *workers to use new technologies and develop specialized*  
 2 *skills for agricultural development.*

3 *(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*  
 4 *TIONS.—For grants under this section, there are authorized*  
 5 *to be appropriated to the Secretary of Agriculture not more*  
 6 *than \$10,000,000 for each of fiscal years 2002 through 2011.*

7 **SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF**  
 8 **STOCK IN A FARMER COOPERATIVE SEEKING**  
 9 **TO MODERNIZE OR EXPAND.**

10 *Section 310B(g)(2) of the Consolidated Farm and*  
 11 *Rural Development Act (7 U.S.C. 1932(g)(2)) is amended*  
 12 *by striking “start-up” and all that follows and inserting*  
 13 *“capital stock of a farmer cooperative established for an ag-*  
 14 *ricultural purpose.”.*

15 **SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSE-**  
 16 **CURED DEBT REQUIRED TO BE CONSIDERED**  
 17 **IN DETERMINING ELIGIBILITY OF FARMER-**  
 18 **OWNED COOPERATIVE FOR BUSINESS AND**  
 19 **INDUSTRY GUARANTEED LOAN.**

20 *Section 310B of the Consolidated Farm and Rural De-*  
 21 *velopment Act (7 U.S.C. 1932) is amended by adding at*  
 22 *the end the following:*

23 *“(h) INTANGIBLE ASSETS AND SUBORDINATED UNSE-*  
 24 *CURED DEBT REQUIRED TO BE CONSIDERED IN DETER-*  
 25 *MINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE*

1 *FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.—In de-*  
2 *termining whether a cooperative organization owned by*  
3 *farmers is eligible for a guaranteed loan under subsection*  
4 *(a)(1), the Secretary may consider the value of the intan-*  
5 *gible assets and subordinated unsecured debt of the coopera-*  
6 *tive organization.”.*

7 **SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOP-**  
8 **ERATIVE FOR BUSINESS AND INDUSTRY**  
9 **LOAN GUARANTEE BASED ON POPULATION**  
10 **OF AREA IN WHICH COOPERATIVE IS LO-**  
11 **CATED.**

12 *Section 310B of the Consolidated Farm and Rural De-*  
13 *velopment Act (7 U.S.C. 1932) is further amended by add-*  
14 *ing at the end of the following:*

15 *“(i) SPECIAL RULES APPLICABLE TO FARMER CO-*  
16 *OPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN*  
17 *PROGRAM.—In determining whether a cooperative organi-*  
18 *zation owned by farmers is eligible for a guaranteed loan*  
19 *under subsection (a)(1), the Secretary shall not apply any*  
20 *lending restriction based on population to the area in which*  
21 *the cooperative organization is located.”.*

1           **TITLE VII—RESEARCH AND**  
2                   **RELATED MATTERS**  
3                   **Subtitle A—Extensions**

4   **SEC. 700. MARKET EXPANSION RESEARCH.**

5           *Section 1436(b)(3)(C) of the Food Security Act of 1985*  
6   *(7 U.S.C. 1632(b)(3)(C)) is amended by striking “1990”*  
7   *and inserting “2011”.*

8   **SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEAR-**  
9                   **INGHOUSE.**

10           *Section 2381(e) of the Food, Agriculture, Conservation,*  
11   *and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by*  
12   *striking “2002” and inserting “2011”.*

13   **SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRI-**  
14                   **CULTURAL SCIENCES EDUCATION.**

15           *Section 1417(l) of the National Agricultural Research,*  
16   *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
17   *3152(l)) is amended by striking “2002” and inserting*  
18   *“2011”.*

19   **SEC. 703. POLICY RESEARCH CENTERS.**

20           *Section 1419A(d) of the National Agricultural Re-*  
21   *search, Extension, and Teaching Policy Act of 1977 (7*  
22   *U.S.C. 3155(d)) is amended by striking “2002” and insert-*  
23   *ing “2011”.*



1 **SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH**  
2 **PROMOTION RESEARCH PROGRAM.**

3 *Section 1424(d) of the National Agricultural Research,*  
4 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
5 *3174(d)) is amended by striking “2002” and inserting*  
6 *“2011”.*

7 **SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MED-**  
8 **ICAL AND AGRICULTURAL RESEARCH.**

9 *Section 1424A(d) of the National Agricultural Re-*  
10 *search, Extension, and Teaching Policy Act of 1977 (7*  
11 *U.S.C. 3174a(d)) is amended by striking “2002” and in-*  
12 *serting “2011”.*

13 **SEC. 706. NUTRITION EDUCATION PROGRAM.**

14 *Section 1425(c)(3) of the National Agricultural Re-*  
15 *search, Extension, and Teaching Policy Act of 1977 (7*  
16 *U.S.C. 3175(c)(3)) is amended by striking “2002” and in-*  
17 *serting “2011”.*

18 **SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RE-**  
19 **SEARCH PROGRAMS.**

20 *Section 1433(a) of the National Agricultural Research,*  
21 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
22 *3195(a)) is amended by striking “2002” and inserting*  
23 *“2011”.*

1 **SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL**  
2 **OR REGIONAL PROBLEMS.**

3 *Section 1434(a) of the National Agricultural Research,*  
4 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
5 *3196(a)) is amended by striking “2002” and inserting*  
6 *“2011”.*

7 **SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**  
8 **SCIENCES FACILITIES AT 1890 LAND-GRANT**  
9 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**  
10 **SITY.**

11 *Section 1447(b) of the National Agricultural Research,*  
12 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
13 *3222b(b)) is amended by striking “2002” and inserting*  
14 *“2011”.*

15 **SEC. 710. NATIONAL RESEARCH AND TRAINING CENTEN-**  
16 **NIAL CENTERS AT 1890 LAND-GRANT INSTITU-**  
17 **TIONS.**

18 *Sections 1448(a)(1) and (f) of the National Agricul-*  
19 *tural Research, Extension, and Teaching Policy Act of 1977*  
20 *(7 U.S.C. 3222c(a)(1) and (f)) are amended by striking*  
21 *“2002” each place it appears and inserting “2011”.*

22 **SEC. 711. HISPANIC-SERVING INSTITUTIONS.**

23 *Section 1455(c) of the National Agricultural Research,*  
24 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
25 *3241(c)) is amended by striking “2002” and inserting*  
26 *“2011”.*

1 **SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**  
2 **RICULTURAL SCIENCE AND EDUCATION PRO-**  
3 **GRAMS.**

4 *Section 1459A(c) of the National Agricultural Re-*  
5 *search, Extension, and Teaching Policy Act of 1977 (7*  
6 *U.S.C. 3292b(c)) is amended by striking “2002” and insert-*  
7 *ing “2011”.*

8 **SEC. 713. UNIVERSITY RESEARCH.**

9 *Subsections (a) and (b) of section 1463 of the National*  
10 *Agricultural Research, Extension, and Teaching Policy Act*  
11 *of 1977 (7 U.S.C. 3311(a) and (b)) are amended by striking*  
12 *“2002” each place it appears and inserting “2011”.*

13 **SEC. 714. EXTENSION SERVICE.**

14 *Section 1464 of the National Agricultural Research,*  
15 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
16 *3312) is amended by striking “2002” and inserting “2011”.*

17 **SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

18 *Section 1473D(a) of the National Agricultural Re-*  
19 *search, Extension, and Teaching Policy Act of 1977 (7*  
20 *U.S.C. 3319d(a)) is amended by striking “2002” and in-*  
21 *serting “2011”.*

22 **SEC. 716. AQUACULTURE RESEARCH FACILITIES.**

23 *The first sentence of section 1477 of the National Agri-*  
24 *cultural Research, Extension, and Teaching Policy Act of*  
25 *1977 (7 U.S.C. 3324) is amended by striking “2002” and*  
26 *inserting “2011”.*

1 **SEC. 717. RANGELAND RESEARCH.**

2 *Section 1483(a) of the National Agricultural Research,*  
3 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
4 *3336(a)) is amended by striking “2002” and inserting*  
5 *“2011”.*

6 **SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.**

7 *Section 1635(b) of the Food, Agriculture, Conservation,*  
8 *and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by*  
9 *striking “1995” and inserting “2011”.*

10 **SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**  
11 **TIATIVES.**

12 *Section 1672(h) of the Food, Agriculture, Conserva-*  
13 *tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended*  
14 *by striking “2002” and inserting “2011”.*

15 **SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTEN-**  
16 **SION INITIATIVE.**

17 *Section 1672A(g) of the Food, Agriculture, Conserva-*  
18 *tion, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amend-*  
19 *ed by striking “2002” and inserting “2011”.*

20 **SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PRO-**  
21 **GRAM.**

22 *Section 1673(h) of the Food, Agriculture, Conserva-*  
23 *tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended*  
24 *by striking “2002” and inserting “2011”.*

1 **SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND**  
2 **COMMERCIALIZATION REVOLVING FUND.**

3 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
4 1664(g)(1) of the Food, Agriculture, Conservation, and  
5 Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by  
6 striking “2002” and inserting “2011”.

7 (b) *CAPITALIZATION.*—Section 1664(g)(2) of such Act  
8 (7 U.S.C. 5908(g)(2)) is amended by striking “2002” and  
9 inserting “2011”.

10 **SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS**  
11 **WITH DISABILITIES.**

12 Section 1680(c)(1) of the Food, Agriculture, Conserva-  
13 tion, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is  
14 amended by striking “2002” and inserting “2011”.

15 **SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL**  
16 **PRODUCT QUALITY RESEARCH.**

17 Section 402(g) of the Agricultural Research, Exten-  
18 sion, and Education Reform Act of 1998 (7 U.S.C. 7622(g))  
19 is amended by striking “2002” and inserting “2011”.

20 **SEC. 725. BIOBASED PRODUCTS.**

21 (a) *PILOT PROJECT.*—Section 404(e)(2) of the Agricul-  
22 tural Research, Extension, and Education Reform Act of  
23 1998 (7 U.S.C. 7624(e)(2)) is amended by striking “2001”  
24 and inserting “2011”.

1       (b) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
2 404(h) of such Act (7 U.S.C. 7624(h)) is amended by strik-  
3 ing “2002” and inserting “2011”.

4 **SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EX-**  
5 **TENSION COMPETITIVE GRANTS PROGRAM.**

6       Section 406(e) of the *Agricultural Research, Extension,*  
7 *and Education Reform Act of 1998* (7 U.S.C. 7626(e)) is  
8 amended by striking “2002” and inserting “2011”.

9 **SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.**

10       (a) *GENERALLY.*—Section 535(b)(1) of the *Equity in*  
11 *Educational Land-Grant Status Act of 1994* (7 U.S.C. 301  
12 note) is amended by striking “2000” and inserting “2011”.

13       (b) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
14 535(c) of such Act is amended by striking “2000” and in-  
15 serting “2011”.

16 **SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.**

17       Section 536(c) of the *Equity in Educational Land-*  
18 *Grant Status Act of 1994* (7 U.S.C. 301 note) is amended  
19 by striking “2002” and inserting “2011”.

20 **SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.**

21       The first sentence of section 533(b) of the *Equity in*  
22 *Educational Land-Grant Status Act of 1994* (7 U.S.C. 301  
23 note) is amended by striking “\$4,600,000” and all that fol-  
24 lows through the period and inserting “such sums as are

1 *necessary to carry out this section for each of fiscal years*  
2 *1996 through 2011.”.*

3 **SEC. 730. PRECISION AGRICULTURE.**

4 *Section 403(i) of the Agricultural Research, Extension,*  
5 *and Education Reform Act of 1998 (7 U.S.C. 7623(i)) is*  
6 *amended by striking “2002” and inserting “2011”.*

7 **SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**  
8 **VERSIFICATION.**

9 *Section 405(h) of the Agricultural Research, Exten-*  
10 *sion, and Education Reform Act of 1998 (7 U.S.C. 7625(h))*  
11 *is amended by striking “2002” and inserting “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, Extension,*  
17 *and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is*  
18 *amended by striking “2002” and inserting “2011”.*

19 **SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.**

20 *Section 614(f) of the Agricultural Research, Extension,*  
21 *and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is*  
22 *amended by striking “2002” and inserting “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 Research,*  
5 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
6 *3123(h)) is amended by striking “2002” and inserting*  
7 *“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 Research,*  
13 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*  
14 *3154(d)) is amended by striking “2002” and inserting*  
15 *“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 in-*  
20 *serting “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 striking*  
 17 *“2002” and inserting “2011”.*

18 ***Subtitle B—Modifications***

19 **SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**  
 20 **ACT OF 1994.**

21 *(a) AUTHORIZATION OF APPROPRIATIONS.—Section*  
 22 *534(a)(1)(A) of the Equity in Educational Land-Grant*  
 23 *Status Act of 1994 (7 U.S.C. 301 note) is amended by strik-*  
 24 *ing “\$50,000” and inserting “\$100,000”.*

25 *(b) WITHDRAWALS AND EXPENDITURES.—Section*  
 26 *533(c)(4)(A) of such Act is amended by striking “section*

1 390(3)” and all that follows through “1998))” and inserting  
2 “section 2(a)(7) of the Tribally Controlled College or Uni-  
3 versity Assistance Act of 1978)”.

4 (c) ACCREDITATION.—Section 533(a)(3) of such Act is  
5 amended by striking “under sections 534 and 535” and in-  
6 serting “under sections 534, 535, and 536”.

7 (d) 1994 INSTITUTIONS.—Section 532 of such Act is  
8 amended by striking paragraphs (1) through (30) and in-  
9 serting the following:

10 “(1) Bay Mills Community College.

11 “(2) Blackfeet Community College.

12 “(3) Cankdeska Cikana Community College.

13 “(4) College of Menominee Nation.

14 “(5) Crownpoint Institute of Technology.

15 “(6) D–Q University.

16 “(7) Diné College.

17 “(8) Dull Knife Memorial College.

18 “(9) Fond du Lac Tribal and Community Col-  
19 lege.

20 “(10) Fort Belknap College.

21 “(11) Fort Berthold Community College.

22 “(12) Fort Peck Community College.

23 “(13) Haskell Indian Nations University.

24 “(14) Institute of American Indian and Alaska  
25 Native Culture and Arts Development.

1           “(15) *Lac Courte Oreilles Ojibwa Community*  
2           *College.*

3           “(16) *Leech Lake Tribal College.*

4           “(17) *Little Big Horn College.*

5           “(18) *Little Priest Tribal College.*

6           “(19) *Nebraska Indian Community College.*

7           “(20) *Northwest Indian College.*

8           “(21) *Oglala Lakota College.*

9           “(22) *Salish Kootenai College.*

10          “(23) *Sinte Gleska University.*

11          “(24) *Sisseton Wahpeton Community College.*

12          “(25) *Si Tanka/Huron University.*

13          “(26) *Sitting Bull College.*

14          “(27) *Southwestern Indian Polytechnic Institute.*

15          “(28) *Stone Child College.*

16          “(29) *Turtle Mountain Community College.*

17          “(30) *United Tribes Technical College.*”.

18       **SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**

19                               **SION, AND TEACHING POLICY ACT OF 1977.**

20           *Section 1404(4) of the National Agricultural Research,*

21       *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*

22       *3103(4)) is amended—*

23                       (1) *by striking “and” after subparagraph (D);*

24                       (2) *by striking the period at the end of subpara-*

25       *graph (E) and inserting “, or”; and*



1           (A) by redesignating paragraphs (4) and  
2           (5) as paragraphs (5) and (6), respectively; and

3           (B) by inserting after paragraph (3) the fol-  
4           lowing new paragraph:

5           “(4) Improve on farm energy use efficiencies.”.

6           (c) *THOMAS JEFFERSON INITIATIVE FOR CROP DIVER-*  
7           *SIFICATION.*—Section 405(a) of the Agricultural Research,  
8           *Extension, and Education Reform Act of 1998 (7 U.S.C.*  
9           *7625(a)) is amended by striking “and marketing” and in-*  
10          *serting “, marketing, and efficient use”.*

11          (d) *COORDINATED PROGRAM OF RESEARCH, EXTEN-*  
12          *SION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL-*  
13          *AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND POULTRY OP-*  
14          *ERATIONS.*—Section 407(b)(3) of the Agricultural Research,  
15          *Extension, and Education Reform Act of 1998 (7 U.S.C.*  
16          *7627(b)(3)) is amended by inserting “(including improved*  
17          *use of energy inputs)” after “poultry systems that increase*  
18          *efficiencies”.*

19          (e) *SUPPORT FOR RESEARCH REGARDING DISEASES*  
20          *OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSAR-*  
21          *IUM GRAMINEARUM OR BY TILLETIA INDICA.*—

22                 (1) *RESEARCH GRANT AUTHORIZED.*—Section  
23                 408(a) of the Agricultural Research, Extension, and  
24                 Education Reform Act of 1998 (7 U.S.C. 7628(a)) is  
25                 amended to read as follows:

1           “(a) *RESEARCH GRANT AUTHORIZED.*—*The Secretary*  
2 *of Agriculture may make grants to consortia of land-grant*  
3 *colleges and universities to enhance the ability of the con-*  
4 *sortia to carry out multi-State research projects aimed at*  
5 *understanding and combating diseases of wheat, triticale,*  
6 *and barley caused by Fusarium graminearum and related*  
7 *fungi (referred to in this section as ‘wheat scab’) or by*  
8 *Tilletia indica and related fungi (referred to in this section*  
9 *as ‘Karnal bunt’).*”.

10           (2) *RESEARCH COMPONENTS.*—*Section 408(b) of*  
11 *such Act (7 U.S.C. 7628(b)) is amended—*

12           (A) *in paragraph (1), by inserting “or of*  
13 *Karnal bunt,” after “epidemiology of wheat*  
14 *scab”;*

15           (B) *in paragraph (1), by inserting “,*  
16 *triticale,” after “occurring in wheat”;*

17           (C) *in paragraph (2), by inserting “or*  
18 *Karnal bunt” after “wheat scab”;*

19           (D) *in paragraph (3)(A), by striking “and*  
20 *barley for the presence of” and inserting “,*  
21 *triticale, and barley for the presence of Karnal*  
22 *bunt or of”;*

23           (E) *in paragraph (3)(B), by striking “and*  
24 *barley infected with wheat scab” and inserting “,*

1           *triticales, and barley infected with wheat scab or*  
 2           *with Karnal bunt”;*

3           (F) *in paragraph (3)(C), by inserting*  
 4           *“wheat scab” after “to render”;*

5           (G) *in paragraph (4), by striking “and bar-*  
 6           *ley to wheat scab” and inserting “, triticales, and*  
 7           *barley to wheat scab and to Karnal bunt”;* and

8           (H) *in paragraph (5)—*

9           (i) *by inserting “and Karnal bunt”*  
 10           *after “wheat scab”; and*

11           (ii) *by inserting “, triticales,” after “re-*  
 12           *sistant wheat”.*

13           (3) *COMMUNICATIONS NETWORKS.—Section*  
 14           *408(c) of such Act (7 U.S.C. 7628(c)) is amended by*  
 15           *inserting “or Karnal bunt” after “wheat scab”.*

16           (4) *TECHNICAL AMENDMENTS.—(A) The section*  
 17           *heading for section 408 of such Act is amended by*  
 18           *striking “**AND BARLEY CAUSED BY FUSARIUM***  
 19           ***GRAMINEARUM”** and inserting “, **TRITICALE,***  
 20           ***AND BARLEY CAUSED BY FUSARIUM***  
 21           ***GRAMINEARUM OR BY TILLETIA INDICA”.***

22           (B) *The table of sections for such Act is amended*  
 23           *by striking “and barley caused by fusarium*  
 24           *graminearum” in the item relating to section 408*





1           (2) *in paragraph (6), by striking “and” at the*  
2 *end;*

3           (3) *by redesignating paragraph (7) as para-*  
4 *graph (8); and*

5           (4) *by inserting after paragraph (6) the fol-*  
6 *lowing new paragraph:*

7           “(7) *reducing the economic impact of plant*  
8 *pathogens on commercially important crop plants;*  
9 *and”.*

10       (b) *HIGH-PRIORITY RESEARCH AND EXTENSION INI-*  
11 *TIATIVES.—Section 1672(e) of the Food, Agriculture, Con-*  
12 *servation, and Trade Act of 1990 (7 U.S.C. 5925) is amend-*  
13 *ed by adding at the end the following new paragraphs:*

14           “(25) *RESEARCH TO PROTECT THE UNITED*  
15 *STATES FOOD SUPPLY AND AGRICULTURE FROM BIO-*  
16 *TERRORISM.—Research grants may be made under*  
17 *this section for the purpose of developing technologies,*  
18 *which support the capability to deal with the threat*  
19 *of agricultural bioterrorism.*

20           “(26) *WIND EROSION RESEARCH AND EXTEN-*  
21 *SION.—Research and extension grants may be made*  
22 *under this section for the purpose of validating wind*  
23 *erosion models.*

24           “(27) *CROP LOSS RESEARCH AND EXTENSION.—*  
25 *Research and extension grants may be made under*

1        *this section for the purpose of validating crop loss*  
2        *models.*

3            “(28) *LAND USE MANAGEMENT RESEARCH AND*  
4        *EXTENSION.—Research and extension grants may be*  
5        *made under this section for the purposes of evaluating*  
6        *the environmental benefits of land use management*  
7        *tools such as those provided in the Farmland Protec-*  
8        *tion Program.*

9            “(29) *WATER AND AIR QUALITY RESEARCH AND*  
10        *EXTENSION.—Research and extension grants may be*  
11        *made under this section for the purpose of better un-*  
12        *derstanding agricultural impacts to air and water*  
13        *quality and means to address them.*

14            “(30) *REVENUE AND INSURANCE TOOLS RE-*  
15        *SEARCH AND EXTENSION.—Research and extension*  
16        *grants may be made under this section for the pur-*  
17        *poses of better understanding the impact of revenue*  
18        *and insurance tools on farm income.*

19            “(31) *AGROTOURISM RESEARCH AND EXTEN-*  
20        *SION.—Research and extension grants may be made*  
21        *under this section for the purpose of better under-*  
22        *standing the economic, environmental, and food sys-*  
23        *tems impacts on agrotourism.*

24            “(32) *HARVESTING PRODUCTIVITY FOR FRUITS*  
25        *AND VEGETABLES.—Research and extension grants*

1        *may be made under this section for the purpose of im-*  
2        *proving harvesting productivity for fruits and vegeta-*  
3        *bles (including citrus), including the development of*  
4        *mechanical harvesting technologies and effective, eco-*  
5        *nomical, and safe abscission compounds.*

6            “(33) *NITROGEN-FIXATION BY PLANTS.*—*Re-*  
7        *search and extension grants may be made under this*  
8        *section for the purpose of enhancing the nitrogen-fix-*  
9        *ing ability and efficiency of legumes, developing new*  
10       *varieties of legumes that fix nitrogen more efficiently,*  
11       *and developing new varieties of other commercially*  
12       *important crops that potentially are able to fix nitro-*  
13       *gen.*

14           “(34) *AGRICULTURAL MARKETING.*—*Extension*  
15       *grants may be made under this section for the pur-*  
16       *pose of providing education materials, information,*  
17       *and outreach programs regarding commodity and*  
18       *livestock marketing strategies for agricultural pro-*  
19       *ducers and for cooperatives and other marketers of*  
20       *any agricultural commodity, including livestock.*

21           “(35) *ENVIRONMENT AND PRIVATE LANDS RE-*  
22       *SEARCH AND EXTENSION.*—*Research and extension*  
23       *grants may be made under this section for the pur-*  
24       *pose of researching the use of computer models to aid*  
25       *in assessment of best management practices on a wa-*

1 *tershed basis, working with government, industry,*  
2 *and private landowners to help craft industry-led so-*  
3 *lutions to identified environmental issues, researching*  
4 *and monitoring water, air, or soil environmental*  
5 *quality to aid in the development of new approaches*  
6 *to local environmental concerns, and working with*  
7 *local, State, and federal officials to help craft effective*  
8 *environmental solutions that respect private property*  
9 *rights and agricultural production realities.*

10 *“(36) LIVESTOCK DISEASE RESEARCH AND EX-*  
11 *TENSION.—Research and extension grants may be*  
12 *made under this section for the purpose of identifying*  
13 *possible livestock disease threats, educating the public*  
14 *regarding livestock disease threats, training persons to*  
15 *deal with such threats, and conducting related re-*  
16 *search.*

17 *“(37) PLANT GENE EXPRESSION.—Research and*  
18 *development grants may be made under this section*  
19 *for the purpose of plant gene expression research to*  
20 *accelerate the application of basic plant genomic*  
21 *science to the development and testing of new varieties*  
22 *of enhanced food crops, crops that can be used as re-*  
23 *newable energy sources, and other alternative uses of*  
24 *agricultural crops.”.*

1 **SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
2 **SION, AND TEACHING POLICY ACT OF 1977.**

3 (a) *NATIONAL AGRICULTURAL RESEARCH, EXTEN-*  
4 *SION, EDUCATION, AND ECONOMIC ADVISORY BOARD.*—*Sec-*  
5 *tion 1408 of the National Agricultural Research, Extension,*  
6 *and Teaching Policy Act of 1977 (7 U.S.C. 3123) is*  
7 *amended—*

8 (1) *in subsection (b)(3)—*

9 (A) *by redesignating subparagraphs (R)*  
10 *through (DD) as subparagraphs (S) through*  
11 *(EE), respectively; and*

12 (B) *by inserting after subparagraph (Q) the*  
13 *following new subparagraph:*

14 “(R) 1 member representing a nonland  
15 grant college or university with a historic com-  
16 mitment to research in the food and agricultural  
17 sciences.”;

18 (2) *in subsection (c)(1), by striking “and land-*  
19 *grant colleges and universities” and inserting “, land-*  
20 *grant colleges and universities, and the Committee on*  
21 *Agriculture of the House of Representatives, the Com-*  
22 *mittee on Agriculture, Nutrition, and Forestry of the*  
23 *Senate, the Subcommittee on Agriculture, Rural De-*  
24 *velopment, Food and Drug Administration and Re-*  
25 *lated Agencies of the Committee on Appropriations of*  
26 *the House of Representatives, and the Subcommittee*

1        *on Agriculture, Rural Development and Related*  
2        *Agencies of the Committee on Appropriations of the*  
3        *Senate”; and*

4                (3) *in subsection (d)(1), inserting “consult with*  
5        *any appropriate agencies of the Department of Agri-*  
6        *culture and” after “the Advisory Board shall”.*

7        (b) *GRANTS FOR RESEARCH ON PRODUCTION AND*  
8        *MARKETING OF ALCOHOLS AND INDUSTRIAL HYDRO-*  
9        *CARBONS FROM AGRICULTURAL COMMODITIES AND FOREST*  
10        *PRODUCTS.—Section 1419 of the National Agricultural Re-*  
11        *search, Extension, and Teaching Policy Act of 1977 (7*  
12        *U.S.C. 3154) is amended—*

13                (1) *in subsection (a)(2), by inserting “and ani-*  
14        *mal fats and oils” after “industrial oilseed crops”;*  
15        *and*

16                (2) *in subsection (a)(4), by inserting “or*  
17        *triglycerides” after “other industrial hydrocarbons”.*

18        (c) *FAS OVERSEAS INTERN PROGRAM.—Section*  
19        *1458(a) of the National Agricultural Research, Extension,*  
20        *and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is*  
21        *amended—*

22                (1) *by striking “and” at the end of paragraph*  
23        (8);

24                (2) *by striking the period at the end of para-*  
25        *graph (9) and inserting “; and”; and*

1           (3) by adding at the end the following new para-  
2 graph:

3           “(10) establish a program, to be coordinated by  
4 the Cooperative State Research, Education, and Ex-  
5 tension Service and the Foreign Agricultural Service,  
6 to place interns from United States colleges and uni-  
7 versities at Foreign Agricultural Service field offices  
8 overseas.”.

9 **SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.**

10       Title III of the Agricultural Risk Protection Act of  
11 2000 (7 U.S.C. 7624 note) is amended—

12           (1) in section 302(3), by inserting “or biodiesel”  
13 after “such as ethanol”;

14           (2) in section 303(3), by inserting “animal by-  
15 products,” after “fibers”; and

16           (3) in section 306(b)(1)—

17               (A) by redesignating subparagraphs (E)  
18 through (J) as subparagraphs (F) through (K),  
19 respectively; and

20               (B) by inserting after subparagraph (D) the  
21 following new subparagraph:

22                   “(E) an individual affiliated with a live-  
23 stock trade association;”.

1 **SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.**

2 *Section 1668 of the Food, Agriculture, Conservation,*  
3 *and Trade Act of 1990 (7 U.S.C. 5921) is amended to read*  
4 *as follows:*

5 **“SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RE-**  
6 **SEARCH.**

7 *“(a) PURPOSE.—It is the purpose of this section—*

8 *“(1) to authorize and support environmental as-*  
9 *essment research to help identify and analyze envi-*  
10 *ronmental effects of biotechnology; and*

11 *“(2) to authorize research to help regulators de-*  
12 *velop long-term policies concerning the introduction*  
13 *of such technology.*

14 *“(b) GRANT PROGRAM.— The Secretary of Agriculture*  
15 *shall establish a grant program within the Cooperative*  
16 *State Research, Education, and Extension Service and the*  
17 *Agricultural Research Service to provide the necessary*  
18 *funding for environmental assessment research concerning*  
19 *the introduction of genetically engineered plants and ani-*  
20 *mals into the environment.*

21 *“(c) TYPES OF RESEARCH.— Types of research for*  
22 *which grants may be made under this section shall include*  
23 *the following:*

24 *“(1) Research designed to identify and develop*  
25 *appropriate management practices to minimize phys-*  
26 *ical and biological risks associated with genetically*



1       *engineered animals and plants once they are intro-*  
2       *duced into the environment.*

3             “(2) *Research designed to develop methods to*  
4       *monitor the dispersal of genetically engineered ani-*  
5       *mals and plants.*

6             “(3) *Research designed to further existing knowl-*  
7       *edge with respect to the characteristics, rates and*  
8       *methods of gene transfer that may occur between ge-*  
9       *netically engineered plants and animals and related*  
10       *wild and agricultural organisms.*

11            “(4) *Environmental assessment research designed*  
12       *to provide analysis, which compares the relative im-*  
13       *pacts of plants and animals modified through genetic*  
14       *engineering to other types of production systems.*

15            “(5) *Other areas of research designed to further*  
16       *the purposes of this section.*

17       “(d) *ELIGIBILITY REQUIREMENTS.—Grants under this*  
18       *section shall be—*

19            “(1) *made on the basis of the quality of the pro-*  
20       *posed research project; and*

21            “(2) *available to any public or private research*  
22       *or educational institution or organization.*

23       “(e) *CONSULTATION.— In considering specific areas of*  
24       *research for funding under this section, the Secretary of Ag-*  
25       *riculture shall consult with the Administrator of the Ani-*

1 *mal and Plant Health Inspection Service and the National*  
2 *Agricultural Research, Extension, Education, and Econom-*  
3 *ics Advisory Board.*

4 “(f) *PROGRAM COORDINATION.*— *The Secretary of Ag-*  
5 *riculture shall coordinate research funded under this section*  
6 *with the Office of Research and Development of the Envi-*  
7 *ronmental Protection Agency in order to avoid duplication*  
8 *of research activities.*

9 “(g) *AUTHORIZATION OF APPROPRIATIONS.*—

10 “(1) *IN GENERAL.*— *There are authorized to be*  
11 *appropriated such sums as necessary to carry out this*  
12 *section.*

13 “(2) *WITHHOLDINGS FROM BIOTECHNOLOGY*  
14 *OUTLAYS.*—*The Secretary of Agriculture shall with-*  
15 *hold from outlays of the Department of Agriculture*  
16 *for research on biotechnology, as defined and deter-*  
17 *mined by the Secretary, at least one percent of such*  
18 *amount for the purpose of making grants under this*  
19 *section for research on biotechnology risk assessment.*  
20 *Except that, funding from this authorization should*  
21 *be collected and applied to the maximum extent prac-*  
22 *ticable to risk assessment research on all categories*  
23 *identified as biotechnology by the Secretary.”*

1 **SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RE-**  
2 **SEARCH GRANTS.**

3 *Section 2(a) of the Competitive, Special, and Facilities*  
4 *Research Grant Act (7 U.S.C. 450i(a)) is amended by add-*  
5 *ing 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 account*  
9 *input as gathered by the Secretary through the Na-*  
10 *tional Agricultural Research, Extension, Education,*  
11 *and Economics Advisory Board.”.*

12 **SEC. 749. MATCHING FUNDS REQUIREMENT FOR RESEARCH**  
13 **AND EXTENSION ACTIVITIES OF 1890 INSTITU-**  
14 **TIONS.**

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 funds*  
22 *from non-Federal sources. Such matching funds shall be for*  
23 *an amount equal to not less than 60 percent of the formula*  
24 *funds to be distributed to the eligible institution, and shall*  
25 *increase by 10 percent each fiscal year thereafter until fiscal*  
26 *year 2007.”;*

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 (c) above the 50 percent level*  
6       *for fiscal years 2003 through 2011 for an eligible institution*  
7       *of a State if the Secretary determines that the State will*  
8       *be unlikely to satisfy the matching requirement.”; and*

9           (3) *by adding at the end the following new sub-*  
10      *section:*

11      “(g) *MATCHING FUNDS REQUIREMENT FOR THE*  
12      *LAND-GRANT COLLEGES IN THE UNITED STATES TERRI-*  
13      *TORIES.—*

14           “(1) *Land-grant colleges of the United States ter-*  
15      *ritories, including the Commonwealth of Puerto Rico,*  
16      *Guam, the Virgin Islands, the Northern Mariana Is-*  
17      *lands, American Samoa, and Micronesia, shall be ex-*  
18      *cluded from the definition of eligible institution (as*  
19      *defined in subsection (a)(1)).*

20           “(2) *MATCHING FORMULA.—Notwithstanding*  
21      *any other provision of this subtitle, for fiscal years*  
22      *2003 through 2011, the State shall provide matching*  
23      *funds from non-Federal sources in an amount equal*  
24      *to not less than 50 percent of the formula funds to be*  
25      *distributed to the eligible institution.*

1           “(3) *WAIVER AUTHORITY.*—*Notwithstanding sub-*  
2           *section (f), the Secretary may waive the matching*  
3           *funds requirements under subsection (a)(2)(A) for any*  
4           *of fiscal years 2003 through 2011 for an eligible insti-*  
5           *tution of a State if the Secretary determines that the*  
6           *territory will be unlikely to satisfy the matching re-*  
7           *quirement for that fiscal year.”.*

8   **SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND**  
9           **FOOD SYSTEMS.**

10          *(a) FUNDING.*—*Section 401(b)(1) of the Agricultural*  
11          *Research, Extension, and Education Reform Act of 1998*  
12          *(7 U.S.C. 7621(b)(1)) is amended to read as follows:*

13                 “(1) *IN GENERAL.*—

14                         “(A) *TOTAL AMOUNT TO BE TRANS-*  
15                         *FERRED.*—*On October 1, 2003, and each October*  
16                         *1 thereafter through September 30, 2011, out of*  
17                         *any funds in the Treasury not otherwise appro-*  
18                         *priated, the Secretary of the Treasury shall*  
19                         *transfer funds into the Account. The total*  
20                         *amount transferred under this subparagraph*  
21                         *shall equal \$1,160,000,000.*

22                         “(B) *EQUAL AMOUNTS.*—*To the maximum*  
23                         *extent practicable, the amounts transferred into*  
24                         *the Account pursuant to subparagraph (A) shall*

1           *be transferred in equal amounts for each fiscal*  
2           *year.*

3           “(C) *AVAILABILITY OF FUNDS.—Amounts*  
4           *transferred into the Account pursuant to sub-*  
5           *paragraph (A) shall remain available until ex-*  
6           *pended.*”.

7           **(b) AVAILABILITY OF FUNDS.—***Section 401(f)(6) of the*  
8           *Agricultural Research, Extension, and Education Reform*  
9           *Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to read as*  
10          *follows:*

11           “(6) *AVAILABILITY OF FUNDS.—Funds made*  
12           *available under this section to the Secretary prior to*  
13           *October 1, 2003, for grants under this section shall be*  
14           *available to the Secretary for a 2-year period.*”.

15          **SEC. 751. CARBON CYCLE RESEARCH.**

16           *Section 221 of the Agricultural Risk Protection Act of*  
17           *2000 (Public Law 106–224; 114 Stat. 407) is amended—*

18           (1) *in subsection (a), by striking “Of the*  
19           *amount” and all that follows through “to provide”*  
20           *and inserting “To the extent funds are made available*  
21           *for this purpose, the Secretary shall provide”;*

22           (2) *in subsection (d), by striking “under sub-*  
23           *section (a)” and inserting “for this section”; and*

24           (3) *by adding at the end the following new sub-*  
25           *section:*

1       “(e) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*  
 2 *authorized to be appropriated for fiscal years 2002 through*  
 3 *2011 such sums as may be necessary to carry out this sec-*  
 4 *tion.*”

5 **SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL**  
 6 **SCIENCES.**

7       *Section 2(3) of the Research Facilities Act (7 U.S.C.*  
 8 *390(2)(3)) is amended to read as follows:*

9               “(3) *FOOD AND AGRICULTURAL SCIENCES.*—*The*  
 10 *term ‘food and agricultural sciences’ has the meaning*  
 11 *given that term in section 1404(8) of the National Ag-*  
 12 *ricultural Research, Extension, and Teaching Policy*  
 13 *Act of 1977 (7 U.S.C. 3103(8)).”*

14 **SEC. 753. FEDERAL EXTENSION SERVICE.**

15       *Section 3(b)(3) of the Smith-Lever Act (7 U.S.C.*  
 16 *343(b)(3)) is amended by striking “\$5,000,000” and insert-*  
 17 *ing “such sums as are necessary”.*

18               ***Subtitle C—Related Matters***

19 **SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COL-**  
 20 **LEGES IN UNITED STATES TERRITORIES.**

21       “(a) *PURPOSE.*—*It is the purpose of this section to pro-*  
 22 *mote and strengthen higher education in the food and agri-*  
 23 *cultural sciences at agricultural and mechanical colleges lo-*  
 24 *cated in the Commonwealth of Puerto Rico, the Virgin Is-*  
 25 *lands of the United States, Guam, American Samoa, the*

1 *Commonwealth of the Northern Mariana Islands, the Fed-*  
2 *erated States of Micronesia, the Republic of the Marshall*  
3 *Islands, or the Republic of Palau (hereinafter referred to*  
4 *in this section as “eligible institutions”) by formulating*  
5 *and administering programs to enhance teaching programs*  
6 *in agriculture, natural resources, forestry, veterinary medi-*  
7 *cine, home economics, and disciplines closely allied to the*  
8 *food and agriculture production and delivery system.*

9       (b) *GRANTS.*—*The Secretary shall make competitive*  
10 *grants to those eligible institutions having a demonstrable*  
11 *capacity to carry out the teaching of food and agricultural*  
12 *sciences.*

13       (c) *USE OF GRANT FUNDS.*—*Grants made under sub-*  
14 *section (b) shall be used to—*

15           (1) *strengthen institutional educational capac-*  
16 *ities, including libraries, curriculum, faculty, sci-*  
17 *entific instrumentation, instruction delivery systems,*  
18 *and student recruitment and retention, in order to re-*  
19 *spond to identified State, regional, national, or inter-*  
20 *national education needs in the food and agricultural*  
21 *sciences;*

22           (2) *attract and support undergraduate and grad-*  
23 *uate students in order to educate them in identified*  
24 *areas of national need to the food and agriculture*  
25 *sciences;*



1           (3) *facilitate cooperative initiatives between two*  
2 *or more eligible institutions or between eligible insti-*  
3 *tutions and units of State Government, organiza-*  
4 *tional in the private sector, to maximize the develop-*  
5 *ment and use of resources such as faculty, facilities,*  
6 *and equipment to improve food and agricultural*  
7 *sciences teaching programs; and*

8           (4) *conduct undergraduate scholarship programs*  
9 *to assist in meeting national needs for training food*  
10 *and agricultural scientists.*

11 *(d) GRANT REQUIREMENTS.—*

12           (1) *The Secretary shall ensure that each eligible*  
13 *institution, prior to receiving grant funds under sub-*  
14 *section (b), shall have a significant demonstrable com-*  
15 *mitment to higher educations programs in the food*  
16 *and agricultural sciences and to each specific subject*  
17 *area for which grant funds under this subsection are*  
18 *to be used.*

19           (2) *The Secretary may require that any grant*  
20 *awarded under this section contain provisions that*  
21 *require funds to be targeted to meet the needs identi-*  
22 *fied in section 1402 of the National Agriculture Re-*  
23 *search, Extension, and Teaching Policy Act of 1977.*

24           *(e) AUTHORIZATION OF APPROPRIATIONS.—There are*  
25 *authorized to be appropriated such sums as are necessary*

1 *for each of the fiscal years 2002 through 2011 to carry out*  
2 *this section.*

3 **SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY**  
4 **AND RESULTING AUTHORITIES.**

5 *(a) REVIEW OF PAYMENT OF COMPENSATION.—Section*  
6 *tion 415(e) of the Plant Protection Act (7 U.S.C. 7715(e))*  
7 *is amended by inserting before the final period the fol-*  
8 *lowing: “or review by any officer of the Government other*  
9 *than the Secretary or the designee of the Secretary”.*

10 *(b) REVIEW OF CERTAIN DECISIONS.—*

11 *(1) PLANT PROTECTION ACT.—Section 442 of the*  
12 *Plant Protection Act (7 U.S.C. 7772) is amended by*  
13 *adding at the end following new subsection:*

14 *“(f) SECRETARIAL DISCRETION.—The action of any*  
15 *officer, employee, or agent of the Secretary in carrying out*  
16 *this section, including determining the amount of and mak-*  
17 *ing any payment authorized to be made under this section,*  
18 *shall not be subject to review by any officer of the Govern-*  
19 *ment other than the Secretary or the designee of the Sec-*  
20 *retary.”.*

21 *(2) OTHER PLANT AND ANIMAL PEST AND DIS-*  
22 *EASE LAWS.—Section 11 of the Act of May 29, 1884*  
23 *(21 U.S.C. 114a; commonly known as the “Animal*  
24 *Industry Act”)* and the first section of the Act of Sep-  
25 *tember 25, 1981 (7 U.S.C. 147b), are each amended*

1        *by adding at the end the following new sentence: “The*  
2        *action of any officer, employee, or agent of the Sec-*  
3        *retary in carrying out this section, including deter-*  
4        *mining the amount of and making any payment au-*  
5        *thorized to be made under this section, shall not be*  
6        *subject to review by any officer of the Government*  
7        *other than the Secretary or the designee of the Sec-*  
8        *retary.”.*

9        *(c) METHYL BROMIDE.—The Plant Protection Act (7*  
10       *U.S.C. 7701 et seq.) is amended by inserting after section*  
11       *418 the following new section:*

12       **“SEC. 419. METHYL BROMIDE.**

13        *“(a) IN GENERAL.—The Secretary, upon request of*  
14        *State, local, or tribal authorities, shall determine whether*  
15        *methyl bromide treatments or applications required by*  
16        *State, local, or tribal authorities to prevent the introduc-*  
17        *tion, establishment, or spread of plant pests (including dis-*  
18        *eases) or noxious weeds should be authorized as an official*  
19        *control or official requirement.*

20        *“(b) ADMINISTRATION.—*

21                *“(1) TIMELINE FOR DETERMINATION.—The Sec-*  
22        *retary shall make the determination required by sub-*  
23        *section (a) not later than 90 days after receiving the*  
24        *request for such a determination.*

1           “(2) *REGULATIONS.*—*The promulgation of regu-*  
2           *lations for and the administration of this section shall*  
3           *be made without regard to—*

4                     “(A) *the notice and comment provisions of*  
5                     *section 553 of title 5, United States Code;*

6                     “(B) *the Statement of Policy of the Sec-*  
7                     *retary of Agriculture, effective July 24, 1971 (36*  
8                     *Fed. Reg. 13804; relating to notices of proposed*  
9                     *rulemaking and public participation in rule-*  
10                    *making); and*

11                    “(C) *chapter 35 of title 44, United States*  
12                    *Code (commonly known as the ‘Paperwork Re-*  
13                    *duction Act’).*

14           “(c) *REGISTRY.*—*Not later than 180 days after the*  
15           *date of the enactment of this section, the Secretary shall*  
16           *publish, and thereafter maintain, a registry of State, local,*  
17           *and tribal requirements authorized by the Secretary under*  
18           *this section.”.*

19                    ***Subtitle D—Repeal of Certain***  
20                    ***Activities and Authorities***

21           ***SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE***  
22                    ***AND NATIONAL CONFERENCE.***

23           “(a) *REPEAL.*—*Subsections (b) and (c) of section 615*  
24           *of the Agricultural Research, Extension, and Education Re-*  
25           *form Act of 1998 (7 U.S.C. 7654(b) and (c)) are repealed.*

1 (b) *CONFORMING AMENDMENTS.*—

2 (1) *GENERALLY.*—*Section 615 of such Act is*  
3 *amended—*

4 (A) *in the section heading, by striking*  
5 **“AND NATIONAL CONFERENCE”**;

6 (B) *by striking “(a) FOOD SAFETY RE-*  
7 *SEARCH INFORMATION OFFICE.—”*;

8 (C) *by redesignating paragraphs (1), (2),*  
9 *and (3) as subsections (a), (b), and (c), respec-*  
10 *tively, and moving the margins 2 ems to the left;*

11 (D) *in subsection (b) (as so redesignated),*  
12 *by redesignating subparagraphs (A) and (B) as*  
13 *paragraphs (1) and (2), respectively, and mov-*  
14 *ing the margins 2 ems to the left; and*

15 (E) *in subsection (c) (as so redesignated),*  
16 *by striking “this subsection” and inserting “this*  
17 *section”.*

18 (2) *TABLE OF SECTIONS.*—*The table of sections*  
19 *for such Act is amended by striking “and National*  
20 *Conference” in the item relating to section 617.*

1 **SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP**  
2 **PROMOTION, RESEARCH, AND INFORMATION**  
3 **ACT OF 1994.**

4 *Section 617 of the Agricultural Research, Extension,*  
5 *and Education Reform Act of 1998 (Public Law 105–185;*  
6 *112 Stat. 607) is repealed.*

7 **SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.**

8 *Section 1634 of the Food, Agriculture, Conservation,*  
9 *and Trade Act of 1990 (7 U.S.C. 5843) is repealed.*

10 **SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL**  
11 **WEATHER.**

12 *Section 1639 of the Food, Agriculture, Conservation,*  
13 *and Trade Act of 1990 (7 U.S.C. 5853) is repealed.*

14 **SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH**  
15 **IRELAND.**

16 *Section 1420 of the National Agricultural Research,*  
17 *Extension and Teaching Policy Act Amendments of 1985*  
18 *(Public Law 99–198; 99 Stat. 1551) is repealed.*

19 **SEC. 776. PESTICIDE RESISTANCE STUDY.**

20 *Section 1437 of the National Agricultural Research,*  
21 *Extension, and Teaching Policy Act Amendments of 1985*  
22 *(Public Law 99–198; 99 Stat. 1558) is repealed.*

23 **SEC. 777. EXPANSION OF EDUCATION STUDY.**

24 *Section 1438 of the National Agricultural Research,*  
25 *Extension, and Teaching Policy Act Amendments of 1985*  
26 *(Public Law 99–198; 99 Stat. 1559) is repealed.*

1 **SEC. 778. SUPPORT FOR ADVISORY BOARD.**

2 (a) *REPEAL.*—Section 1412 of the National Agricultural  
3 Research, Extension, and Teaching Policy Act of 1977  
4 (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 “section  
7 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 Act  
11 (7 U.S.C. 390b) is repealed.

12 (b) *CONFORMING AMENDMENT.*—Section 2 of such Act  
13 (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 AGRI-**  
17 **CULTURAL ENTERPRISES, RESEARCH FACILI-**  
18 **TIES, 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 new  
23 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 ENTERPRISE.*—  
8 *The term ‘animal or agricultural enterprise’ means*  
9 *any of the following:*

10 “(A) *A commercial, governmental, or aca-*  
11 *ademic 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, plants,*  
17 *or other biological materials for educational or*  
18 *entertainment purposes.*

19 “(C) *A fair or similar event intended to ad-*  
20 *vance 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 or*  
7 *invalidated experiment.*

8           “(C) *The loss of revenue (including costs re-*  
9 *lated to business recovery) directly related to the*  
10 *disruption of an animal or agricultural enter-*  
11 *prise.*

12           “(D) *The cost of the tuition and expenses of*  
13 *any student to complete an academic program*  
14 *that was disrupted, or to complete a replacement*  
15 *program, when the tuition and expenses are in-*  
16 *curring as a result of the damage or loss of the*  
17 *property of an animal or agricultural enterprise.*

18           “(3) *PROPERTY OF AN ANIMAL OR AGRICUL-*  
19 *TURAL ENTERPRISE.*—*The term ‘property of an ani-*  
20 *mal or agricultural enterprise’ means real and per-*  
21 *sonal property of or used by any of the following:*

22           “(A) *An animal or agricultural enterprise.*

23           “(B) *An employee of an animal or agricul-*  
24 *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 of*  
7           *information about an animal or agricultural enter-*  
8           *prise.*

9           “(b) *VIOLATION.—A person may not recklessly, know-*  
10          *ingly, or intentionally cause, or contribute to, the disrupt-*  
11          *tion of the functioning of an animal or agricultural enter-*  
12          *prise by damaging or causing the loss of any property of*  
13          *the animal or agricultural enterprise that results in eco-*  
14          *nomie 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        *vestigation of the violation, conducting any hearing*  
2        *regarding the violation, and assessing the civil pen-*  
3        *alty.*

4                *“(3) RECOVERY OF ECONOMIC DAMAGE.—In ad-*  
5        *dition 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 of*  
8        *knowing or intentional disruption, not less than 150*  
9        *percent of the total cost) of the economic damage in-*  
10       *curred by the animal or agricultural enterprise, any*  
11       *employee of the animal or agricultural enterprise, or*  
12       *any student attending an academic animal or agri-*  
13       *cultural enterprise as a result of the damage or loss*  
14       *of the property of an animal or agricultural enter-*  
15       *prise.*

16               *“(d) IDENTIFICATION.—The Secretary shall identify*  
17       *for each civil penalty assessed under subsection (c), the por-*  
18       *tion of the amount of the civil penalty that represents the*  
19       *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 grav-*  
25       *ity 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           *curring 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 violated*  
11           *subsection (a).*

12           “(5) *The violator’s degree of culpability.*

13           “(f) *FUND TO ASSIST VICTIMS OF DISRUPTION.—*

14           “(1) *FUND ESTABLISHED.—There is established*  
15           *in the Treasury a fund which shall consist of that*  
16           *portion of each civil penalty collected under sub-*  
17           *section (c) that represents the recovery of economic*  
18           *damages.*

19           “(2) *USE OF AMOUNTS IN FUND.—The Secretary*  
20           *of Agriculture shall use amounts in the fund to com-*  
21           *pensate animal or agricultural enterprises, employees*  
22           *of an animal or agricultural enterprise, and student*  
23           *attending an academic animal or agricultural enter-*  
24           *prise for economic losses incurred as a result of the*

1 *disruption of the functioning of an animal or agricul-*  
2 *tural enterprise in violation of subsection (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 section*  
9 *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 recre-*  
17 *ation opportunities, and other forest resources, re-*  
18 *quired by a growing population.*

19 *(2) There is a strong demand for expanded as-*  
20 *sistance programs for owners of nonindustrial private*  
21 *forest land since the majority of the wood supply of*  
22 *the United States comes from nonindustrial private*  
23 *forest land.*

24 *(3) The soil, carbon stores, water and air quality*  
25 *of the United States can be maintained and improved*

1     *through good stewardship of nonindustrial private*  
2     *forest lands.*

3             (4) *The products and services resulting from*  
4     *stewardship of nonindustrial private forest lands pro-*  
5     *vide income and employment that contribute to the*  
6     *economic health and diversity of rural communities.*

7             (5) *Wildfires threaten human lives, property, for-*  
8     *ests, and other resources, and Federal and State co-*  
9     *operation in forest fire prevention and control has*  
10    *proven effective and valuable, in that properly man-*  
11    *aged forest stands are less susceptible to catastrophic*  
12    *fire, as dramatized by the catastrophic fire seasons of*  
13    *1998 and 2000.*

14            (6) *Owners of private nonindustrial forest lands*  
15    *are being faced with increased pressure to convert*  
16    *their forestland to development and other uses.*

17            (7) *Complex, long-rotation forest investments, in-*  
18    *cluding sustainable hardwood management, are often*  
19    *the most difficult commitment for small, nonindus-*  
20    *trial private forest landowners and, thus, should re-*  
21    *ceive equal consideration under cost-share programs.*

22            (8) *The investment of one Federal dollar in State*  
23    *and private forestry programs is estimated to leverage*  
24    *\$9 on average from State, local, and private sources.*

1       (b) *PURPOSE.*—It is the purpose of this section to  
2 strengthen the commitment of the Department of Agri-  
3 culture to sustainable forestry and to establish a coordi-  
4 nated and cooperative Federal, State, and local sustainable  
5 forest program for the establishment, management, mainte-  
6 nance, enhancement, and restoration of forests on nonindus-  
7 trial private forest lands in the United States.

8       (c) *FOREST LAND ENHANCEMENT PROGRAM.*—The Co-  
9 operative Forestry Assistance Act of 1978 is amended by  
10 inserting after section 3 (16 U.S.C. 2102) the following new  
11 section 4:

12 **“SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.**

13       “(a) *ESTABLISHMENT.*—

14               “(1) *ESTABLISHMENT; PURPOSE.*—The Secretary  
15 shall establish a Forest Land Enhancement Program  
16 (in this section referred to as the ‘Program’) for the  
17 purpose of providing financial, technical, educational,  
18 and related assistance to State foresters to encourage  
19 the long-term sustainability of nonindustrial private  
20 forest lands in the United States by assisting the  
21 owners of such lands in more actively managing their  
22 forest and related resources by utilizing existing  
23 State, Federal, and private sector resource manage-  
24 ment expertise, financial assistance, and educational  
25 programs.

1           “(2) *ADMINISTRATION.*—*The Secretary shall*  
2           *carry out the Program within, and administer the*  
3           *Program through, the Natural Resources Conservation*  
4           *Service.*

5           “(3) *COORDINATION.*—*The Secretary shall imple-*  
6           *ment the Program in coordination with State for-*  
7           *esters.*

8           “(b) *PROGRAM OBJECTIVES.*—*In implementing the*  
9           *Program, the Secretary shall target resources to achieve the*  
10          *following objectives:*

11           “(1) *Investment in practices to establish, restore,*  
12           *protect, manage, maintain, and enhance the health*  
13           *and productivity of the nonindustrial private forest*  
14           *lands in the United States for timber, habitat for*  
15           *flora and fauna, water quality, and wetlands.*

16           “(2) *Ensuring that afforestation, reforestation,*  
17           *improvement of poorly stocked stands, timber stand*  
18           *improvement, practices necessary to improve seedling*  
19           *growth and survival, and growth enhancement prac-*  
20           *tices occur where needed to enhance and sustain the*  
21           *long-term productivity of timber and nontimber forest*  
22           *resources to help meet future public demand for all*  
23           *forest resources and provide environmental benefits.*

24           “(3) *Reduce the risks and help restore, recover,*  
25           *and mitigate the damage to forests caused by fire, in-*



1       sects, invasive species, disease, and damaging weath-  
2       er.

3               “(4) Increase and enhance carbon sequestration  
4       opportunities.

5               “(5) Enhance implementation of agroforestry  
6       practices.

7               “(6) Maintain and enhance the forest landbase  
8       and leverage State and local financial and technical  
9       assistance to owners that promote the same conserva-  
10      tion and environmental values.

11      “(c) *ELIGIBILITY.*—

12               “(1) *IN GENERAL.*—An owner of nonindustrial  
13      private forest land is eligible for cost-sharing assist-  
14      ance under the Program if the owner—

15                   “(A) agrees to develop and implement an  
16                   individual stewardship, forest, or stand manage-  
17                   ment plan addressing site specific activities and  
18                   practices in cooperation with, and approved by,  
19                   the State forester, state official, or private sector  
20                   program in consultation with the State forester;

21                   “(B) agrees to implement approved activi-  
22                   ties in accordance with the plan for a period of  
23                   not less than 10 years, unless the State forester  
24                   approves a modification to such plan; and

1           “(C) meets the acreage restrictions as deter-  
2           mined by the State forester in conjunction with  
3           the State Forest Stewardship Coordinating Com-  
4           mittee established under section 19.

5           “(2) STATE PRIORITIES.—The Secretary, in con-  
6           sultation with the State forester and the State Forest  
7           Stewardship Coordinating Committee may develop  
8           State priorities for cost sharing under the Program  
9           that will promote forest management objectives in  
10          that State.

11          “(3) DEVELOPMENT OF PLAN.—An owner shall  
12          be eligible for cost-share assistance for the develop-  
13          ment of the individual stewardship, forest, or stand  
14          management plan required by paragraph (1).

15          “(d) APPROVED ACTIVITIES.—

16                 “(1) DEVELOPMENT.—The Secretary, in con-  
17                 sultation with the State Forest Stewardship Coordi-  
18                 nating Committee, shall develop a list of approved  
19                 forest activities and practices that will be eligible for  
20                 cost-share assistance under the Program within each  
21                 State.

22                 “(2) TYPE OF ACTIVITIES.—In developing a list  
23                 of approved activities and practices under paragraph  
24                 (1), the Secretary shall attempt to achieve the estab-

1 *ishment, restoration, management, maintenance, and*  
2 *enhancement of forests and trees for the following:*

3 *“(A) The sustainable growth and manage-*  
4 *ment of forests for timber production.*

5 *“(B) The restoration, use, and enhancement*  
6 *of forest wetlands and riparian areas.*

7 *“(C) The protection of water quality and*  
8 *watersheds through the application of State-de-*  
9 *veloped forestry best management practices.*

10 *“(D) Energy conservation and carbon se-*  
11 *questration purposes.*

12 *“(E) Habitat for flora and fauna.*

13 *“(F) The control, detection, and monitoring*  
14 *of invasive species on forestlands as well as pre-*  
15 *venting the spread and providing for the restora-*  
16 *tion of lands affected by invasive species.*

17 *“(G) Hazardous fuels reduction and other*  
18 *management activities that reduce the risks and*  
19 *help restore, recover, and mitigate the damage to*  
20 *forests caused by fire.*

21 *“(H) The development of forest or stand*  
22 *management plans.*

23 *“(I) Other activities approved by the Sec-*  
24 *retary, in coordination with the State Forest*  
25 *Stewardship Coordinating Committee.*

1       “(e) *COOPERATION.*—*In implementing the Program,*  
2 *the Secretary shall cooperate with other Federal, State, and*  
3 *local natural resource management agencies, institutions of*  
4 *higher education, and the private sector.*

5       “(f) *REIMBURSEMENT OF ELIGIBLE ACTIVITIES.*—

6               “(1) *IN GENERAL.*—*The Secretary shall share the*  
7 *cost of implementing the approved activities that the*  
8 *Secretary determines are appropriate, in the case of*  
9 *an owner that has entered into an agreement to place*  
10 *nonindustrial private forest lands of the owner in the*  
11 *Program.*

12              “(2) *RATE.*—*The Secretary shall determine the*  
13 *appropriate reimbursement rate for cost-share pay-*  
14 *ments under paragraph (1) and the schedule for mak-*  
15 *ing such payments.*

16              “(3) *MAXIMUM.*—*The Secretary shall not make*  
17 *cost-share payments under this subsection to an*  
18 *owner in an amount in excess of 75 percent of the*  
19 *total cost, or a lower percentage as determined by the*  
20 *State forester, to such owner for implementing the*  
21 *practices under an approved plan. The maximum*  
22 *payments to any one owner shall be determined by*  
23 *the Secretary.*

1           “(4) *CONSULTATION.*—*The Secretary shall make*  
2           *determinations under this subsection in consultation*  
3           *with the State forester.*

4           “(g) *RECAPTURE.*—

5           “(1) *IN GENERAL.*—*The Secretary shall establish*  
6           *and implement a mechanism to recapture payments*  
7           *made to an owner in the event that the owner fails*  
8           *to implement any approved activity specified in the*  
9           *individual stewardship, forest, or stand management*  
10           *plan for which such owner received cost-share pay-*  
11           *ments.*

12           “(2) *ADDITIONAL REMEDY.*—*The remedy pro-*  
13           *vided in paragraph (1) is in addition to any other*  
14           *remedy available to the Secretary.*

15           “(h) *DISTRIBUTION.*—*The Secretary shall distribute*  
16           *funds available for cost sharing under the Program among*  
17           *the States only after giving appropriate consideration to—*

18           “(1) *the total acreage of nonindustrial private*  
19           *forest land in each State;*

20           “(2) *the potential productivity of such land;*

21           “(3) *the number of owners eligible for cost shar-*  
22           *ing in each State;*

23           “(4) *the opportunities to enhance non-timber re-*  
24           *sources on such forest lands;*

1           “(5) *the anticipated demand for timber and non-*  
2 *timber resources in each State;*

3           “(6) *the need to improve forest health to mini-*  
4 *mize the damaging effects of catastrophic fire, insects,*  
5 *disease, or weather; and*

6           “(7) *the need and demand for agroforestry prac-*  
7 *tices in each State.*

8           “(i) *DEFINITIONS.—In this section:*

9           “(1) *NONINDUSTRIAL PRIVATE FOREST LANDS.—*  
10 *The term ‘nonindustrial private forest lands’ means*  
11 *rural lands, as determined by the Secretary, that—*

12                   “(A) *have existing tree cover or are suitable*  
13 *for growing trees; and*

14                   “(B) *are owned or controlled by any non-*  
15 *industrial private individual, group, association,*  
16 *corporation, Indian tribe, or other private legal*  
17 *entity (other than a nonprofit private legal enti-*  
18 *ty) so long as the individual, group, association,*  
19 *corporation, tribe, or entity has definitive deci-*  
20 *sion-making authority over the lands, including*  
21 *through long-term leases and other land tenure*  
22 *systems, for a period of time long enough to en-*  
23 *sure compliance with the Program.*

24           “(2) *OWNER.—The term ‘owner’ includes a pri-*  
25 *vate individual, group, association, corporation, In-*

1        *dian tribe, or other private legal entity (other than a*  
2        *nonprofit private legal entity) that has definitive de-*  
3        *cision-making authority over nonindustrial private*  
4        *forest lands through a long-term lease or other land*  
5        *tenure systems.*

6                *“(3) SECRETARY.—The term ‘Secretary’ means*  
7        *the Secretary of Agriculture.*

8                *“(4) STATE FORESTER.—The term ‘State for-*  
9        *ester’ means the director or other head of a State For-*  
10        *estry Agency or equivalent State official.*

11                *“(j) AVAILABILITY OF FUNDS.—The Secretary shall*  
12        *use \$150,000,000 of funds of the Commodity Credit Cor-*  
13        *poration to carry out the Program during the period begin-*  
14        *ning on October 1, 2001, and ending on September 30,*  
15        *2011.”.*

16                *(d) CONFORMING AMENDMENT.—Section 246(b)(2) of*  
17        *the Department of Agriculture Reorganization Act of 1994*  
18        *(7 U.S.C. 6962(b)(2)) is amended by striking “forestry in-*  
19        *centive program” and inserting “Forest Land Enhance-*  
20        *ment Program”.*

21        **SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

22                *(a) EXTENSION AND AUTHORIZATION INCREASE.—*  
23        *Section 6 of the Renewable Resources Extension Act of 1978*  
24        *(16 U.S.C. 1675) is amended—*

1           (1) *by striking “\$15,000,000” and inserting*  
2           *“\$30,000,000”; and*

3           (2) *by striking “2002” and inserting “2011”.*

4           (b) *SUSTAINABLE FORESTRY OUTREACH INITIA-*  
5 *TIVE.—The Renewable Resources Extension Act of 1978 is*  
6 *amended by inserting after section 5A (16 U.S.C. 1674a)*  
7 *the following new section:*

8           **“SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.**

9           *“The Secretary shall establish a program to be known*  
10 *as the ‘Sustainable Forestry Outreach Initiative’ for the*  
11 *purpose of educating landowners regarding the following:*

12           *“(1) The value and benefits of practicing sus-*  
13 *tainable forestry.*

14           *“(2) The importance of professional forestry ad-*  
15 *vice in achieving their sustainable forestry objectives.*

16           *“(3) The variety of public and private sector re-*  
17 *sources available to assist them in planning for and*  
18 *practicing sustainable forestry.”.*

19           **SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.**

20           (a) *FINDINGS.—Congress finds the following:*

21           (1) *The severity and intensity of wildland fires*  
22 *has increased dramatically over the past few decades*  
23 *as a result of past fire and land management policies.*

24           (2) *The record 2000 fire season is a prime exam-*  
25 *ple of what can be expected if action is not taken.*



1           (3) *These wildfires threaten not only the nation’s*  
2 *forested resources, but the thousands of communities*  
3 *intermingled with the wildlands in the wildland-*  
4 *urban interface.*

5           (4) *The National Fire Plan developed in re-*  
6 *sponse to the 2000 fire season is the proper, coordi-*  
7 *nated, and most effective means to address this wild-*  
8 *fire issue.*

9           (5) *Whereas adequate authorities exist to tackle*  
10 *the wildfire issues at the landscape level on Federal*  
11 *lands, there is limited authority to take action on*  
12 *most private lands where the largest threat to life and*  
13 *property lies.*

14           (6) *There is a significant Federal interest in en-*  
15 *hancing community protection from wildfire.*

16           (b) **ENHANCED PROTECTION.**—*The Cooperative For-*  
17 *estry Assistance Act of 1978 is amended by inserting after*  
18 *section 10 (16 U.S.C. 2106) the following new section:*

19           **“SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.**

20           **“(a) COOPERATIVE MANAGEMENT RELATED TO WILD-**  
21 **FIRE THREATS.**—*The Secretary may cooperate with State*  
22 *foresters and equivalent State officials in the management*  
23 *of lands in the United States for the following purposes:*

24           **“(1) Aid in wildfire prevention and control;**

25           **“(2) Protect communities from wildfire threats;**

1           “(3) *Enhance the growth and maintenance of*  
2 *trees and forests that promote overall forest health.*

3           “(4) *Ensure the continued production of all for-*  
4 *est resources, including timber, outdoor recreation op-*  
5 *portunities, wildlife habitat, and clean water, through*  
6 *conservation of forest cover on watersheds, shelterbelts,*  
7 *and windbreaks.*

8           “(b) *COMMUNITY AND PRIVATE LAND FIRE ASSIST-*  
9 *ANCE PROGRAM.—*

10           “(1) *ESTABLISHMENT; PURPOSE.—The Secretary*  
11 *shall establish a Community and Private Land Fire*  
12 *Assistance program—*

13           “(A) *to focus the Federal role in promoting*  
14 *optimal firefighting efficiency at the Federal,*  
15 *State, and local levels;*

16           “(B) *to augment Federal projects that estab-*  
17 *lish landscape level protection from wildfires;*

18           “(C) *to expand outreach and education pro-*  
19 *grams to homeowners and communities about*  
20 *fire prevention; and*

21           “(D) *to establish defensible space around*  
22 *private landowners homes and property against*  
23 *wildfires.*

1           “(2) *COMPONENTS.*—*In coordination with exist-*  
2           *ing authorities under this Act, the Secretary may un-*  
3           *dertake on both Federal and non-Federal lands—*

4                   “(A) *fuel hazard mitigation and prevention;*

5                   “(B) *invasive species management;*

6                   “(C) *multi-resource wildfire planning;*

7                   “(D) *community protection planning;*

8                   “(E) *community and landowner education*  
9           *enterprises, including the program known as*  
10           *FIREWISE;*

11                   “(F) *market development and expansion;*

12                   “(G) *improved wood utilization;*

13                   “(H) *special restoration projects.*

14           “(3) *CONSIDERATIONS.*—*The Secretary shall use*  
15           *local contract personnel wherever possible to carry out*  
16           *projects under the Program.*

17           “(c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*  
18           *hereby authorized to be appropriated to the Secretary*  
19           *\$35,000,000 for each of fiscal years 2002 through 2011, and*  
20           *such sums as may be necessary thereafter, to carry out this*  
21           *section.”.*

22           ***SEC. 805. INTERNATIONAL FORESTRY PROGRAM.***

23           *Section 2405(d) of the Global Climate Change Preven-*  
24           *tion Act of 1990 (title XXIV of Public Law 101–624; 7*

1 *U.S.C. 6704(d)* is amended by striking “2002” and insert-  
2 ing “2011”.

3 **SEC. 806. LONG-TERM FOREST STEWARDSHIP CONTRACTS**  
4 **FOR HAZARDOUS FUELS REMOVAL AND IM-**  
5 **PLEMENTATION OF NATIONAL FIRE PLAN.**

6 (a) *ANNUAL ASSESSMENT OF TREATMENT ACRE-*  
7 *AGE.*—Not later than March 1 of each of fiscal years 2002  
8 through 2006, the Secretary concerned shall submit to Con-  
9 gress an assessment of the number of acres of forested Fed-  
10 eral lands recommended to be treated during the next fiscal  
11 year using stewardship end result contracts authorized by  
12 subsection (c). The assessment shall be based on the treat-  
13 ment schedules contained in the report entitled “Protecting  
14 People and Sustaining Resources in Fire-Adapted Eco-  
15 systems”, dated October 13, 2000, and incorporated into the  
16 National Fire Plan. The assessment shall identify the acre-  
17 age by condition class, type of treatment, and treatment  
18 year to achieve the restoration goals outlined in the report  
19 within 10-, 15-, and 20-year time periods. The assessment  
20 shall also include changes in the restoration goals based on  
21 the effects of fire, hazardous fuel treatments pursuant to the  
22 National Fire Plan, or updates in data.

23 (b) *FUNDING RECOMMENDATION.*—The Secretary con-  
24 cerned shall include in the annual assessment a request for  
25 funds sufficient to implement the recommendations con-

1 *tained in the assessment using stewardship end result con-*  
2 *tracts under subsection (c) when the Secretary concerned*  
3 *determines that the objectives of the National Fire Plan are*  
4 *best accomplished through forest stewardship end result con-*  
5 *tracting.*

6 *(c) STEWARDSHIP END RESULT CONTRACTING.—*

7 *(1) AUTHORITY.—Subject to the amount of funds*  
8 *made available pursuant to subsection (b), the Sec-*  
9 *retary concerned may enter into stewardship end re-*  
10 *sult contracts to implement the National Fire Plan on*  
11 *Federal lands based upon the stewardship treatment*  
12 *schedules provided in the annual assessments under*  
13 *subsection (a). The contracting goals and authorities*  
14 *described in subsections (b) through (f) of section 347*  
15 *of the Department of the Interior and Related Agen-*  
16 *cies Appropriations Act, 1999 (as contained in sec-*  
17 *tion 101(e) of division A of Public Law 105–277; 16*  
18 *U.S.C. 2104 note; commonly known as the Steward-*  
19 *ship End Result Contracting Demonstration Project)*  
20 *shall apply to contracts entered into under this sub-*  
21 *section, except that the period of the contract shall be*  
22 *10 years.*

23 *(2) DURATION.—The authority of the Secretary*  
24 *concerned to enter into contracts under this subsection*  
25 *expires September 30, 2007.*

1           (d) *STATUS REPORT.*—Beginning with the assessment  
2 required under subsection (a) in 2003, the Secretary con-  
3 cerned shall include in the annual assessment a status re-  
4 port of the stewardship end result contracts entered into  
5 under the authority of this section.

6           (e) *DEFINITIONS.*—In this section:

7           *In this Act:*

8                   (1) *FEDERAL LANDS.*—The term “Federal lands”  
9 means—

10                           (A) *National Forest System lands;*

11                           (B) *public lands administered by the Sec-*  
12 *retary of the Interior, acting through the Bureau*  
13 *of Land Management; and*

14                           (C) *Indian lands.*

15                   (2) *INDIAN LANDS.*—The term “Indian lands”  
16 means—

17                           (A) *lands held in trust by the United States*  
18 *for the benefit of an Indian tribe;*

19                           (B) *lands held by an Indian tribe subject to*  
20 *restriction by the United States against alien-*  
21 *ation; and*

22                           (C) *lands held by an incorporated Alaska*  
23 *Native group, regional corporation, or village*  
24 *corporation under the provisions of the Alaska*

1           *Native Claims Settlement Act (43 U.S.C. 1601 et*  
 2           *seq.).*

3           (3) *SECRETARY CONCERNED.*—*The term “Sec-*  
 4           *retary concerned” means—*

5                     *(A) the Secretary of Agriculture or the des-*  
 6                     *ignee of the Secretary of Agriculture with respect*  
 7                     *to the Federal lands described in paragraph*  
 8                     *(1)(A); and*

9                     *(B) the Secretary of the Interior or the des-*  
 10                    *ignee of the Secretary of the Interior with respect*  
 11                    *to the Federal lands described in paragraphs*  
 12                    *(1)(B) and (1)(C).*

13 ***SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RE-***  
 14                    ***SEARCH PROGRAM.***

15           *It is the sense of Congress to reaffirm the importance*  
 16 *of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly*  
 17 *known as the McIntire-Stennis Cooperative Forestry Act.*

18                    ***TITLE IX—MISCELLANEOUS***  
 19                    ***PROVISIONS***  
 20                    ***Subtitle A—Tree Assistance***  
 21                    ***Program***

22 ***SEC. 901. ELIGIBILITY.***

23           *(a) LOSS.*—*Subject to the limitation in subsection (b),*  
 24 *the Secretary of Agriculture shall provide assistance, as*  
 25 *specified in section 902, to eligible orchardists that planted*

1 *trees for commercial purposes but lost such trees as a result*  
2 *of a natural disaster, as determined by the Secretary.*

3 (b) *LIMITATION.*—*An eligible orchardist shall qualify*  
4 *for assistance under subsection (a) only if such orchardist’s*  
5 *tree mortality, as a result of the natural disaster, exceeds*  
6 *15 percent (adjusted for normal mortality).*

7 **SEC. 902. ASSISTANCE.**

8 *The assistance provided by the Secretary of Agri-*  
9 *culture to eligible orchardists for losses described in section*  
10 *901 shall consist of either—*

11 (1) *reimbursement of 75 percent of the cost of re-*  
12 *planting trees lost due to a natural disaster, as deter-*  
13 *mined by the Secretary, in excess of 15 percent mor-*  
14 *tality (adjusted for normal mortality); or*

15 (2) *at the discretion of the Secretary, sufficient*  
16 *seedlings to reestablish the stand.*

17 **SEC. 903. LIMITATION ON ASSISTANCE.**

18 (a) *LIMITATION.*—*The total amount of payments that*  
19 *a person shall be entitled to receive under this subtitle may*  
20 *not exceed \$50,000, or an equivalent value in tree seedlings.*

21 (b) *REGULATIONS.*—*The Secretary of Agriculture shall*  
22 *issue regulations—*

23 (1) *defining the term “person” for the purposes*  
24 *of this subtitle, which shall conform, to the extent*  
25 *practicable, to the regulations defining the term “per-*



1        *son” issued under section 1001 of the Food Security*  
2        *Act of 1985 (7 U.S.C. 1308) and the Disaster Assist-*  
3        *ance Act of 1988 (7 U.S.C. 1421 note); and*

4                *(2) prescribing such rules as the Secretary deter-*  
5        *mines necessary to ensure a fair and reasonable ap-*  
6        *plication of the limitation established under this sec-*  
7        *tion.*

8        **SEC. 904. DEFINITIONS.**

9        *In this subtitle:*

10                *(1) ELIGIBLE ORCHARDIST.—The term “eligible*  
11        *orchardist” means a person who produces annual*  
12        *crops from trees for commercial purposes and owns*  
13        *500 acres or less of such trees.*

14                *(2) NATURAL DISASTER.—The term “natural*  
15        *disaster” includes plant disease, insect infestation,*  
16        *drought, fire, freeze, flood, earthquake, and other oc-*  
17        *currences, as determined by the Secretary.*

18                *(3) TREE.—The term “tree” includes trees,*  
19        *bushes, and vines.*

20        **Subtitle B—Advisory Council and**  
21        **Federal Interagency Working**  
22        **Group on Upper Mississippi**  
23        **River**

24        **SEC. 911. DEFINITIONS.**

25        *In this subtitle:*

1           (1) *The term “Advisory Council” means the Ad-*  
2           *visory Council on the Upper Mississippi River Stew-*  
3           *ardship Initiative established by this subtitle.*

4           (2) *The terms “Upper Mississippi River Basin”*  
5           *and “Basin” mean the watershed portion of the*  
6           *Upper Mississippi River and Illinois River basins,*  
7           *from Cairo, Illinois to the headwaters of the Mis-*  
8           *issippi River. The designation includes the*  
9           *Kaskaskia watershed along the Illinois River, and the*  
10          *Meramec watershed along the Missouri River.*

11          (3) *The terms “Upper Mississippi River Stew-*  
12          *ardship Initiative” and “Initiative” mean activities*  
13          *undertaken to monitor and reduce nutrient and sedi-*  
14          *ment loss in the Upper Mississippi River Basin.*

15   **SEC. 912. ESTABLISHMENT OF ADVISORY COUNCIL ON THE**  
16                            **UPPER MISSISSIPPI RIVER STEWARDSHIP INI-**  
17                            **TIATIVE.**

18          (a) *ESTABLISHMENT.*—*The Secretary of Agriculture,*  
19          *in consultation with the governors specified in subsection*  
20          *(c), shall establish an advisory body, to be known as the*  
21          *Advisory Council on the Upper Mississippi River Steward-*  
22          *ship Initiative, to provide guidance regarding the Initia-*  
23          *tive.*

24          (b) *MEMBERSHIP.*—

1           (1) *VOTING MEMBERS.*—*The Advisory Council*  
2           *shall consist of a total of 15 voting members.*

3           (2) *CHAIRPERSON.*—*Voting members shall elect*  
4           *one member appointed under subparagraph (c) to*  
5           *serve as chairperson for the Advisory Council. The*  
6           *chairperson shall serve for a term lasting no more*  
7           *than one year.*

8           (c) *APPOINTMENT.*—*The governors of the States of*  
9           *Minnesota, Wisconsin, Illinois, Iowa, and Missouri shall*  
10          *each appoint two voting members of the Advisory Council,*  
11          *to be selected from nongovernmental agriculture, natural re-*  
12          *sources, recreational, and environmental groups and other*  
13          *persons with interests in the sustainability and health of*  
14          *the natural resources of the Upper Mississippi River Basin.*

15          (d) *STATE TECHNICAL COMMITTEE REPRESENTA-*  
16          *TION.*—*The five remaining voting members of the Advisory*  
17          *Council shall be drawn from the State Technical Commit-*  
18          *tees established by the Secretary of Agriculture under sec-*  
19          *tion 1261 of the Food Security Act of 1985 (16 U.S.C. 3861)*  
20          *for the States of Minnesota, Wisconsin, Illinois, Iowa, and*  
21          *Missouri. The Secretary of Agriculture shall select one mem-*  
22          *ber from each of these State Technical Committees.*

23          (e) *NONVOTING MEMBERS.*—*The governors referred to*  
24          *in subsection (c) shall also each appoint one nonvoting*

1 *member for the Advisory Council who will serve as rep-*  
2 *resentatives of the governors.*

3 *(f) PER DIEM.—Members of the Advisory Council, in-*  
4 *cluding members appointed pursuant to subsection (e), shall*  
5 *receive the Federal per diem for transportation and lodging*  
6 *associated with meetings and other activities of the Advi-*  
7 *sory Council.*

8 **SEC. 913. RESPONSIBILITIES OF ADVISORY COUNCIL.**

9 *(a) COORDINATION AND COMMUNICATION.—The Advi-*  
10 *sory Council shall serve as a means for coordination, com-*  
11 *munication, and information sharing regarding such issues*  
12 *in the Upper Mississippi River Basin as follows:*

13 *(1) Science and technology concerning conserva-*  
14 *tion practices.*

15 *(2) Monitoring and modeling needs.*

16 *(3) Strategies for implementing conservation as-*  
17 *sistance and programs.*

18 *(4) Performance assessment.*

19 *(5) Evaluation and reporting.*

20 *(b) ANNUAL REPORT ON REDUCTION EFFORTS.—*

21 *(1) PREPARATION.—The Advisory Council shall*  
22 *prepare an annual report regarding publicly-financed*  
23 *efforts to reduce sediment and nutrient loss in the*  
24 *Upper Mississippi River Basin.*

1           (2) *SUBMISSION.*—*The annual report shall be*  
2           *submitted—*

3                   (A) *to the State legislatures of the States of*  
4           *Wisconsin, Minnesota, Iowa, Illinois, Missouri,*  
5           *Kentucky, Tennessee, Arkansas, Louisiana, and*  
6           *Mississippi;*

7                   (B) *to the Upper Mississippi River Basin*  
8           *Association; and*

9                   (C) *to the Congress.*

10          (c) *SPECIAL TASK FORCES.*—*For the purpose of maxi-*  
11          *mizing and diversifying the involvement of people in the*  
12          *activities of the Advisory Council and addressing specific*  
13          *issues referred to in subsection (a), the Advisory Council*  
14          *shall create issue specific task forces as necessary to effec-*  
15          *tively carry out the responsibilities of the Advisory Council.*  
16          *The Advisory Council shall consult with the Interagency*  
17          *Working Group and appropriate State agencies in estab-*  
18          *lishing any such task force and before dissolving any such*  
19          *task force when it becomes obsolete.*

20          (d) *PUBLIC MEETINGS.*—*As part of its responsibilities*  
21          *under this section, the Advisory Council shall hold annual*  
22          *public meetings in each of the States of Wisconsin, Min-*  
23          *nesota, Iowa, Illinois, and Missouri to formulate rec-*  
24          *ommendations and seek public input regarding methods*  
25          *and priorities to reduce sediment and nutrient loss in the*

1 *Upper Mississippi River Basin. To qualify as the annual*  
2 *meeting in a State, at least two of the three members of*  
3 *the Advisory Council from that State must be present at*  
4 *the meeting.*

5       *(e) STAFF DIRECTOR.—The Secretary of Agriculture*  
6 *shall appoint an employee of the Natural Resources Con-*  
7 *servations Service of the Department of Agriculture to act*  
8 *as staff director for the Advisory Council. The staff director*  
9 *shall work in conjunction with the chairperson of the Advi-*  
10 *sory Council to assist in coordinating the activities of the*  
11 *Advisory Council.*

12 **SEC. 914. ADVISORY NATURE OF COUNCIL.**

13       *(a) IN GENERAL.—The Advisory Council is purely ad-*  
14 *visory and shall have no implementation or enforcement*  
15 *authority. However, the Secretary of Agriculture and the*  
16 *heads of the other Federal agencies in the Interagency Work-*  
17 *ing Group established under section 915 shall give strong*  
18 *consideration to the recommendations of the Advisory Coun-*  
19 *cil in administering natural resources programs of the*  
20 *Upper Mississippi River Basin.*

21       *(b) PUBLIC OUTREACH.—The Secretary of Agriculture*  
22 *shall work with the Advisory Council to coordinate outreach*  
23 *activities in the Upper Mississippi River Basin related to*  
24 *technologies and other methods to reduce sediment and nu-*  
25 *trient loss.*

1 **SEC. 915. FEDERAL INTERAGENCY WORKING GROUP**

2 (a) *ESTABLISHMENT.*—*The Secretary of Agriculture*  
3 *and the Secretary of the Department of the Interior shall*  
4 *establish an Interagency Working Group to coordinate Fed-*  
5 *eral nutrient and sediment reduction efforts in the Upper*  
6 *Mississippi River Basin under the Initiative.*

7 (b) *CHAIRPERSON; ADDITIONAL INPUT AND PARTICI-*  
8 *PATION.*—*The Secretary of Agriculture (or the designee of*  
9 *the Secretary) shall serve as chairperson of the Interagency*  
10 *Working Group and may solicit input and participation*  
11 *by other Federal agencies engaged in sediment and nutrient*  
12 *reduction efforts in the Upper Mississippi River Basin.*

13 (c) *ANNUAL WORK PLAN AND BUDGET.*—*The Inter-*  
14 *agency Working Group shall annually develop a coordi-*  
15 *nated work plan and budget for the Federal agencies par-*  
16 *ticipating in the Initiative—*

17 (1) *to better coordinate Federal efforts to address*  
18 *sediment and nutrient reduction in the Upper Mis-*  
19 *issippi River Basin;*

20 (2) *to encourage Federal agencies responsible for*  
21 *sediment and nutrient reduction efforts to leverage*  
22 *local, State, and Federal resources;*

23 (3) *to identify gaps and overlapping programs;*  
24 *and*





1     *Andrew, and the recent flooding of the Mississippi*  
2     *River and the Red River.*

3             (2) *More than 20,000 communities in the United*  
4     *States are at risk to wildfire and approximately*  
5     *11,000 of these communities are located near Federal*  
6     *lands. More than 72,000,000 acres of National Forest*  
7     *System lands and 57,000,000 acres of lands managed*  
8     *by the Secretary of the Interior are at risk of cata-*  
9     *strophic fire in the near future. The accumulation of*  
10    *heavy forest fuel loads continues to increase as a re-*  
11    *sult of disease, insect infestations, and drought, fur-*  
12    *ther raising the risk of fire each year.*

13            (3) *Modification of forest fuel load conditions*  
14    *through the removal of hazardous fuels will minimize*  
15    *catastrophic damage from wildfires, reducing the need*  
16    *for emergency funding to respond to wildfires and*  
17    *protecting lives, communities, watersheds, and wild-*  
18    *life habitat.*

19            (4) *The hazardous fuels removed from forest*  
20    *lands represent an abundant renewable resource as*  
21    *well as a significant supply of biomass for biomass-*  
22    *to-energy facilities.*

23            (b) *HAZARDOUS FUELS TO ENERGY GRANT PRO-*  
24    *GRAM.—The Secretary concerned may make a grant to a*  
25    *person that operates a biomass-to-energy facility to offset*

1 *the costs incurred to purchase hazardous fuels from forest*  
2 *lands for use by the facility in the production of electric*  
3 *energy, useful heat, or transportation fuels. The Secretary*  
4 *concerned shall select grant recipients on the basis of their*  
5 *planned purchases of hazardous fuels and the level of antici-*  
6 *pated benefits to reduced wildfire risk.*

7       (c) *GRANT AMOUNTS.—A grant under this section*  
8 *shall be equal to at least \$5 per ton of hazardous fuels deliv-*  
9 *ered, but not to exceed \$10 per ton of hazardous fuels deliv-*  
10 *ered, based on the distance of the hazardous fuels from the*  
11 *biomass-to-energy facility.*

12       (d) *MONITORING OF GRANT RECIPIENT ACTIVITIES.—*  
13 *As a condition on a grant under this section, the grant re-*  
14 *ipient shall keep such records as the Secretary concerned*  
15 *may require to fully and correctly disclose the use of the*  
16 *grant funds and all transactions involved in the purchase*  
17 *of hazardous fuels derived from forest lands. Upon notice*  
18 *by a duly authorized representative of the Secretary con-*  
19 *cerned, the operator of a biomass-to-energy facility that*  
20 *purchases or uses the resulting hazardous fuels shall afford*  
21 *the representative reasonable access to the facility and an*  
22 *opportunity to examine the inventory and records of the*  
23 *facility.*

24       (e) *MONITORING OF EFFECT OF TREATMENTS.—The*  
25 *Secretary concerned shall monitor Federal lands from*

1 *which hazardous fuels are removed and sold to a biomass-*  
2 *to-energy facility to determine and document the reduction*  
3 *in fire hazards on such lands.*

4 (f) *DEFINITIONS.—In this section:*

5 (1) *BIOMASS-TO-ENERGY FACILITY.—The term*  
6 *“biomass-to-energy facility” means a facility that*  
7 *uses forest biomass as a raw material to produce elec-*  
8 *tric energy, useful heat, or transportation fuels.*

9 (2) *FOREST BIOMASS.—The term “forest bio-*  
10 *mass” means hazardous fuels and biomass accumula-*  
11 *tions from precommercial thinnings, slash, and brush*  
12 *on forest lands that do not satisfy the definition of*  
13 *hazardous fuels.*

14 (3) *HAZARDOUS FUELS.—The term “hazardous*  
15 *fuels” means any unnaturally excessive accumulation*  
16 *of organic material, particularly in areas designated*  
17 *as condition class 2 or condition class 3 (as defined*  
18 *in the report entitled “Protecting People and Sustain-*  
19 *able Resources in Fire-Adapted Ecosystems”, pre-*  
20 *pared by the Forest Service, and dated October 13,*  
21 *2000), on forest lands that the Secretary concerned*  
22 *determines poses a substantial present or potential*  
23 *hazard to forest ecosystems, wildlife, human, commu-*  
24 *nity, or firefighter safety in the case of a wildfire,*  
25 *particularly a wildfire in a drought year.*

1           (4) *SECRETARY CONCERNED.*—*The term “Sec-*  
2           *retary concerned” means—*

3                   (A) *the Secretary of Agriculture or the des-*  
4                   *ignee of the Secretary of Agriculture with respect*  
5                   *to the National Forest System lands and private*  
6                   *lands; and*

7                   (B) *the Secretary of the Interior or the des-*  
8                   *ignee of the Secretary of the Interior with respect*  
9                   *to Federal lands under the jurisdiction of the*  
10                  *Secretary of the Interior and Indian lands.*

11           (g) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*  
12           *authorized to be appropriated \$50,000,000 for each fiscal*  
13           *year to carry out this section.*

14   **SEC. 922. BIOENERGY PROGRAM.**

15           *Notwithstanding any limitations in the Commodity*  
16           *Credit Corporation Charter Act (15 U.S.C. 714 et seq.) or*  
17           *part 1424 of title 7, Code of Federal Regulations, the Com-*  
18           *modity Credit Corporation shall designate animal fats, ag-*  
19           *ricultural byproducts, and oils as eligible agricultural com-*  
20           *modities for use in the Bioenergy Program to promote in-*  
21           *dustrial consumption of agricultural commodities for the*  
22           *production of ethanol and biodiesel fuels.*

23   **SEC. 923. AVAILABILITY OF SECTION 32 FUNDS.**

24           *The 2d undesignated paragraph of section 32 of the*  
25           *Act of August 24, 1935 (Public Law 320; 49 Stat. 774; 7*

1 *U.S.C. 612c), is amended by striking “\$300,000,000” and*  
2 *inserting “\$500,000,000”.*

3 **SEC. 924. SENIORS FARMERS’ MARKET NUTRITION PRO-**  
4 **GRAM.**

5 *(a) ESTABLISHMENT.—For each of the fiscal years*  
6 *2002 through 2011, the Secretary of Agriculture shall use*  
7 *\$15,000,000 of the funds available to the Commodity Credit*  
8 *Corporation to carry out and expand a seniors farmers’*  
9 *market nutrition program.*

10 *(b) PROGRAM PURPOSES.— The purposes of the sen-*  
11 *iors farmers’ market nutrition program are—*

12 *(1) to provide resources in the form of fresh, nu-*  
13 *tritious, unprepared, locally grown fruits, vegetables,*  
14 *and herbs from farmers’ markets, roadside stands and*  
15 *community supported agriculture programs to low-in-*  
16 *come seniors;*

17 *(2) to increase the domestic consumption of agri-*  
18 *cultural commodities by expanding or aiding in the*  
19 *expansion of domestic farmers’ markets, roadside*  
20 *stands, and community supported agriculture pro-*  
21 *grams; and*

22 *(3) to develop or aid in the development of new*  
23 *and additional farmers’ markets, roadside stands,*  
24 *and community supported agriculture programs.*

1           (c) *REGULATIONS.*—*The Secretary may issue such reg-*  
2 *ulations as the Secretary considers necessary to carry out*  
3 *the seniors farmers’ market nutrition program.*

4 **SEC. 925. FEDERAL MARKETING ORDER FOR CANE BERRIES.**

5           *The Secretary of Agriculture shall issue a Federal*  
6 *marketing order for cane berries grown in the United*  
7 *States.*

8 **SEC. 926. NATIONAL APPEALS DIVISION.**

9           *Section 278 of the Department of Agriculture Reorga-*  
10 *nization Act of 1994 (7 U.S.C. 6998) is amended by adding*  
11 *at the end the following new subsection:*

12           “(f) *FINALITY OF CERTAIN APPEAL DECISIONS.*—*If an*  
13 *appellant prevails at the regional level in an administrative*  
14 *appeal of a decision by the Division, the agency may not*  
15 *pursue an administrative appeal of that decision to the na-*  
16 *tional level.”.*

17 **SEC. 927. OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-**  
18 **ADVANTAGED FARMERS AND RANCHERS.**

19           *Subsection (a) of section 2501 of the Food, Agriculture,*  
20 *Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is*  
21 *amended to read as follows:*

22           “(a) *OUTREACH AND ASSISTANCE.*—

23                   “(1) *IN GENERAL.*—*The Secretary of Agriculture*  
24 *(in this section referred to as the ‘Secretary’)* shall  
25 *provide outreach and technical assistance programs*

1       *specifically to encourage and assist socially disadvan-*  
2       *taged farmers and ranchers to own and operate farms*  
3       *and ranches and to participate equitably in the full*  
4       *range of agricultural programs. This assistance,*  
5       *which should enhance coordination and make more ef-*  
6       *fective the outreach, technical assistance, and edu-*  
7       *cation efforts authorized in specific agriculture pro-*  
8       *grams, shall include information and assistance on*  
9       *commodity, conservation, credit, rural, and business*  
10      *development programs, application and bidding pro-*  
11      *cedures, farm and risk management, marketing, and*  
12      *other essential information to participate in agricul-*  
13      *tural and other programs of the Department.*

14           “(2) GRANTS AND CONTRACTS.—*The Secretary*  
15      *may make grants and enter into contracts and other*  
16      *agreements in the furtherance of this section with the*  
17      *following entities:*

18                   “(A) *Any community-based organization,*  
19                   *network, or coalition of community-based organi-*  
20                   *zations that—*

21                           “(i) *has demonstrated experience in*  
22                           *providing agricultural education or other*  
23                           *agriculturally related services to socially*  
24                           *disadvantaged farmers and ranchers;*

1           “(ii) provides documentary evidence of  
2           its past experience of working with socially  
3           disadvantaged farmers and ranchers during  
4           the two years preceding its application for  
5           assistance under this section; and

6           “(iii) does not engage in activities pro-  
7           hibited under section 501(c)(3) of the Inter-  
8           nal Revenue Code of 1986.

9           “(B) 1890 Land-Grant Colleges, including  
10          Tuskegee Institute, Indian tribal community col-  
11          leges and Alaska native cooperative colleges, His-  
12          panic serving post-secondary educational institu-  
13          tions, and other post-secondary educational in-  
14          stitutions with demonstrated experience in pro-  
15          viding agriculture education or other agricultur-  
16          ally related services to socially disadvantaged  
17          family farmers and ranchers in their region.

18          “(C) Federally recognized tribes and na-  
19          tional tribal organizations with demonstrated ex-  
20          perience in providing agriculture education or  
21          other agriculturally related services to socially  
22          disadvantaged family farmers and ranchers in  
23          their region.

24          “(3) FUNDING.—There are authorized to be appro-  
25          priated \$25,000,000 for each fiscal year to make



1        *grants and enter into contracts and other agreements*  
2        *with the entities described in paragraph (2) and to*  
3        *otherwise carry out the purposes of this subsection.”.*

**Union Calendar No. 121**

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 2646**

**[Report No. 107-191, Parts I, II, and III]**

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**A BILL**

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

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AUGUST 2, 2001

Reported with an amendment and referred to the Committee on International Relations for a period ending not later than September 7, 2001, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(j), rule X

SEPTEMBER 7, 2001

Referral to the Committee on International Relations extended for a period ending not later than September 10, 2001

SEPTEMBER 10, 2001

Reported from the Committee on International Relations with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed