

PROVIDING FOR CONSIDERATION OF H.R. 2646, FARM  
SECURITY ACT OF 2001

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OCTOBER 2, 2001.—Referred to the House Calendar and ordered to be printed

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Mr. HASTINGS of Washington, from the Committee on Rules,  
submitted the following

REPORT

[To accompany H. Res. 248]

The Committee on Rules, having had under consideration House Resolution 248, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 2646, the Farm Security Act of 2001, under a modified open rule. The rule provides two hours of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. The rule waives all points of order against consideration of the bill.

The rule provides that, in lieu of the amendments recommended by the Committees on Agriculture and International Relations now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text printed in part A of this report, modified by the amendment printed in part B of this report. The rule waives all points of order against the amendment in the nature of a substitute and provides that it shall be considered as read.

The rule further makes in order only those amendments that have been printed in the Congressional Record before October 3, 2001, and provides that each such amendment may be offered only by the Member who caused it to be printed or a designee and shall be considered as read.

Finally, the rule provides one motion to recommit with or without instructions.

The waiver of all points of order against consideration of the bill includes a waiver of clause 3(c)(3) of rule XIII (requiring the inclu-

sion in the report of a CBO cost estimate), which is necessary because the Committee on International Relations did not include an adequate cost estimate in its report. The waiver also includes a waiver of section 303 of the Congressional Budget Act of 1974 (prohibiting consideration of legislation, as reported, providing new budget authority, changes in revenues, or changes in the public debt for a fiscal year until the budget resolution for that year has been agreed to), which is necessary because the bill provides for new budget authority that is first provided in fiscal year 2003 and Congress has not yet approved a budget resolution for FY 03. Additionally, the waiver includes a waiver of section 401 of the Congressional Budget Act (prohibiting consideration of legislation providing new entitlement authority which becomes effective during the current fiscal year), which is necessary because the bill provides for new entitlement for fiscal year 2002.

AMENDMENTS MADE IN ORDER UNDER THE RULE

PART A

TEXT OF AMENDMENT IN THE NATURE OF A SUBSTITUTE TO BE CONSIDERED AS ORIGINAL TEXT FOR THE PURPOSE OF FURTHER AMENDMENT (AS MODIFIED BY THE AMENDMENT IN PART B)

Strike out all after the enacting clause and insert the following:

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

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

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

Sec. 1. Short title; table of contents.

**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. Extension of dairy export incentive and dairy indemnity programs.
- 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—Environmental Conservation Acreage Reserve Program**

- Sec. 201. General provisions.

**Subtitle B—Conservation Reserve Program**

- Sec. 211. Reauthorization.
- Sec. 212. Enrollment.
- Sec. 213. Duties of owners and operators.
- Sec. 214. Reference to conservation reserve payments.

**Subtitle C—Wetlands Reserve Program**

- Sec. 221. Enrollment.
- Sec. 222. Easements and agreements.
- Sec. 223. Duties of the Secretary.
- Sec. 224. Changes in ownership; agreement modification; termination.

**Subtitle D—Environmental Quality Incentives Program**

- Sec. 231. Purposes.
- Sec. 232. Definitions.
- Sec. 233. Establishment and administration.
- Sec. 234. Evaluation of offers and payments.
- Sec. 235. Environmental Quality Incentives Program plan.
- Sec. 236. Duties of the Secretary.
- Sec. 237. Limitation on payments.
- Sec. 238. Ground and surface water conservation.

**Subtitle E—Funding and Administration**

- Sec. 241. Reauthorization.
- Sec. 242. Funding.
- Sec. 243. Allocation for livestock production.
- Sec. 244. Administration and technical assistance.

**Subtitle F—Other Programs**

- Sec. 251. Private grazing land and conservation assistance.
- Sec. 252. Wildlife Habitat Incentives Program.
- Sec. 253. Farmland Protection Program.
- Sec. 254. Resource Conservation and Development Program.
- Sec. 255. Grassland Reserve Program.
- Sec. 256. Farmland Stewardship Program.
- Sec. 257. Small Watershed Rehabilitation Program.

**Subtitle G—Repeals**

- Sec. 261. Provisions of the Food Security Act of 1985.
- Sec. 262. National Natural Resources Conservation Foundation Act.

**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. Technical assistance for specialty crops.
- Sec. 311. Farmers to Africa and the Caribbean Basin.
- Sec. 312. George McGovern–Robert Dole International Food for Education and Child Nutrition Program.
- Sec. 313. Study on fee for services.
- Sec. 314. National export strategy report.

#### **TITLE IV—NUTRITION PROGRAMS**

##### **Subtitle A—Food Stamp Program**

- Sec. 401. Simplified definition of income.
- Sec. 402. Standard deduction.
- Sec. 403. Transitional food stamps for families moving from welfare.
- Sec. 404. Quality control systems.
- Sec. 405. Simplified application and eligibility determination systems.
- Sec. 406. Authorization of appropriations.

##### **Subtitle B—Commodity Distribution**

- Sec. 441. Distribution of surplus commodities to special nutrition projects.
- Sec. 442. Commodity supplemental food program.
- Sec. 443. Emergency food assistance.

##### **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.
- Sec. 619. Intangible assets and subordinated unsecured debt required to be considered in determining eligibility of farmer-owned cooperative for business and industry guaranteed loan.
- Sec. 620. Ban on limiting eligibility of farmer cooperative for business and industry loan guarantee based on population of area in which cooperative is located.
- Sec. 621. Rural water and waste facility grants.
- Sec. 622. Rural water circuit rider program.
- Sec. 623. Rural water grassroots source water protection program.

#### **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.
- Sec. 724. Partnerships for high-value agricultural product quality research.
- Sec. 725. Biobased products.
- Sec. 726. Integrated research, education, and extension competitive grants program.
- Sec. 727. Institutional capacity building grants.
- Sec. 728. 1994 Institution research grants.
- Sec. 729. Endowment for 1994 Institutions.
- 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.
- Sec. 736. Biomass research and development.
- Sec. 737. Agricultural experiment stations research facilities.
- Sec. 738. Competitive, special, and facilities research grants national research initiative.
- Sec. 739. Federal agricultural research facilities authorization of appropriations.
- Sec. 740. Cotton classification services.
- Sec. 740A. Critical agricultural materials research.

#### **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. 749A. Matching funds requirement for research and extension activities for the United States territories.
- 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.
- Sec. 754. Policy research centers.

#### **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—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. Department of Agriculture authorities regarding caneberries.
- Sec. 926. National Appeals Division.
- Sec. 927. Outreach and assistance for socially disadvantaged farmers and ranchers.
- Sec. 928. Equal treatment of potatoes and sweet potatoes.
- Sec. 929. Reference to sea grass and sea oats as crops covered by noninsured crop disaster assistance program.
- Sec. 930. Operation of Graduate School of Department of Agriculture.
- Sec. 931. Assistance for livestock producers.

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

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

1 made by the producers on the farm under subsection  
2 (a) of such section.

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

6 (4) COVERED COMMODITY.—The term “covered  
7 commodity” means wheat, corn, grain sorghum, bar-  
8 ley, oats, upland cotton, rice, soybeans, and other  
9 oilseeds.

10 (5) EFFECTIVE PRICE.—The term “effective  
11 price”, with respect to a covered commodity for a  
12 crop year, means the price calculated by the Sec-  
13 retary under section 105 to determine whether  
14 counter-cyclical payments are required to be made  
15 for that crop year.

16 (6) ELIGIBLE PRODUCER.—The term “eligible  
17 producer” means a producer described in section  
18 101(a).

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

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

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

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

9           (11) PRODUCER.—The term “producer” means  
10 an owner, operator, landlord, tenant, or share-  
11 cropper who shares in the risk of producing a crop  
12 and who is entitled to share in the crop available for  
13 marketing from the farm, or would have shared had  
14 the crop been produced. In determining whether a  
15 grower of hybrid seed is a producer, the Secretary  
16 shall not take into consideration the existence of a  
17 hybrid seed contract and shall ensure that program  
18 requirements do not adversely affect the ability of  
19 the grower to receive a payment under this title.

20           (12) SECRETARY.—The term “Secretary”  
21 means the Secretary of Agriculture.

22           (13) STATE.—The term “State” means each of  
23 the several States of the United States, the District  
24 of Columbia, the Commonwealth of Puerto Rico, and

1 any other territory or possession of the United  
2 States.

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

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

11 **Subtitle A—Fixed Decoupled Pay-**  
12 **ments and Counter-Cyclical**  
13 **Payments**

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

15 (a) PAYMENTS REQUIRED.—Beginning with the  
16 2002 crop of covered commodities, the Secretary shall  
17 make fixed decoupled payments and counter-cyclical pay-  
18 ments under this subtitle—

19 (1) to producers on a farm that were parties to  
20 a production flexibility contract under section 111 of  
21 the Federal Agriculture Improvement and Reform  
22 Act of 1996 (7 U.S.C. 7211) for fiscal year 2002;  
23 and

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

1 (b) TENANTS AND SHARECROPPERS.—In carrying  
2 out this title, the Secretary shall provide adequate safe-  
3 guards to protect the interests of tenants and share-  
4 croppers.

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

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

10 (a) ESTABLISHMENT AND PURPOSE.—For the pur-  
11 pose of making fixed decoupled payments and counter-cy-  
12 clical payments under this subtitle, the Secretary shall  
13 provide for the establishment of a payment yield for each  
14 farm for each covered commodity in accordance with this  
15 section.

16 (b) USE OF FARM PROGRAM PAYMENT YIELD.—Ex-  
17 cept as otherwise provided in this section, the payment  
18 yield for each of the 2002 through 2011 crops of a covered  
19 commodity for a farm shall be the farm program payment  
20 yield in effect for the 2002 crop of the covered commodity  
21 under section 505 of the Agricultural Act of 1949 (7  
22 U.S.C. 1465).

23 (c) FARMS WITHOUT FARM PROGRAM PAYMENT  
24 YIELD.—In the case of a farm for which a farm program  
25 payment yield is unavailable for a covered commodity

1 (other than soybeans or other oilseeds), the Secretary shall  
2 establish an appropriate payment yield for the covered  
3 commodity on the farm taking in consideration the farm  
4 program payment yields applicable to the commodity  
5 under subsection (b) for similar farms in the area.

6 (d) PAYMENT YIELDS FOR OILSEEDS.—

7 (1) DETERMINATION OF AVERAGE YIELD.—In  
8 the case of soybeans and each other oilseed, the Sec-  
9 retary shall determine the average yield for the oil-  
10 seed on a farm for the 1998 through 2001 crop  
11 years, excluding any crop year in which the acreage  
12 planted to the oilseed was zero. If, for any of these  
13 four crop years in which the oilseed was planted, the  
14 farm would have satisfied the eligibility criteria es-  
15 tablished to carry out section 1102 of the Agri-  
16 culture, Rural Development, Food and Drug Admin-  
17 istration, and Related Agencies Appropriations Act,  
18 1999 (Public Law 105-277; 7 U.S.C. 1421 note),  
19 the Secretary shall assign a yield for that year equal  
20 to 65 percent of the county yield.

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

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

1           (B) The ratio resulting from dividing the  
2           national average yield for the oilseed for the  
3           1981 through 1985 crops by the national aver-  
4           age yield for the oilseed for the 1998 through  
5           2001 crops.

6 **SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT**  
7           **ACRES FOR A FARM.**

8           (a) **ELECTION BY PRODUCERS OF BASE ACRE CAL-**  
9           **CULATION METHOD.**—For the purpose of making fixed  
10          decoupled payments and counter-cyclical payments with  
11          respect to a farm, the Secretary shall give producers on  
12          the farm an opportunity to elect one of the following as  
13          the method by which the base acres of all covered commod-  
14          ities on the farm are to be determined:

15           (1) The four-year average of acreage actually  
16          planted on the farm to a covered commodity for har-  
17          vest, grazing, haying, silage, or other similar pur-  
18          poses during crop years 1998, 1999, 2000, and  
19          2001 and any acreage on the farm that the pro-  
20          ducers were prevented from planting during such  
21          crop years to the covered commodity because of  
22          drought, flood, or other natural disaster, or other  
23          condition beyond the control of the producer, as de-  
24          termined by the Secretary.

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

8       (b) SINGLE ELECTION; TIME FOR ELECTION.—The  
9       opportunity to make the election described in subsection  
10      (a) shall be available to producers on a farm only once.  
11      The producers shall notify the Secretary of the election  
12      made by the producers under such subsection not later  
13      than 180 days after the date of the enactment of this Act.

14      (c) EFFECT OF FAILURE TO MAKE ELECTION.—If  
15      the producers on a farm fail to make the election under  
16      subsection (a), or fail to timely notify the Secretary of the  
17      selected option as required by subsection (b), the pro-  
18      ducers shall be deemed to have made the election described  
19      in subsection (a)(2) to determine base acres for all covered  
20      commodities on the farm.

21      (d) APPLICATION OF ELECTION TO ALL COVERED  
22      COMMODITIES.—The election made under subsection (a)  
23      or deemed to be made under subsection (c) with respect  
24      to a farm shall apply to all of the covered commodities  
25      on the farm. Producers may not make the election de-

1 scribed in subsection (a)(1) for one covered commodity  
2 and the election described in subsection (a)(2) for other  
3 covered commodities on the farm.

4 (e) TREATMENT OF CONSERVATION RESERVE CON-  
5 TRACT ACREAGE.—

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

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

15 (B) Cropland is released from coverage  
16 under a conservation reserve contract by the  
17 Secretary.

18 (2) SPECIAL PAYMENT RULES.—For the fiscal  
19 year and crop year in which a base acre adjustment  
20 under paragraph (1) is first made, the producers on  
21 the farm shall elect to receive either fixed decoupled  
22 payments and counter-cyclical payments with respect  
23 to the acreage added to the farm under this sub-  
24 section or a prorated payment under the conserva-  
25 tion reserve contract, but not both.

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

4 (g) PREVENTION OF EXCESS BASE ACRES.—

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

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

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

21 (B) Any acreage on the farm enrolled in  
22 the conservation reserve program or wetlands  
23 reserve program under chapter 1 of subtitle D  
24 of title XII of the Food Security Act of 1985  
25 (16 U.S.C. 3830 et seq.).

1           (C) Any other acreage on the farm enrolled  
2           in a conservation program for which payments  
3           are made in exchange for not producing an ag-  
4           ricultural commodity on the acreage.

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

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

10          (a) PAYMENT REQUIRED.—For each of the 2002  
11          through 2011 crop years of each covered commodity, the  
12          Secretary shall make fixed, decoupled payments to eligible  
13          producers.

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

- 17           (1) Wheat, \$0.53 per bushel.
- 18           (2) Corn, \$0.30 per bushel.
- 19           (3) Grain sorghum, \$0.36 per bushel.
- 20           (4) Barley, \$0.25 per bushel.
- 21           (5) Oats, \$0.025 per bushel.
- 22           (6) Upland cotton, \$0.0667 per pound.
- 23           (7) Rice, \$2.35 per hundredweight.
- 24           (8) Soybeans, \$0.42 per bushel.
- 25           (9) Other oilseeds, \$0.0074 per pound.

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

5 (1) The payment rate specified in subsection  
6 (b).

7 (2) The payment acres of the covered com-  
8 modity on the farm.

9 (3) The payment yield for the covered com-  
10 modity for the farm.

11 (d) TIME FOR PAYMENT.—

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

17 (2) ADVANCE PAYMENTS.—At the option of an  
18 eligible producer, 50 percent of the fixed, decoupled  
19 payment for a fiscal year shall be paid on a date se-  
20 lected by the producer. The selected date shall be on  
21 or after December 1 of that fiscal year, and the pro-  
22 ducer may change the selected date for a subsequent  
23 fiscal year by providing advance notice to the Sec-  
24 retary.

1           (3) REPAYMENT OF ADVANCE PAYMENTS.—If a  
2 producer that receives an advance fixed, decoupled  
3 payment for a fiscal year ceases to be an eligible  
4 producer before the date the fixed, decoupled pay-  
5 ment would otherwise have been made by the Sec-  
6 retary under paragraph (1), the producer shall be  
7 responsible for repaying the Secretary the full  
8 amount of the advance payment.

9 **SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAY-**  
10 **MENTS.**

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

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

19           (1) The higher of the following:

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

24               (B) The national average loan rate for a  
25 marketing assistance loan for the covered com-

1 commodity in effect for the same period under sub-  
2 title B.

3 (2) The payment rate in effect for the covered  
4 commodity under section 104 for the purpose of  
5 making fixed, decoupled payments with respect to  
6 the commodity.

7 (e) TARGET PRICE.—For purposes of subsection (a),  
8 the target prices for covered commodities are as follows:

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

10 (2) Corn, \$2.78 per bushel.

11 (3) Grain sorghum, \$2.64 per bushel.

12 (4) Barley, \$2.39 per bushel.

13 (5) Oats, \$1.47 per bushel.

14 (6) Upland cotton, \$0.736 per pound.

15 (7) Rice, \$10.82 per hundredweight.

16 (8) Soybeans, \$5.86 per bushel.

17 (9) Other oilseeds, \$0.1036 per pound.

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

22 (1) the target price for the commodity; and

23 (2) the effective price determined under sub-  
24 section (b) for the commodity.

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

5 (1) The payment rate specified in subsection  
6 (d).

7 (2) The payment acres of the covered com-  
8 modity on the farm.

9 (3) The payment yield for the covered com-  
10 modity for the farm.

11 (f) TIME FOR PAYMENTS.—

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

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

1 ceeds the actual counter-cyclical payment to be made  
2 for that marketing year.

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

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

14 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

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

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

1 (B) to comply with applicable wetland pro-  
2 tection requirements under subtitle C of title  
3 XII 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  
12 such rules as the Secretary considers necessary to  
13 ensure producer compliance with the requirements of  
14 paragraph (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  
20 fair and equitable treatment. This subsection shall not  
21 void the responsibilities of the producer under subsection  
22 (a) if the producer continues or resumes operation, or con-  
23 trol, of the farm. On the resumption of operation or con-  
24 trol over the farm by the producer, the requirements of

1 subsection (a) in effect on the date of the foreclosure shall  
2 apply.

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

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

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

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

22 (4) EXCEPTION.—If a producer entitled to a  
23 fixed, decoupled payment or counter-cyclical pay-  
24 ment dies, becomes incompetent, or is otherwise un-  
25 able to receive the payment, the Secretary shall

1 make the payment, in accordance with regulations  
2 prescribed by the Secretary.

3 (d) ACREAGE REPORTS.—

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

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

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

15 **SEC. 107. PLANTING FLEXIBILITY.**

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

19 (b) LIMITATIONS AND EXCEPTIONS REGARDING  
20 CERTAIN COMMODITIES.—

21 (1) LIMITATIONS.—The planting of the fol-  
22 lowing agricultural commodities shall be prohibited  
23 on base acres:

24 (A) Fruits.

1 (B) Vegetables (other than lentils, mung  
2 beans, and dry peas).

3 (C) Wild rice.

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

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

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

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

24 (i) the quantity planted may not ex-  
25 ceed the producer's average annual plant-

1           ing history of such agricultural commodity  
2           in the 1991 through 1995 crop years (ex-  
3           cluding any crop year in which no plant-  
4           ings were made), as determined by the  
5           Secretary; and

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

10 **SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY**  
11                           **UNDER PRODUCTION FLEXIBILITY CON-**  
12                           **TRACTS.**

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

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

1 the fixed, decoupled payment otherwise due the producer  
2 for that same fiscal year by the amount of the fiscal year  
3 2002 payment previously received by the producer.

4 **SEC. 109. PAYMENT LIMITATIONS.**

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

9 **SEC. 110. PERIOD OF EFFECTIVENESS.**

10 This subtitle shall be effective beginning with the  
11 2002 crop year of each covered commodity through the  
12 2011 crop year.

13 **Subtitle B—Marketing Assistance**  
14 **Loans and Loan Deficiency Pay-**  
15 **ments**

16 **SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING AS-**  
17 **SISTANCE LOANS FOR COVERED COMMOD-**  
18 **ITIES.**

19 (a) NONRECOURSE LOANS AVAILABLE.—

20 (1) AVAILABILITY.—For each of the 2002  
21 through 2011 crops of each covered commodity, the  
22 Secretary shall make available to producers on a  
23 farm nonrecourse marketing assistance loans for  
24 covered commodities produced on the farm. The  
25 loans shall be made under terms and conditions that

1 are prescribed by the Secretary and at the loan rate  
2 established under section 122 for the covered com-  
3 modity.

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

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

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

22 (d) COMPLIANCE WITH CONSERVATION AND WET-  
23 LANDS REQUIREMENTS.—As a condition of the receipt of  
24 a marketing assistance loan under subsection (a), the pro-  
25 ducer shall comply with applicable conservation require-

1 ments under subtitle B of title XII of the Food Security  
2 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-  
3 land protection requirements under subtitle C of title XII  
4 of the Act (16 U.S.C. 3821 et seq.) during the term of  
5 the loan.

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

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

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

22 (f) TERMINATION OF SUPERSEDED LOAN AUTHOR-  
23 ITY.—Notwithstanding section 131 of the Federal Agri-  
24 culture Improvement and Reform Act of 1996 (7 U.S.C.  
25 7231), nonrecourse marketing assistance loans shall not

1 be made for the 2002 crop of covered commodities under  
2 subtitle C of title I of such Act.

3 **SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING AS-**  
4 **SISTANCE LOANS.**

5 (a) WHEAT.—

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

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

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

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

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

1 (B) less than 30 percent but not less than  
2 15 percent, the Secretary may reduce the loan  
3 rate for wheat for the corresponding crop by an  
4 amount not to exceed 5 percent in any year; or

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

8 (b) FEED GRAINS.—

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

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

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

23 (2) STOCKS TO USE RATIO ADJUSTMENT.—If  
24 the Secretary estimates for any marketing year that

1 the ratio of ending stocks of corn or grain sorghum  
2 to total use for the marketing year will be—

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

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

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

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

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

24 (B) not more than—

1 (i) \$1.65 per bushel for barley, except  
2 not more than \$1.70 per bushel for barley  
3 used only for feed purposes, as determined  
4 by the Secretary; and

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

6 (c) UPLAND COTTON.—

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

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

24 (B) 90 percent of the average, for the 15-  
25 week period beginning July 1 of the year pre-

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

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

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

20           (1) not less than 85 percent of the simple aver-  
21          age price received by producers of extra long staple  
22          cotton, as determined by the Secretary, during three  
23          years of the five-year period ending July 31 of the  
24          year preceding the year in which the crop is planted,  
25          excluding the year in which the average price was

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

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

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

7 (f) OILSEEDS.—

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

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

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

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

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

1 the marketing years for the immediately pre-  
2 ceding five crops of the other oilseed, excluding  
3 the year in which the average price was the  
4 highest and the year in which the average price  
5 was the lowest in the period; but

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

7 **SEC. 123. TERM OF LOANS.**

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

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

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

21 **SEC. 124. REPAYMENT OF LOANS.**

22 (a) **REPAYMENT RATES FOR WHEAT, FEED GRAINS,  
23 AND OILSEEDS.**—The Secretary shall permit a producer  
24 to repay a marketing assistance loan under section 121

1 for wheat, corn, grain sorghum, barley, oats, and oilseeds  
2 at a rate that is the lesser of—

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

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

7 (A) minimize potential loan forfeitures;

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

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

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

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

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

22 (2) the prevailing world market price for the  
23 commodity (adjusted to United States quality and  
24 location), as determined by the Secretary.

1       (c) REPAYMENT RATES FOR EXTRA LONG STAPLE  
2 COTTON.—Repayment of a marketing assistance loan for  
3 extra long staple cotton shall be at the loan rate estab-  
4 lished for the commodity under section 122, plus interest  
5 (as determined by the Secretary).

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

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

12           (2) a mechanism by which the Secretary shall  
13 announce periodically the prevailing world market  
14 price for each covered commodity.

15       (e) ADJUSTMENT OF PREVAILING WORLD MARKET  
16 PRICE FOR UPLAND COTTON.—

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

23           (A) the adjusted prevailing world market  
24 price is less than 115 percent of the loan rate

1 for upland cotton established under section 122,  
2 as determined by the Secretary; and

3 (B) the Friday through Thursday average  
4 price quotation for the lowest-priced United  
5 States growth as quoted for Middling (M)  $1\frac{3}{32}$ -  
6 inch cotton delivered C.I.F. Northern Europe is  
7 greater than the Friday through Thursday av-  
8 erage price of the 5 lowest-priced growths of  
9 upland cotton, as quoted for Middling (M)  
10  $1\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Eu-  
11 rope (referred to in this section as the “North-  
12 ern Europe price”).

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

18 (A) The United States share of world ex-  
19 ports.

20 (B) The current level of cotton export sales  
21 and cotton export shipments.

22 (C) Other data determined by the Sec-  
23 retary to be relevant in establishing an accurate  
24 prevailing world market price for upland cotton

1 (adjusted to United States quality and loca-  
2 tion).

3 (3) LIMITATION ON FURTHER ADJUSTMENT.—

4 The adjustment under paragraph (2) may not ex-  
5 ceed the difference between—

6 (A) the Friday through Thursday average  
7 price for the lowest-priced United States growth  
8 as quoted for Middling 1<sup>3</sup>/<sub>32</sub>-inch cotton deliv-  
9 ered C.I.F. Northern Europe; and

10 (B) the Northern Europe price.

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

20 **SEC. 125. LOAN DEFICIENCY PAYMENTS.**

21 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-  
22 MENTS.—Except as provided in subsection (d), the Sec-  
23 retary may make loan deficiency payments available to  
24 producers who, although eligible to obtain a marketing as-  
25 sistance loan under section 121 with respect to a covered

1 commodity, agree to forgo obtaining the loan for the com-  
2 modity in return for payments under this section.

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

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

7 (2) the quantity of the covered commodity pro-  
8 duced by the eligible producers, excluding any quan-  
9 tity for which the producers obtain a loan under sec-  
10 tion 121.

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

14 (1) the loan rate established under section 122  
15 for the covered commodity; exceeds

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

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

21 (e) TIME FOR PAYMENT.—The Secretary shall make  
22 a payment under this section to a producer with respect  
23 to a quantity of a covered commodity as of the earlier of  
24 the following:



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

5 (2) the payment quantity determined by  
6 multiplying—

7 (A) the quantity of the grazed acreage on  
8 the farm with respect to which the producer  
9 elects to forgo harvesting of wheat, barley, or  
10 oats; and

11 (B) the payment yield for that covered  
12 commodity on the farm.

13 (c) TIME, MANNER, AND AVAILABILITY OF PAY-  
14 MENT.—

15 (1) TIME AND MANNER.—A payment under this  
16 section shall be made at the same time and in the  
17 same manner as loan deficiency payments are made  
18 under section 125.

19 (2) AVAILABILITY.—The Secretary shall estab-  
20 lish an availability period for the payment author-  
21 ized by this section that is consistent with the avail-  
22 ability period for wheat, barley, and oats established  
23 by the Secretary for marketing assistance loans au-  
24 thorized by this subtitle.

1 (d) PROHIBITION ON CROP INSURANCE OR NON-  
2 INSURED CROP ASSISTANCE.—A 2002 through 2011 crop  
3 of wheat, barley, or oats planted on acreage that a pro-  
4 ducer elects, in the agreement required by subsection (a),  
5 to use for the grazing of livestock in lieu of any other har-  
6 vesting of the crop shall not be eligible for insurance under  
7 the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)  
8 or noninsured crop assistance under section 196 of the  
9 Federal Agriculture Improvement and Reform Act of 1996  
10 (7 U.S.C. 7333).

11 **SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UP-**  
12 **LAND COTTON.**

13 (a) COTTON USER MARKETING CERTIFICATES.—

14 (1) ISSUANCE.—During the period beginning on  
15 the date of the enactment of this Act and ending  
16 July 31, 2012, the Secretary shall issue marketing  
17 certificates or cash payments, at the option of the  
18 recipient, to domestic users and exporters for docu-  
19 mented purchases by domestic users and sales for  
20 export by exporters made in the week following a  
21 consecutive four-week period in which—

22 (A) the Friday through Thursday average  
23 price quotation for the lowest-priced United  
24 States growth, as quoted for Middling (M)  
25 1<sup>3</sup>/<sub>32</sub>-inch cotton, delivered C.I.F. Northern Eu-

1 rope exceeds the Northern Europe price by  
2 more than 1.25 cents per pound; and

3 (B) the prevailing world market price for  
4 upland cotton (adjusted to United States qual-  
5 ity and location) does not exceed 134 percent of  
6 the loan rate for upland cotton established  
7 under section 122.

8 (2) VALUE OF CERTIFICATES OR PAYMENTS.—

9 The value of the marketing certificates or cash pay-  
10 ments shall be based on the amount of the difference  
11 (reduced by 1.25 cents per pound) in the prices dur-  
12 ing the fourth week of the consecutive four-week pe-  
13 riod multiplied by the quantity of upland cotton in-  
14 cluded in the documented sales.

15 (3) ADMINISTRATION OF MARKETING CERTIFI-  
16 CATES.—

17 (A) REDEMPTION, MARKETING, OR EX-  
18 CHANGE.—The Secretary shall establish proce-  
19 dures for redeeming marketing certificates for  
20 cash or marketing or exchange of the certifi-  
21 cates for agricultural commodities owned by the  
22 Commodity Credit Corporation or pledged to  
23 the Commodity Credit Corporation as collateral  
24 for a loan in such manner, and at such price  
25 levels, as the Secretary determines will best ef-

1           fectuate the purposes of cotton user marketing  
2           certificates, including enhancing the competi-  
3           tiveness and marketability of United States cot-  
4           ton. Any price restrictions that would otherwise  
5           apply to the disposition of agricultural commod-  
6           ities by the Commodity Credit Corporation shall  
7           not apply to the redemption of certificates  
8           under this subsection.

9           (B) DESIGNATION OF COMMODITIES AND  
10          PRODUCTS.—To the extent practicable, the Sec-  
11          retary shall permit owners of certificates to des-  
12          ignate the commodities and products, including  
13          storage sites, the owners would prefer to receive  
14          in exchange for certificates

15          (C) TRANSFERS.—Marketing certificates  
16          issued to domestic users and exporters of up-  
17          land cotton may be transferred to other persons  
18          in accordance with regulations issued by the  
19          Secretary.

20          (b) SPECIAL IMPORT QUOTA.—

21                  (1) ESTABLISHMENT.—

22                          (A) IN GENERAL.—The President shall  
23                          carry out an import quota program during the  
24                          period beginning on the date of the enactment

1 of this Act and ending July 31, 2012, as pro-  
2 vided in this subsection.

3 (B) PROGRAM REQUIREMENTS.—Except as  
4 provided in subparagraph (C), whenever the  
5 Secretary determines and announces that for  
6 any consecutive four-week period, the Friday  
7 through Thursday average price quotation for  
8 the lowest-priced United States growth, as  
9 quoted for Middling (M)  $1\frac{3}{32}$ -inch cotton, deliv-  
10 ered C.I.F. Northern Europe, adjusted for the  
11 value of any certificate issued under subsection  
12 (a), exceeds the Northern Europe price by more  
13 than 1.25 cents per pound, there shall imme-  
14 diately be in effect a special import quota.

15 (C) TIGHT DOMESTIC SUPPLY.—During  
16 any month for which the Secretary estimates  
17 the season-ending United States upland cotton  
18 stocks-to-use ratio, as determined under sub-  
19 paragraph (D), to be below 16 percent, the Sec-  
20 retary, in making the determination under sub-  
21 paragraph (B), shall not adjust the Friday  
22 through Thursday average price quotation for  
23 the lowest-priced United States growth, as  
24 quoted for Middling (M)  $1\frac{3}{32}$ -inch cotton, deliv-

1           cred C.I.F. Northern Europe, for the value of  
2           any certificates issued under subsection (a).

3           (D) SEASON-ENDING UNITED STATES  
4           STOCKS-TO-USE RATIO.—For the purposes of  
5           making estimates under subparagraph (C), the  
6           Secretary shall, on a monthly basis, estimate  
7           and report the season-ending United States up-  
8           land cotton stocks-to-use ratio, excluding pro-  
9           jected raw cotton imports but including the  
10          quantity of raw cotton that has been imported  
11          into the United States during the marketing  
12          year.

13          (2) QUANTITY.—The quota shall be equal to  
14          one week's consumption of upland cotton by domes-  
15          tic mills at the seasonally adjusted average rate of  
16          the most recent three months for which data are  
17          available.

18          (3) APPLICATION.—The quota shall apply to  
19          upland cotton purchased not later than 90 days  
20          after the date of the Secretary's announcement  
21          under paragraph (1) and entered into the United  
22          States not later than 180 days after the date.

23          (4) OVERLAP.—A special quota period may be  
24          established that overlaps any existing quota period if  
25          required by paragraph (1), except that a special

1 quota period may not be established under this sub-  
2 section if a quota period has been established under  
3 subsection (c).

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

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

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

11 (C) section 503(d) of the Trade Act of  
12 1974 (19 U.S.C. 2463(d)); and

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

15 (6) DEFINITION.—In this subsection, the term  
16 “special import quota” means a quantity of imports  
17 that is not subject to the over-quota tariff rate of a  
18 tariff-rate quota.

19 (7) LIMITATION.—The quantity of cotton en-  
20 tered into the United States during any marketing  
21 year under the special import quota established  
22 under this subsection may not exceed the equivalent  
23 of five week’s consumption of upland cotton by do-  
24 mestic mills at the seasonally adjusted average rate  
25 of the three months immediately preceding the first

1 special import quota established in any marketing  
2 year.

3 (c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND  
4 COTTON.—

5 (1) IN GENERAL.—The President shall carry  
6 out an import quota program that provides that  
7 whenever the Secretary determines and announces  
8 that the average price of the base quality of upland  
9 cotton, as determined by the Secretary, in the des-  
10 ignated spot markets for a month exceeded 130 per-  
11 cent of the average price of such quality of cotton  
12 in the markets for the preceding 36 months, not-  
13 withstanding any other provision of law, there shall  
14 immediately be in effect a limited global import  
15 quota subject to the following conditions:

16 (A) QUANTITY.—The quantity of the quota  
17 shall be equal to 21 days of domestic mill con-  
18 sumption of upland cotton at the seasonally ad-  
19 justed average rate of the most recent three  
20 months for which data are available.

21 (B) QUANTITY IF PRIOR QUOTA.—If a  
22 quota has been established under this sub-  
23 section during the preceding 12 months, the  
24 quantity of the quota next established under  
25 this subsection shall be the smaller of 21 days

1 of domestic mill consumption calculated under  
2 subparagraph (A) or the quantity required to  
3 increase the supply to 130 percent of the de-  
4 mand.

5 (C) PREFERENTIAL TARIFF TREAT-  
6 MENT.—The quantity under a limited global  
7 import quota shall be considered to be an in-  
8 quota quantity for purposes of—

9 (i) section 213(d) of the Caribbean  
10 Basin Economic Recovery Act (19 U.S.C.  
11 2703(d));

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

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

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

18 (D) DEFINITIONS.—In this subsection:

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

24 (I) the carry-over of upland cot-  
25 ton at the beginning of the marketing

1 year (adjusted to 480-pound bales) in  
2 which the quota is established;

3 (II) production of the current  
4 crop; and

5 (III) imports to the latest date  
6 available during the marketing year.

7 (ii) DEMAND.—The term “demand”  
8 means—

9 (I) the average seasonally ad-  
10 justed annual rate of domestic mill  
11 consumption during the most recent  
12 three months for which data are avail-  
13 able; and

14 (II) the larger of—

15 (aa) average exports of up-  
16 land cotton during the preceding  
17 six marketing years; or

18 (bb) cumulative exports of  
19 upland cotton plus outstanding  
20 export sales for the marketing  
21 year in which the quota is estab-  
22 lished.

23 (iii) LIMITED GLOBAL IMPORT  
24 QUOTA.—The term “limited global import  
25 quota” means a quantity of imports that is

1 not subject to the over-quota tariff rate of  
2 a tariff-rate quota.

3 (E) QUOTA ENTRY PERIOD.—When a  
4 quota is established under this subsection, cot-  
5 ton may be entered under the quota during the  
6 90-day period beginning on the date the quota  
7 is established by the Secretary.

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

12 **SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**  
13 **LONG STAPLE COTTON.**

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

1 (b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under  
2 the program, the Secretary shall make payments available  
3 under this section whenever—

4 (1) for a consecutive four-week period, the  
5 world market price for the lowest priced competing  
6 growth of extra long staple cotton (adjusted to  
7 United States quality and location and for other fac-  
8 tors affecting the competitiveness of such cotton), as  
9 determined by the Secretary, is below the prevailing  
10 United States price for a competing growth of extra  
11 long staple cotton; and

12 (2) the lowest priced competing growth of extra  
13 long staple cotton (adjusted to United States quality  
14 and location and for other factors affecting the com-  
15 petitiveness of such cotton), as determined by the  
16 Secretary, is less than 134 percent of the loan rate  
17 for extra long staple cotton.

18 (c) ELIGIBLE RECIPIENTS.—The Secretary shall  
19 make payments available under this section to domestic  
20 users of extra long staple cotton produced in the United  
21 States and exporters of extra long staple cotton produced  
22 in the United States who enter into an agreement with  
23 the Commodity Credit Corporation to participate in the  
24 program under this section.

1 (d) PAYMENT AMOUNT.—Payments under this sec-  
 2 tion shall be based on the amount of the difference in the  
 3 prices referred to in subsection (b)(1) during the fourth  
 4 week of the consecutive four-week period multiplied by the  
 5 amount of documented purchases by domestic users and  
 6 sales for export by exporters made in the week following  
 7 such a consecutive four-week period.

8 (e) FORM OF PAYMENT.—Payments under this sec-  
 9 tion shall be made through the issuance of cash or mar-  
 10 keting certificates, at the option of eligible recipients of  
 11 the payments.

12 **SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH**  
 13 **MOISTURE FEED GRAINS AND SEED COTTON**  
 14 **AND OTHER FIBERS.**

15 (a) HIGH MOISTURE FEED GRAINS.—

16 (1) RECOURSE LOANS AVAILABLE.—For each of  
 17 the 2002 through 2011 crops of corn and grain sor-  
 18 ghum, the Secretary shall make available recourse  
 19 loans, as determined by the Secretary, to producers  
 20 on a farm who—

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

24 (B) present—

1 (i) certified scale tickets from an in-  
2 spected, certified commercial scale, includ-  
3 ing a licensed warehouse, feedlot, feed mill,  
4 distillery, or other similar entity approved  
5 by the Secretary, pursuant to regulations  
6 issued by the Secretary; or

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

14 (C) certify that they were the owners of  
15 the feed grain at the time of delivery to, and  
16 that the quantity to be placed under loan under  
17 this subsection was in fact harvested on the  
18 farm and delivered to, a feedlot, feed mill, or  
19 commercial or on-farm high-moisture storage  
20 facility, or to a facility maintained by the users  
21 of corn and grain sorghum in a high moisture  
22 state; and

23 (D) comply with deadlines established by  
24 the Secretary for harvesting the corn or grain  
25 sorghum and submit applications for loans

1 under this subsection within deadlines estab-  
2 lished by the Secretary.

3 (2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—

4 A loan under this subsection shall be made on a  
5 quantity of corn or grain sorghum of the same crop  
6 acquired by the producer equivalent to a quantity  
7 determined by multiplying—

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

11 (B) the lower of the farm program pay-  
12 ment yield or the actual yield on a field, as de-  
13 termined by the Secretary, that is similar to the  
14 field from which the corn or grain sorghum was  
15 obtained.

16 (3) HIGH MOISTURE STATE DEFINED.—In this  
17 subsection, the term “high moisture state” means  
18 corn or grain sorghum having a moisture content in  
19 excess of Commodity Credit Corporation standards  
20 for marketing assistance loans made by the Sec-  
21 retary under section 121.

22 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-  
23 TON.—For each of the 2002 through 2011 crops of upland  
24 cotton and extra long staple cotton, the Secretary shall

1 make available recourse seed cotton loans, as determined  
2 by the Secretary, on any production.

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

7 (d) TERMINATION OF SUPERSEDED LOAN AUTHOR-  
8 ITY.—Notwithstanding section 137 of the Federal Agri-  
9 culture Improvement and Reform Act of 1996 (7 U.S.C.  
10 7237), recourse loans shall not be made for the 2002 crop  
11 of corn, grain sorghum, and seed cotton under such sec-  
12 tion.

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

15 (a) NONRECOURSE LOANS AVAILABLE.—During the  
16 2002 through 2011 marketing years for wool and mohair,  
17 the Secretary shall make available to producers on a farm  
18 nonrecourse marketing assistance loans for wool and mo-  
19 hair produced on the farm during that marketing year.

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

- 22 (1) \$1.00 per pound for graded wool;  
23 (2) \$0.40 per pound for nongraded wool; and  
24 (3) \$4.20 per pound for mohair.

1 (c) TERM OF LOAN.—A loan under subsection (a)  
2 shall have a term of one year beginning on the first day  
3 of the first month after the month in which the loan is  
4 made.

5 (d) REPAYMENT RATES.—The Secretary shall permit  
6 a producer to repay a marketing assistance loan under  
7 subsection (a) for wool or mohair at a rate that is the  
8 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 the commodity by the Federal Government;

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

18 (D) allow the commodity produced in the  
19 United States to be marketed freely and com-  
20 petitively, both domestically and internationally.

21 (e) LOAN DEFICIENCY PAYMENTS.—

22 (1) AVAILABILITY.—The Secretary may make  
23 loan deficiency payments available to producers that,  
24 although eligible to obtain a marketing assistance

1 loan under this section, agree to forgo obtaining the  
2 loan in return for payments under this section.

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

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

8 (B) the quantity of the commodity pro-  
9 duced by the eligible producers, excluding any  
10 quantity for which the producers obtain a loan  
11 under this subsection.

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

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

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

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

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

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

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

11 **SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING AS-**  
12 **SISTANCE LOANS FOR HONEY.**

13           (a) NONRECOURSE LOANS AVAILABLE.—During the  
14 2002 through 2011 crop years for honey, the Secretary  
15 shall make available to producers on a farm nonrecourse  
16 marketing assistance loans for honey produced on the  
17 farm during that crop year.

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

21           (c) TERM OF LOAN.—A marketing assistance loan  
22 under subsection (a) shall have a term of one year begin-  
23 ning on the first day of the first month after the month  
24 in which the loan is made.

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

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

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

8 (e) LOAN DEFICIENCY PAYMENTS.—

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

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

18 (A) the loan payment rate determined  
19 under paragraph (3); by

20 (B) the quantity of honey that the pro-  
21 ducer is eligible to place under loan, but for  
22 which the producer forgoes obtaining the loan  
23 in return for a payment under this subsection.

1           (3) LOAN PAYMENT RATE.—For the purposes  
2 of 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 ear-  
11 lier 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  
16 payment.

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  
24 the 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  
18 prices under this section for each of the products of milk  
19 (butter, cheese, and nonfat dry milk) announced by the  
20 Secretary shall be the same for all of that product sold  
21 by persons offering to sell the product to the Secretary.  
22 The purchase prices shall be sufficient to enable plants  
23 of average efficiency to pay producers, on average, a price  
24 that is not less than the rate of price support for milk  
25 in effect under 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 Corpora-  
8 tion or achieve such other objectives as the Secretary  
9 considers appropriate. Not later than 10 days after  
10 making or changing an allocation, the Secretary  
11 shall notify the Committee on Agriculture of the  
12 House of Representatives and the Committee on Ag-  
13 riculture, Nutrition, and Forestry of the Senate of  
14 the allocation. Section 553 of title 5, United States  
15 Code, shall not apply with respect to the implemen-  
16 tation of this 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  
20 and butter the Secretary considers to be necessary  
21 not 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. EXTENSION OF DAIRY EXPORT INCENTIVE AND**  
6 **DAIRY INDEMNITY PROGRAMS.**

7 (a) DAIRY EXPORT INCENTIVE PROGRAM.—Section  
8 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–  
9 14(a)) is amended by striking “2002” and inserting  
10 “2011”.

11 (b) DAIRY INDEMNITY PROGRAM.—Section 3 of Pub-  
12 lic Law 90–484 (7 U.S.C. 450*l*) is amended by striking  
13 “1995” and inserting “2011”.

14 **SEC. 144. FLUID MILK PROMOTION.**

15 (a) DEFINITION OF FLUID MILK PRODUCT.—Section  
16 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C.  
17 6402) is amended by striking paragraph (3) and inserting  
18 the following new paragraph:

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

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

24 “(B) in any successor regulation providing  
25 a definition of such term that is promulgated  
26 pursuant to the Agricultural Adjustment Act (7

1 U.S.C. 601 et seq.), reenacted with amend-  
2 ments by the Agricultural Marketing Agreement  
3 Act of 1937.”.

4 (b) DEFINITION OF FLUID MILK PROCESSOR.—Sec-  
5 tion 1999C(4) of the Fluid Milk Promotion Act of 1990  
6 (7 U.S.C. 6402(4)) is amended by striking “500,000” and  
7 inserting “3,000,000”.

8 (c) ELIMINATION OF ORDER TERMINATION DATE.—  
9 Section 1999O of the Fluid Milk Promotion Act of 1990  
10 (7 U.S.C. 6414) is amended—

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

12 (2) by redesignating subsections (b) and (c) as  
13 subsections (a) and (b), respectively.

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

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

17 (1) by inserting “and substantially identical  
18 products designated by the Secretary” after “dairy  
19 products” the first place it appears; and

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

1 **SEC. 146. FUNDING OF DAIRY PROMOTION AND RESEARCH**  
2 **PROGRAM.**

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

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

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

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

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

15 “(1) milk, cream, and fresh and dried  
16 dairy products;

17 “(2) butter and butterfat mixtures;

18 “(3) cheese; and

19 “(4) casein and mixtures;

20 “(n) the term ‘importer’ means a person that  
21 imports an imported dairy product into the United  
22 States; and

23 “(o) the term ‘Customs’ means the United  
24 States Customs Service.”.

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

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

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

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

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

15 “(6) IMPORTERS.—

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

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

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

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

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

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

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

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

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

22 “(6) IMPORTERS.—

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

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

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

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

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

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

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

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

19                 (1) in the first sentence—

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

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

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

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

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

9 (1) in the first sentence—

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

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

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

## 18 **CHAPTER 2—SUGAR**

### 19 **SEC. 151. SUGAR PROGRAM.**

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

23 (1) by striking “(other than subsection (f))”;  
 24 and

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

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

6           (c) LOAN RATE ADJUSTMENTS.—Subsection (c) of  
7 such section is amended—

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

10           (2) in paragraph (1)—

11           (A) by striking “REDUCTION REQUIRED”  
12           and inserting “POSSIBLE REDUCTION”; and

13           (B) by striking “shall” and inserting  
14           “may”.

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

18           “(3) PREVENTION OF ONEROUS NOTIFICATION  
19 REQUIREMENTS.—The Secretary may not impose or  
20 enforce any prenotification or similar administrative  
21 requirement that has the effect of preventing a proc-  
22 essor from choosing to forfeit the loan collateral  
23 upon the maturity of the loan.”.

1 (c) IN PROCESS SUGAR.—Such section is further  
2 amended by inserting after subsection (e) the following  
3 new subsection (f):

4 “(f) LOANS FOR IN-PROCESS SUGAR.—

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

13 “(2) FURTHER PROCESSING UPON FOR-  
14 FEITURE.—As a condition on the forfeiture of in-  
15 process sugars and syrups serving as collateral for  
16 a loan under paragraph (1), the processor shall,  
17 within such reasonable time period as the Secretary  
18 may prescribe and at no cost to the Commodity  
19 Credit Corporation, convert the in-process sugars  
20 and syrups into raw cane sugar or refined beet  
21 sugar of acceptable grade and quality for sugars eli-  
22 gible for loans under subsection (a) or (b). Once the  
23 in-process sugars and syrups are fully processed into  
24 raw cane sugar or refined beet sugar, the processor  
25 shall transfer the sugar to the Corporation, which

1 shall make a payment to the processor in an amount  
2 equal to the difference between the loan rate for raw  
3 cane sugar or refined beet sugar, whichever applies,  
4 and the loan rate the processor received under para-  
5 graph (1).

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

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

19 (f) ADMINISTRATION OF PROGRAM.—Such section is  
20 further amended by adding at the end the following new  
21 subsection:

22 “(j) AVOIDING FORFEITURES; CORPORATION INVEN-  
23 TORY DISPOSITION.—

24 “(1) NO COST.—To the maximum extent prac-  
25 ticable, the Secretary shall operate the sugar pro-

1       gram established under this section at no cost to the  
2       Federal Government by avoiding the forfeiture of  
3       sugar to the Commodity Credit Corporation.

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

18      (g) INFORMATION REPORTING.—Subsection (h) of  
19      such section is amended—

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

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

24              “(2) DUTY OF PRODUCERS TO REPORT.—

1           “(A) PROPORTIONATE SHARE STATES.—

2           The Secretary shall require a producer of sug-  
3           arcane located in a State (other than Puerto  
4           Rico) in which there are in excess of 250 sugarcane  
5           producers to report, in the manner pre-  
6           scribed by the Secretary, the producer’s sugarcane  
7           yields and acres planted to sugarcane.

8           “(B) OTHER STATES.—The Secretary may  
9           require producers of sugarcane or sugar beets  
10          not covered by paragraph (1) to report, in the  
11          manner prescribed by the Secretary, each pro-  
12          ducer’s sugarcane or sugar beet yields and  
13          acres planted to sugarcane or sugar beets, re-  
14          spectively.

15          “(3) DUTY OF IMPORTERS TO REPORT.—The  
16          Secretary shall require an importer of sugars, syrups  
17          or molasses to be used for human consumption or to  
18          be used for the extraction of sugar for human con-  
19          sumption, except such sugars, syrups, or molasses  
20          that are within the quantities of tariff-rate quotas  
21          that are at the lower rate of duties, to report, in the  
22          manner prescribed by the Secretary, the quantities  
23          of such products imported and the sugar content or  
24          equivalent of such products.”; and

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

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

11   **SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL**  
12                           **ADJUSTMENT ACT OF 1938 REGARDING**  
13                           **SUGAR.**

14          (a) INFORMATION REPORTING.—Section 359a of the  
15          Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa)  
16          is repealed.

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

19               (1) in the section heading—

20                   (A) by inserting “**FLEXIBLE**” before  
21                   “**MARKETING**”; and

22                   (B) by striking “**AND CRYSTALLINE**  
23                   **FRUCTOSE**”;

24               (2) in subsection (a)—

25                   (A) in paragraph (1)—

- 1 (i) by striking “Before” and inserting  
2 “Not later than August 1 before”;
- 3 (ii) by striking “1992 through 1998”  
4 and inserting “2002 through 2011”;
- 5 (iii) in subparagraph (A), by striking  
6 “(other than sugar” and all that follows  
7 through “stocks”;
- 8 (iv) by redesignating subparagraphs  
9 (B) and (C) as subparagraphs (C) and  
10 (E), respectively;
- 11 (v) by inserting after subparagraph  
12 (A) the following:  
13 “(B) the quantity of sugar that would pro-  
14 vide for reasonable carryover stocks;”;
- 15 (vi) in subparagraph (C), as so  
16 redesignated—
- 17 (I) by striking “or” and all that  
18 follows through “beets”; and
- 19 (II) by striking the “and” fol-  
20 lowing the semicolon;
- 21 (vii) by inserting after subparagraph  
22 (C), as so redesignated, the following:  
23 “(D) the quantity of sugar that will be  
24 available from the domestic processing of sugar-  
25 cane and sugar beets; and”;

1 (viii) in subparagraph (E), as so  
2 redesignated—

3 (I) by striking “quantity of  
4 sugar” and inserting “quantity of  
5 sugars, syrups, and molasses”;

6 (II) by inserting “human” after  
7 “imported for” the first place it ap-  
8 pears;

9 (III) by inserting after “con-  
10 sumption” the first place it appears  
11 the following: “or to be used for the  
12 extraction of sugar for human con-  
13 sumption”;

14 (IV) by striking “year” and in-  
15 serting “year, whether such articles  
16 are under a tariff-rate quota or are in  
17 excess or outside of a tariff rate  
18 quota”; and

19 (V) by striking “(other than  
20 sugar” and all that follows through  
21 “carry-in stocks”;

22 (B) by redesignating paragraph (2) as  
23 paragraph (3);

24 (C) by inserting after paragraph (1) the  
25 following new paragraph:

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

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

7                 (i) by striking “QUARTERLY REESTI-  
8                 MATES” and inserting “REESTIMATES”;

9                 and

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

12           (3) in subsection (b)—

13                 (A) by striking paragraph (1) and insert-  
14                 ing the following new paragraph:

15                 “(1) IN GENERAL.—By the beginning of each  
16                 fiscal year, the Secretary shall establish for that fis-  
17                 cal year appropriate allotments under section 359c  
18                 for the marketing by processors of sugar processed  
19                 from sugar beets and from domestically-produced  
20                 sugarcane at a level that the Secretary estimates will  
21                 result in no forfeitures of sugar to the Commodity  
22                 Credit Corporation under the loan program for  
23                 sugar.”; and

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

- 1 (4) by striking subsection (c);
- 2 (5) by redesignating subsection (d) as sub-
- 3 section (c); and
- 4 (6) in subsection (c), as so redesignated—
- 5 (A) by striking paragraph (2);
- 6 (B) by redesignating paragraphs (3) and
- 7 (4) as paragraphs (2) and (3), respectively; and
- 8 (C) in paragraph (2), as so redesignated—
- 9 (i) by striking “or manufacturer” and
- 10 all that follows through “(2)”; and
- 11 (ii) by striking “or crystalline fruc-
- 12 tose”.
- 13 (c) ESTABLISHMENT.—Section 359c of the Agricul-
- 14 tural Adjustment Act of 1938 (7 U.S.C. 1359cc) is
- 15 amended—
- 16 (1) in the section heading by inserting “**FLEXI-**
- 17 **BLE**” after “**OF**”;
- 18 (2) in subsection (a), by inserting “flexible”
- 19 after “establish”;
- 20 (3) in subsection (b)—
- 21 (A) in paragraph (1)(A), by striking
- 22 “1,250,000” and inserting “1,532,000”; and
- 23 (B) in paragraph (2), by striking “to the
- 24 maximum extent practicable”;

1           (4) by striking subsection (c) and inserting the  
2 following new subsection:

3           “(c) MARKETING ALLOTMENT FOR SUGAR DERIVED  
4 FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR  
5 SUGAR DERIVED FROM SUGARCANE.—The overall allot-  
6 ment quantity for the fiscal year shall be allotted among—

7           “(1) sugar derived from sugar beets by estab-  
8 lishing a marketing allotment for a fiscal year at a  
9 quantity equal to the product of multiplying the  
10 overall allotment quantity for the fiscal year by the  
11 percentage of 54.35; and

12           “(2) sugar derived from sugarcane by estab-  
13 lishing a marketing allotment for a fiscal year at a  
14 quantity equal to the product of multiplying the  
15 overall allotment quantity for the fiscal year by the  
16 percentage of 45.65.”;

17           (5) by amending subsection (d) to read as fol-  
18 lows:

19           “(d) FILLING CANE SUGAR AND BEET SUGAR AL-  
20 LOTMENTS.—Each marketing allotment for cane sugar es-  
21 tablished under this section may only be filled with sugar  
22 processed from domestically grown sugarcane, and each  
23 marketing allotment for beet sugar established under this  
24 section may only be filled with sugar domestically proc-  
25 essed from sugar beets.”;

- 1 (6) by striking subsection (e);
- 2 (7) by redesignating subsection (f) as sub-
- 3 section (e);
- 4 (8) in subsection (e), as so redesignated—
- 5 (A) by inserting “(1) IN GENERAL.—” be-
- 6 fore “The allotment for sugar” and indenting
- 7 such paragraph appropriately;
- 8 (B) in such paragraph (1)—
- 9 (i) by striking “the 5” and inserting
- 10 “the”;
- 11 (ii) by inserting after “sugarcane is
- 12 produced,” the following: “after a hearing,
- 13 if requested by the affected sugar cane
- 14 processors and growers, and on such notice
- 15 as the Secretary by regulation may pre-
- 16 scribe,”;
- 17 (iii) by striking “on the basis of past
- 18 marketings” and all that follows through
- 19 “allotments”, and inserting “as provided in
- 20 this subsection and section
- 21 359d(a)(2)(A)(iv)”; and
- 22 (C) by inserting after paragraph (1) the
- 23 following new paragraphs:
- 24 “(2) OFFSHORE ALLOTMENT.—

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

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

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

18                 “(ii) the ability of processors to mar-  
19                 ket the sugar covered under the allotments  
20                 for the crop year; and

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

24           “(3) MAINLAND ALLOTMENT.—The allotment  
25           for sugar derived from sugarcane, less the amount

1 provided for under paragraph (2), shall be allotted  
2 among the mainland States in the United States in  
3 which sugarcane is produced, after a hearing if re-  
4 quested by the affected sugar cane processors and  
5 growers, and on such notice as the Secretary by reg-  
6 ulation may prescribe, in a fair and equitable man-  
7 ner on the basis of—

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

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

15 “(C) past processings of sugar from sugar-  
16 cane, based on the 3 crop years with the great-  
17 est processings (in the mainland States collec-  
18 tively) during the 1991 through 2000 crop  
19 years.”;

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

22 “(f) FILLING CANE SUGAR ALLOTMENTS.—Except  
23 as otherwise provided in section 359e, a State cane sugar  
24 allotment established under subsection (e) for a fiscal year

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

3 (10) in subsection (g)—

4 (A) in paragraph (1), by striking  
5 “359b(a)(2)—” and all that follows through the  
6 comma at the end of subparagraph (C) and in-  
7 serting “359b(a)(3), adjust upward or down-  
8 ward marketing allotments in a fair and equi-  
9 table manner”;

10 (B) in paragraph (2) by striking “359f(b)”  
11 and inserting “359f(e)”;

12 (C) in paragraph (3)—

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

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

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

20 (iv) by striking “206” and all that fol-  
21 lows through “the allotment” and inserting  
22 “156 of the Agricultural Market Transi-  
23 tion Act (7 U.S.C. 7272),”; and

24 (v) by striking “, if any,”; and

1           (11) by amending subsection (h) to read as fol-  
2       lows:

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

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

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

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

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

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

1           (ii) by striking “by taking” and all  
2           that follows through “allotment allocated.”  
3           and inserting “with this subparagraph.”;  
4           and

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

9           (C) by inserting after clause (i) the fol-  
10          lowing new clauses:

11           “(ii)        MULTIPLE        PROCESSOR  
12           STATES.—Except as provided in clause  
13           (iii), the Secretary shall allocate the allot-  
14           ment for cane sugar among multiple cane  
15           sugar processors in a single State based  
16           upon—

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

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

1           “(III) past processings of sugar  
2           from sugarcane, based on the average  
3           of the 3 highest years from among  
4           crop years 1996 through 2000; and

5           “(IV) however, only with respect  
6           to allotments under subclauses (I),  
7           (II), and (III) attributable to the  
8           former operations of the Talisman  
9           processing facility, shall be allocated  
10          among processors in the State coinci-  
11          dent with the provisions of the agree-  
12          ments of March 25 and March 26,  
13          1999, between the affected processors  
14          and the Department of the Interior.

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

21                 “(I) past marketings of sugar,  
22                 based on the average of the two high-  
23                 est years of production of raw cane  
24                 sugar from among the 1997 through  
25                 2001 crop years;

1           “(II) the ability of processors to  
2           market sugar covered by that portion  
3           of the allotments allocated for the  
4           crop year; and

5           “(III) past processings of sugar  
6           from sugarcane, based on the average  
7           of the two highest crop years from the  
8           five crop years 1997 through 2001.

9           “(iv) NEW ENTRANTS.—Notwith-  
10          standing clauses (ii) and (iii), the Sec-  
11          retary, on application of any processor that  
12          begins processing sugarcane on or after the  
13          date of enactment of this clause, and after  
14          a hearing if requested by the affected sug-  
15          arcane processors and growers, and on  
16          such notice as the Secretary by regulation  
17          may prescribe, may provide such processor  
18          with an allocation which provides a fair, ef-  
19          ficient and equitable distribution of the al-  
20          locations from the allotment for the State  
21          in which the processor is located and, in  
22          the case of proportionate share States,  
23          shall establish proportionate shares in an  
24          amount sufficient to produce the sugarcane  
25          required to satisfy such allocations. How-

1           ever, the allotment for a new processor  
2           under this clause shall not exceed 50,000  
3           short tons, raw value.

4           “(v) TRANSFER OF OWNERSHIP.—Ex-  
5           cept as otherwise provided in section  
6           359f(c)(8), in the event that a sugarcane  
7           processor is sold or otherwise transferred  
8           to another owner, or closed as part of an  
9           affiliated corporate group processing con-  
10          solidation, the Secretary shall transfer the  
11          allotment allocation for the processor to  
12          the purchaser, new owner, or successor in  
13          interest, as applicable, of the processor.”;  
14          and

15          (2) in subsection (a)(2)(B)—

16                  (A) by striking “interested parties” and in-  
17                  serting “the affected sugar beet processors and  
18                  growers”; and

19                  (B) by striking “processing capacity” and  
20                  all that follows through “allotment allocated”  
21                  and inserting the following: “the marketings of  
22                  sugar processed from sugar beets of any or all  
23                  of the 1996 through 2000 crops, and such other  
24                  factors as the Secretary may deem appropriate  
25                  after consultation with the affected sugar beet

1 processors and growers. However, in the case of  
2 any processor which has started processing  
3 sugar beets after January 1, 1996, the Sec-  
4 retary shall provide such processor with an allo-  
5 cation which provides a fair, efficient and equi-  
6 table distribution of the allocations”.

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

10 (1) in paragraph (1)—

11 (A) in subparagraph (B) by striking the  
12 “and” after the semicolon;

13 (B) by redesignating subparagraph (C) as  
14 subparagraph (D);

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

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

23 (D) in subparagraph (D), as so redesign-  
24 ated, by inserting “and sales” after “reassign-  
25 ments”; and

1 (2) in paragraph (2)—

2 (A) in subparagraph (A) by striking the  
3 “and” after the semicolon;

4 (B) in subparagraph (B), by striking “re-  
5 assign the remainder to imports.” and inserting  
6 “use the estimated quantity of the deficit for  
7 the sale of any inventories of sugar held by the  
8 Commodity Credit Corporation; and”;

9 (C) by inserting after subparagraph (B)  
10 the following new subparagraph:

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

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

18 (1) in subsection (a)—

19 (A) by striking “processor’s allocation” in  
20 the second sentence and inserting “allocation to  
21 the processor”; and

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

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

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

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

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

13           “(2) The Secretary may increase the allocation  
14           to the processing company to which the growers de-  
15           sire to deliver their sugar beets, and which the proc-  
16           essing company agrees to accept, not to exceed its  
17           processing capacity, to accommodate the change in  
18           deliveries.

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

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

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

2 (A) in paragraph (3)(A), by striking “the  
3 preceding five years” and inserting “the two  
4 highest years from among the years 1999,  
5 2000, and 2001”;

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

10 (C) by inserting after paragraph (7) the  
11 following new paragraph:

12 “(8) PROCESSING FACILITY CLOSURES.—In the  
13 event that a sugarcane processing facility subject to  
14 this subsection is closed and the sugarcane growers  
15 who previously delivered sugarcane to such facility  
16 desire to deliver their sugarcane to another pro-  
17 cessing company—

18 “(A) such growers may petition the Sec-  
19 retary to modify existing allocations to accom-  
20 modate such a transition;

21 “(B) the Secretary may increase the allo-  
22 cation to the processing company to which the  
23 growers desire to deliver the sugarcane, and  
24 which the processing company agrees to accept,

1 not to exceed its processing capacity, to accom-  
2 modate the change in deliveries;

3 “(C) such increased allocation shall be de-  
4 ducted from the allocation to the company that  
5 owned the processing facility that has been  
6 closed and the remaining allocation will be un-  
7 affected; and

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

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

15 **“PART VII—FLEXIBLE MARKETING ALLOTMENTS**  
16 **FOR SUGAR”.**

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

19 (A) by striking “359f” each place it appears  
20 and inserting “359f(e)”;

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

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

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

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

5 (B) by striking “Notwithstanding” and insert-  
6 ing the following:

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

9 (C) by inserting after such paragraph (1) the  
10 following new paragraph:

11 “(2) OFFSHORE STATES.—For purposes of this  
12 part, the term ‘offshore States’ means the sugarcane  
13 producing States located outside of the continental  
14 United States.”.

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

20 **SEC. 153. STORAGE FACILITY LOANS.**

21 (a) STORAGE FACILITY LOAN PROGRAM.—Notwith-  
22 standing any other provision of law and as soon as prac-  
23 ticable after the date of enactment of this section, the  
24 Commodity Credit Corporation shall amend part 1436 of  
25 title 7, Code of Federal Regulations, to establish a sugar

1 storage facility loan program to provide financing for pro-  
2 cessors of domestically-produced sugarcane and sugar beets  
3 to build or upgrade storage and handling facilities for raw  
4 sugars and refined sugars.

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

11 (c) TERM OF LOANS.—Storage facility loans shall be  
12 for a minimum of seven years, and shall be in such  
13 amounts and on such terms and conditions (including  
14 down payment, security requirements, and eligible equip-  
15 ment) as are normal, customary, and appropriate for the  
16 size and commercial nature of the borrower.

17 (d) ADMINISTRATION.—The sugar storage facility  
18 loan program shall be administered using the services, fa-  
19 cilities, funds, and authorities of the Commodity Credit  
20 Corporation.

### 21 **CHAPTER 3—PEANUTS**

#### 22 **SEC. 161. DEFINITIONS.**

23 In this chapter:

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

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

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

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

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

22           (6) PEANUT ACRES.—The term “peanut acres”  
23 means the number of acres assigned to a particular  
24 farm by historic peanut producers pursuant to sec-  
25 tion 162(b).

1           (7) PAYMENT YIELD.—The term “payment  
2 yield” means the yield assigned to a particular farm  
3 by historic peanut producers pursuant to section  
4 162(b).

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

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

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

19           (11) TARGET PRICE.—The term “target price”  
20 means the price per ton of peanuts used to deter-  
21 mine the payment rate for counter-cyclical pay-  
22 ments.

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

1 **SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT**  
2 **ACRES, AND PAYMENT ACRES FOR A FARM.**

3 (a) **ESTABLISHMENT OF PAYMENT YIELD AND PAY-**  
4 **MENT ACRES.—**

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

21 (2) **DETERMINATION OF ACREAGE AVERAGE.—**  
22 The Secretary shall determine, for each historic pea-  
23 nut producer, the four-year average of acreage actu-  
24 ally planted in peanuts by the historic peanut pro-  
25 ducer for harvest on one or more farms during crop  
26 years 1998, 1999, 2000, and 2001 and any acreage

1 that the producer was prevented from planting to  
2 peanuts during such crop years because of drought,  
3 flood, or other natural disaster, or other condition  
4 beyond the control of the producer, as determined by  
5 the Secretary. If more than one historic peanut pro-  
6 ducer shared in the risk of producing the crop on  
7 the farm, the historic peanut producers shall receive  
8 their proportional share of the number of acres  
9 planted (or prevented from being planted) to pea-  
10 nuts for harvest on the farm based on the sharing  
11 arrangement that was in effect among the producers  
12 for the crop.

13 (3) TIME FOR DETERMINATIONS; CONSIDER-  
14 ATIONS.—The Secretary shall make the determina-  
15 tions required by this subsection not later than 90  
16 days after the date of the enactment of this Act. In  
17 making such determinations, the Secretary shall  
18 take into account changes in the number and iden-  
19 tity of persons sharing in the risk of producing a  
20 peanut crop since the 1998 crop year, including pro-  
21 viding a method for the assignment of average acres  
22 and average yield to a farm when the historic peanut  
23 producer is no longer living or an entity composed  
24 of historic peanut producers has been dissolved.

1 (b) ASSIGNMENT OF PAYMENT YIELD AND PEANUT  
2 ACRES TO FARMS.—

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

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

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

21 (c) TIME FOR ASSIGNMENT.—The opportunity to  
22 make the assignments described in subsection (b) shall be  
23 available to historic peanut producers only once. The his-  
24 toric peanut producers shall notify the Secretary of the  
25 assignments made by such producers under such sub-

1 sections not later than 180 days after the date of the en-  
2 actment of this Act.

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

6 (e) PREVENTION OF EXCESS PEANUT ACRES.—

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

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

21 (A) Any base acres for the farm under  
22 subtitle A.

23 (B) Any acreage on the farm enrolled in  
24 the conservation reserve program or wetlands  
25 reserve program under chapter 1 of subtitle D

1 of title XII of the Food Security Act of 1985  
2 (16 U.S.C. 3830 et seq.).

3 (C) Any other acreage on the farm enrolled  
4 in a conservation program for which payments  
5 are made in exchange for not producing an ag-  
6 ricultural commodity on the acreage.

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

11 **SEC. 163. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS**  
12 **FOR PEANUTS.**

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

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

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

23 (1) The payment rate specified in subsection

24 (b).

25 (2) The payment acres on the farm.

1           (3) The payment yield for the farm.

2           (d) TIME FOR PAYMENT.—

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

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

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

1 **SEC. 164. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS**  
2 **FOR PEANUTS.**

3 (a) **PAYMENT REQUIRED.**—During the 2002 through  
4 2011 crop years for peanuts, the Secretary shall make  
5 counter-cyclical payments with respect to peanuts when-  
6 ever the Secretary determines that the effective price for  
7 peanuts is less than the target price.

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

11 (1) The higher of the following:

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

16 (B) The national average loan rate for a  
17 marketing assistance loan for peanuts in effect  
18 for the same period under this chapter.

19 (2) The payment rate in effect under section  
20 163 for the purpose of making fixed, decoupled pay-  
21 ments.

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

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

4 (1) the target price; and

5 (2) the effective price determined under sub-  
6 section (b).

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

11 (1) The payment rate specified in subsection  
12 (d).

13 (2) The payment acres on the farm.

14 (3) The payment yield for the farm.

15 (f) TIME FOR PAYMENTS.—

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

21 (2) PARTIAL PAYMENT.—The Secretary may  
22 permit, and, if so permitted, a peanut producer may  
23 elect to receive, up to 50 percent of the projected  
24 counter-cyclical payment, as determined by the Sec-  
25 retary, to be made under this section for a peanut

1 crop upon completion of the first six months of the  
2 marketing year for that crop. The peanut producer  
3 shall repay to the Secretary the amount, if any, by  
4 which the partial payment exceeds the actual  
5 counter-cyclical payment to be made for that crop.

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

10 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

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

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

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

23 (C) to comply with the planting flexibility  
24 requirements of section 166; and

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

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

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

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

23               (1) TERMINATION.—Except as provided in  
24               paragraph (4), a transfer of (or change in) the inter-  
25               est of a peanut producer in peanut acres for which

1 fixed, decoupled payments or counter-cyclical pay-  
2 ments are made shall result in the termination of  
3 the payments with respect to the peanut acres, un-  
4 less the transferee or owner of the acreage agrees to  
5 assume all obligations under subsection (a). The ter-  
6 mination shall be effective on the date of the trans-  
7 fer or change.

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

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

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

23 (d) ACREAGE REPORTS.—As a condition on the re-  
24 ceipt of any benefits under this chapter, the Secretary

1 shall require peanut producers to submit to the Secretary  
2 acreage reports.

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

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

11 **SEC. 166. PLANTING FLEXIBILITY.**

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

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

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

20 (A) Fruits.

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

23 (C) Wild rice.

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

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

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

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

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

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

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

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

9 (a) NONRECOURSE LOANS AVAILABLE.—

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

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

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

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

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

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

17 (B) a loan servicing agent approved by the  
18 Secretary; or

19 (C) the Farm Service Agency.

20 (5) LOAN SERVICING AGENT.—As a condition  
21 of the Secretary's approval of an entity to serve as  
22 a loan servicing agent or to handle or store peanuts  
23 for peanut producers that receive any marketing  
24 loan benefits, the entity shall agree to provide ade-  
25 quate storage (if available) and handling of peanuts

1 at the commercial rate to other approved loan serv-  
2 icing agents and marketing associations.

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

6 (c) TERM OF LOAN.—

7 (1) IN GENERAL.—A marketing assistance loan  
8 for peanuts under subsection (a) shall have a term  
9 of nine months beginning on the first day of the  
10 first month after the month in which the loan is  
11 made.

12 (2) EXTENSIONS PROHIBITED.—The Secretary  
13 may not extend the term of a marketing assistance  
14 loan under subsection (a).

15 (d) REPAYMENT RATE.—The Secretary shall permit  
16 peanut producers to repay a marketing assistance loan for  
17 peanuts under subsection (a) at a rate that is the lesser  
18 of—

19 (1) the loan rate established for the commodity  
20 under subsection (b), plus interest (as determined by  
21 the Secretary); or

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

23 (A) minimize potential loan forfeitures;

24 (B) minimize the accumulation of stocks of  
25 peanuts by the Federal Government;

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

3 (D) allow peanuts produced in the United  
4 States to be marketed freely and competitively,  
5 both domestically and internationally.

6 (e) LOAN DEFICIENCY PAYMENTS.—

7 (1) AVAILABILITY.—The Secretary may make  
8 loan deficiency payments available to peanut pro-  
9 ducers who, although eligible to obtain a marketing  
10 assistance loan for peanuts under subsection (a),  
11 agree to forgo obtaining the loan for the peanuts in  
12 return for payments under this subsection.

13 (2) COMPUTATION.—A loan deficiency payment  
14 under this subsection shall be computed by  
15 multiplying—

16 (A) the loan payment rate determined  
17 under paragraph (3) for peanuts; by

18 (B) the quantity of the peanuts produced  
19 by the peanut producers, excluding any quan-  
20 tity for which the producers obtain a loan under  
21 subsection (a).

22 (3) LOAN PAYMENT RATE.—For purposes of  
23 this subsection, the loan payment rate shall be the  
24 amount by which—

1 (A) the loan rate established under sub-  
2 section (b); exceeds

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

5 (4) TIME FOR PAYMENT.—The Secretary shall  
6 make a payment under this subsection to a peanut  
7 producer with respect to a quantity of peanuts as of  
8 the earlier of the following:

9 (A) The date on which the peanut pro-  
10 ducer marketed or otherwise lost beneficial in-  
11 terest in the peanuts, as determined by the Sec-  
12 retary.

13 (B) The date the peanut producer requests  
14 the payment.

15 (f) COMPLIANCE WITH CONSERVATION AND WET-  
16 LANDS REQUIREMENTS.—As a condition of the receipt of  
17 a marketing assistance loan under subsection (a), the pea-  
18 nut producer shall comply with applicable conservation re-  
19 quirements under subtitle B of title XII of the Food Secu-  
20 rity Act of 1985 (16 U.S.C. 3811 et seq.) and applicable  
21 wetland protection requirements under subtitle C of title  
22 XII of the Act (16 U.S.C. 3821 et seq.) during the term  
23 of the loan.

24 (g) REIMBURSABLE AGREEMENTS AND PAYMENT OF  
25 EXPENSES.—To the extent practicable, the Secretary

1 shall implement any reimbursable agreements or provide  
2 for the payment of expenses under this chapter in a man-  
3 ner that is consistent with such activities in regard to  
4 other commodities.

5 (h) TERMINATION OF SUPERSEDED PRICE SUPPORT  
6 AUTHORITY.—

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

10 (2) CONFORMING AMENDMENTS.—The Agricul-  
11 tural Act of 1949 (7 U.S.C. 1441 et seq.) is  
12 amended—

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

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

17 **SEC. 168. QUALITY IMPROVEMENT.**

18 (a) OFFICIAL INSPECTION.—

19 (1) MANDATORY INSPECTION.—All peanuts  
20 placed under a marketing assistance loan under sec-  
21 tion 167 shall be officially inspected and graded by  
22 Federal or State inspectors.

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

1 (b) TERMINATION OF PEANUT ADMINISTRATIVE  
2 COMMITTEE.—The Peanut Administrative Committee es-  
3 tablished under Marketing Agreement No. 1436, which  
4 regulates the quality of domestically produced peanuts  
5 under the Agricultural Adjustment Act (7 U.S.C. 601 et  
6 seq.), reenacted with amendments by the Agricultural  
7 Marketing Agreement Act of 1937, is terminated.

8 (c) ESTABLISHMENT OF PEANUT STANDARDS  
9 BOARD.—The Secretary shall establish a Peanut Stand-  
10 ards Board for the purpose of assisting in the establish-  
11 ment of quality standards with respect to peanuts. The  
12 authority of the Board is limited to assisting in the estab-  
13 lishment of quality standards for peanuts. The members  
14 of the Board should fairly reflect all regions and segments  
15 of the peanut industry.

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

18 **SEC. 169. PAYMENT LIMITATIONS.**

19 For purposes of sections 1001 through 1001C of the  
20 Food Security Act of 1985 (7 U.S.C. 1308 through 1308-  
21 3), separate payment limitations shall apply to peanuts  
22 with respect to—

- 23 (1) fixed, decoupled payments;  
24 (2) counter-cyclical payments, and

1           (3) limitations on marketing loan gains and  
2           loan deficiency payments.

3 **SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS**  
4           **FOR PEANUTS AND COMPENSATION TO PEA-**  
5           **NUT QUOTA HOLDERS FOR LOSS OF QUOTA**  
6           **ASSET VALUE.**

7           (a) REPEAL OF MARKETING QUOTA.—

8           (1) REPEAL.—Part VI of subtitle B of title III  
9           of the Agricultural Adjustment Act of 1938 (7  
10           U.S.C. 1357–1359a), relating to peanuts, is re-  
11           pealed.

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

19           (b) COMPENSATION CONTRACT REQUIRED.—The  
20           Secretary shall offer to enter into a contract with eligible  
21           peanut quota holders for the purpose of providing com-  
22           pensation for the lost value of the quota on account of  
23           the repeal of the marketing quota program for peanuts  
24           under subsection (a). Under the contracts, the Secretary

1 shall make payments to eligible peanut quota holders dur-  
2 ing fiscal years 2002 through 2006.

3 (c) TIME FOR PAYMENT.—The payments required  
4 under the contracts shall be provided in five equal install-  
5 ments not later than September 30 of each of fiscal years  
6 2002 through 2006.

7 (d) PAYMENT AMOUNT.—The amount of the pay-  
8 ment for a fiscal year to a peanut quota holder under a  
9 contract shall be equal to the product obtained by  
10 multiplying—

11 (1) \$0.10 per pound; by

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

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

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  
6 established upon it;

7 (2) if there are not quotas currently established,  
8 would be eligible to have a quota established upon  
9 it 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  
12 such a quota at the time the general quota establish-  
13 ment authority was repealed.

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

## 17 **Subtitle D—Administration**

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

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

22 (b) DETERMINATIONS BY SECRETARY.—A deter-  
23 mination made by the Secretary under this title shall be  
24 final 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 sec-  
8 tion 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  
12 and public participation in rulemaking; and

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

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

23 (e) ADJUSTMENT AUTHORITY RELATED TO URU-  
24 GUAY ROUND COMPLIANCE.—If the Secretary determines  
25 that expenditures under subtitles A, B, and C that are

1 subject to the total allowable domestic support levels under  
2 the Uruguay Round Agreements (as defined in section  
3 2(7) of the Uruguay Round Agreements Act (19 U.S.C.  
4 3501(7))), as in effect on the date of the enactment of  
5 this Act, will exceed such allowable levels for any applica-  
6 ble reporting period, the Secretary may make adjustments  
7 in the amount of such expenditures during that period to  
8 ensure that such expenditures do not exceed, but in no  
9 case are less than, such allowable levels.

10 **SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT**  
11 **PRICE SUPPORT AUTHORITY.**

12 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—  
13 Section 171(a)(1) of the Federal Agriculture Improvement  
14 and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amend-  
15 ed by striking “2002” both places it appears and inserting  
16 “2011”.

17 (b) AGRICULTURAL ACT OF 1949.—Section  
18 171(b)(1) of the Federal Agriculture Improvement and  
19 Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended  
20 by striking “2002” both places it appears and inserting  
21 “2011”.

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

1 **SEC. 183. LIMITATIONS.**

2 (a) LIMITATION ON AMOUNTS RECEIVED.—Section  
3 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)  
4 is amended—

5 (1) in paragraph (1)—

6 (A) by striking “PAYMENTS UNDER PRO-  
7 DUCATION FLEXIBILITY CONTRACTS” and insert-  
8 ing “FIXED, DECOUPLED PAYMENTS”;

9 (B) by striking “contract payments made  
10 under the Agricultural Market Transition Act  
11 to a person under 1 or more production flexi-  
12 bility contracts” and inserting “fixed, decoupled  
13 payments made to a person”; and

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

15 (2) in paragraphs (2) and (3)—

16 (A) by striking “payments specified” and  
17 all that follows through “and oilseeds” and in-  
18 serting “following payments that a person shall  
19 be entitled to receive”;

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

21 (C) by striking the period at the end of  
22 paragraph (2) and all that follows through “the  
23 following” in paragraph (3);

24 (D) by striking “section 131” and all that  
25 follows through “section 132” and inserting  
26 “section 121 of the Farm Security Act of 2001

1 for a crop of any covered commodity at a lower  
2 level than the original loan rate established for  
3 the commodity under section 122”; and

4 (E) by striking “section 135” and insert-  
5 ing “section 125”; and

6 (3) by inserting after paragraph (2) the fol-  
7 lowing new paragraph (3):

8 “(3) LIMITATION ON COUNTER-CYCLICAL PAY-  
9 MENTS.—The total amount of counter-cyclical pay-  
10 ments that a person may receive during any crop  
11 year shall not exceed the amount specified in para-  
12 graph (2), as in effect on the day before the date of  
13 the enactment of the Farm Security Act of 2001.”.

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

17 “(4) DEFINITIONS.—In this title, the terms  
18 ‘covered commodity’, ‘counter-cyclical payment’, and  
19 ‘fixed, decoupled payment’ have the meaning given  
20 those terms in section 100 of the Farm Security Act  
21 of 2001.”.

22 (c) TRANSITION.—Section 1001 of the Food Security  
23 Act of 1985 (7 U.S.C. 1308), as in effect on the day before  
24 the date of the enactment of this Act, shall continue to

1 apply with respect to fiscal year 2001 and the 2001 crop  
2 of any covered commodity.

3 **SEC. 184. ADJUSTMENTS OF LOANS.**

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

8 **SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**

9  
10 Section 164 of the Federal Agriculture Improvement  
11 and Reform Act of 1996 (7 U.S.C. 7284) is amended by  
12 striking “this title” each places it appears and inserting  
13 “this title and title I of the Farm Security Act of 2001”.

14 **SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**

15  
16 Section 166 of the Federal Agriculture Improvement  
17 and Reform Act of 1996 (7 U.S.C. 7286) is amended—

18 (1) in subsection (a)—

19 (A) by striking “IN GENERAL.—” and in-  
20 sserting “SPECIFIC PAYMENTS.—”; and

21 (B) by striking “subtitle C” and inserting  
22 “subtitle C of this title and title I of the Farm  
23 Security Act of 2001”; and

24 (2) in subsection (c)(1)—

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

3 (B) by striking “to producers under sub-  
4 title C” and inserting “by the Commodity Cred-  
5 it Corporation”.

6 **SEC. 187. ASSIGNMENT OF PAYMENTS.**

7 The provisions of section 8(g) of the Soil Conserva-  
8 tion and Domestic Allotment Act (16 U.S.C. 590h(g)), re-  
9 lating to assignment of payments, shall apply to payments  
10 made under the authority of this Act. The producer mak-  
11 ing the assignment, or the assignee, shall provide the Sec-  
12 retary with notice, in such manner as the Secretary may  
13 require, of any assignment made under this section.

14 **TITLE II—CONSERVATION**  
15 **Subtitle A—Environmental Con-**  
16 **servation Acreage Reserve Pro-**  
17 **gram**

18 **SEC. 201. GENERAL PROVISIONS.**

19 Title XII of the Food Security Act of 1985 is  
20 amended—

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

23 (2) by striking subsection (c) of section 1230;  
24 and



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

3 “(A) if the Secretary determines that—

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

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

15 (B) by striking “or” at the end of subpara-  
16 graph (C);

17 (C) by striking the period at the end of  
18 subparagraph (D) and inserting “; or”; and

19 (D) by adding at the end the following:

20 “(E) if the Secretary determines that en-  
21 rollment of such lands would contribute to con-  
22 servation of ground or surface water.”.

23 (b) INCREASE IN MAXIMUM ENROLLMENT.—Section  
24 1231(d) of such Act (16 U.S.C. 3831(d)) is amended by  
25 striking “36,400,000” and inserting “39,200,000”.

1 (c) ELIGIBILITY ON CONTRACT EXPIRATION.—Sec-  
2 tion 1231(f) of such Act (16 U.S.C. 3831(f)) is amended  
3 to read as follows:

4 “(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On  
5 the expiration of a contract entered into under this sub-  
6 chapter, the land subject to the contract shall be eligible  
7 to be considered for re-enrollment in the conservation re-  
8 serve.”.

9 (d) BALANCE OF NATURAL RESOURCE PURPOSES.—

10 (1) IN GENERAL.—Section 1231 of such Act  
11 (16 U.S.C. 3831) is amended by adding at the end  
12 the following:

13 “(i) BALANCE OF NATURAL RESOURCE PURPOSES.—  
14 In determining the acceptability of contract offers under  
15 this subchapter, the Secretary shall ensure an equitable  
16 balance among the conservation purposes of soil erosion,  
17 water quality and wildlife habitat.”.

18 (2) REGULATIONS.—Not later than 180 days  
19 after the date of the enactment of this Act, the Sec-  
20 retary of Agriculture shall issue final regulations im-  
21 plementing section 1231(i) of the Food Security Act  
22 of 1985, as added by paragraph (1) of this sub-  
23 section.

1 **SEC. 213. DUTIES OF OWNERS AND OPERATORS.**

2 Section 1232 of the Food Security Act of 1985 (16  
3 U.S.C. 3832) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (3), by inserting “as de-  
6 scribed in section 1232(a)(7) or for other pur-  
7 poses” before “as permitted”;

8 (B) in paragraph (4), by inserting “where  
9 practicable, or maintain existing cover” before  
10 “on such land”; and

11 (C) in paragraph (7), by striking “Sec-  
12 retary—” and all that follows and inserting  
13 “Secretary may permit, consistent with the con-  
14 servation of soil, water quality, and wildlife  
15 habitat—

16 “(A) managed grazing and limited haying,  
17 in which case the Secretary shall reduce the  
18 conservation reserve payment otherwise payable  
19 under the contract by an amount commensurate  
20 with the economic value of the activity;

21 “(B) wind turbines for the provision of  
22 wind energy, whether or not commercial in na-  
23 ture; and

24 “(C) land subject to the contract to be  
25 harvested for recovery of biomass used in en-  
26 ergy production, in which case the Secretary

1 shall reduce the conservation reserve payment  
 2 otherwise payable under the contract by an  
 3 amount commensurate with the economic value  
 4 of such activity;"; and

5 (2) by striking subsections (c) and (d) and re-  
 6 designating subsection (e) as subsection (c).

7 **SEC. 214. REFERENCE TO CONSERVATION RESERVE PAY-**  
 8 **MENTS.**

9 Subchapter B of chapter 1 of subtitle D of title XII  
 10 of such Act (16 U.S.C. 3831–3836) is amended—

11 (1) by striking “rental payment” each place it  
 12 appears and inserting “conservation reserve pay-  
 13 ment”;

14 (2) by striking “rental payments” each place it  
 15 appears and inserting “conservation reserve pay-  
 16 ments”; and

17 (3) in the paragraph heading for section  
 18 1235(e)(4), by striking “RENTAL PAYMENT” and in-  
 19 serting “CONSERVATION RESERVE PAYMENT”.

20 **Subtitle C—Wetlands Reserve**  
 21 **Program**

22 **SEC. 221. ENROLLMENT.**

23 (a) MAXIMUM.—Section 1237(b) of the Food Secu-  
 24 rity Act of 1985 (16 U.S.C. 3837(b)) is amended by strik-  
 25 ing paragraph (1) and inserting the following:

1           “(1) ANNUAL ENROLLMENT.—In addition to  
2 any acres enrolled in the wetlands reserve program  
3 as of the end of a calendar year, the Secretary may  
4 in the succeeding calendar year enroll in the pro-  
5 gram a number of additional acres equal to—

6                   “(A) if the succeeding calendar year is cal-  
7 endar year 2002, 150,000; or

8                   “(B) if the succeeding calendar year is a  
9 calendar year after calendar year 2002—

10                           “(i) 150,000; plus

11                                   “(ii) the amount (if any) by which  
12 150,000, multiplied by the number of cal-  
13 endar years in the period that begins with  
14 calendar year 2002 and ends with the cal-  
15 endar year preceding such succeeding cal-  
16 endar year, exceeds the total number of  
17 acres added to the reserve during the pe-  
18 riod.”.

19           (b) METHODS.—Section 1237 of such Act (16 U.S.C.  
20 3837(b)(2)) is amended—

21                   (1) in subsection (b), by striking paragraph (2)  
22 and inserting the following:

23                           “(2) METHODS OF ENROLLMENT.—The Sec-  
24 retary shall enroll acreage into the wetlands reserve

1 program through the use of easements, restoration  
2 cost share agreements, or both.”; and

3 (2) by striking subsection (g).

4 (c) EXTENSION.—Section 1237(c) of such Act (16  
5 U.S.C. 3837(c)) is amended by striking “2002” and in-  
6 serting “2011”.

7 **SEC. 222. EASEMENTS AND AGREEMENTS.**

8 Section 1237A of the Food Security Act of 1985 (16  
9 U.S.C. 3837a) is amended—

10 (1) in subsection (b), by striking paragraph (2)  
11 and inserting the following:

12 “(2) prohibits the alteration of wildlife habitat  
13 and other natural features of such land, unless spe-  
14 cifically permitted by the plan;”;

15 (2) in subsection (e), by striking paragraph (2)  
16 and inserting the following:

17 “(2) shall be consistent with applicable State  
18 law.”;

19 (3) by striking subsection (h).

20 **SEC. 223. DUTIES OF THE SECRETARY.**

21 Section 1237C of the Food Security Act of 1985 (16  
22 U.S.C. 3837c) is amended by striking subsection (d).

1 **SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODI-**  
2 **FICATION; TERMINATION.**

3 Section 1237E(a)(2) of the Food Security Act of  
4 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as fol-  
5 lows:

6 “(2) the ownership change occurred due to fore-  
7 closure on the land and the owner of the land imme-  
8 diately before the foreclosure exercises a right of re-  
9 demption from the mortgage holder in accordance  
10 with State law; or”.

11 **Subtitle D—Environmental Quality**  
12 **Incentives Program**

13 **SEC. 231. PURPOSES.**

14 Section 1240 of the Food Security Act of 1985 (16  
15 U.S.C. 3839aa) is amended—

16 (1) by striking “to—” and all that follows  
17 through “provides—” and inserting “to provide—”;

18 (2) by striking “that face the most serious  
19 threats to” and inserting “to address environmental  
20 needs and provide benefits to air,”;

21 (3) by redesignating the subparagraphs (A)  
22 through (D) that follow the matter amended by  
23 paragraph (2) of this section as paragraphs (1)  
24 through (4), respectively;

25 (4) by moving each of such redesignated provi-  
26 sions 2 ems to the left; and

1 (5) by striking “farmers and ranchers” each  
2 place it appears and inserting “producers”.

3 **SEC. 232. DEFINITIONS.**

4 Section 1240A of the Food Security Act of 1985 (16  
5 U.S.C. 3839aa-1) is amended—

6 (1) in paragraph (1)—

7 (A) by inserting “non-industrial private  
8 forest land,” before “and other land”; and

9 (B) by striking “poses a serious threat”  
10 and all that follows and inserting “provides in-  
11 creased environmental benefits to air, soil,  
12 water, or related resources.”; and

13 (2) in paragraph (4), by inserting “, including  
14 non-industrial private forestry” before the period.

15 **SEC. 233. ESTABLISHMENT AND ADMINISTRATION.**

16 (a) REAUTHORIZATION.—Section 1240B(a)(1) of the  
17 Food Security Act of 1985 (16 U.S.C. 3839aa-2(a)(1))  
18 is amended by striking “2002” and inserting “2011”.

19 (b) TERM OF CONTRACTS.—Section 1240B(b)(2) of  
20 such Act (16 U.S.C. 3839aa-2(b)(2)) is amended by strik-  
21 ing “not less than 5, nor more than 10, years” and insert-  
22 ing “not less than 1 year, nor more than 10 years”.

23 (c) STRUCTURAL PRACTICES.—Section  
24 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa-  
25 2(c)(1)(B)) is amended to read as follows:

1           “(B) achieving the purposes established  
2           under this subtitle.”.

3           (d) ELIMINATION OF CERTAIN LIMITATIONS ON ELI-  
4 GIBILITY FOR COST-SHARE PAYMENTS.—Section  
5 1240B(e)(1) of such Act (16 U.S.C. 3839aa-2(e)(1)) is  
6 amended—

7           (1) by striking subparagraph (B) and redesign-  
8           nating subparagraph (C) as subparagraph (B); and

9           (2) in subparagraph (B) (as so redesignated),  
10          by striking “or 3”.

11          (e) INCENTIVE PAYMENTS.—Section 1240B of such  
12 Act (16 U.S.C. 3839aa-2) is amended—

13           (1) in subsection (e)—

14           (A) in the subsection heading, by striking  
15           “, INCENTIVE PAYMENTS,”; and

16           (B) by striking paragraph (2); and

17           (2) by redesignating subsections (f) and (g) as  
18           subsection (g) and (h), respectively, and inserting  
19           after subsection (e) the following:

20           “(f) CONSERVATION INCENTIVE PAYMENTS.—

21           “(1) IN GENERAL.—The Secretary may make  
22           incentive payments in an amount and at a rate de-  
23           termined by the Secretary to be necessary to encour-  
24           age a producer to perform multiple land manage-  
25           ment practices and to promote the enhancement of

1 soil, water, wildlife habitat, air, and related re-  
2 sources.

3 “(2) SPECIAL RULE.—In determining the  
4 amount and rate of incentive payments, the Sec-  
5 retary may accord great weight to those practices  
6 that include residue, nutrient, pest, invasive species,  
7 and air quality management.”.

8 **SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.**

9 Section 1240C of the Food Security Act of 1985 (16  
10 U.S.C. 3839aa-3) is amended by striking paragraphs (1)  
11 through (3) and inserting the following:

12 “(1) aid producers in complying with this title  
13 and Federal and State environmental laws, and en-  
14 courage environmental enhancement and conserva-  
15 tion;

16 “(2) maximize the beneficial usage of animal  
17 manure and other similar soil amendments which  
18 improve soil health, tilth, and water-holding capac-  
19 ity; and

20 “(3) encourage the utilization of sustainable  
21 grazing systems, such as year-round, rotational, or  
22 managed grazing.”.

1 **SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
2 **GRAM PLAN.**

3 Section 1240E(a) of the Food Security Act of 1985  
4 (16 U.S.C. 3839aa-5(a)) is amended by striking “that in-  
5 corporates such conservation practices” and all that fol-  
6 lows and inserting “that provides or will continue to pro-  
7 vide increased environmental benefits to air, soil, water,  
8 or related resources.”.

9 **SEC. 236. DUTIES OF THE SECRETARY.**

10 Section 1240F(3) of the Food Security Act of 1985  
11 (16 U.S.C. 3839aa-6(3)) is amended to read as follows:

12 “(3) providing technical assistance or cost-share  
13 payments for developing and implementing 1 or  
14 more structural practices or 1 or more land manage-  
15 ment practices, as appropriate;”.

16 **SEC. 237. LIMITATION ON PAYMENTS.**

17 Section 1240G of the Food Security Act of 1985 (16  
18 U.S.C. 3839aa-7) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1), by striking  
21 “\$10,000” and inserting “\$50,000”; and

22 (B) in paragraph (2), by striking  
23 “\$50,000” and inserting “\$200,000”;

24 (2) in subsection (b)(2), by striking “the maxi-  
25 mization of environmental benefits per dollar ex-  
26 pended and”; and

1 (3) by striking subsection (c).

2 **SEC. 238. GROUND AND SURFACE WATER CONSERVATION.**

3 Section 1240H of the Food Security Act of 1985 (16  
4 U.S.C. 3839aa-8) is amended to read as follows:

5 **“SEC. 1240H. GROUND AND SURFACE WATER CONSERVA-**  
6 **TION.**

7 “(a) **SUPPORT FOR CONSERVATION MEASURES.—**

8 The Secretary shall provide cost-share payments and low-  
9 interest loans to encourage ground and surface water con-  
10 servation, including irrigation system improvement, and  
11 provide incentive payments for capping wells, reducing use  
12 of water for irrigation, and switching from irrigation to  
13 dryland farming.

14 “(b) **FUNDING.—**Of the funds of the Commodity  
15 Credit Corporation, the Secretary shall make available the  
16 following amounts to carry out this section:

17 “(1) \$30,000,000 for fiscal year 2002.

18 “(2) \$45,000,000 for fiscal year 2003.

19 “(3) \$60,000,000 for each of fiscal years 2004  
20 through 2011.”.

1                   **Subtitle E—Funding and**  
2                   **Administration**

3 **SEC. 241. REAUTHORIZATION.**

4           Section 1241(a) of the Food Security Act of 1985  
5 (16 U.S.C. 3841(a)) is amended by striking “2002” and  
6 inserting “2011”.

7 **SEC. 242. 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 “\$130,000,000” and all that fol-  
11                   lows through “2002, for” and inserting “the fol-  
12                   lowing amounts for purposes of”;

13                   (2) by striking “subtitle D.” and inserting  
14                   “subtitle D.”; and

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

16                               “(A) \$200,000,000 for fiscal year 2001.

17                               “(B) \$1,025,000,000 for each of fiscal  
18                               years 2002 and 2003.

19                               “(C) \$1,200,000,000 for each of fiscal  
20                               years 2004, 2005, and 2006.

21                               “(D) \$1,400,000,000 for each of fiscal  
22                               years 2007, 2008, and 2009.

23                               “(E) \$1,500,000,000 for each of fiscal  
24                               years 2010 and 2011.”.

1 **SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.**

2 Section 1241(b)(2) of the Food Security Act of 1985  
3 (16 U.S.C. 3841(b)(2)) is amended by striking “2002”  
4 and inserting “2011”.

5 **SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.**

6 (a) BROADENING OF EXCEPTION TO ACREAGE LIM-  
7 TATION.—Section 1243(b)(2) of the Food Security Act of  
8 1985 (16 U.S.C. 3843(b)(2)) is amended by striking  
9 “that—” and all that follows and inserting “that the ac-  
10 tion would not adversely affect the local economy of the  
11 county.”.

12 (b) RULES GOVERNING PROVISION OF TECHNICAL  
13 ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C.  
14 3843(d)) is amended to read as follows:

15 “(d) RULES GOVERNING PROVISION OF TECHNICAL  
16 ASSISTANCE.—

17 “(1) IN GENERAL.—The Secretary shall provide  
18 technical assistance under this title to a producer el-  
19 igible for such assistance, by providing the assist-  
20 ance directly or, at the option of the producer,  
21 through an approved third party if available.

22 “(2) REEVALUATION.—The Secretary shall re-  
23 evaluate the provision of, and the amount of, tech-  
24 nical assistance made available under subchapters B  
25 and C of chapter 1 and chapter 4 of subtitle D.

1           “(3) CERTIFICATION OF THIRD-PARTY PRO-  
2           VIDERS.—

3                   “(A) IN GENERAL.—Not later than 6  
4           months after the date of the enactment of this  
5           subsection, the Secretary of Agriculture shall,  
6           by regulation, establish a system for approving  
7           persons to provide technical assistance pursuant  
8           to chapter 4 of subtitle D. For purposes of this  
9           paragraph, a person shall be considered ap-  
10          proved if they have a memorandum of under-  
11          standing regarding the provision of technical  
12          assistance in place with the Secretary.

13                   “(B) EXPERTISE REQUIRED.—In pre-  
14          scribing such regulations, the Secretary shall  
15          ensure that persons with expertise in the tech-  
16          nical aspects of conservation planning, water-  
17          shed planning, environmental engineering, in-  
18          cluding commercial entities, nonprofit entities,  
19          State or local governments or agencies, and  
20          other Federal agencies, are eligible to become  
21          approved providers of such technical assist-  
22          ance.”.

23           (e) DUTY OF SECRETARY.—

24                   (1) IN GENERAL.—Section 1770(d) of such Act  
25           (7 U.S.C. 2276(d)) is amended—

1 (A) by striking “or” at the end of para-  
2 graph (9);

3 (B) by striking the period at the end of  
4 paragraph (11) and inserting “; or”; and

5 (C) by adding at the end the following:  
6 “(12) title XII of this Act.”.

7 (2) CONFORMING AMENDMENTS.—Section  
8 1770(e) of such Act (7 U.S.C. 2276(e)) is  
9 amended—

10 (A) by striking the subsection heading and  
11 inserting “EXCEPTIONS”; and

12 (B) by inserting “, or as necessary to carry  
13 out a program under title XII of this Act as de-  
14 termined by the Secretary” before the period.

## 15 **Subtitle F—Other Programs**

### 16 **SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSIST-** 17 **ANCE.**

18 Section 386(d)(1) of the Federal Agriculture Im-  
19 provement and Reform Act of 1996 (16 U.S.C.  
20 2005b(d)(1)) is amended—

21 (1) by striking “and” at the end of subpara-  
22 graph (G);

23 (2) by striking the period at the end of sub-  
24 paragraph (H) and inserting “; and”; and

1           (3) by adding at the end the following new sub-  
2 paragraph:

3           “(I) encouraging the utilization of sustain-  
4 able grazing systems, such as year-round, rota-  
5 tional, or managed grazing.”.

6 **SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.**

7           Subsection (c) of section 387 of the Federal Agri-  
8 culture Improvement and Reform Act of 1996 (16 U.S.C.  
9 3836a) is amended to read as follows:

10          “(c) FUNDING.—Of the funds of the Commodity  
11 Credit Corporation, the Secretary of Agriculture shall  
12 make available the following amounts to carry out this sec-  
13 tion:

14           “(1) \$25,000,000 for fiscal year 2002.

15           “(2) \$30,000,000 for each of fiscal years 2003  
16 and 2004.

17           “(3) \$35,000,000 for each of fiscal years 2005  
18 and 2006.

19           “(4) \$40,000,000 for fiscal year 2007.

20           “(5) \$45,000,000 for each of fiscal years 2008  
21 and 2009.

22           “(6) \$50,000,000 for each of fiscal years 2010  
23 and 2011.”.

1 **SEC. 253. FARMLAND PROTECTION PROGRAM.**

2 (a) REMOVAL OF ACREAGE LIMITATION; EXPANSION  
3 OF PURPOSES.—Subsection (a) of section 388 of the Fed-  
4 eral Agriculture Improvement and Reform Act of 1996  
5 (16 U.S.C. 3830 note) is amended—

6 (1) by striking “not less than 170,000, nor  
7 more than 340,000 acres of”; and

8 (2) by inserting “, or agricultural land that  
9 contains historic or archaeological resources,” after  
10 “other productive soil”.

11 (b) FUNDING.—Subsection (c) of such section is  
12 amended to read as follows:

13 “(c) FUNDING.—The Secretary shall use not more  
14 than \$50,000,000 of the funds of the Commodity Credit  
15 Corporation in each of fiscal years 2002 through 2011 to  
16 carry out this section.”.

17 (c) ELIGIBLE ENTITIES.—Such section is further  
18 amended—

19 (1) in subsection (a), by striking “a State or  
20 local government” and inserting “an eligible entity”;  
21 and

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

23 “(d) DEFINITION OF ELIGIBLE ENTITY.—In this sec-  
24 tion, the term ‘eligible entity’ means—

25 “(1) any agency of any State or local govern-  
26 ment, or federally recognized Indian tribe, including

1 farmland protection boards and land resource coun-  
2 cils established under State law; and

3 “(2) any organization that—

4 “(A) is organized for, and at all times  
5 since the formation of the organization has  
6 been operated principally for, one or more of  
7 the conservation purposes specified in clause (i),  
8 (ii), or (iii) of section 170(h)(4)(A) of the Inter-  
9 nal Revenue Code of 1986;

10 “(B) is an organization described in sec-  
11 tion 501(e)(3) of that Code that is exempt from  
12 taxation under section 501(a) of that Code;

13 “(C) is described in section 509(a)(2) of  
14 that Code; or

15 “(D) is described in section 509(a)(3) of  
16 that Code and is controlled by an organization  
17 described in section 509(a)(2) of that Code.”.

18 **SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT**  
19 **PROGRAM.**

20 (a) PURPOSE.—Section 1528 of the Agriculture and  
21 Food Act of 1981 (16 U.S.C. 3451) is amended—

22 (1) by striking the section heading and all that  
23 follows through “SEC. 1528. It is the purpose” and  
24 inserting the following:

1 **“SEC. 1528. STATEMENT OF PURPOSE.**

2 “It is the purpose”; and

3 (2) by inserting “through designated RC&D  
4 councils” before “in rural areas”.

5 (b) **DEFINITIONS.**—Section 1529 of such Act (16  
6 U.S.C. 3452) is amended—

7 (1) by striking the section heading and all that  
8 follows through “SEC. 1529. As used in this sub-  
9 title—” and inserting the following:

10 **“SEC. 1529. DEFINITIONS.**

11 “In this title:”;

12 (2) in paragraph (1)—

13 (A) in the matter preceding subparagraph  
14 (A), by inserting “RC&D council” before “area  
15 plan”;

16 (B) in subparagraph (B), by striking  
17 “through control of nonpoint sources of pollu-  
18 tion”;

19 (C) in subparagraph (C)—

20 (i) by striking “natural resources  
21 based” and inserting “resource-based”;

22 (ii) by striking “development of aqua-  
23 culture,”;

24 (iii) by striking “and satisfaction”  
25 and inserting “satisfaction”; and

1 (iv) by inserting “, food security, eco-  
2 nomic development, and education” before  
3 the semicolon; and

4 (D) in subparagraph (D), by striking  
5 “other” the 1st place it appears and inserting  
6 “land management”;

7 (3) in paragraph (3), by striking “any State,  
8 local unit of government, or local nonprofit organiza-  
9 tion” and inserting “the designated RC&D council”;

10 (4) by striking paragraphs (4) through (6) and  
11 inserting the following:

12 “(4)(A) The term ‘financial assistance’ means  
13 the Secretary may—

14 “(i) provide funds directly to RC&D coun-  
15 cils or associations of RC&D councils through  
16 grants, cooperative agreements, and interagency  
17 agreements that directly implement RC&D area  
18 plans; and

19 “(ii) may join with other federal agencies  
20 through interagency agreements and other ar-  
21 rangements as needed to carry out the pro-  
22 gram’s purpose.

23 “(B) Funds may be used for such things as—

24 “(i) technical assistance;

1           “(ii) financial assistance in the form of  
2           grants for planning, analysis and feasibility  
3           studies, and business plans;

4           “(iii) training and education; and

5           “(iv) all costs associated with making such  
6           services available to RC&D councils or RC&D  
7           associations.

8           “(5) The term ‘RC&D council’ means the re-  
9           sponsible leadership of the RC&D area. RC&D coun-  
10          cils and associations are non-profit entities whose  
11          members are volunteers and include local civic and  
12          elected officials. Affiliations of RC&D councils are  
13          formed in states and regions.”;

14          (5) in paragraph (8), by inserting “and feder-  
15          ally recognized Indian tribes” before the period;

16          (6) in paragraph (9), by striking “works of im-  
17          provement” and inserting “projects”;

18          (7) by redesignating paragraphs (7) through  
19          (9) as paragraphs (6) through (8), respectively; and

20          (8) by striking paragraph (10) and inserting  
21          the following:

22                 “(9) The term ‘project’ means any action taken  
23                 by a designated RC&D council that achieves any of  
24                 the elements identified under paragraph (1).”.

1 (c) ESTABLISHMENT AND SCOPE.—Section 1530 of  
2 such Act (16 U.S.C. 3453) is amended—

3 (1) by striking the section heading and all that  
4 follows through “SEC. 1530. The Secretary” and in-  
5 serting the following:

6 **“SEC. 1530. ESTABLISHMENT AND SCOPE.**

7 “The Secretary”; and

8 (2) by striking “the technical and financial as-  
9 sistance necessary to permit such States, local units  
10 of government, and local nonprofit organizations”  
11 and inserting “through designated RC&D councils  
12 the technical and financial assistance necessary to  
13 permit such RC&D Councils”.

14 (d) SELECTION OF DESIGNATED AREAS.—Section  
15 1531 of such Act (16 U.S.C. 3454) is amended by striking  
16 the section heading and all that follows through “SEC.  
17 1531. The Secretary” and inserting the following:

18 **“SEC. 1531. SELECTION OF DESIGNATED AREAS.**

19 “The Secretary”.

20 (e) AUTHORITY OF SECRETARY.—Section 1532 of  
21 such Act (16 U.S.C. 3455) is amended—

22 (1) by striking the section heading and all that  
23 follows through “SEC. 1532. In carrying” and in-  
24 serting the following:

1 **“SEC. 1532. AUTHORITY OF SECRETARY.**

2 “In carrying”;

3 (2) in each of paragraphs (1) and (3)—

4 (A) by striking “State, local unit of gov-  
5 ernment, or local nonprofit organization” and  
6 inserting “RC&D council”; and

7 (B) by inserting “RC&D council” before  
8 “area plan”;

9 (3) in paragraph (2), by inserting “RC&D  
10 council” before “area plans”; and

11 (4) in paragraph (4), by striking “States, local  
12 units of government, and local nonprofit organiza-  
13 tions” and inserting “RC&D councils or affiliations  
14 of RC&D councils”.

15 (f) TECHNICAL AND FINANCIAL ASSISTANCE.—Sec-  
16 tion 1533 of such Act (16 U.S.C. 3456) is amended—

17 (1) by striking the section heading and all that  
18 follows through “SEC. 1533. (a) Technical” and in-  
19 serting the following:

20 **“SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.**

21 “(a) Technical”;

22 (2) in subsection (a)—

23 (A) by striking “State, local unit of gov-  
24 ernment, or local nonprofit organization to as-  
25 sist in carrying out works of improvement spec-  
26 ified in an” and inserting “RC&D councils or

1 affiliations of RC&D councils to assist in car-  
2 rying out a project specified in a RC&D coun-  
3 cil”;

4 (B) in paragraph (1)—

5 (i) by striking “State, local unit of  
6 government, or local nonprofit organiza-  
7 tion” and inserting “RC&D council or af-  
8 filiate”; and

9 (ii) by striking “works of improve-  
10 ment” each place it appears and inserting  
11 “project”;

12 (C) in paragraph (2)—

13 (i) by striking “works of improve-  
14 ment” and inserting “project”; and

15 (ii) by striking “State, local unit of  
16 government, or local nonprofit organiza-  
17 tion” and inserting “RC&D council”;

18 (D) in paragraph (3), by striking “works  
19 of improvement” and all that follows and in-  
20 serting “project concerned is necessary to ac-  
21 complish and RC&D council area plan objec-  
22 tive;”;

23 (E) in paragraph (4), by striking “the  
24 works of improvement provided for in the” and

1 inserting “the project provided for in the RC&D  
2 council”;

3 (F) in paragraph (5), by inserting “feder-  
4 ally recognized Indian tribe” before “or local”  
5 each place it appears; and

6 (G) in paragraph (6), by inserting “RC&D  
7 council” before “area plan”;

8 (3) in subsection (b), by striking “work of im-  
9 provement” and inserting “project”; and

10 (4) in subsection (c), by striking “any State,  
11 local unit of government, or local nonprofit organiza-  
12 tion to carry out any” and inserting “RC&D council  
13 to carry out any RC&D council”.

14 (g) RESOURCE CONSERVATION AND DEVELOPMENT  
15 POLICY BOARD.—Section 1534 of such Act (16 U.S.C.  
16 3457) is amended—

17 (1) by striking the section heading and all that  
18 follows through “SEC. 1534. (a) The Secretary” and  
19 inserting the following:

20 **“SEC. 1534. RESOURCE CONSERVATION AND DEVELOP-**  
21 **MENT POLICY BOARD.**

22 “(a) The Secretary”; and

23 (2) in subsection (b), by striking “seven”.

24 (h) PROGRAM EVALUATION.—Section 1535 of such  
25 Act (16 U.S.C. 3458) is amended—

1 (1) by striking the section heading and all that  
2 follows through “SEC. 1535. The Secretary” and in-  
3 serting the following:

4 **“SEC. 1535. PROGRAM EVALUATION.**

5 “The Secretary”;

6 (2) by inserting “with assistance from RC&D  
7 councils” before “provided”;

8 (3) by inserting “federally recognized Indian  
9 tribes,” before “local units”; and

10 (4) by striking “1986” and inserting “2007”.

11 (i) LIMITATION ON ASSISTANCE.—Section 1536 of  
12 such Act (16 U.S.C. 3458) is amended by striking the sec-  
13 tion heading and all that follows through “SEC. 1536. The  
14 program” and inserting the following:

15 **“SEC. 1536. LIMITATION ON ASSISTANCE.**

16 “The program”.

17 (j) SUPPLEMENTAL AUTHORITY OF THE SEC-  
18 RETARY.—Section 1537 of such Act (16 U.S.C. 3460) is  
19 amended—

20 (1) by striking the section heading and all that  
21 follows through “SEC. 1537. The authority” and in-  
22 serting the following:

23 **“SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.**

24 “The authority”; and

1           (2) by striking “States, local units of govern-  
2           ment, and local nonprofit organizations” and insert-  
3           ing “RC&D councils”.

4           (i) AUTHORIZATION OF APPROPRIATIONS.—Section  
5 1538 of such Act (16 U.S.C. 3461) is amended—

6           (1) by striking the section heading and all that  
7           follows through “SEC. 1538. There are” and insert-  
8           ing the following:

9           **“SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.**

10          “There are”; and

11          (2) by striking “for each of the fiscal years  
12          1996 through 2002”.

13           **SEC. 255. GRASSLAND RESERVE PROGRAM.**

14          (a) IN GENERAL.—Chapter 1 of subtitle D of title  
15 XII of the Food Security Act of 1985 (16 U.S.C. 3830–  
16 3837f) is amended by adding at the end the following:

17           **“Subchapter D—Grassland Reserve Program**

18           **“SEC. 1238. GRASSLAND RESERVE PROGRAM.**

19          “(a) ESTABLISHMENT.—The Secretary, acting  
20 through the Farm Service Agency, shall establish a grass-  
21 land reserve program (referred to in this subchapter as  
22 the ‘program’) to assist owners in restoring and con-  
23 serving eligible land described in subsection (c).

24          “(b) ENROLLMENT CONDITIONS.—

1           “(1) MAXIMUM ENROLLMENT.—The total num-  
2 ber 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 Sec-  
8 retary shall enroll in the program for a willing owner  
9 not less than 100 contiguous acres of land west of  
10 the 90th meridian or not less than 50 contiguous  
11 acres of land east of the 90th meridian through the  
12 use of—

13                   “(A) 10-year, 15-year, or 20-year con-  
14 tracts; and

15                   “(B) 30-year or permanent easements.

16           “(3) LIMITATION ON USE OF EASEMENTS.—Not  
17 more than one-third of the total amount of funds ex-  
18 pended under the program may be used to acquire  
19 30-year and permanent easements.

20           “(c) ELIGIBLE LAND.—Land shall be eligible to be  
21 enrolled in the program if the Secretary determines that—

22                   “(1) the land is natural grass or shrubland; or

23                   “(2) the land—

1           “(A) is located in an area that has been  
2           historically dominated by natural grass or  
3           shrubland; and

4           “(B) has potential to serve as habitat for  
5           animal or plant populations of significant eco-  
6           logical value if the land is restored to natural  
7           grass or shrubland.

8 **“SEC. 1238A. CONTRACTS AND AGREEMENTS.**

9           “(a) REQUIREMENTS OF LANDOWNER.—

10           “(1) CONTRACTS.—To be eligible to enroll land  
11           in the program under a multi-year contract, the  
12           owner of the land shall—

13           “(A) agree to comply with the terms of the  
14           contract and related restoration agreements;  
15           and

16           “(B) agree to the suspension of any exist-  
17           ing cropland base and allotment history for the  
18           land under any program administered by the  
19           Secretary.

20           “(2) EASEMENTS.—To be eligible to enroll land  
21           in the program under an easement, the owner of the  
22           land shall—

23           “(A) grant an easement that runs with the  
24           land to the Secretary;

1           “(B) create and record an appropriate  
2 deed restriction in accordance with applicable  
3 State law to reflect the easement;

4           “(C) provide a written statement of con-  
5 sent to the easement signed by persons holding  
6 a security interest or any vested interest in the  
7 land;

8           “(D) provide proof of unencumbered title  
9 to the underlying fee interest in the land that  
10 is the subject of the easement;

11           “(E) agree to comply with the terms of the  
12 easement and related restoration agreements;  
13 and

14           “(F) agree to the suspension of any exist-  
15 ing cropland base and allotment history for the  
16 land under any program administered by the  
17 Secretary.

18           “(b) TERMS OF CONTRACTS AND EASEMENTS.—A  
19 contract or easement under the program shall—

20           “(1) permit—

21           “(A) common grazing practices on the land  
22 in a manner that is consistent with maintaining  
23 the viability of natural grass and shrub species  
24 indigenous to that locality;

1           “(B) haying, mowing, or haying for seed  
2           production, except that such uses shall not be  
3           permitted until after the end of the nesting sea-  
4           son for birds in the local area which are in sig-  
5           nificant decline or are conserved pursuant to  
6           State or Federal law, as determined by the Nat-  
7           ural Resources Conservation Service State con-  
8           servationalist; and

9           “(C) construction of fire breaks and  
10          fences, including placement of the posts nec-  
11          essary for fences;

12          “(2) prohibit—

13                 “(A) the production of any agricultural  
14                 commodity (other than hay); and

15                 “(B) unless allowed under subsection (d),  
16                 the conduct of any other activity that would dis-  
17                 turb the surface of the land covered by the con-  
18                 tract or easement; and

19          “(3) include such additional provisions as the  
20          Secretary determines are appropriate to carry out or  
21          facilitate the administration of this subchapter.

22          “(c) RANKING APPLICATIONS.—

23                 “(1) ESTABLISHMENT OF CRITERIA.—The Sec-  
24                 retary shall establish criteria to evaluate and rank

1 applications for contracts or easements under this  
2 subchapter.

3 “(2) EMPHASIS.—In establishing the criteria,  
4 the Secretary shall emphasize support for native  
5 grass and shrubland, grazing operations, and plant  
6 and animal biodiversity.

7 “(d) RESTORATION AGREEMENTS.—The Secretary  
8 shall prescribe the terms by which grassland that is sub-  
9 ject to a contract or easement under the program shall  
10 be restored. The agreement shall include duties of the land  
11 owner and the Secretary, including the Federal share of  
12 restoration payments and technical assistance.

13 “(e) VIOLATIONS.—On the violation of the terms or  
14 conditions of a contract, easement, or restoration agree-  
15 ment entered into under the program—

16 “(1) the contract or easement shall remain in  
17 force; and

18 “(2) the Secretary may require the owner to re-  
19 fund all or part of any payments received by the  
20 owner under this subchapter, with interest on the  
21 payments as determined appropriate by the Sec-  
22 retary.

23 **“SEC. 1238B. DUTIES OF SECRETARY.**

24 “(a) IN GENERAL.—In return for the granting of an  
25 easement or the execution of a contract by an owner under

1 this subchapter, the Secretary shall make payments under  
2 subsection (b), make payments of the Federal share of res-  
3 toration under subsection (c), and provide technical assist-  
4 ance to the owner in accordance with this section.

5 “(b) CONTRACT AND EASEMENT PAYMENTS.—

6 “(1) CONTRACTS.—In return for entering into  
7 a contract by an owner under this subchapter, the  
8 Secretary shall make annual payments to the owner  
9 during the term of the contract in an amount that  
10 is not more than 75 percent of the grazing value of  
11 the land.

12 “(2) EASEMENTS.—

13 “(A) IN GENERAL.—In return for the  
14 granting of an easement by an owner under this  
15 subchapter, the Secretary shall make easement  
16 payments to the owner in an amount equal to—

17 “(i) in the case of a permanent ease-  
18 ment, the fair market value of the land  
19 less the grazing value of the land encum-  
20 bered by the easement; and

21 “(ii) in the case of a 30-year easement  
22 or an easement for the maximum duration  
23 allowed under applicable State law, 30 per-  
24 cent of the fair market value of the land  
25 less the grazing value of the land for the

1           period that the land is encumbered by the  
2           easement.

3           “(B) PAYMENT SCHEDULE.—Easement  
4           payments may be made as a single payment or  
5           annual payments, but not to exceed 10 annual  
6           payments of equal or unequal amounts, as  
7           agreed to by the Secretary and the owner.

8           “(c) FEDERAL SHARE OF RESTORATION.—The Sec-  
9           retary shall make payments to the owner of not more  
10          than—

11          “(1) in the case of virgin (never cultivated)  
12          grassland, 90 percent of the costs of carrying out  
13          measures and practices necessary to restore grass-  
14          land functions and values; or

15          “(2) in the case of restored grassland, 75 per-  
16          cent of such costs.

17          “(d) TECHNICAL ASSISTANCE.—A landowner who is  
18          receiving a benefit under this subchapter shall be eligible  
19          to receive technical assistance in accordance with section  
20          1243(d) to assist the owner or operator in carrying out  
21          a contract entered into under this subchapter.

22          “(e) PAYMENTS TO OTHERS.—If an owner who is en-  
23          titled to a payment under this subchapter dies, becomes  
24          incompetent, is otherwise unable to receive the payment,  
25          or is succeeded by another person who renders or com-

1 pletes the required performance, the Secretary shall make  
 2 the payment, in accordance with regulations promulgated  
 3 by the Secretary and without regard to any other provision  
 4 of law, in such manner as the Secretary determines is fair  
 5 and reasonable in light of all the circumstances.”.

6 (b) FUNDING.—Section 1241 of such Act (16 U.S.C.  
 7 3841) is amended by adding at the end the following:

8 “(c) GRASSLAND RESERVE PROGRAM.—For fiscal  
 9 years 2002 through 2011, the Secretary shall use a total  
 10 of \$254,000,000 of the funds of the Commodity Credit  
 11 Corporation to carry out subchapter D of chapter 1 of sub-  
 12 title D.”.

13 **SEC. 256. FARMLAND STEWARDSHIP PROGRAM.**

14 Subtitle D of title XII of the Food Security Act of  
 15 1985 (16 U.S.C. 3830–3839bb) is amended by inserting  
 16 after chapter 1 (and the matter added by section 255 of  
 17 this Act) the following:

18 **“CHAPTER 2—FARMLAND STEWARDSHIP**  
 19 **PROGRAM**

20 **“SEC. 1239. DEFINITIONS.**

21 “In this chapter:

22 “(1) AGREEMENT.—The terms ‘farmland stew-  
 23 ards-ship agreement’ and ‘agreement’ mean a stew-  
 24 ards-ship contract authorized by this chapter.

1           “(2) CONTRACTING AGENCY.—The term ‘con-  
2     tracting agency’ means a local conservation district,  
3     resource conservation and development council, local  
4     office of the Department of Agriculture, other par-  
5     ticipating government agency, or other nongovern-  
6     mental organization that is designated by the Sec-  
7     retary to enter into farmland stewardship agree-  
8     ments on behalf of the Secretary.

9           “(3) ELIGIBLE AGRICULTURAL LANDS.—The  
10    term ‘eligible agricultural lands’ means private lands  
11    that are in primarily native or natural condition or  
12    are classified as cropland, pastureland, grazing  
13    lands, timberlands, or other lands as specified by the  
14    Secretary that—

15           “(A) contain wildlife habitat, wetlands, or  
16           other natural resources; or

17           “(B) provide benefits to the public at  
18           large, such as—

19                   “(i) conservation of soil, water, and  
20                   related resources;

21                   “(ii) water quality protection or im-  
22                   provement;

23                   “(iii) control of invasive and exotic  
24                   species;

1                   “(iv) wetland restoration, protection,  
2                   and creation; and

3                   “(v) wildlife habitat development and  
4                   protection;

5                   “(vi) preservation of open spaces, or  
6                   prime, unique, or other productive farm  
7                   lands; and

8                   “(vii) and other similar conservation  
9                   purposes.

10                  “(4) FARMLAND STEWARDSHIP PROGRAM; PRO-  
11                  GRAM.—The terms ‘Farmland Stewardship Pro-  
12                  gram’ and ‘Program’ mean the conservation pro-  
13                  gram of the Department of Agriculture established  
14                  by this chapter.

15   **“SEC. 1239A. ESTABLISHMENT AND PURPOSE OF PROGRAM.**

16                  “(a) ESTABLISHMENT.—The Secretary shall estab-  
17                  lish a conservation program of the Department of Agri-  
18                  culture, to be known as the Farmland Stewardship Pro-  
19                  gram, that is designed to more precisely tailor and target  
20                  existing conservation programs to the specific conservation  
21                  needs and opportunities presented by individual parcels of  
22                  eligible agricultural lands.

23                  “(b) RELATION TO OTHER CONSERVATION PRO-  
24                  GRAMS.—Under the Farmland Stewardship Program, the

1 Secretary may implement, or combine together, the fea-  
2 tures of—

- 3           “(1) the Wetlands Reserve Program;  
4           “(2) the Wildlife Habitat Incentives Program;  
5           “(3) the Forest Land Enhancement Program;  
6           “(4) the Farmland Protection Program; or  
7           “(5) other conservation programs administered  
8 by other Federal agencies and State and local gov-  
9 ernment entities, where feasible and with the con-  
10 sent of the administering agency or government.

11           “(c) FUNDING SOURCES.—

12           “(1) IN GENERAL.—The Farmland Stewardship  
13 Program and agreements under the Program shall  
14 be funded by the Secretary using—

15           “(A) the funding authorities of the con-  
16 servation programs that are implemented in  
17 whole, or in part, through the use of agree-  
18 ments or easements; and

19           “(B) such funds as are provided to carry  
20 out the programs specified in paragraphs (1)  
21 through (4) of subsection (b).

22           “(2) COST-SHARING.—It shall be a requirement  
23 of the Farmland Stewardship Program that the ma-  
24 jority of the funds to carry out the Program must  
25 come from other existing conservation programs,



1           “(1) to negotiate a mutually agreeable set of  
2 guidelines, practices, and procedures under which  
3 conservation practices will be provided by the owner  
4 or operator to protect, maintain, and, where pos-  
5 sible, improve, the natural resources on the lands  
6 covered by the agreement in return for annual pay-  
7 ments to the owner or operator;

8           “(2) to implement a conservation program or  
9 series of programs where there is no such program  
10 or to implement conservation management activities  
11 where there is no such activity; and

12           “(3) to expand conservation practices and re-  
13 source management activities to a property where it  
14 is not possible at the present time to negotiate or  
15 reach agreement on a public purchase of a fee-sim-  
16 ple or less-than-fee interest in the property for con-  
17 servation purposes.

18           “(c) MODIFICATION OF OTHER CONSERVATION PRO-  
19 GRAM ELEMENTS.—If most, but not all, of the limitations,  
20 conditions, and requirements of a conservation program  
21 that is implemented in whole, or in part, through the  
22 Farmland Stewardship Program are met with respect to  
23 a parcel of eligible agricultural lands, and the purposes  
24 to be achieved by the agreement to be entered into for  
25 such lands are consistent with the purposes of the con-

1 servation program, then the Secretary may waive any re-  
2 maining limitations, conditions, or requirements of the  
3 conservation program that would otherwise prohibit or  
4 limit the agreement.

5       “(d) STATE AND LOCAL CONSERVATION PRIOR-  
6 ITIES.—To the maximum extent practicable, agreements  
7 shall address the conservation priorities established by the  
8 State and locality in which the eligible agricultural lands  
9 are located.

10       “(e) WATERSHED ENHANCEMENT.—To the extent  
11 practicable, the Secretary shall encourage the development  
12 of Farmland Stewardship Program applications on a wa-  
13 tershed basis.

14       **“SEC. 1239C. PARTNERSHIP APPROACH TO PROGRAM.**

15       “(a) AUTHORITY OF SECRETARY EXERCISED  
16 THROUGH PARTNERSHIPS.—The Secretary may admin-  
17 ister agreements under the Farmland Stewardship Pro-  
18 gram in partnership with other Federal, State, and local  
19 agencies whose programs are incorporated into the Pro-  
20 gram under section 1239A.

21       “(b) DESIGNATION AND USE OF CONTRACTING  
22 AGENCIES.—Subject to subsection (c), the Secretary may  
23 authorize a local conservation district, resource conserva-  
24 tion & development district, nonprofit organization, or  
25 local office of the Department of Agriculture or other par-

1 ticipating government agency to enter into and administer  
2 agreements under the Program as a contracting agency  
3 on behalf of the Secretary.

4 “(c) CONDITIONS ON DESIGNATION.—The Secretary  
5 may designate an eligible district or office as a contracting  
6 agency under subsection (b) only if the district of office—

7 “(1) submits a written request for such des-  
8 ignation to the Secretary;

9 “(2) affirms that it is willing to follow all guide-  
10 lines for executing and administering an agreement,  
11 as promulgated by the Secretary;

12 “(3) demonstrates to the satisfaction of the  
13 Secretary that it has established working relation-  
14 ships with owners and operators of eligible agricul-  
15 tural lands, and based on the history of these work-  
16 ing relationships, demonstrates that it has the abil-  
17 ity to work with owners and operators of eligible ag-  
18 ricultural lands in a cooperative manner;

19 “(4) affirms its responsibility for preparing all  
20 documentation for the agreement, negotiating its  
21 terms with an owner or operator, monitoring compli-  
22 ance, making annual reports to the Secretary, and  
23 administering the agreement throughout its full  
24 term; and

1           “(5) demonstrates to the satisfaction of the  
2       Secretary that it has or will have the necessary staff  
3       resources and expertise to carry out its responsibil-  
4       ities under paragraphs (3) and (4).

5       **“SEC. 1239D. PARTICIPATION OF OWNERS AND OPERATORS**  
6                               **OF ELIGIBLE AGRICULTURAL LANDS.**

7       “(a) APPLICATION AND APPROVAL PROCESS.—To  
8       participate in the Farmland Stewardship Program, an  
9       owner or operator of eligible agricultural lands shall—

10           “(1) submit to the Secretary an application in-  
11       dicating interest in the Program and describing the  
12       owner’s or operator’s property, its resources, and  
13       their ecological and agricultural values;

14           “(2) submit to the Secretary a list of services  
15       to be provided, a management plan to be imple-  
16       mented, or both, under the proposed agreement;

17           “(3) if the application and list are accepted by  
18       the Secretary, enter into an agreement that details  
19       the services to be provided, management plan to be  
20       implemented, or both, and requires compliance with  
21       the other terms of the agreement.

22       “(b) APPLICATION ON BEHALF OF AN OWNER OR  
23       OPERATOR.—A designated contracting agency may sub-  
24       mit the application required by subsection (a) on behalf  
25       of an owner or operator by if the contracting agency has

1 secured the consent of the owner or operator to enter into  
2 an agreement.”.

3 **SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.**

4 Section 14(h) of the Watershed Protection and Flood  
5 Prevention Act (16 U.S.C. 1012(h)) is amended—

6 (1) by adding “and” at the end of paragraph  
7 (1); and

8 (2) by striking all that follows paragraph (1)  
9 and inserting the following:

10 “(2) \$15,000,000 for fiscal year 2002 and each  
11 succeeding fiscal year.”.

12 **Subtitle G—Repeals**

13 **SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF**  
14 **1985.**

15 (a) **WETLANDS MITIGATION BANKING PROGRAM.—**  
16 Section 1222 of the Food Security Act of 1985 (16 U.S.C.  
17 3822) is amended by striking subsection (k).

18 (b) **CONSERVATION RESERVE PROGRAM.—**

19 (1) **REPEALS.—**(A) Section 1234(f) of such Act  
20 (16 U.S.C. 3834(f)) is amended by striking para-  
21 graph (3) and by redesignating paragraph (4) as  
22 paragraph (3).

23 (B) Section 1236 of such Act (16 U.S.C. 3836)  
24 is repealed.

1           (2) CONFORMING AMENDMENTS.—(A) Section  
2       1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is  
3       amended by striking “in addition to the remedies  
4       provided under section 1236(d),”.

5           (B) Section 1234(d)(4) of such Act (16 U.S.C.  
6       3834(d)(4)) is amended by striking “subsection  
7       (f)(4)” and inserting “subsection (f)(3)”.

8           (c) WETLANDS RESERVE PROGRAM.—Section  
9       1237D(e) of such Act (16 U.S.C. 3837d(e)) is amended  
10      by striking paragraph (3).

11          (d) ENVIRONMENTAL EASEMENT PROGRAM.—

12           (1) REPEAL.—Chapter 3 of subtitle D of title  
13       XII of such Act (16 U.S.C. 3839–3839d) is re-  
14       pealed.

15           (2) CONFORMING AMENDMENT.—Section  
16       1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is  
17       amended by striking “or 3”.

18           (e) CONSERVATION FARM OPTION.—Chapter 5 of  
19       subtitle D of title XII of such Act (16 U.S.C. 3839bb)  
20       is repealed.

21           (f) TREE PLANTING INITIATIVE.—Section 1256 of  
22       such Act (16 U.S.C. 2101 note) is repealed.

1 **SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION**  
2 **FOUNDATION ACT.**

3 Subtitle F of title III of the Federal Agriculture Im-  
4 provement and Reform Act of 1996 (16 U.S.C. 5801-  
5 5809) is repealed.

6 **TITLE III—TRADE**

7 **SEC. 301. MARKET ACCESS PROGRAM.**

8 Section 211(c)(1) of the Agricultural Trade Act of  
9 1978 (7 U.S.C. 5641(c)(1)) is amended—

10 (1) by striking “and not more” and inserting  
11 “not more”;

12 (2) by inserting “and not more than  
13 \$200,000,000 for each of fiscal years 2002 through  
14 2011,” after “2002,”; and

15 (3) by striking “2002” and inserting “2001”.

16 **SEC. 302. FOOD FOR PROGRESS.**

17 (a) **IN GENERAL.**—Subsections (f)(3), (g), (k), and  
18 (l)(1) of section 1110 of the Food Security Act of 1985  
19 (7 U.S.C. 1736o) are each amended by striking “2002”  
20 and inserting “2011”.

21 (b) **INCREASE IN FUNDING.**—Section 1110(l)(1) of  
22 the Food Security Act of 1985 (7 U.S.C.1736o(l)(1)) is  
23 amended—

24 (1) by striking “2002” and inserting “2011”;

25 and

1           (2) by striking “\$10,000,000” and inserting  
2           “\$15,000,000.”

3           (e) EXCLUSION FROM LIMITATION.—Section  
4 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C.  
5 1736o(e)(2)) is amended by inserting “, and subsection  
6 (g) does not apply to such commodities furnished on a  
7 grant basis or on credit terms under title I of the Agricul-  
8 tural Trade Development Act of 1954” before the final  
9 period.

10          (d) TRANSPORTATION COSTS.—Section 1110(f)(3) of  
11 the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is  
12 amended by striking “\$30,000,000” and inserting  
13 “\$40,000,000”.

14          (e) AMOUNTS OF COMMODITIES.—Section 1110(g) of  
15 the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is  
16 amended by striking “500,000” and inserting  
17 “1,000,000”.

18          (f) MULTIYEAR BASIS.—Section 1110(j) of the Food  
19 Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

20           (1) by striking “may” and inserting “is encour-  
21 aged”; and

22           (2) by inserting “to” before “approve”.

23          (g) MONETIZATION.—Section 1110(l)(3) of the Food  
24 Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended  
25 by striking “local currencies” and inserting “proceeds”.

1 (h) NEW PROVISIONS.—Section 1110 of the Food Se-  
2 curity Act of 1985 (7 U.S.C. 1736o) is amended by adding  
3 at the end the following:

4 “(p) The Secretary is encouraged to finalize program  
5 agreements and resource requests for programs under this  
6 section before the beginning of the relevant fiscal year.  
7 By November 1 of the relevant fiscal year, the Secretary  
8 shall provide to the Committee on Agriculture and the  
9 Committee on International Relations of the House of  
10 Representatives, and the Committee on Agriculture, Nu-  
11 trition, and Forestry of the Senate a list of approved pro-  
12 grams, countries, and commodities, and the total amounts  
13 of funds approved for transportation and administrative  
14 costs, under this section.”.

15 **SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR**  
16 **FRIENDLY COUNTRIES.**

17 (a) USE OF CURRENCIES.—Section 416(b)(7)(D) of  
18 the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is  
19 amended—

20 (1) in clauses (i) and (iii), by striking “foreign  
21 currency” each place it appears;

22 (2) in clause (ii)—

23 (A) by striking “Foreign currencies” and  
24 inserting “Proceeds”; and

25 (B) by striking “foreign currency”; and

1 (3) in clause (iv)—

2 (A) by striking “Foreign currency pro-  
3 ceeds” and inserting “Proceeds”;

4 (B) by striking “country of origin” the sec-  
5 ond place it appears and all that follows  
6 through “as necessary to expedite” and insert-  
7 ing “country of origin as necessary to expe-  
8 dite”;

9 (C) by striking “; or” and inserting a pe-  
10 riod; and

11 (D) by striking subclause (II).

12 (b) IMPLEMENTATION OF AGREEMENTS.—Section  
13 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C.  
14 1431(b)(8)(A)) is amended—

15 (1) by inserting “(i)” after “(A)”;

16 (2) by adding at the end the following new  
17 clauses:

18 “(ii) The Secretary shall publish in the Federal Reg-  
19 ister, not later than October 31 of each fiscal year, an  
20 estimate of the commodities that shall be available under  
21 this section for that fiscal year.

22 “(iii) The Secretary is encouraged to finalize program  
23 agreements under this section not later than December 31  
24 of each fiscal year.”.

1 **SEC. 304. EXPORT ENHANCEMENT PROGRAM.**

2 Section 301(e)(1)(G) of the Agricultural Trade Act  
3 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting  
4 “and for each fiscal year thereafter through fiscal year  
5 2011” after “2002”.

6 **SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
7 **PROGRAM.**

8 (a) IN GENERAL.—Section 703 of the Agricultural  
9 Trade Act of 1978 (7 U.S.C.5723) is amended—

10 (1) by inserting “(a) PRIOR YEARS.—” before  
11 “There”;

12 (2) by striking “2002” and inserting “2001”;

13 and

14 (3) by adding at the end the following new sub-  
15 section:

16 “(b) FISCAL 2002 AND LATER.—For each of fiscal  
17 years 2002 through 2011 there are authorized to be ap-  
18 propriated such sums as may be necessary to carry out  
19 this title, and, in addition to any sums so appropriated,  
20 the Secretary shall use \$37,000,000 of the funds of, or  
21 an equal value of the commodities of, the Commodity  
22 Credit Corporation to carry out this title.”.

23 (b) VALUE ADDED PRODUCTS.—

24 (1) IN GENERAL.—Section 702(a) of the Agri-  
25 cultural Trade Act of 1978 (7 U.S.C. 5721 et seq.)  
26 is amended by inserting “, with a significant empha-

1       sis on the importance of the export of value-added  
2       United States agricultural products into emerging  
3       markets” after “products”.

4           (2) REPORT TO CONGRESS.—Section 702 of the  
5       Agricultural Trade Act of 1978 (7 U.S.C. 5722) is  
6       amended by adding at the end the following:

7       “(c) REPORT TO CONGRESS.—

8           “(1) IN GENERAL.—The Secretary shall report  
9       annually to appropriate congressional committees  
10      the amount of funding provided, types of programs  
11      funded, the value added products that have been tar-  
12      geted, and the foreign markets for those products  
13      that have been developed.

14          “(2) DEFINITION.—In this subsection, the term  
15      ‘appropriate congressional committees’ means—

16           “(A) the Committee on Agriculture and  
17      the Committee on International Relations of the  
18      House of Representatives; and

19           “(B) the Committee on Agriculture, Nutri-  
20      tion and Forestry and the Committee on For-  
21      eign Relations of the Senate.”.

22   **SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.**

23      (a) REAUTHORIZATION.—Section 211(b)(1) of the  
24      Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is  
25      amended by striking “2002” and inserting “2011”.

1 (b) PROCESSED AND HIGH VALUE PRODUCTS.—Sec-  
2 tion 202(k)(1) of the Agricultural Trade Act of 1978 (7  
3 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and  
4 2002” and inserting “through 2011”.

5 **SEC. 307. FOOD FOR PEACE (PL 480).**

6 The Agricultural Trade Development and Assistance  
7 Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

8 (1) in section 2 (7 U.S.C. 1691), by striking  
9 paragraph (2) and inserting the following:

10 “(2) promote broad-based, equitable, and sus-  
11 tainable development, including agricultural develop-  
12 ment as well as conflict prevention;”;

13 (2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)),  
14 by striking “not less than \$10,000,000, and not  
15 more than \$28,000,000” and inserting “not less  
16 than 5 percent and not more than 10 percent of  
17 such funds”;

18 (3) in section 203(a) (7 U.S.C. 1723(a)), by  
19 striking “the recipient country, or in a country” and  
20 inserting “one or more recipient countries, or one or  
21 more countries”;

22 (4) in section 203(c) (7 U.S.C. 1723(c))—

23 (A) by striking “foreign currency”; and

1 (B) by striking “the recipient country, or  
2 in a country” and inserting “one or more re-  
3 cipient countries, or one or more countries”;

4 (5) in section 203(d) (7 U.S.C. 1723(d))—

5 (A) by striking “Foreign currencies” and  
6 inserting “Proceeds”;

7 (B) in paragraph (2)—

8 (i) by striking “income generating”  
9 and inserting “income-generating”; and

10 (ii) by striking “the recipient country  
11 or within a country” and inserting “one or  
12 more recipient countries, or one or more  
13 countries”; and

14 (C) in paragraph (3), by inserting a  
15 comma after “invested” and “used”;

16 (6) in section 204(a) (7 U.S.C. 1724(a))—

17 (A) by striking “1996 through 2002” and  
18 inserting “2002 through 2011”; and

19 (B) by striking “2,025,000” and inserting  
20 “2,250,000”;

21 (7) in section 205(f) (7 U.S.C. 1725(f)), by  
22 striking “2002” and inserting “2011”;

23 (8) in section 207(a) (7 U.S.C. 1726a(a))—

24 (A) by redesignating paragraph (2) as  
25 paragraph (3); and

1 (B) by striking paragraph (1) and insert-  
2 ing the following:

3 “(1) RECIPIENT COUNTRIES.—A proposal to  
4 enter into a non-emergency food assistance agree-  
5 ment under this title shall identify the recipient  
6 country or countries subject to the agreement.

7 “(2) TIME FOR DECISION.—Not later than 120  
8 days after receipt by the Administrator of a proposal  
9 submitted by an eligible organization under this  
10 title, the Administrator shall make a decision con-  
11 cerning such proposal.”;

12 (9) in section 208(f), by striking “2002” and  
13 inserting “2011”;

14 (10) in section 403 (7 U.S.C. 1733), by insert-  
15 ing after subsection (k) the following:

16 “(l) SALES PROCEDURES.—Subsections (b) and (h)  
17 shall apply to sales of commodities to generate proceeds  
18 for titles II and III of this Act, section 416(b) of the Agri-  
19 cultural Act of 1949, and section 1110 of the Food and  
20 Security Act of 1985. Such sales transactions may be in  
21 United States dollars and other currencies.”;

22 (11) in section 407(e)(4), by striking “2001  
23 and 2002” and inserting “2001 through 2011”;

24 (12) in section 408, by striking “2002” and in-  
25 serting “2011”; and

1 (13) in section 501(e), by striking “2002” and  
2 inserting “2011”.

3 **SEC. 308. EMERGING MARKETS.**

4 Section 1542 of the Food, Agriculture, Conservation,  
5 and Trade Act of 1990 (7 U.S.C. 5622 note) is  
6 amended—

7 (1) in subsections (a) and (d)(1)(A)(i), by strik-  
8 ing “2002” and inserting “2011”; and

9 (2) in subsection (d)(1)(H), by striking  
10 “\$10,000,000 in any fiscal year” and inserting  
11 “\$13,000,000 for each of fiscal years 2002 through  
12 2011”.

13 **SEC. 309. BILL EMERSON HUMANITARIAN TRUST.**

14 Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section  
15 302 of the Bill Emerson Humanitarian Trust Act (7  
16 U.S.C. 1736f-1) are each amended by striking “2002”  
17 and inserting “2011”.

18 **SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

19 (a) **ESTABLISHMENT.**—The Secretary of Agriculture  
20 shall establish an export assistance program (referred to  
21 in this section as the “program”) to address unique bar-  
22 riers that prohibit or threaten the export of United States  
23 specialty crops.

24 (b) **PURPOSE.**—The program shall provide direct as-  
25 sistance through public and private sector projects and

1 technical assistance to remove, resolve, or mitigate sani-  
2 tary and phytosanitary and related barriers to trade.

3 (e) PRIORITY.—The program shall address time sen-  
4 sitive and strategic market access projects based on—

5 (1) trade effect on market retention, market ac-  
6 cess, and market expansion; and

7 (2) trade impact.

8 (d) FUNDING.—The Secretary shall make available  
9 \$3,000,000 for each of fiscal years 2002 through 2011  
10 of the funds of, or an equal value of commodities owned  
11 by, the Commodity Credit Corporation.

12 **SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN**  
13 **PROGRAM.**

14 (a) FINDINGS.—Congress finds the following:

15 (1) Many African farmers and farmers in Car-  
16ibbean Basin countries use antiquated techniques to  
17 produce their crops, which result in poor crop qual-  
18 ity and low crop yields.

19 (2) Many of these farmers are losing business  
20 to farmers in European and Asian countries who use  
21 advanced planting and production techniques and  
22 are supplying agricultural produce to restaurants,  
23 resorts, tourists, grocery stores, and other con-  
24 sumers in Africa and Caribbean Basin countries.

1           (3) A need exists for the training of African  
2 farmers and farmers in Caribbean Basin countries  
3 and other developing countries in farming techniques  
4 that are appropriate for the majority of eligible  
5 farmers in African or Caribbean countries, including  
6 standard growing practices, insecticide and sanitation  
7 procedures, and other farming methods that will  
8 produce increased yields of more nutritious and  
9 healthful crops.

10           (4) African-American and other American farm-  
11 ers, as well as banking and insurance professionals,  
12 are a ready source of agribusiness expertise that  
13 would be invaluable for African farmers and farmers  
14 in Caribbean Basin countries.

15           (5) A United States commitment is appropriate  
16 to support the development of a comprehensive agri-  
17 cultural skills training program for these farmers  
18 that focuses on—

19                   (A) improving knowledge of insecticide and  
20 sanitation procedures to prevent crop destruc-  
21 tion;

22                   (B) teaching modern farming techniques,  
23 including the identification and development of  
24 standard growing practices and the establish-  
25 ment of systems for recordkeeping, that would

1 facilitate a continual analysis of crop produc-  
2 tion;

3 (C) the use and maintenance of farming  
4 equipment that is appropriate for the majority  
5 of eligible farmers in African or Caribbean  
6 Basin countries;

7 (D) expansion of small farming operations  
8 into agribusiness enterprises through the devel-  
9 opment and use of village banking systems and  
10 the use of agricultural risk insurance pilot prod-  
11 ucts, resulting in increased access to credit for  
12 these farmers; and

13 (E) marketing crop yields to prospective  
14 purchasers (businesses and individuals) for local  
15 needs and export.

16 (6) The participation of African-American and  
17 other American farmers and American agricultural  
18 farming specialists in such a training program prom-  
19 ises the added benefit of improving access to African  
20 and Caribbean Basin markets for American farmers  
21 and United States farm equipment and products and  
22 business linkages for United States insurance pro-  
23 viders offering technical assistance on, among other  
24 things, agricultural risk insurance products.

1           (7) Existing programs that promote the ex-  
2 change of agricultural knowledge and expertise  
3 through the exchange of American and foreign farm-  
4 ers have been effective in promoting improved agri-  
5 cultural techniques and food security, and, thus, the  
6 extension of additional resources to such farmer-to-  
7 farmer exchanges is warranted.

8 (b) DEFINITIONS.—In this section:

9           (1) AGRICULTURAL FARMING SPECIALIST.—The  
10 term “agricultural farming specialist” means an in-  
11 dividual trained to transfer information and tech-  
12 nical support relating to agribusiness, food security,  
13 the mitigation and alleviation of hunger, the mitiga-  
14 tion of agricultural and farm risk, maximization of  
15 crop yields, agricultural trade, and other needs spe-  
16 cific to a geographical location as determined by the  
17 President.

18           (2) CARIBBEAN BASIN COUNTRY.—The term  
19 “Caribbean Basin country” means a country eligible  
20 for designation as a beneficiary country under sec-  
21 tion 212 of the Caribbean Basin Economic Recovery  
22 Act (19 U.S.C. 2702).

23           (3) ELIGIBLE FARMER.—The term “eligible  
24 farmer” means an individual owning or working on  
25 farm land (as defined by a particular country’s laws

1 relating to property) in the sub-Saharan region of  
2 the continent of Africa, in a Caribbean Basin coun-  
3 try, or in any other developing country in which the  
4 President determines there is a need for farming ex-  
5 pertise or for information or technical support de-  
6 scribed in paragraph (1).

7 (4) PROGRAM.—The term “Program” means  
8 the Farmers for Africa and Caribbean Basin Pro-  
9 gram established under this section.

10 (c) ESTABLISHMENT OF PROGRAM.—The President  
11 shall establish a grant program, to be known as the  
12 “Farmers for Africa and Caribbean Basin Program”, to  
13 assist eligible organizations in carrying out bilateral ex-  
14 change programs whereby African-American and other  
15 American farmers and American agricultural farming spe-  
16 cialists share technical knowledge with eligible farmers  
17 regarding—

18 (1) maximization of crop yields;

19 (2) use of agricultural risk insurance as finan-  
20 cial tools and a means of risk management (as al-  
21 lowed by Annex II of the World Trade Organization  
22 rules);

23 (3) expansion of trade in agricultural products;

24 (4) enhancement of local food security;

25 (5) the mitigation and alleviation of hunger;

1           (6) marketing agricultural products in local, re-  
2           gional, and international markets; and

3           (7) other ways to improve farming in countries  
4           in which there are eligible farmers.

5           (d) ELIGIBLE GRANTEES.—The President may make  
6 a grant under the Program to—

7           (1) a college or university, including a histori-  
8           cally black college or university, or a foundation  
9           maintained by a college or university; and

10          (2) a private organization or corporation, in-  
11          cluding grassroots organizations, with an established  
12          and demonstrated capacity to carry out such a bilat-  
13          eral exchange program.

14          (e) TERMS OF PROGRAM.—(1) It is the goal of the  
15 Program that at least 1,000 farmers participate in the  
16 training program by December 31, 2005, of which 80 per-  
17 cent of the total number of participating farmers will be  
18 African farmers or farmers in Caribbean Basin countries  
19 and 20 percent of the total number of participating farm-  
20 ers will be American farmers.

21          (2) Training under the Program will be provided to  
22 eligible farmers in groups to ensure that information is  
23 shared and passed on to other eligible farmers. Eligible  
24 farmers will be trained to be specialists in their home com-

1 munities and will be encouraged not to retain enhanced  
2 farming technology for their own personal enrichment.

3 (3) Through partnerships with American businesses,  
4 the Program will utilize the commercial industrial capa-  
5 bility of businesses dealing in agriculture to train eligible  
6 farmers on farming equipment that is appropriate for the  
7 majority of eligible farmers in African or Caribbean Basin  
8 countries and to introduce eligible farmers to the use of  
9 insurance as a risk management tool.

10 (f) SELECTION OF PARTICIPANTS.—(1) The selection  
11 of eligible farmers, as well as African-American and other  
12 American farmers and agricultural farming specialists, to  
13 participate in the Program shall be made by grant recipi-  
14 ents using an application process approved by the Presi-  
15 dent.

16 (2) Participating farmers must have sufficient farm  
17 or agribusiness experience and have obtained certain tar-  
18 gets regarding the productivity of their farm or agri-  
19 business.

20 (g) GRANT PERIOD.—The President may make  
21 grants under the Program during a period of 5 years be-  
22 ginning on October 1 of the first fiscal year for which  
23 funds are made available to carry out the Program.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to carry out this section  
3 \$10,000,000 for each of fiscal years 2002 through 2011.

4 **SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTER-**  
5 **NATIONAL FOOD FOR EDUCATION AND**  
6 **CHILD NUTRITION PROGRAM.**

7 (a) IN GENERAL.—The President may, subject to  
8 subsection (j), direct the procurement of commodities and  
9 the provision of financial and technical assistance to carry  
10 out—

11 (1) preschool and school feeding programs in  
12 foreign countries to improve food security, reduce  
13 the incidence of hunger, and improve literacy and  
14 primary education, particularly with respect to girls;  
15 and

16 (2) maternal, infant, and child nutrition pro-  
17 grams for pregnant women, nursing mothers, in-  
18 fants, and children who are five years of age or  
19 younger.

20 (b) ELIGIBLE COMMODITIES AND COST ITEMS.—  
21 Notwithstanding any other provision of law—

22 (1) any agricultural commodity is eligible for  
23 distribution under this section;

24 (2) as necessary to achieve the purposes of this  
25 section—

1 (A) funds may be used to pay the trans-  
2 portation costs incurred in moving commodities  
3 (including prepositioned commodities) provided  
4 under this section from the designated points of  
5 entry or ports of entry of one or more recipient  
6 countries to storage and distribution sites in  
7 these countries, and associated storage and dis-  
8 tribution costs;

9 (B) funds may be used to pay the costs of  
10 activities conducted in the recipient countries by  
11 a nonprofit voluntary organization, cooperative,  
12 or intergovernmental agency or organization  
13 that would enhance the effectiveness of the ac-  
14 tivities implemented by such entities under this  
15 section; and

16 (C) funds may be provided to meet the al-  
17 lowable administrative expenses of private vol-  
18 untary organizations, cooperatives, or intergov-  
19 ernmental organizations which are imple-  
20 menting activities under this section; and

21 (3) for the purposes of this section, the term  
22 “agricultural commodities” includes any agricultural  
23 commodity, or the products thereof, produced in the  
24 United States.

1 (c) GENERAL AUTHORITIES.—The President shall  
2 designate one or more Federal agencies to—

3 (1) implement the program established under  
4 this section;

5 (2) ensure that the program established under  
6 this section is consistent with the foreign policy and  
7 development assistance objectives of the United  
8 States; and

9 (3) consider, in determining whether a country  
10 should receive assistance under this section, whether  
11 the government of the country is taking concrete  
12 steps to improve the preschool and school systems in  
13 its country.

14 (d) ELIGIBLE RECIPIENTS.—Assistance may be pro-  
15 vided under this section to private voluntary organizations,  
16 cooperatives, intergovernmental organizations, govern-  
17 ments and their agencies, and other organizations.

18 (e) PROCEDURES.—

19 (1) IN GENERAL.—In carrying out subsection  
20 (a) the President shall assure that procedures are  
21 established that—

22 (A) provide for the submission of proposals  
23 by eligible recipients, each of which may include  
24 one or more recipient countries, for commod-  
25 ities and other assistance under this section;

1 (B) provide for eligible commodities and  
2 assistance on a multi-year basis;

3 (C) ensure eligible recipients demonstrate  
4 the organizational capacity and the ability to  
5 develop, implement, monitor, report on, and  
6 provide accountability for activities conducted  
7 under this section;

8 (D) provide for the expedited development,  
9 review, and approval of proposals submitted in  
10 accordance with this section;

11 (E) ensure monitoring and reporting by el-  
12 igible recipients on the use of commodities and  
13 other assistance provided under this section;  
14 and

15 (F) allow for the sale or barter of commod-  
16 ities by eligible recipients to acquire funds to  
17 implement activities that improve the food secu-  
18 rity of women and children or otherwise en-  
19 hance the effectiveness of programs and activi-  
20 ties authorized under this section.

21 (2) PRIORITIES FOR PROGRAM FUNDING.—In  
22 carrying out paragraph (1) with respect to criteria  
23 for determining the use of commodities and other  
24 assistance provided for programs and activities au-

1       thorized under this section, the implementing agency  
2       may consider the ability of eligible recipients to—

3               (A) identify and assess the needs of bene-  
4               ficiaries, especially malnourished or undernour-  
5               ished mothers and their children who are five  
6               years of age or younger, and school-age children  
7               who are malnourished, undernourished, or do  
8               not regularly attend school;

9               (B)(i) in the case of preschool and school-  
10              age children, target low-income areas where  
11              children's enrollment and attendance in school  
12              is low or girls' enrollment and participation in  
13              preschool or school is low, and incorporate de-  
14              velopmental objectives for improving literacy  
15              and primary education, particularly with re-  
16              spect to girls; and

17              (ii) in the case of programs to benefit  
18              mothers and children who are five years of age  
19              or younger, coordinate supplementary feeding  
20              and nutrition programs with existing or newly-  
21              established maternal, infant, and children pro-  
22              grams that provide health-needs interventions,  
23              and which may include maternal, prenatal, and  
24              postnatal and newborn care;

1           (C) involve indigenous institutions as well  
2           as local communities and governments in the  
3           development and implementation to foster local  
4           capacity building and leadership; and

5           (D) carry out multiyear programs that fos-  
6           ter local self-sufficiency and ensure the lon-  
7           gevity of recipient country programs.

8       (f) USE OF FOOD AND NUTRITION SERVICE.—The  
9       Food and Nutrition Service of the Department of Agri-  
10      culture may provide technical advice on the establishment  
11      of programs under subsection (a)(1) and on their imple-  
12      mentation in the field in recipient countries.

13      (g) MULTILATERAL INVOLVEMENT.—The President  
14      is urged to engage existing international food aid coordi-  
15      nating mechanisms to ensure multilateral commitments  
16      to, and participation in, programs like those supported  
17      under this section. The President shall report annually to  
18      the Committee on International Relations and the Com-  
19      mittee on Agriculture of the United States House of Rep-  
20      resentatives and the Committee on Foreign Relations and  
21      the Committee on Agriculture, Nutrition, and Forestry of  
22      the United States Senate on the commitments and activi-  
23      ties of governments, including the United States govern-  
24      ment, in the global effort to reduce child hunger and in-  
25      crease school attendance.

1       (h) PRIVATE SECTOR INVOLVEMENT.—The Presi-  
2 dent is urged to encourage the support and active involve-  
3 ment of the private sector, foundations, and other individ-  
4 uals and organizations in programs assisted under this  
5 section.

6       (i) REQUIREMENT TO SAFEGUARD LOCAL PRODUC-  
7 TION AND USUAL MARKETING.—The requirement of sec-  
8 tion 403(a) of the Agricultural Trade Development and  
9 Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h))  
10 applies with respect to the availability of commodities  
11 under this section.

12       (j) FUNDING.—

13           (1) IN GENERAL.—There are authorized to be  
14 appropriated such sums as may be necessary to  
15 carry out this section for each of fiscal years 2002  
16 through 2011. Nothing in this section shall be inter-  
17 preted to preclude the use of authorities in effect be-  
18 fore the date of the enactment of this Act to carry  
19 out the ongoing Global Food for Education Initia-  
20 tive.

21           (2) ADMINISTRATIVE EXPENSES.—Funds made  
22 available to carry out the purposes of this section  
23 may be used to pay the administrative expenses of  
24 any agency of the Federal Government implementing  
25 or assisting in the implementation of this section.

1 **SEC. 313. STUDY ON FEE FOR SERVICES.**

2 (a) STUDY.—Not later than one year after the date  
3 of enactment of this Act, the Secretary shall provide a re-  
4 port to the designated congressional committees on the  
5 feasibility of instituting a program which would charge  
6 and retain a fee to cover the costs for providing persons  
7 with commercial services performed abroad on matters  
8 within the authority of the Department of Agriculture ad-  
9 ministered through the Foreign Agriculture Service or any  
10 successor agency.

11 (b) DEFINITION.—In this section, the term “des-  
12 ignated congressional committees” means the Committee  
13 on Agriculture and the Committee on International Rela-  
14 tions of the House of Representatives and the Committee  
15 on Agriculture, Nutrition and Forestry of the Senate.

16 **SEC. 314. NATIONAL EXPORT STRATEGY REPORT.**

17 (a) REPORT.—Not later than one year after the date  
18 of enactment of this Act, the Secretary of Agriculture shall  
19 provide to the designated congressional committees a re-  
20 port on the policies and programs that the Department  
21 of Agriculture has undertaken to implement the National  
22 Export Strategy Report. The report shall contain a de-  
23 scription of the effective coordination of these policies and  
24 programs through all other appropriate Federal agencies  
25 participating in the Trade Promotion Coordinating Com-  
26 mittee and the steps the Department of Agriculture is tak-

1 ing to reduce the level of protectionism in agricultural  
 2 trade, to foster market growth, and to improve the com-  
 3 mercial potential of markets in both developed and devel-  
 4 oping countries for United States agricultural commod-  
 5 ities.

6 (b) DEFINITION.—In this section, the term “des-  
 7 ignated congressional committees” means the Committee  
 8 on Agriculture and the Committee on International Rela-  
 9 tions of the House of Representatives and the Committee  
 10 on Agriculture, Nutrition and Forestry of the Senate.

11 **TITLE IV—NUTRITION**  
 12 **PROGRAMS**  
 13 **Subtitle A—Food Stamp Program**

14 **SEC. 401. SIMPLIFIED DEFINITION OF INCOME.**

15 Section 5(d) of the Food Stamp Act of 1977 (7  
 16 U.S.C. 2014(d)) is amended—

17 (1) in paragraph (3)—

18 (A) by striking “and (C)” and inserting  
 19 “(C)”; and

20 (B) by inserting after “premiums,” the fol-  
 21 lowing:

22 “and (D) to the extent that any other educational loans  
 23 on which payment is deferred, grants, scholarships, fellow-  
 24 ships, veterans’ educational benefits, and the like, are re-  
 25 quired to be excluded under title XIX of the Social Secu-

1 rity Act, the state agency may exclude it under this sub-  
2 section,”;

3 (2) by striking “and (15)” and inserting  
4 “(15)”;

5 (3) by inserting before the period at the end the  
6 following:

7 “, (16) any state complementary assistance program pay-  
8 ments that are excluded pursuant to subsections (a) and  
9 (b) of section 1931 of title XIX of the Social Security Act,  
10 and (17) at the option of the State agency, any types of  
11 income that the State agency does not consider when de-  
12 termining eligibility for cash assistance under a program  
13 funded under part A of title IV of the Social Security Act  
14 (42 U.S.C. 601 et seq.) or medical assistance under sec-  
15 tion 1931 of the Social Security Act (42 U.S.C. 1396u-  
16 1), except that this paragraph shall not authorize a State  
17 agency to exclude earned income, payments under title I,  
18 II, IV, X, XIV, or XVI of the Social Security Act, or such  
19 other types of income whose consideration the Secretary  
20 determines essential to equitable determinations of eligi-  
21 bility and benefit levels except to the extent that those  
22 types of income may be excluded under other paragraphs  
23 of this subsection”.

1 **SEC. 402. STANDARD DEDUCTION.**

2 Section 5(e)(1) of the Food Stamp Act of 1977 (7  
3 U.S.C. 2014(e)(1)) is amended—

4 (1) by striking “of \$134, \$229, \$189, \$269,  
5 and \$118” and inserting “equal to 9.7 percent of  
6 the eligibility limit established under section 5(c)(1)  
7 for fiscal year 2002 but not more than 9.7 percent  
8 of the eligibility limit established under section  
9 5(c)(1) for a household of six for fiscal year 2002  
10 nor less than \$134, \$229, \$189, \$269, and \$118”;  
11 and

12 (2) by inserting before the period at the end the  
13 following:

14 “, except that the standard deduction for Guam  
15 shall be determined with reference to 2 times the eli-  
16 gibility limits under section 5(c)(1) for fiscal year  
17 2002 for the 48 contiguous states and the District  
18 of Columbia”.

19 **SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES**

20 **MOVING FROM WELFARE.**

21 (a) **IN GENERAL.**—Section 11 of the Food Stamp Act  
22 of 1977 (7 U.S.C. 2020) is amended by adding at the end  
23 the following:

24 “(s) **TRANSITIONAL BENEFITS OPTION.**—

25 “(1) **IN GENERAL.**—A State may provide tran-  
26 sitional food stamp benefits to a household that is

1 no longer eligible to receive cash assistance under a  
2 State program funded under part A of title IV of the  
3 Social Security Act (42 U.S.C. 601 et seq.).

4 “(2) TRANSITIONAL BENEFITS PERIOD.—Under  
5 paragraph (1), a household may continue to receive  
6 food stamp benefits for a period of not more than  
7 6 months after the date on which cash assistance is  
8 terminated.

9 “(3) AMOUNT.—During the transitional bene-  
10 fits period under paragraph (2), a household shall  
11 receive an amount equal to the allotment received in  
12 the month immediately preceding the date on which  
13 cash assistance is terminated. A household receiving  
14 benefits under this subsection may apply for recer-  
15 tification at any time during the transitional benefit  
16 period. If a household reapplies, its allotment shall  
17 be determined without regard to this subsection for  
18 all subsequent months.

19 “(4) DETERMINATION OF FUTURE ELIGI-  
20 BILITY.—In the final month of the transitional bene-  
21 fits period under paragraph (2), the State agency  
22 may—

23 “(A) require a household to cooperate in a  
24 redetermination of eligibility to receive an au-  
25 thorization card; and

1           “(B) renew eligibility for a new certifi-  
2           cation period for the household without regard  
3           to whether the previous certification period has  
4           expired.

5           “(5) LIMITATION.—A household sanctioned  
6           under section 6, or for a failure to perform an action  
7           required by Federal, State, or local law relating to  
8           such cash assistance program, shall not be eligible  
9           for transitional benefits under this subsection.”.

10          (b) CONFORMING AMENDMENTS.—(1) Section 3(e) of  
11 the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amend-  
12 ed by adding at the end the following: “The limits in this  
13 section may be extended until the end of any transitional  
14 benefit period established under section 11(s).”.

15          (2) Section 6(c) of the Food Stamp Act of 1977 (7  
16 U.S.C. 2015(c)) is amended by striking “No household”  
17 and inserting “Except in a case in which a household is  
18 receiving transitional benefits during the transitional ben-  
19 efits period under section 11(s), no household”.

20 **SEC. 404. QUALITY CONTROL SYSTEMS.**

21          (a) TARGETED QUALITY CONTROL SYSTEM.—Sec-  
22 tion 16(c) of the Food Stamp Act of 1977 (7 U.S.C.  
23 2025(c)) is amended—

24           (1) in paragraph (1)(C)—

1 (A) in the matter preceding clause (i), by  
2 inserting “the Secretary determines that a 95  
3 percent statistical probability exists that for the  
4 3d consecutive year” after “year in which”; and

5 (B) in clause (i)(II)(aa)(bbb) by striking  
6 “the national performance measure for the fis-  
7 cal year” and inserting “10 percent”;

8 (2) in the 1st sentence of paragraph (4)—

9 (A) by striking “or claim” and inserting  
10 “claim”; and

11 (B) by inserting “or performance under  
12 the measures established under paragraph  
13 (10),” after “for payment error,”;

14 (3) in paragraph (5), by inserting “to comply  
15 with paragraph (10) and” before “to establish”;

16 (4) in the 1st sentence of paragraph (6), by in-  
17 sserting “one percentage point more than” after  
18 “measure that shall be”; and

19 (5) by inserting at the end the following:

20 “(10)(A) In addition to the measures established  
21 under paragraph (1), the Secretary shall measure the per-  
22 formance of State agencies in each of the following  
23 regards—

24 “(i) compliance with the deadlines established  
25 under paragraphs (3) and (9) of section 11(e); and

1           “(ii) the percentage of negative eligibility deci-  
2           sions that are made correctly.

3           “(B) For each fiscal year, the Secretary shall make  
4 excellence bonus payments of \$1,000,000 each to the 5  
5 States with the highest combined performance in the 2  
6 measures in subparagraph (A) and to the 5 States whose  
7 combined performance under the 2 measures in subpara-  
8 graph (A) most improved in such fiscal year.

9           “(C) For any fiscal year in which the Secretary deter-  
10 mines that a 95 percent statistical probability exists that  
11 a State agency’s performance with respect to any of the  
12 2 performance measures established in subparagraph (A)  
13 is substantially worse than a level the Secretary deems  
14 reasonable, other than for good cause shown, the Sec-  
15 retary shall investigate that State agency’s administration  
16 of the food stamp program. If this investigation deter-  
17 mines that the State’s administration has been deficient,  
18 the Secretary shall require the State agency to take  
19 prompt corrective action.”.

20           (b) IMPLEMENTATION.—The amendment made by  
21 subsection (a)(5) shall apply to all fiscal years beginning  
22 on or after October 1, 2001, and ending before October  
23 1, 2007. All other amendments made by this section shall  
24 apply to all fiscal years beginning on or after October 1,  
25 1999.

1 **SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DE-**  
2 **TERMINATION SYSTEMS.**

3 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.  
4 2025) is amended by inserting at the end the following:

5 “(l) SIMPLIFICATION OF SYSTEMS.—The Secretary  
6 shall expend up to \$10 million in each fiscal year to pay  
7 100 percent of the costs of State agencies to develop and  
8 implement simple application and eligibility determination  
9 systems.”.

10 **SEC. 406. AUTHORIZATION OF APPROPRIATIONS.**

11 (a) EMPLOYMENT AND TRAINING PROGRAMS.—Sec-  
12 tion 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C.  
13 2025(h)(1)) is amended—

14 (1) in subparagraph (A)(vii) by striking “fiscal  
15 year 2002” and inserting “each of the fiscal years  
16 2003 through 2011”; and

17 (2) in subparagraph (B) by striking “2002”  
18 and inserting “2011”.

19 (b) COST ALLOCATION.—Section 16(k)(3) of the  
20 Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is  
21 amended—

22 (1) in subparagraph (A) by striking “2002”  
23 and inserting “2011”; and

24 (2) in subparagraph (B)(ii) by striking “2002”  
25 and inserting “2011”.

1 (c) CASH PAYMENT PILOT PROJECTS.—Section  
2 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.  
3 2026(b)(1)(B)(vi)) is amended by striking “2002” and in-  
4 serting “2011”.

5 (d) OUTREACH DEMONSTRATION PROJECTS.—Sec-  
6 tion 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C.  
7 2026(i)(1)(A)) is amended by striking “1992 through  
8 2002” and inserting “2003 through 2011”.

9 (e) AUTHORIZATION OF APPROPRIATIONS.—Section  
10 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.  
11 2027(a)(1)) is amended by striking “1996 through 2002”  
12 and inserting “2003 through 2011”.

13 (f) PUERTO RICO.—Section 19(a)(1)(A) of the Food  
14 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is  
15 amended—

16 (1) in clause (ii) by striking “and” at the end;

17 (2) in clause (iii) by adding “and” at the end;

18 and

19 (3) by inserting after clause (iii) the following:

20 “(iv) for each of fiscal years 2003 through  
21 2011, the amount equal to the amount required to  
22 be paid under this subparagraph for the preceding  
23 fiscal year, as adjusted by the percentage by which  
24 the thrifty food plan is adjusted under section

1       3(o)(4) for the current fiscal year for which the  
2       amount is determined under this clause;”.

3       (g) TERRITORY OF AMERICAN SAMOA.—Section 24  
4 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amend-  
5 ed by striking “1996 through 2002” and inserting “2003  
6 through 2011”.

7       (h) ASSISTANCE FOR COMMUNITY FOOD  
8 PROJECTS.—Section 25(b)(2) of the Food Stamp Act of  
9 1977 (7 U.S.C. 2034(b)(2)) is amended—

10           (1) in subparagraph (A) by striking “and” at  
11       the end;

12           (2) in subparagraph (B)—

13                   (A) by striking “2002” and inserting  
14                   “2001”; and

15                   (B) by striking the period at the end and  
16                   inserting “; and”; and

17           (3) by inserting after subparagraph (B) the fol-  
18       lowing:

19                   “(C) \$7,500,000 for each of the fiscal  
20                   years 2002 through 2011.”.

21       (i) AVAILABILITY OF COMMODITIES FOR THE EMER-  
22 GENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the  
23 Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

24           (1) in subsection (a)—

1 (A) by striking “1997 through 2002” and  
2 inserting “2002 through 2011”; and

3 (B) by striking “\$100,000,000” and in-  
4 sserting “\$140,000,000”; and

5 (2) by adding at the end the following:

6 “(c) USE OF FUNDS FOR RELATED COSTS.—For  
7 each of the fiscal years 2002 through 2011, the Secretary  
8 shall use \$10,000,000 of the funds made available under  
9 subsection (a) to pay for the direct and indirect costs of  
10 the States related to the processing, storing, transporting,  
11 and distributing to eligible recipient agencies of commod-  
12 ities purchased by the Secretary under such subsection  
13 and commodities secured from other sources, including  
14 commodities secured by gleaning (as defined in section  
15 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c  
16 note)).”.

17 (j) SPECIAL EFFECTIVE DATE.—The amendments  
18 made by subsections (h) and (i) shall take effect of Octo-  
19 ber 1, 2001.

1                   **Subtitle B—Commodity**  
2                   **Distribution**

3   **SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO**  
4                   **SPECIAL NUTRITION PROJECTS.**

5           Section 1114(a) of the Agriculture and Food Act of  
6 1981 (7 U.S.C. 1431e) is amended by striking “2002”  
7 and inserting “2011”.

8   **SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

9           The Agriculture and Consumer Protection Act of  
10 1973 (7 U.S.C. 612c note) is amended—

11           (1) in section 4(a) by striking “1991 through  
12 2002” and inserting “2003 through 2011”; and

13           (2) in subsections (a)(2) and (d)(2) of section  
14 5 by striking “1991 through 2002” and inserting  
15 “2003 through 2011”.

16   **SEC. 443. EMERGENCY FOOD ASSISTANCE.**

17           The 1st sentence of section 204(a)(1) of the Emer-  
18 gency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1))  
19 is amended—

20           (1) by striking “1991 through 2002” and in-  
21 sserting “2003 through 2011”;

22           (2) by striking “administrative”; and

23           (3) by inserting “storage,” after “processing”.

1                   **Subtitle C—Miscellaneous**  
2                   **Provisions**

3 **SEC. 461. HUNGER FELLOWSHIP PROGRAM.**

4           (a) **SHORT TITLE; FINDINGS.—**

5               (1) **SHORT TITLE.—**This section may be cited  
6 as the “Congressional Hunger Fellows Act of 2001”.

7               (2) **FINDINGS.—**The Congress finds as follows:

8                   (A) There is a critical need for compas-  
9 sionate individuals who are committed to assist-  
10 ing people who suffer from hunger as well as a  
11 need for such individuals to initiate and admin-  
12 ister solutions to the hunger problem.

13                   (B) Bill Emerson, the distinguished late  
14 Representative from the 8th District of Mis-  
15 souri, demonstrated his commitment to solving  
16 the problem of hunger in a bipartisan manner,  
17 his commitment to public service, and his great  
18 affection for the institution and the ideals of  
19 the United States Congress.

20                   (C) George T. (Mickey) Leland, the distin-  
21 guished late Representative from the 18th Dis-  
22 trict of Texas, demonstrated his compassion for  
23 those in need, his high regard for public service,  
24 and his lively exercise of political talents.

1           (D) The special concern that Mr. Emerson  
2           and Mr. Leland demonstrated during their lives  
3           for the hungry and poor was an inspiration for  
4           others to work toward the goals of equality and  
5           justice for all.

6           (E) These 2 outstanding leaders main-  
7           tained a special bond of friendship regardless of  
8           political affiliation and worked together to en-  
9           courage future leaders to recognize and provide  
10          service to others, and therefore it is especially  
11          appropriate to honor the memory of Mr. Emer-  
12          son and Mr. Leland by creating a fellowship  
13          program to develop and train the future leaders  
14          of the United States to pursue careers in hu-  
15          manitarian service.

16          (b) ESTABLISHMENT.—There is established as an  
17          independent entity of the legislative branch of the United  
18          States Government the Congressional Hunger Fellows  
19          Program (hereinafter in this section referred to as the  
20          “Program”).

21          (c) BOARD OF TRUSTEES.—

22                  (1) IN GENERAL.—The Program shall be sub-  
23          ject to the supervision and direction of a Board of  
24          Trustees.

25                  (2) MEMBERS OF THE BOARD OF TRUSTEES.—

1 (A) APPOINTMENT.—The Board shall be  
2 composed of 6 voting members appointed under  
3 clause (i) and 1 nonvoting ex officio member  
4 designated in clause (ii) as follows:

5 (i) VOTING MEMBERS.—(I) The  
6 Speaker of the House of Representatives  
7 shall appoint 2 members.

8 (II) The minority leader of the House  
9 of Representatives shall appoint 1 member.

10 (III) The majority leader of the Sen-  
11 ate shall appoint 2 members.

12 (IV) The minority leader of the Sen-  
13 ate shall appoint 1 member.

14 (ii) NONVOTING MEMBER.—The Exec-  
15 utive Director of the program shall serve  
16 as a nonvoting ex officio member of the  
17 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 va-  
22 cancy in the membership of the Board does  
23 not affect the power of the remaining  
24 members to carry out this section.

1 (ii) APPOINTMENT OF SUCCESSORS.—

2 A vacancy in the membership of the Board  
3 shall be filled in the same manner in which  
4 the original appointment was made.

5 (iii) INCOMPLETE TERM.—If a mem-  
6 ber of the Board does not serve the full  
7 term applicable to the member, the indi-  
8 vidual appointed to fill the resulting va-  
9 cancy shall be appointed for the remainder  
10 of the term of the predecessor of the indi-  
11 vidual.

12 (D) CHAIRPERSON.—As the first order of  
13 business of the first meeting of the Board, the  
14 members shall elect a Chairperson.

15 (E) COMPENSATION.—

16 (i) IN GENERAL.—Subject to clause  
17 (ii), members of the Board may not receive  
18 compensation for service on the Board.

19 (ii) TRAVEL.—Members of the Board  
20 may be reimbursed for travel, subsistence,  
21 and other necessary expenses incurred in  
22 carrying out the duties of the program.

23 (3) DUTIES.—

24 (A) BYLAWS.—

1 (i) ESTABLISHMENT.—The Board  
2 shall establish such bylaws and other regu-  
3 lations as may be appropriate to enable the  
4 Board to carry out this section, including  
5 the duties described in this paragraph.

6 (ii) CONTENTS.—Such bylaws and  
7 other regulations shall include provisions—

8 (I) for appropriate fiscal control,  
9 funds accountability, and operating  
10 principles;

11 (II) to prevent any conflict of in-  
12 terest, or the appearance of any con-  
13 flict of interest, in the procurement  
14 and employment actions taken by the  
15 Board or by any officer or employee  
16 of the Board and in the selection and  
17 placement of individuals in the fellow-  
18 ships developed under the program;

19 (III) for the resolution of a tie  
20 vote of the members of the Board;  
21 and

22 (IV) for authorization of travel  
23 for members of the Board.

24 (iii) TRANSMITTAL TO CONGRESS.—  
25 Not later than 90 days after the date of

1           the first meeting of the Board, the Chair-  
2           person of the Board shall transmit to the  
3           appropriate congressional committees a  
4           copy of such bylaws.

5           (B) BUDGET.—For each fiscal year the  
6           program is in operation, the Board shall deter-  
7           mine a budget for the program for that fiscal  
8           year. All spending by the program shall be pur-  
9           suant to such budget unless a change is ap-  
10          proved by the Board.

11          (C) PROCESS FOR SELECTION AND PLACE-  
12          MENT OF FELLOWS.—The Board shall review  
13          and approve the process established by the Ex-  
14          ecutive Director for the selection and placement  
15          of individuals in the fellowships developed under  
16          the program.

17          (D) ALLOCATION OF FUNDS TO FELLOW-  
18          SHIPS.—The Board of Trustees shall determine  
19          the priority of the programs to be carried out  
20          under this section and the amount of funds to  
21          be allocated for the Emerson and Leland fellow-  
22          ships.

23          (d) PURPOSES; AUTHORITY OF PROGRAM.—

24           (1) PURPOSES.—The purposes of the program  
25          are—

1           (A) to encourage future leaders of the  
2           United States to pursue careers in humani-  
3           tarian service, to recognize the needs of people  
4           who are hungry and poor, and to provide assist-  
5           ance and compassion for those in need;

6           (B) to increase awareness of the impor-  
7           tance of public service; and

8           (C) to provide training and development  
9           opportunities for such leaders through place-  
10          ment in programs operated by appropriate or-  
11          ganizations or entities.

12          (2) AUTHORITY.—The program is authorized to  
13          develop such fellowships to carry out the purposes of  
14          this section, including the fellowships described in  
15          paragraph (3).

16          (3) FELLOWSHIPS.—

17           (A) IN GENERAL.—The program shall es-  
18           tablish and carry out the Bill Emerson Hunger  
19           Fellowship and the Mickey Leland Hunger Fel-  
20           lowship.

21           (B) CURRICULUM.—

22           (i) IN GENERAL.—The fellowships es-  
23           tablished under subparagraph (A) shall  
24           provide experience and training to develop  
25           the skills and understanding necessary to

1 improve the humanitarian conditions and  
2 the lives of individuals who suffer from  
3 hunger, including—

4 (I) training in direct service to  
5 the hungry in conjunction with com-  
6 munity-based organizations through a  
7 program of field placement; and

8 (II) experience in policy develop-  
9 ment through placement in a govern-  
10 mental entity or nonprofit organiza-  
11 tion.

12 (ii) FOCUS OF BILL EMERSON HUN-  
13 GER FELLOWSHIP.—The Bill Emerson  
14 Hunger Fellowship shall address hunger  
15 and other humanitarian needs in the  
16 United States.

17 (iii) FOCUS OF MICKEY LELAND HUN-  
18 GER FELLOWSHIP.—The Mickey Leland  
19 Hunger Fellowship shall address inter-  
20 national hunger and other humanitarian  
21 needs.

22 (iv) WORKPLAN.—To carry out clause  
23 (i) and to assist in the evaluation of the  
24 fellowships under paragraph (4), the pro-  
25 gram shall, for each fellow, approve a work

1 plan that identifies the target objectives for  
2 the fellow in the fellowship, including spe-  
3 cific duties and responsibilities related to  
4 those objectives.

5 (C) PERIOD OF FELLOWSHIP.—

6 (i) EMERSON FELLOW.—A Bill Emer-  
7 son Hunger Fellowship awarded under this  
8 paragraph shall be for no more than 1  
9 year.

10 (ii) LELAND FELLOW.—A Mickey Le-  
11 land Hunger Fellowship awarded under  
12 this paragraph shall be for no more than  
13 2 years. Not less than one year of the fel-  
14 lowship shall be dedicated to fulfilling the  
15 requirement of subparagraph (B)(i)(I).

16 (D) SELECTION OF FELLOWS.—

17 (i) IN GENERAL.—A fellowship shall  
18 be awarded pursuant to a nationwide com-  
19 petition established by the program.

20 (ii) QUALIFICATION.—A successful  
21 applicant shall be an individual who has  
22 demonstrated—

23 (I) an intent to pursue a career  
24 in humanitarian service and out-  
25 standing potential for such a career;

1 (II) a commitment to social  
2 change;

3 (III) leadership potential or ac-  
4 tual leadership experience;

5 (IV) diverse life experience;

6 (V) proficient writing and speak-  
7 ing skills;

8 (VI) an ability to live in poor or  
9 diverse communities; and

10 (VII) such other attributes as de-  
11 termined to be appropriate by the  
12 Board.

13 (iii) AMOUNT OF AWARD.—

14 (I) IN GENERAL.—Each indi-  
15 vidual awarded a fellowship under this  
16 paragraph shall receive a living allow-  
17 ance and, subject to subclause (II), an  
18 end-of-service award as determined by  
19 the program.

20 (II) REQUIREMENT FOR SUC-  
21 CESSFUL COMPLETION OF FELLOW-  
22 SHIP.—Each individual awarded a fel-  
23 lowship under this paragraph shall be  
24 entitled to receive an end-of-service  
25 award at an appropriate rate for each

1 month of satisfactory service as deter-  
2 mined by the Executive Director.

3 (iv) RECOGNITION OF FELLOWSHIP

4 AWARD.—

5 (I) EMERSON FELLOW.—An indi-  
6 vidual awarded a fellowship from the  
7 Bill Emerson Hunger Fellowship shall  
8 be known as an “Emerson Fellow”.

9 (II) LELAND FELLOW.—An indi-  
10 vidual awarded a fellowship from the  
11 Mickey Leland Hunger Fellowship  
12 shall be known as a “Leland Fellow”.

13 (4) EVALUATION.—The program shall conduct  
14 periodic evaluations of the Bill Emerson and Mickey  
15 Leland Hunger Fellowships. Such evaluations shall  
16 include the following:

17 (A) An assessment of the successful com-  
18 pletion of the work plan of the fellow.

19 (B) An assessment of the impact of the fel-  
20 lowship on the fellows.

21 (C) An assessment of the accomplishment  
22 of the purposes of the program.

23 (D) An assessment of the impact of the  
24 fellow on the community.

25 (e) TRUST FUND.—

1           (1) ESTABLISHMENT.—There is established the  
2       Congressional Hunger Fellows Trust Fund (herein-  
3       after in this section referred to as the “Fund”) in  
4       the Treasury of the United States, consisting of  
5       amounts appropriated to the Fund under subsection  
6       (i), amounts credited to it under paragraph (3), and  
7       amounts received under subsection (g)(3)(A).

8           (2) INVESTMENT OF FUNDS.—The Secretary of  
9       the Treasury shall invest the full amount of the  
10      Fund. Each investment shall be made in an interest  
11      bearing obligation of the United States or an obliga-  
12      tion guaranteed as to principal and interest by the  
13      United States that, as determined by the Secretary  
14      in consultation with the Board, has a maturity suit-  
15      able for the Fund.

16          (3) RETURN ON INVESTMENT.—Except as pro-  
17      vided in subsection (f)(2), the Secretary of the  
18      Treasury shall credit to the Fund the interest on,  
19      and the proceeds from the sale or redemption of, ob-  
20      ligations held in the Fund.

21      (f) EXPENDITURES; AUDITS.—

22          (1) IN GENERAL.—The Secretary of the Treas-  
23      ury shall transfer to the program from the amounts  
24      described in subsection (e)(3) and subsection  
25      (g)(3)(A) such sums as the Board determines are

1 necessary to enable the program to carry out the  
2 provisions of this section.

3 (2) LIMITATION.—The Secretary may not  
4 transfer to the program the amounts appropriated to  
5 the Fund under subsection (i).

6 (3) USE OF FUNDS.—Funds transferred to the  
7 program under paragraph (1) shall be used for the  
8 following purposes:

9 (A) STIPENDS FOR FELLOWS.—To provide  
10 for a living allowance for the fellows.

11 (B) TRAVEL OF FELLOWS.—To defray the  
12 costs of transportation of the fellows to the fel-  
13 lowship placement sites.

14 (C) INSURANCE.—To defray the costs of  
15 appropriate insurance of the fellows, the pro-  
16 gram, and the Board.

17 (D) TRAINING OF FELLOWS.—To defray  
18 the costs of preservice and midservice education  
19 and training of fellows.

20 (E) SUPPORT STAFF.—Staff described in  
21 subsection (g).

22 (F) AWARDS.—End-of-service awards  
23 under subsection (d)(3)(D)(iii)(II).

1 (G) ADDITIONAL APPROVED USES.—For  
2 such other purposes that the Board determines  
3 appropriate to carry out the program.

4 (4) AUDIT BY GAO.—

5 (A) IN GENERAL.—The Comptroller Gen-  
6 eral of the United States shall conduct an an-  
7 nual audit of the accounts of the program.

8 (B) BOOKS.—The program shall make  
9 available to the Comptroller General all books,  
10 accounts, financial records, reports, files, and  
11 all other papers, things, or property belonging  
12 to or in use by the program and necessary to  
13 facilitate such audit.

14 (C) REPORT TO CONGRESS.—The Comp-  
15 troller General shall submit a copy of the re-  
16 sults of each such audit to the appropriate con-  
17 gressional committees.

18 (g) STAFF; POWERS OF PROGRAM.—

19 (1) EXECUTIVE DIRECTOR.—

20 (A) IN GENERAL.—The Board shall ap-  
21 point an Executive Director of the program who  
22 shall administer the program. The Executive  
23 Director shall carry out such other functions  
24 consistent with the provisions of this section as  
25 the Board shall prescribe.

1 (B) RESTRICTION.—The Executive Direc-  
2 tor may not serve as Chairperson of the Board.

3 (C) COMPENSATION.—The Executive Di-  
4 rector shall be paid at a rate not to exceed the  
5 rate of basic pay payable for level V of the Ex-  
6 ecutive Schedule under section 5316 of title 5,  
7 United States Code.

8 (2) STAFF.—

9 (A) IN GENERAL.—With the approval of a  
10 majority of the Board, the Executive Director  
11 may appoint and fix the pay of additional per-  
12 sonnel as the Executive Director considers nec-  
13 essary and appropriate to carry out the func-  
14 tions of the provisions of this section.

15 (B) COMPENSATION.—An individual ap-  
16 pointed under subparagraph (A) shall be paid  
17 at a rate not to exceed the rate of basic pay  
18 payable for level GS-15 of the General Sched-  
19 ule.

20 (3) POWERS.—In order to carry out the provi-  
21 sions of this section, the program may perform the  
22 following functions:

23 (A) GIFTS.—The program may solicit, ac-  
24 cept, use, and dispose of gifts, bequests, or de-  
25 vises of services or property, both real and per-

1           sonal, for the purpose of aiding or facilitating  
2           the work of the program. Gifts, bequests, or de-  
3           vises of money and proceeds from sales of other  
4           property received as gifts, bequests, or devises  
5           shall be deposited in the Fund and shall be  
6           available for disbursement upon order of the  
7           Board.

8           (B) EXPERTS AND CONSULTANTS.—The  
9           program may procure temporary and intermit-  
10          tent services under section 3109 of title 5,  
11          United States Code, but at rates for individuals  
12          not to exceed the daily equivalent of the max-  
13          imum annual rate of basic pay payable for GS-  
14          15 of the General Schedule.

15          (C) CONTRACT AUTHORITY.—The program  
16          may contract, with the approval of a majority  
17          of the members of the Board, with and com-  
18          pensate Government and private agencies or  
19          persons without regard to section 3709 of the  
20          Revised Statutes (41 U.S.C. 5).

21          (D) OTHER NECESSARY EXPENDITURES.—  
22          The program shall make such other expendi-  
23          tures which the program considers necessary to  
24          carry out the provisions of this section, but ex-  
25          cluding project development.

1 (h) REPORT.—Not later than December 31 of each  
2 year, the Board shall submit to the appropriate congres-  
3 sional committees a report on the activities of the program  
4 carried out during the previous fiscal year, and shall in-  
5 clude the following:

6 (1) An analysis of the evaluations conducted  
7 under subsection (d)(4) (relating to evaluations of  
8 the Emerson and Leland fellowships and accomplish-  
9 ment of the program purposes) during that fiscal  
10 year.

11 (2) A statement of the total amount of funds  
12 attributable to gifts received by the program in that  
13 fiscal year (as authorized under subsection  
14 (g)(3)(A)), and the total amount of such funds that  
15 were expended to carry out the program that fiscal  
16 year.

17 (i) AUTHORIZATION OF APPROPRIATIONS.—There  
18 are authorized to be appropriated \$18,000,000 to carry  
19 out the provisions of this section.

20 (j) DEFINITION.—In this section, the term “appro-  
21 priate congressional committees” means—

22 (1) the Committee on Agriculture and the Com-  
23 mittee on International Relations of the House of  
24 Representatives; and



1 **SEC. 502. SUSPENSION OF LIMITATION ON PERIOD FOR**  
2 **WHICH BORROWERS ARE ELIGIBLE FOR**  
3 **GUARANTEED ASSISTANCE.**

4 During the period beginning January 1, 2002, and  
5 ending December 31, 2006, section 319(b) of the Consoli-  
6 dated Farm and Rural Development Act (7 U.S.C.  
7 1949(b)) shall have no force or effect.

8 **SEC. 503. ADMINISTRATION OF CERTIFIED LENDERS AND**  
9 **PREFERRED CERTIFIED LENDERS PRO-**  
10 **GRAMS.**

11 (a) IN GENERAL.—Section 331(b) of the Consoli-  
12 dated Farm and Rural Development Act (7 U.S.C.  
13 1981(b)) is amended—

14 (1) by redesignating paragraphs (2) through  
15 (9) as paragraphs (3) through (10), respectively;  
16 and

17 (2) by inserting after paragraph (1) the fol-  
18 lowing:

19 “(2) administer the loan guarantee program  
20 under section 339(e) through central offices estab-  
21 lished in States or in multi-State areas;”.

22 (b) CONFORMING AMENDMENT.—Section 331(e) of  
23 such Act (7 U.S.C. 1981(e)) is amended by striking  
24 “(b)(5)” and inserting “(b)(6)”.

1 **SEC. 504. SIMPLIFIED LOAN GUARANTEE APPLICATION**  
2 **AVAILABLE FOR LOANS OF GREATER**  
3 **AMOUNTS.**

4 Section 333A(g)(1) of the Consolidated Farm and  
5 Rural Development Act (7 U.S.C. 1983a(g)(1)) is amend-  
6 ed by striking “\$50,000” and inserting “\$150,000”.

7 **SEC. 505. ELIMINATION OF REQUIREMENT THAT SEC-**  
8 **RETARY REQUIRE COUNTY COMMITTEES TO**  
9 **CERTIFY IN WRITING THAT CERTAIN LOAN**  
10 **REVIEWS HAVE BEEN CONDUCTED.**

11 Section 333 of the Consolidated Farm and Rural De-  
12 velopment Act (7 U.S.C. 1983) is amended by striking  
13 paragraph (2) and redesignating paragraphs (3) through  
14 (5) as paragraphs (2) through (4), respectively.

15 **SEC. 506. AUTHORITY TO REDUCE PERCENTAGE OF LOAN**  
16 **GUARANTEED IF BORROWER INCOME IS IN-**  
17 **SUFFICIENT TO SERVICE DEBT.**

18 Section 339 of the Consolidated Farm and Rural De-  
19 velopment Act (7 U.S.C. 1989) is amended—

20 (1) in subsection (c)(4)(A), by inserting “, ex-  
21 cept that the Secretary may guarantee such lesser  
22 percentage as the Secretary determines appropriate  
23 of such a loan if the income of the borrower is less  
24 than the income necessary to meet the requirements  
25 of subsection (b)” before the period; and

1           (2) in subsection (d)(4)(A), by inserting “, ex-  
 2       cept that the Secretary may guarantee such lesser  
 3       percentage as the Secretary determines appropriate  
 4       of such a loan if the income of the borrower is less  
 5       than the income necessary to meet the requirements  
 6       of subsection (b)” before the semicolon.

7 **SEC. 507. TIMING OF LOAN ASSESSMENTS.**

8       Section 360(a) of the Consolidated Farm and Rural  
 9       Development Act (7 U.S.C. 2006b(a)) is amended by  
 10      striking “After an applicant is determined eligible for as-  
 11      sistance under this title by the appropriate county com-  
 12      mittee established pursuant to section 332, the” and in-  
 13      serting “The”.

14 **SEC. 508. MAKING AND SERVICING OF LOANS BY PER-**  
 15                   **SONNEL OF STATE, COUNTY, OR AREA COM-**  
 16                   **MITTEES.**

17      (a) IN GENERAL.—Subtitle D of the Consolidated  
 18      Farm and Rural Development Act (7 U.S.C. 1981–2008j)  
 19      is amended by adding at the end the following:

20 **“SEC. 376. MAKING AND SERVICING OF LOANS BY PER-**  
 21                   **SONNEL OF STATE, COUNTY, OR AREA COM-**  
 22                   **MITTEES.**

23      “The Secretary shall employ personnel of a State,  
 24      county or area committee established under section  
 25      8(b)(5) of the Soil Conservation and Domestic Allotment

1 Act (16 U.S.C 590h(b)(5)) to make and service loans  
2 under this title to the extent the personnel have been  
3 trained to do so.”.

4 (b) INAPPLICABILITY OF FINALITY RULE.—Section  
5 281(a)(1) of the Department of Agriculture Reorganiza-  
6 tion Act of 1994 (7 U.S.C. 7001(a)(1)) is amended by  
7 inserting “, except functions performed pursuant to sec-  
8 tion 376 of the Consolidated Farm and Rural Develop-  
9 ment Act” before the period.

10 **SEC. 509. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**  
11 **OR AREA COMMITTEE FOR LOANS AND LOAN**  
12 **GUARANTEES.**

13 Subtitle D of the Consolidated Farm and Rural De-  
14 velopment Act (7 U.S.C. 1981–2008j) is further amended  
15 by adding at the end the following:

16 **“SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**  
17 **OR AREA COMMITTEE FOR LOANS AND LOAN**  
18 **GUARANTEES.**

19 “The Secretary shall not prohibit an employee of a  
20 State, county or area committee established under section  
21 8(b)(5) of the Soil Conservation and Domestic Allotment  
22 Act (16 U.S.C. 590h(b)(5)) or an employee of the Depart-  
23 ment of Agriculture from obtaining a loan or loan guar-  
24 antee under subtitle A, B or C of this title if an office  
25 of the Department of Agriculture other than the office in

1 which the employee is located determines that the em-  
2 ployee is otherwise eligible for the loan or loan guar-  
3 antee.”.

4 **SEC. 510. EMERGENCY LOANS IN RESPONSE TO AN ECO-**  
5 **NOMIC EMERGENCY RESULTING FROM QUAR-**  
6 **ANTINES AND SHARPLY INCREASING ENERGY**  
7 **COSTS.**

8 (a) **LOAN AUTHORITY.**—Section 321(a) of the Con-  
9 solidated Farm and Rural Development Act (7 U.S.C.  
10 1961(a)) is amended—

11 (1) in each of the 1st and 3rd sentences—

12 (A) by striking “a natural disaster in the  
13 United States or by” and inserting “a quar-  
14 antine imposed by the Secretary under the  
15 Plant Protection Act or the animal quarantine  
16 laws (as defined in section 2509 of the Food,  
17 Agriculture, Conservation, and Trade Act of  
18 1990), an economic emergency resulting from  
19 sharply increasing energy costs as described in  
20 section 329(b), a natural disaster in the United  
21 States, or”; and

22 (B) by inserting “Robert T. Stafford” be-  
23 fore “Disaster Relief and Emergency Assistance  
24 Act”; and

25 (2) in the 4th sentence—

1 (A) by striking “a natural disaster” and  
2 inserting “such a quarantine, economic emer-  
3 gency, or natural disaster”; and

4 (B) by striking “by such natural disaster”  
5 and inserting “by such quarantine, economic  
6 emergency, or natural disaster”.

7 (b) CONFORMING AMENDMENT.—Section 323 of  
8 such Act (7 U.S.C. 1963) is amended—

9 (1) by inserting “quarantine,” before “natural  
10 disaster”; and

11 (2) by inserting “referred to in section 321(a),  
12 including, notwithstanding any other provision of  
13 this title, an economic emergency resulting from  
14 sharply increasing energy costs as described in sec-  
15 tion 329(b)” after “emergency”.

16 (c) SHARPLY INCREASING ENERGY COSTS.—Section  
17 329 of such Act (7 U.S.C. 1969) is amended—

18 (1) by striking all that precedes “Secretary  
19 shall” and inserting the following:

20 **“SEC. 329. LOSS CONDITIONS.**

21 “(a) IN GENERAL.—Except as provided in subsection  
22 (b), the”; and

23 (2) by adding after and below the end the fol-  
24 lowing:

1       “(b) LOSS RESULTING FROM SHARPLY INCREASING  
2 ENERGY COSTS.—The Secretary shall make financial as-  
3 sistance under this subtitle available to any applicant seek-  
4 ing assistance based on an income loss resulting from  
5 sharply increasing energy costs referred to in section 323  
6 if—

7           “(1) the price of electricity, gasoline, diesel fuel,  
8 natural gas, propane, or other equivalent fuel during  
9 any 3-month period is at least 50 percent greater  
10 than the average price of the same form of energy  
11 during the preceding 5 years, as determined by the  
12 Secretary; and

13           “(2) the income loss of the applicant is directly  
14 related to expenses incurred to prevent livestock  
15 mortality, the degradation of a perishable agricul-  
16 tural commodity, or damage to a field crop.”.

17       (d) MAXIMUM AMOUNT OF LOAN.—Section 324(a) of  
18 such Act (7 U.S.C. 1964(a)) is amended—

19           (1) by striking “or” at the end of paragraph  
20 (1);

21           (2) by striking the period at the end of para-  
22 graph (2) and inserting a semicolon; and

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



1 1994(b)(2)(A)(ii)(III)) is amended by striking “2000  
2 through 2002” and inserting “2002 through 2011”.

3 **SEC. 514. EXTENSION OF INTEREST RATE REDUCTION PRO-**  
4 **GRAM.**

5 Section 351(a)(2) of the Consolidated Farm and  
6 Rural Development Act (7 U.S.C. 1999(a)(2)) is amended  
7 by striking “2002” and inserting “2011”.

8 **SEC. 515. INCREASE IN DURATION OF LOANS UNDER DOWN**  
9 **PAYMENT LOAN PROGRAM.**

10 (a) **IN GENERAL.**—Section 310E(b)(3) of the Con-  
11 solidated Farm and Rural Development Act (7 U.S.C.  
12 1935(b)(3)) is amended by striking “10” and inserting  
13 “15”.

14 (b) **CONFORMING AMENDMENT.**—Section  
15 310E(e)(3)(B) of the Consolidated Farm and Rural De-  
16 velopment Act (7 U.S.C. 1935(c)(3)(B)) is amended by  
17 striking “10-year” and inserting “15-year”.

18 **SEC. 516. HORSE BREEDER LOANS.**

19 (a) **DEFINITION OF HORSE BREEDER.**—In this sec-  
20 tion, the term “horse breeder” means a person that, as  
21 of the date of the enactment of this Act, derives more than  
22 70 percent of the income of the person from the business  
23 of breeding, boarding, raising, training, or selling horses,  
24 during the shorter of—

1           (1) the 5-year period ending on January 1,  
2           2001; or

3           (2) the period the person has been engaged in  
4           the business.

5           (b) LOAN AUTHORIZATION.—The Secretary shall  
6           make a loan to an eligible horse breeder to assist the  
7           breeder for losses suffered as a result of mare reproductive  
8           loss syndrome.

9           (c) ELIGIBILITY.—A horse breeder shall be eligible  
10          for a loan under this section if the Secretary determines  
11          that, as a result of mare reproductive loss syndrome—

12           (1) during the period beginning January 1,  
13           2000, and ending October 1, 2000, or during the pe-  
14           riod beginning January 1, 2001, and ending October  
15           1, 2001—

16           (A) 30 percent or more of the mares  
17           owned by the breeder failed to conceive, mis-  
18           carried, aborted, or otherwise failed to produce  
19           a live healthy foal; or

20           (B) 30 percent or more of the mares  
21           boarded on a farm owned, operated, or leased  
22           by the breeder failed to conceive, miscarried,  
23           aborted, or otherwise failed to produce a live  
24           healthy foal;

1           (2) during the period beginning January 1,  
2           2000, and ending on September 30, 2002, the breed-  
3           er was unable to meet the financial obligations, or  
4           pay the ordinary and necessary expenses, of the  
5           breeder incurred in connection with breeding, board-  
6           ing, raising, training, or selling horses; and

7           (3) the breeder is not able to obtain sufficient  
8           credit elsewhere (within the meaning of section  
9           321(a) of the Consolidated Farm and Rural Devel-  
10          opment Act).

11          (d) AMOUNT.—

12           (1) IN GENERAL.—Subject to paragraph (2),  
13           the Secretary shall determine the amount of a loan  
14           to be made to a horse breeder under this section, on  
15           the basis of the amount of losses suffered by the  
16           breeder, and the financial needs of the breeder, as  
17           a result of mare reproductive loss syndrome.

18           (2) MAXIMUM AMOUNT.—The amount of a loan  
19           made under this section shall not exceed \$500,000.

20          (e) TERM.—

21           (1) IN GENERAL.—Subject to paragraph (2),  
22           the term for repayment of a loan made to a horse  
23           breeder under this section shall be determined by the  
24           Secretary based on the ability of the breeder to  
25           repay the loan.

1           (2) MAXIMUM TERM.—The term of a loan made  
2           under this section shall not exceed 15 years.

3           (f) INTEREST RATE.—Interest shall be payable on a  
4           loan made under this section, at the rate prescribed under  
5           section 324(b)(1) of the Consolidated Farm and Rural De-  
6           velopment Act.

7           (g) SECURITY.—Security shall be required on a loan  
8           made under this section, in accordance with section 324(d)  
9           of the Consolidated Farm and Rural Development Act.

10          (h) APPLICATION.—To be eligible to obtain a loan  
11          under this section, a horse breeder shall submit to the Sec-  
12          retary an application for the loan not later than Sep-  
13          tember 30, 2002.

14          (i) FUNDING.—The Secretary shall carry out this sec-  
15          tion using funds available for emergency loans under sub-  
16          title C of the Consolidated Farm and Rural Development  
17          Act.

18          (j) TERMINATION.—The authority provided by this  
19          section shall terminate on September 30, 2003.

20       **SEC. 517. SUNSET OF DIRECT LOAN PROGRAMS UNDER THE**  
21                               **CONSOLIDATED FARM AND RURAL DEVELOP-**  
22                               **MENT ACT.**

23          (a) IN GENERAL.—Subtitle D of the Consolidated  
24          Farm and Rural Development Act (7 U.S.C. 1981–2008j)  
25          is amended by inserting after section 344 the following:

1 **“SEC. 345. SUNSET OF DIRECT LOAN PROGRAMS.**

2       “(a) IN GENERAL.—Except as provided in subsection  
3 (b), beginning 5 years after the date of the enactment of  
4 this section, the Secretary may not make a direct loan  
5 under section 302 or 311.

6       “(b) EXCEPTIONS.—Subsection (a) shall not apply to  
7 any authority to make direct loans to youths, qualified be-  
8 ginning farmers or ranchers, or members of socially dis-  
9 advantaged groups.

10       “(c) NO EFFECT ON EXISTING CONTRACTS.—Sub-  
11 section (a) shall not be construed to permit the violation  
12 of any contract entered into before the 5-year period de-  
13 scribed in subsection (a).”.

14       (b) EVALUATIONS OF DIRECT AND GUARANTEED  
15 LOAN PROGRAMS.—

16           (1) STUDIES.—The Secretary of Agriculture  
17 shall conduct 2 studies of the direct and guaranteed  
18 loan programs under sections 302 and 311 of the  
19 Consolidated Farm and Rural Development Act,  
20 each of which shall include an examination of the  
21 number, average principal amount, and delinquency  
22 and default rates of loans provided or guaranteed  
23 during the period covered by the study.

24           (2) PERIODS COVERED.—

25           (A) FIRST STUDY.—1 study under para-  
26 graph (1) shall cover the 1-year period that be-



1 **SEC. 519. LOAN ELIGIBILITY FOR BORROWERS WITH PRIOR**  
2 **DEBT FORGIVENESS.**

3 Section 373(b)(1) of the Consolidated Farm and  
4 Rural Development Act (7 U.S.C. 2008h(b)(1)) is amend-  
5 ed to read as follows:

6 “(1) PROHIBITIONS.—Except as provided in  
7 paragraph (2)—

8 “(A) the Secretary may not make a loan  
9 under this title to a borrower who, on more  
10 than 2 occasions, received debt forgiveness on a  
11 loan made or guaranteed under this title; and

12 “(B) the Secretary may not guarantee a  
13 loan under this title to a borrower who, on more  
14 than 3 occasions, received debt forgiveness on a  
15 loan made or guaranteed under this title.”.

16 **SEC. 520. ALLOCATION OF CERTAIN FUNDS FOR SOCIALLY**  
17 **DISADVANTAGED FARMERS AND RANCHERS.**

18 The last sentence of section 355(c)(2) of the Consoli-  
19 dated Farm and Rural Development Act (7 U.S.C.  
20 2003(c)(2)) is amended to read as follows: “Any funds re-  
21 served and allocated under this paragraph but not used  
22 within a State shall, to the extent necessary to satisfy  
23 pending applications under this title, be available for use  
24 by socially disadvantaged farmers and ranchers in other  
25 States, as determined by the Secretary, and any remaining  
26 funds shall be reallocated within the State.”.

1 **SEC. 521. HORSES CONSIDERED TO BE LIVESTOCK UNDER**  
2 **THE CONSOLIDATED FARM AND RURAL DE-**  
3 **VELOPMENT ACT.**

4 Section 343 of the Consolidated Farm and Rural De-  
5 velopment Act (7 U.S.C. 1991) is amended by adding at  
6 the end the following:

7 “(c) LIVESTOCK INCLUDES HORSES.—The term  
8 ‘livestock’ includes horses.”.

9 **TITLE VI—RURAL**  
10 **DEVELOPMENT**

11 **SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROAD-**  
12 **CAST SIGNAL LOAN GUARANTEES.**

13 Section 1011(a) of the Launching Our Communities’  
14 Access to Local Television Act of 2000 (title X of H.R.  
15 5548, as enacted by section 1(a)(2) of Public Law 106-  
16 553) is amended by adding at the end the following: “In  
17 addition, a total of \$200,000,000 of the funds of the Com-  
18 modify Credit Corporation shall be available during fiscal  
19 years 2002 through 2006, without fiscal year limitation,  
20 for loan guarantees under this title.”.

21 **SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRI-**  
22 **CULTURAL PRODUCT MARKET DEVELOP-**  
23 **MENT GRANTS.**

24 Section 231(a) of the Agricultural Risk Protection  
25 Act of 2000 (7 U.S.C. 1621 note) is amended—

1 (1) by striking paragraph (1) and inserting the  
2 following:

3 “(1) ESTABLISHMENT AND PURPOSES.—In  
4 each of fiscal years 2002 through 2011, the Sec-  
5 retary shall use \$50,000,000 of the funds of the  
6 Commodity Credit Corporation to award competitive  
7 grants—

8 “(A) to eligible independent producers (as  
9 determined by the Secretary) of value-added ag-  
10 ricultural commodities and products of agricul-  
11 tural commodities to assist an eligible  
12 producer—

13 “(i) to develop a business plan for via-  
14 ble marketing opportunities for a value-  
15 added agricultural commodity or product  
16 of an agricultural commodity; or

17 “(ii) to develop strategies for the ven-  
18 tures that are intended to create marketing  
19 opportunities for the producers; and

20 “(B) to public bodies, institutions of higher  
21 learning, and trade associations to assist such  
22 entities—

23 “(i) to develop a business plan for via-  
24 ble marketing opportunities in emerging  
25 markets for a value-added agricultural

1 commodity or product of an agricultural  
2 commodity; or

3 “(ii) to develop strategies for the ven-  
4 tures that are intended to create marketing  
5 opportunities in emerging markets for the  
6 producers.”;

7 (2) by striking “producer” each place it appears  
8 thereafter and inserting “grantee”; and

9 (3) in the heading for paragraph (3), by strik-  
10 ing “PRODUCER” and inserting “GRANTEE”.

11 **SEC. 603. AGRICULTURE INNOVATION CENTER DEM-**  
12 **ONSTRATION PROGRAM.**

13 (a) **PURPOSES.**—The purposes of this section are to  
14 carry out a demonstration program under which agricul-  
15 tural producers are provided—

16 (1) technical assistance, including engineering  
17 services, applied research, scale production, and  
18 similar services to enable the producers to establish  
19 businesses for further processing of agricultural  
20 products;

21 (2) marketing, market development, and busi-  
22 ness planning; and

23 (3) overall organizational, outreach, and devel-  
24 opment assistance to increase the viability, growth,

1 and sustainability of value-added agricultural busi-  
2 nesses.

3 (b) NATURE OF PROGRAM.—The Secretary of Agri-  
4 culture (in this section referred to as the “Secretary”)  
5 shall—

6 (1) make grants to eligible applicants for the  
7 purposes of enabling the applicants to obtain the as-  
8 sistance described in subsection (a); and

9 (2) provide assistance to eligible applicants  
10 through the research and technical services of the  
11 Department of Agriculture.

12 (c) ELIGIBILITY REQUIREMENTS.—

13 (1) IN GENERAL.—An applicant shall be eligible  
14 for a grant and assistance described in subsection  
15 (b) to establish an Agriculture Innovation Center  
16 if—

17 (A) the applicant—

18 (i) has provided services similar to  
19 those described in subsection (a); or

20 (ii) shows the capability of providing  
21 the services;

22 (B) the application of the applicant for the  
23 grant and assistance sets forth a plan, in ac-  
24 cordance with regulations which shall be pre-  
25 scribed by the Secretary, outlining support of

1           the applicant in the agricultural community, the  
2           technical and other expertise of the applicant,  
3           and the goals of the applicant for increasing  
4           and improving the ability of local producers to  
5           develop markets and processes for value-added  
6           agricultural products;

7           (C) the applicant demonstrates that re-  
8           sources (in cash or in kind) of definite value are  
9           available, or have been committed to be made  
10          available, to the applicant, to increase and im-  
11          prove the ability of local producers to develop  
12          markets and processes for value-added agricul-  
13          tural products; and

14          (D) the applicant meets the requirement of  
15          paragraph (2).

16          (2) BOARD OF DIRECTORS.—The requirement  
17          of this paragraph is that the applicant shall have a  
18          board of directors comprised of representatives of  
19          the following groups:

20                (A) The 2 general agricultural organiza-  
21                tions with the greatest number of members in  
22                the State in which the applicant is located.

23                (B) The Department of Agriculture or  
24                similar State organization or department, for  
25                the State.

1           (C) Organizations representing the 4 high-  
2           est grossing commodities produced in the State,  
3           according to annual gross cash sales.

4           (d) GRANTS AND ASSISTANCE.—

5           (1) IN GENERAL.—Subject to subsection (g),  
6           the Secretary shall make annual grants to eligible  
7           applicants under this section, each of which grants  
8           shall not exceed the lesser of—

9                   (A) \$1,000,000; or

10                   (B) twice the dollar value of the resources  
11           (in cash or in kind) that the applicant has dem-  
12           onstrated are available, or have been committed  
13           to be made available, to the applicant in accord-  
14           ance with subsection (c)(1)(C).

15           (2) INITIAL LIMITATION.—In the first year of  
16           the demonstration program under this section, the  
17           Secretary shall make grants under this section, on a  
18           competitive basis, to not more than 5 eligible appli-  
19           cants.

20           (3) EXPANSION OF DEMONSTRATION PRO-  
21           GRAM.—In the second year of the demonstration  
22           program under this section, the Secretary may make  
23           grants under this section to not more than 10 eligi-  
24           ble applicants, in addition to any entities to which  
25           grants are made under paragraph (2) for such year.

1           (4) STATE LIMITATION.—In the first 3 years of  
2           the demonstration program under this section, the  
3           Secretary shall not make an Agricultural Innovation  
4           Center Demonstration Program grant under this  
5           section to more than 1 entity in a single State.

6           (e) USE OF FUNDS.—An entity to which a grant is  
7           made under this section may use the grant only for the  
8           following purposes, but only to the extent that the use is  
9           not described in section 231(d) of the Agricultural Risk  
10          Protection Act of 2000:

11           (1) Applied research.

12           (2) Consulting services.

13           (3) Hiring of employees, at the discretion of the  
14          board of directors of the entity.

15           (4) The making of matching grants, each of  
16          which shall be not more than \$5,000, to agricultural  
17          producers, so long as the aggregate amount of all  
18          such matching grants shall be not more than  
19          \$50,000.

20           (5) Legal services.

21          (f) RULE OF INTERPRETATION.—This section shall  
22          not be construed to prevent a recipient of a grant under  
23          this section from collaborating with any other institution  
24          with respect to activities conducted using the grant.

1 (g) AVAILABILITY OF FUNDS.—Of the amount made  
2 available under section 231(a)(1) of the Agricultural Risk  
3 Protection Act of 2000 (Public Law 106–224; 7 U.S.C.  
4 1621 note), the Secretary shall use to carry out this  
5 section—

6 (1) not less than \$5,000,000 for fiscal year  
7 2002; and

8 (2) not less than \$10,000,000 for each of the  
9 fiscal years 2003 and 2004.

10 (h) REPORT ON BEST PRACTICES.—

11 (1) EFFECTS ON THE AGRICULTURAL SEC-  
12 TOR.—The Secretary shall utilize \$300,000 per year  
13 of the funds made available pursuant to this section  
14 to support research at any university into the effects  
15 of value-added projects on agricultural producers  
16 and the commodity markets. The research should  
17 systematically examine possible effects on demand  
18 for agricultural commodities, market prices, farm in-  
19 come, and Federal outlays on commodity programs  
20 using linked, long-term, global projections of the ag-  
21 ricultural sector.

22 (2) DEPARTMENT OF AGRICULTURE.—Not later  
23 than 3 years after the first 10 grants are made  
24 under this section, the Secretary shall prepare and  
25 submit to the Committee on Agriculture, Nutrition,

1 and Forestry of the Senate and to the Committee on  
2 Agriculture of the House of Representatives a writ-  
3 ten report on the effectiveness of the demonstration  
4 program conducted under this section at improving  
5 the production of value-added agricultural products  
6 and on the effects of the program on the economic  
7 viability of the producers, which shall include the  
8 best practices and innovations found at each of the  
9 Agriculture Innovation Centers established under the  
10 demonstration program under this section, and de-  
11 tail the number and type of agricultural projects as-  
12 sisted, and the type of assistance provided, under  
13 this section.

14 **SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE**  
15 **GRANT PROGRAM.**

16 (a) **FUNDING.**—In each of fiscal years 2002 through  
17 2011, the Secretary of Agriculture shall use \$30,000,000  
18 of the funds of the Commodity Credit Corporation to carry  
19 out section 306A of the Consolidated Farm and Rural De-  
20 velopment Act (7 U.S.C. 1926a).

21 (b) **EXTENSION OF PROGRAM.**—Section 306A(i) of  
22 the Consolidated Farm and Rural Development Act (7  
23 U.S.C. 1926a(i)) is amended by striking “2002” and in-  
24 serting “2011”.

1 (c) MISCELLANEOUS AMENDMENTS.—Section 306A  
2 of such Act (7 U.S.C. 1926a) is amended—

3 (1) in the heading by striking “**EMERGENCY**”;

4 (2) in subsection (a)(1)—

5 (A) by striking “after” and inserting  
6 “when”; and

7 (B) by inserting “is imminent” after “com-  
8 munities”; and

9 (3) in subsection (c), by striking “shall—” and  
10 all that follows and inserting “shall be a public or  
11 private nonprofit entity.”.

12 **SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE**  
13 **PURCHASE OF RENEWABLE ENERGY SYS-**  
14 **TEMS.**

15 Section 4 of the Rural Electrification Act of 1936 (7  
16 U.S.C. 904) is amended—

17 (1) by inserting “(a)” before “The Secretary”;  
18 and

19 (2) by adding after and below the end the fol-  
20 lowing:

21 “(b) **LOAN GUARANTEES FOR THE FINANCING OF**  
22 **THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—**

23 The Secretary may provide a loan guarantee, on such  
24 terms and conditions as the Secretary deems appropriate,  
25 for the purpose of financing the purchase of a renewable

1 energy system, including a wind energy system and anaer-  
2obic digestors for the purpose of energy generation, by any  
3 person or individual who is a farmer, a rancher, or an  
4 owner of a small business (as defined by the Secretary)  
5 that is located in a rural area (as defined by the Sec-  
6retary). In providing guarantees under this subsection, the  
7 Secretary shall give priority to loans used primarily for  
8 power generation on a farm, ranch, or small business (as  
9 so defined).”.

10 **SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE**  
11 **ENERGY SYSTEMS.**

12 Section 310B(a)(3) of the Consolidated Farm and  
13 Rural Development Act (7 U.S.C. 1932(a)(3)) is amended  
14 by inserting “and other renewable energy systems includ-  
15ing wind energy systems and anaerobic digestors for the  
16 purpose of energy generation” after “solar energy sys-  
17tems”.

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 amend-  
5 ed 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  
15 “each 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 amend-  
20 ed 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 strik-  
25 ing “\$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  
2           entity 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  
7           (A) in an amount that is not less than the  
8           amount 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  
15           Credit Corporation in each of fiscal years 2002  
16           through 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

1 strategic regional development plans developed pur-  
2 suant 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  
6 Credit 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 Sec-  
13 retary deems appropriate to carry out any provision of this  
14 section.

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  
15 United States.

16 “(b) GRANTS.—The Secretary may make grants to  
17 private nonprofit organizations for the purpose of assist-  
18 ing eligible individuals in obtaining financing for the con-  
19 struction, refurbishing, and servicing of individual house-  
20 hold water well systems in rural areas that are owned (or  
21 to be owned) by the eligible individuals.

22 “(c) USE OF FUNDS.—A grant made under this sec-  
23 tion 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  
3           subsection (c); and

4           “(2) State rural development councils estab-  
5           lished in accordance with subsection (d).

6           “(c) NATIONAL RURAL DEVELOPMENT COORDI-  
7           NATING COMMITTEE.—

8           “(1) COMPOSITION.—The National Rural De-  
9           velopment Coordinating Committee (in this section  
10          referred 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 associa-  
16                   tions of State, regional, local, and tribal govern-  
17                   ments and intergovernmental and multi-juris-  
18                   dictional agencies and organizations;

19                   “(C) national public interest groups; and

20                   “(D) other national nonprofit organiza-  
21                   tions that elect to participate in the activities of  
22                   the Coordinating Committee.

23           “(2) FUNCTIONS.—The Coordinating Com-  
24          mittee 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  
12           Federal, State, local, and tribal governments,  
13           and nonprofit organizations, the private sector,  
14           and other entities committed to rural advance-  
15           ment; and

16           “(B) have a nonpartisan and nondiscrim-  
17           inatory membership that is broad and rep-  
18           resentative of the economic, social, and political  
19           diversity of the State.

20           “(2) FUNCTIONS.—A State rural development  
21          council may—

22           “(A) facilitate collaboration among Fed-  
23           eral, State, local, and tribal governments and  
24           the private and non-profit sectors in the plan-  
25           ning and implementation of programs and poli-

1           cies that affect the rural areas of the State, and  
2           to do so in such a way that provides the great-  
3           est degree of flexibility and innovation in re-  
4           sponding to the unique needs of the State and  
5           the rural areas; and

6                   “(B) in conjunction with the Coordinating  
7           Committee, develop and facilitate strategies to  
8           reduce or eliminate conflicting or duplicative  
9           administrative 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 nec-  
14       essary 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  
17       the 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  
24       Rural Development Act (7 U.S.C. 1926(a)(1)) is amended  
25       by inserting after the 1st sentence the following: “The

1 Secretary may also make or insure loans to communities  
2 that have been designated as rural empowerment zones or  
3 rural enterprise communities pursuant to part I of sub-  
4 chapter U of chapter 1 of the Internal Revenue Code of  
5 1986, as rural enterprise communities pursuant to section  
6 766 of the Agriculture, Rural Development, Food and  
7 Drug Administration, and Related Agencies Appropria-  
8 tions Act, 1999, or as champion communities (as deter-  
9 mined by the Secretary), to provide for the installation or  
10 improvement of essential community facilities including  
11 necessary related equipment, and to furnish financial as-  
12 sistance or other aid in planning projects for such pur-  
13 poses.”.

14 **SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECH-**  
15 **NOLOGIES AND TO TRAIN FARM WORKERS IN**  
16 **SPECIALIZED SKILLS NECESSARY FOR HIGH-**  
17 **ER VALUE CROPS.**

18 (a) **IN GENERAL.**—The Secretary of Agriculture may  
19 make a grant to a nonprofit organization with the capacity  
20 to train farm workers, or to a consortium of non-profit  
21 organizations, agribusinesses, State and local govern-  
22 ments, agricultural labor organizations, and community-  
23 based organizations with that capacity.

24 (b) **USE OF FUNDS.**—An entity to which a grant is  
25 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 APPRO-  
4 PRIATIONS.—For grants under this section, there are au-  
5 thorized to be appropriated to the Secretary of Agriculture  
6 not more than \$10,000,000 for each of fiscal years 2002  
7 through 2011.

8 **SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF**  
9 **STOCK IN A FARMER COOPERATIVE SEEKING**  
10 **TO MODERNIZE OR EXPAND.**

11 Section 310B(g)(2) of the Consolidated Farm and  
12 Rural Development Act (7 U.S.C. 1932(g)(2)) is amended  
13 by striking “start-up” and all that follows and inserting  
14 “capital stock of a farmer cooperative established for an  
15 agricultural purpose.”.

16 **SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSE-**  
17 **CURED DEBT REQUIRED TO BE CONSIDERED**  
18 **IN DETERMINING ELIGIBILITY OF FARMER-**  
19 **OWNED COOPERATIVE FOR BUSINESS AND**  
20 **INDUSTRY GUARANTEED LOAN.**

21 Section 310B of the Consolidated Farm and Rural  
22 Development Act (7 U.S.C. 1932) is amended by adding  
23 at the end the following:

24 “(h) INTANGIBLE ASSETS AND SUBORDINATED UN-  
25 SECURED DEBT REQUIRED TO BE CONSIDERED IN DE-

1 TERMINING ELIGIBILITY OF FARMER-OWNED COOPERA-  
 2 TIVE FOR BUSINESS AND INDUSTRY GUARANTEED  
 3 LOAN.—In determining whether a cooperative organiza-  
 4 tion owned by farmers is eligible for a guaranteed loan  
 5 under subsection (a)(1), the Secretary may consider the  
 6 value of the intangible assets and subordinated unsecured  
 7 debt of the cooperative organization.”.

8 **SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOP-**  
 9 **ERATIVE FOR BUSINESS AND INDUSTRY**  
 10 **LOAN GUARANTEE BASED ON POPULATION**  
 11 **OF AREA IN WHICH COOPERATIVE IS LO-**  
 12 **CATED.**

13 Section 310B of the Consolidated Farm and Rural  
 14 Development Act (7 U.S.C. 1932) is further amended by  
 15 adding at the end of the following:

16 “(i) SPECIAL RULES APPLICABLE TO FARMER CO-  
 17 OPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN  
 18 PROGRAM.—In determining whether a cooperative organi-  
 19 zation owned by farmers is eligible for a guaranteed loan  
 20 under subsection (a)(1), the Secretary shall not apply any  
 21 lending restriction based on population to the area in  
 22 which the cooperative organization is located.”.

23 **SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.**

24 Section 306(a)(2) of the Consolidated Farm and  
 25 Rural Development Act (7 U.S.C. 1926(a)(2)) is amended

1 by striking “aggregating not to exceed \$590,000,000 in  
2 any fiscal year”.

3 **SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.**

4 (a) ESTABLISHMENT.—The Secretary of Agriculture  
5 shall establish a national rural water and wastewater cir-  
6 cuit rider grant program that shall be modeled after the  
7 National Rural Water Association Rural Water Circuit  
8 Rider Program that receives funding from the Rural Utili-  
9 ties Service.

10 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-  
11 PRIATIONS.—To carry out subsection (a), there are au-  
12 thorized to be appropriated to the Secretary of Agriculture  
13 \$15,000,000 for each fiscal year.

14 **SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER  
15 PROTECTION PROGRAM.**

16 (a) ESTABLISHMENT.—The Secretary of Agriculture  
17 shall establish a national grassroots source water protec-  
18 tion program that will utilize the on-site technical assist-  
19 ance capabilities of State rural water associations that are  
20 operating wellhead or ground water protection programs  
21 in each State.

22 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-  
23 PRIATIONS.—To carry out subsection (a), there are au-  
24 thorized to be appropriated to the Secretary of Agriculture  
25 \$5,000,000 for each fiscal year.

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  
6 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking  
7 “1990” and inserting “2011”.

8   **SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEAR-**  
9                   **INGHOUSE.**

10       Section 2381(e) of the Food, Agriculture, Conserva-  
11 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is  
12 amended by 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 Re-  
16 search, Extension, and Teaching Policy Act of 1977 (7  
17 U.S.C. 3152(l)) is amended by striking “2002” and in-  
18 serting “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 in-  
23 serting “2011”.

1 **SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH**  
2 **PROMOTION RESEARCH PROGRAM.**

3 Section 1424(d) of the National Agricultural Re-  
4 search, Extension, and Teaching Policy Act of 1977 (7  
5 U.S.C. 3174(d)) is amended by striking “2002” and in-  
6 serting “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  
17 inserting “2011”.

18 **SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RE-**  
19 **SEARCH PROGRAMS.**

20 Section 1433(a) of the National Agricultural Re-  
21 search, Extension, and Teaching Policy Act of 1977 (7  
22 U.S.C. 3195(a)) is amended by striking “2002” and in-  
23 serting “2011”.

1 **SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL**  
2 **OR REGIONAL PROBLEMS.**

3 Section 1434(a) of the National Agricultural Re-  
4 search, Extension, and Teaching Policy Act of 1977 (7  
5 U.S.C. 3196(a)) is amended by striking “2002” and in-  
6 serting “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 Re-  
12 search, Extension, and Teaching Policy Act of 1977 (7  
13 U.S.C. 3222b(b)) is amended by striking “2002” and in-  
14 serting “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  
20 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by  
21 striking “2002” each place it appears and inserting  
22 “2011”.

23 **SEC. 711. HISPANIC-SERVING INSTITUTIONS.**

24 Section 1455(c) of the National Agricultural Re-  
25 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3241(c) is amended by striking “2002” and in-  
2 serting “2011”.

3 **SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**  
4 **RICULTURAL SCIENCE AND EDUCATION PRO-**  
5 **GRAMS.**

6 Section 1459A(c) of the National Agricultural Re-  
7 search, Extension, and Teaching Policy Act of 1977 (7  
8 U.S.C. 3292b(e)) is amended by striking “2002” and in-  
9 serting “2011”.

10 **SEC. 713. UNIVERSITY RESEARCH.**

11 Subsections (a) and (b) of section 1463 of the Na-  
12 tional Agricultural Research, Extension, and Teaching  
13 Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amend-  
14 ed by striking “2002” each place it appears and inserting  
15 “2011”.

16 **SEC. 714. EXTENSION SERVICE.**

17 Section 1464 of the National Agricultural Research,  
18 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
19 3312) is amended by striking “2002” and inserting  
20 “2011”.

21 **SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

22 Section 1473D(a) of the National Agricultural Re-  
23 search, Extension, and Teaching Policy Act of 1977 (7  
24 U.S.C. 3319d(a)) is amended by striking “2002” and in-  
25 serting “2011”.

1 **SEC. 716. AQUACULTURE RESEARCH FACILITIES.**

2 The first sentence of section 1477 of the National  
3 Agricultural Research, Extension, and Teaching Policy  
4 Act of 1977 (7 U.S.C. 3324) is amended by striking  
5 “2002” and inserting “2011”.

6 **SEC. 717. RANGELAND RESEARCH.**

7 Section 1483(a) of the National Agricultural Re-  
8 search, Extension, and Teaching Policy Act of 1977 (7  
9 U.S.C. 3336(a)) is amended by striking “2002” and in-  
10 serting “2011”.

11 **SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.**

12 Section 1635(b) of the Food, Agriculture, Conserva-  
13 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-  
14 ed by striking “2002” and inserting “2011”.

15 **SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**  
16 **TIATIVES.**

17 Section 1672(h) of the Food, Agriculture, Conserva-  
18 tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amend-  
19 ed by striking “2002” and inserting “2011”.

20 **SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTEN-**  
21 **SION INITIATIVE.**

22 Section 1672A(g) of the Food, Agriculture, Conserva-  
23 tion, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is  
24 amended by striking “2002” and inserting “2011”.

1 **SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PRO-**  
2 **GRAM.**

3 Section 1673(h) of the Food, Agriculture, Conserva-  
4 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-  
5 ed by striking “2002” and inserting “2011”.

6 **SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND**  
7 **COMMERCIALIZATION REVOLVING FUND.**

8 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
9 1664(g)(1) of the Food, Agriculture, Conservation, and  
10 Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by  
11 striking “2002” and inserting “2011”.

12 (b) **CAPITALIZATION.**—Section 1664(g)(2) of such  
13 Act (7 U.S.C. 5908(g)(2)) is amended by striking “2002”  
14 and inserting “2011”.

15 **SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**  
16 **ERS WITH DISABILITIES.**

17 Section 1680(c)(1) of the Food, Agriculture, Con-  
18 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))  
19 is amended by striking “2002” and inserting “2011”.

20 **SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL**  
21 **PRODUCT QUALITY RESEARCH.**

22 Section 402(g) of the Agricultural Research, Exten-  
23 sion, and Education Reform Act of 1998 (7 U.S.C.  
24 7622(g)) is amended by striking “2002” and inserting  
25 “2011”.

1 **SEC. 725. BIOBASED PRODUCTS.**

2 (a) PILOT PROJECT.—Section 404(e)(2) of the Agri-  
3 cultural Research, Extension, and Education Reform Act  
4 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking  
5 “2001” and inserting “2011”.

6 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
7 404(h) of such Act (7 U.S.C. 7624(h)) is amended by  
8 striking “2002” and inserting “2011”.

9 **SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EX-**  
10 **TENSION COMPETITIVE GRANTS PROGRAM.**

11 Section 406(e) of the Agricultural Research, Exten-  
12 sion, and Education Reform Act of 1998 (7 U.S.C.  
13 7626(e)) is amended by striking “2002” and inserting  
14 “2011”.

15 **SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.**

16 (a) GENERALLY.—Section 535(b)(1) of the Equity in  
17 Educational Land-Grant Status Act of 1994 (7 U.S.C.  
18 301 note) is amended by striking “2000” and inserting  
19 “2011”.

20 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
21 535(e) of such Act is amended by striking “2000” and  
22 inserting “2011”.

23 **SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.**

24 Section 536(e) of the Equity in Educational Land-  
25 Grant Status Act of 1994 (7 U.S.C. 301 note) is amended  
26 by striking “2002” and inserting “2011”.

1 **SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.**

2 The first sentence of section 533(b) of the Equity in  
3 Educational Land-Grant Status Act of 1994 (7 U.S.C.  
4 301 note) is amended by striking “\$4,600,000” and all  
5 that follows through the period and inserting “such sums  
6 as are necessary to carry out this section for each of fiscal  
7 years 1996 through 2011.”.

8 **SEC. 730. PRECISION AGRICULTURE.**

9 Section 403(i) of the Agricultural Research, Exten-  
10 sion, and Education Reform Act of 1998 (7 U.S.C.  
11 7623(i)) is amended by striking “2002” and inserting  
12 “2011”.

13 **SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**  
14 **VERSIFICATION.**

15 Section 405(h) of the Agricultural Research, Exten-  
16 sion, and Education Reform Act of 1998 (7 U.S.C.  
17 7625(h)) is amended by striking “2002” and inserting  
18 “2011”.

19 **SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES**  
20 **OF WHEAT, TRITICALE, AND BARLEY CAUSED**  
21 **BY FUSARIUM GRAMINEARUM OR BY**  
22 **TILLETIA INDICA.**

23 Section 408(e) of the Agricultural Research, Exten-  
24 sion, and Education Reform Act of 1998 (7 U.S.C.  
25 7628(e)) is amended by striking “2002” and inserting  
26 “2011”.

1 **SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.**

2 Section 614(f) of the Agricultural Research, Extension,  
3 sion, and Education Reform Act of 1998 (7 U.S.C.  
4 7653(f)) is amended by striking “2002” and inserting  
5 “2011”.

6 **SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTENSION,  
7 EDUCATION, AND ECONOMICS ADVISORY BOARD.**

8  
9 Section 1408(h) of the National Agricultural Research,  
10 Extension, and Teaching Policy Act of 1977 (7  
11 U.S.C. 3123(h)) is amended by striking “2002” and inserting  
12 “2011”.

13 **SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND  
14 MARKETING OF ALCOHOLS AND INDUSTRIAL  
15 HYDROCARBONS FROM AGRICULTURAL COM-  
16 MODITIES AND FOREST PRODUCTS.**

17 Section 1419(d) of the National Agricultural Research,  
18 Extension, and Teaching Policy Act of 1977 (7  
19 U.S.C. 3154(d)) is amended by striking “2002” and inserting  
20 “2011”.

21 **SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.**

22 Title III of the Agricultural Risk Protection Act of  
23 2000 (7 U.S.C. 7624 note) is amended—

24 (1) in section 307(f), by striking “2005” and  
25 inserting “2011”; and

1 (2) in section 310, by striking “2005” and in-  
2 sserting “2011”.

3 **SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RE-**  
4 **SEARCH FACILITIES.**

5 Section 6(a) of the Research Facilities Act (7 U.S.C.  
6 390d(a)) is amended by striking “2002” and inserting  
7 “2011”.

8 **SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RE-**  
9 **SEARCH GRANTS NATIONAL RESEARCH INI-**  
10 **TIATIVE.**

11 Section 2(b)(10) of the Competitive, Special, and Fa-  
12 cilities Research Grant Act (7 U.S.C. 450i(b)(10)) is  
13 amended by striking “2002” and inserting “2011”.

14 **SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES**  
15 **AUTHORIZATION OF APPROPRIATIONS.**

16 Section 1431 of the National Agricultural Research,  
17 Extension, and Teaching Policy Act Amendments of 1985  
18 (Public Law 99–198; 99 Stat. 1556) is amended by strik-  
19 ing “2002” and inserting “2011”.

20 **SEC. 740. COTTON CLASSIFICATION SERVICES.**

21 The first sentence of section 3a of the Act of March  
22 3, 1927 (commonly known as the “Cotton Statistics and  
23 Estimates Act”; 7 U.S.C. 473a) is amended by striking  
24 “2002” and inserting “2011”.

1 **SEC. 740A. CRITICAL AGRICULTURAL MATERIALS RE-**  
2 **SEARCH.**

3 Section 16(a) of the Critical Agricultural Materials  
4 Act (7 U.S.C. 178n(a)) is amended by striking “2002”  
5 and inserting “2011”.

6 **Subtitle B—Modifications**

7 **SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**  
8 **ACT OF 1994.**

9 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
10 534(a)(1)(A) of the Equity in Educational Land-Grant  
11 Status Act of 1994 (7 U.S.C. 301 note) is amended by  
12 striking “\$50,000” and inserting “\$100,000”.

13 (b) WITHDRAWALS AND EXPENDITURES.—Section  
14 533(c)(4)(A) of such Act is amended by striking “section  
15 390(3)” and all that follows through “1998” and insert-  
16 ing “section 2(a)(7) of the Tribally Controlled College or  
17 University Assistance Act of 1978”.

18 (c) ACCREDITATION.—Section 533(a)(3) of such Act  
19 is amended by striking “under sections 534 and 535” and  
20 inserting “under sections 534, 535, and 536”.

21 (d) 1994 INSTITUTIONS.—Section 532 of such Act is  
22 amended by striking paragraphs (1) through (30) and in-  
23 serting the following:

24 “(1) Bay Mills Community College.

25 “(2) Blackfeet Community College.

26 “(3) Cankdeska Cikana Community College.

- 1           “(4) College of Menominee Nation.
- 2           “(5) Crownpoint Institute of Technology.
- 3           “(6) D–Q University.
- 4           “(7) Diné College.
- 5           “(8) Dull Knife Memorial College.
- 6           “(9) Fond du Lac Tribal and Community Col-  
7           lege.
- 8           “(10) Fort Belknap College.
- 9           “(11) Fort Berthold Community College.
- 10          “(12) Fort Peck Community College.
- 11          “(13) Haskell Indian Nations University.
- 12          “(14) Institute of American Indian and Alaska  
13          Native Culture and Arts Development.
- 14          “(15) Lac Courte Oreilles Ojibwa Community  
15          College.
- 16          “(16) Leech Lake Tribal College.
- 17          “(17) Little Big Horn College.
- 18          “(18) Little Priest Tribal College.
- 19          “(19) Nebraska Indian Community College.
- 20          “(20) Northwest Indian College.
- 21          “(21) Oglala Lakota College.
- 22          “(22) Salish Kootenai College.
- 23          “(23) Sinte Gleska University.
- 24          “(24) Sisseton Wahpeton Community College.
- 25          “(25) Si Tanka/Huron University.

1           “(26) Sitting Bull College.

2           “(27) Southwestern Indian Polytechnic Insti-  
3       tute.

4           “(28) Stone Child College.

5           “(29) Turtle Mountain Community College.

6           “(30) United Tribes Technical College.”.

7 **SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
8 **SION, AND TEACHING POLICY ACT OF 1977.**

9       Section 1404(4) of the National Agricultural Re-  
10 search, Extension, and Teaching Policy Act of 1977 (7  
11 U.S.C. 3103(4)) is amended—

12           (1) by striking the period at the end of sub-  
13 paragraph (E) and inserting “, or”; and

14           (2) by adding at the end the following: “(F) is  
15 one of the 1994 Institutions (as defined in section  
16 532 of the Equity in Educational Land-Grant Sta-  
17 tus Act of 1994).”.

18 **SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND**  
19 **EDUCATION REFORM ACT OF 1998.**

20       (a) PRIORITY MISSION AREAS.—Section 401(c)(2) of  
21 the Agricultural Research, Extension, and Education Re-  
22 form Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

23           (1) by striking “and” at the end of subpara-  
24 graph (E);

1           (2) by striking the period at the end of sub-  
2 paragraph (F) and inserting “; and”; and

3           (3) by adding at the end the following new sub-  
4 paragraph:

5                   “(G) alternative fuels and renewable en-  
6 ergy sources.”.

7           (b) PRECISION AGRICULTURE.—Section 403 of the  
8 Agricultural Research, Extension, and Education Reform  
9 Act of 1998 (7 U.S.C. 7623) is amended—

10           (1) in subsection (a)(5)(F), by inserting “(in-  
11 cluding improved use of energy inputs)” after “farm  
12 production efficiencies”; and

13           (2) in subsection (d)—

14                   (A) by redesignating paragraphs (4) and  
15                   (5) as paragraphs (5) and (6), respectively; and

16                   (B) by inserting after paragraph (3) the  
17 following new paragraph:

18                   “(4) Improve on farm energy use efficiencies.”.

19           (c) THOMAS JEFFERSON INITIATIVE FOR CROP DI-  
20 VERSIFICATION.—Section 405(a) of the Agricultural Re-  
21 search, Extension, and Education Reform Act of 1998 (7  
22 U.S.C. 7625(a)) is amended by striking “and marketing”  
23 and inserting “, marketing, and efficient use”.

24           (d) COORDINATED PROGRAM OF RESEARCH, EXTEN-  
25 SION, AND EDUCATION TO IMPROVE VIABILITY OF

1 SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND  
2 POULTRY OPERATIONS.—Section 407(b)(3) of the Agri-  
3 cultural Research, Extension, and Education Reform Act  
4 of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting  
5 “(including improved use of energy inputs)” after “poultry  
6 systems that increase efficiencies”.

7 (e) SUPPORT FOR RESEARCH REGARDING DISEASES  
8 OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSAR-  
9 IUM GRAMINEARUM OR BY TILLETIA INDICA.—

10 (1) RESEARCH GRANT AUTHORIZED.—Section  
11 408(a) of the Agricultural Research, Extension, and  
12 Education Reform Act of 1998 (7 U.S.C. 7628(a))  
13 is amended to read as follows:

14 “(a) RESEARCH GRANT AUTHORIZED.—The Sec-  
15 retary of Agriculture may make grants to consortia of  
16 land-grant colleges and universities to enhance the ability  
17 of the consortia to carry out multi-State research projects  
18 aimed at understanding and combating diseases of wheat,  
19 triticale, and barley caused by *Fusarium graminearum*  
20 and related fungi (referred to in this section as ‘wheat  
21 scab’) or by *Tilletia indica* and related fungi (referred to  
22 in this section as ‘Karnal bunt’).”.

23 (2) RESEARCH COMPONENTS.—Section 408(b)  
24 of such Act (7 U.S.C. 7628(b)) is amended—

1 (A) in paragraph (1), by inserting “or of  
2 Karnal bunt,” after “epidemiology of wheat  
3 scab”;

4 (B) in paragraph (1), by inserting “,  
5 triticale,” after “occurring in wheat”;

6 (C) in paragraph (2), by inserting “or  
7 Karnal bunt” after “wheat scab”;

8 (D) in paragraph (3)(A), by striking “and  
9 barley for the presence of” and inserting “,  
10 triticale, and barley for the presence of Karnal  
11 bunt or of”;

12 (E) in paragraph (3)(B), by striking “and  
13 barley infected with wheat scab” and inserting  
14 “, triticale, and barley infected with wheat scab  
15 or with Karnal bunt”;

16 (F) in paragraph (3)(C), by inserting  
17 “wheat scab” after “to render”;

18 (G) in paragraph (4), by striking “and  
19 barley to wheat scab” and inserting “, triticale,  
20 and barley to wheat scab and to Karnal bunt”;  
21 and

22 (H) in paragraph (5)—

23 (i) by inserting “and Karnal bunt”  
24 after “wheat scab”; and

1 (ii) by inserting “, triticale,” after  
2 “resistant wheat”.

3 (3) COMMUNICATIONS NETWORKS.—Section  
4 408(c) of such Act (7 U.S.C. 7628(c)) is amended  
5 by inserting “or Karnal bunt” after “wheat scab”.

6 (4) TECHNICAL AMENDMENTS.—(A) The sec-  
7 tion heading for section 408 of such Act is amended  
8 by striking “**AND BARLEY CAUSED BY FUSARIUM**  
9 **GRAMINEARUM**” and inserting “, **TRITICALE,**  
10 **AND BARLEY CAUSED BY FUSARIUM**  
11 **GRAMINEARUM OR BY TILLETIA INDICA**”.

12 (B) The table of sections for such Act is  
13 amended by striking “and barley caused by fusarium  
14 graminearum” in the item relating to section 408  
15 and inserting “, triticale, and barley caused by Fu-  
16 sarium graminearum or by Tilletia indica”.

17 (f) PROGRAM TO CONTROL JOHNE’S DISEASE.—Title  
18 IV of the Agricultural Research, Extension, and Edu-  
19 cation Reform Act of 1998 (7 U.S.C. 7621 et seq.) is  
20 amended by adding at the end the following new section:

21 “**SEC. 409. BOVINE JOHNE’S DISEASE CONTROL PROGRAM.**

22 “(a) ESTABLISHMENT.—The Secretary of Agri-  
23 culture, in coordination with State veterinarians and other  
24 appropriate State animal health professionals, may estab-  
25 lish a program to conduct research, testing, and evaluation

1 of programs for the control and management of Johne's  
2 disease in livestock.

3       “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
4 is authorized to be appropriated to the Secretary such  
5 sums as may be necessary to carry out this section for  
6 each of fiscal years 2003 through 2011.”.

7 **SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND**  
8 **TRADE ACT OF 1990.**

9       (a) AGRICULTURAL GENOME INITIATIVE.—Section  
10 1671(b) of the Food, Agriculture, Conservation, and  
11 Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

12           (1) in paragraph (3), by inserting “pathogens  
13 and” before “diseases causing economic hardship”;

14           (2) in paragraph (6), by striking “and” at the  
15 end;

16           (3) by redesignating paragraph (7) as para-  
17 graph (8); and

18           (4) by inserting after paragraph (6) the fol-  
19 lowing new paragraph:

20           “(7) reducing the economic impact of plant  
21 pathogens on commercially important crop plants;  
22 and”.

23       (b) HIGH-PRIORITY RESEARCH AND EXTENSION INI-  
24 TIATIVES.—Section 1672(e) of the Food, Agriculture,  
25 Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is

1 amended by adding at the end the following new para-  
2 graphs:

3           “(25) RESEARCH TO PROTECT THE UNITED  
4 STATES FOOD SUPPLY AND AGRICULTURE FROM  
5 BIOTERRORISM.—Research grants may be made  
6 under this section for the purpose of developing  
7 technologies, which support the capability to deal  
8 with the threat of agricultural bioterrorism.

9           “(26) WIND EROSION RESEARCH AND EXTEN-  
10 SION.—Research and extension grants may be made  
11 under this section for the purpose of validating wind  
12 erosion models.

13           “(27) CROP LOSS RESEARCH AND EXTEN-  
14 SION.—Research and extension grants may be made  
15 under this section for the purpose of validating crop  
16 loss models.

17           “(28) LAND USE MANAGEMENT RESEARCH AND  
18 EXTENSION.—Research and extension grants may be  
19 made under this section for the purposes of evalu-  
20 ating the environmental benefits of land use man-  
21 agement tools such as those provided in the Farm-  
22 land Protection Program.

23           “(29) WATER AND AIR QUALITY RESEARCH  
24 AND EXTENSION.—Research and extension grants  
25 may be made under this section for the purpose of

1 better understanding agricultural impacts to air and  
2 water quality and means to address them.

3 “(30) REVENUE AND INSURANCE TOOLS RE-  
4 SEARCH AND EXTENSION.—Research and extension  
5 grants may be made under this section for the pur-  
6 poses of better understanding the impact of revenue  
7 and insurance tools on farm income.

8 “(31) AGROTOURISM RESEARCH AND EXTEN-  
9 SION.—Research and extension grants may be made  
10 under this section for the purpose of better under-  
11 standing the economic, environmental, and food sys-  
12 tems impacts on agrotourism.

13 “(32) HARVESTING PRODUCTIVITY FOR FRUITS  
14 AND VEGETABLES.—Research and extension grants  
15 may be made under this section for the purpose of  
16 improving harvesting productivity for fruits and  
17 vegetables (including citrus), including the develop-  
18 ment of mechanical harvesting technologies and ef-  
19 fective, economical, and safe abscission compounds.

20 “(33) NITROGEN-FIXATION BY PLANTS.—Re-  
21 search and extension grants may be made under this  
22 section for the purpose of enhancing the nitrogen-  
23 fixing ability and efficiency of legumes, developing  
24 new varieties of legumes that fix nitrogen more effi-  
25 ciently, and developing new varieties of other com-

1       mercially important crops that potentially are able to  
2       fix nitrogen.

3               “(34) AGRICULTURAL MARKETING.—Extension  
4       grants may be made under this section for the pur-  
5       pose of providing education materials, information,  
6       and outreach programs regarding commodity and  
7       livestock marketing strategies for agricultural pro-  
8       ducers and for cooperatives and other marketers of  
9       any agricultural commodity, including livestock.

10              “(35) ENVIRONMENT AND PRIVATE LANDS RE-  
11       SEARCH AND EXTENSION.—Research and extension  
12       grants may be made under this section for the pur-  
13       pose of researching the use of computer models to  
14       aid in assessment of best management practices on  
15       a watershed basis, working with government, indus-  
16       try, and private landowners to help craft industry-  
17       led solutions to identified environmental issues, re-  
18       searching and monitoring water, air, or soil environ-  
19       mental quality to aid in the development of new ap-  
20       proaches to local environmental concerns, and work-  
21       ing with local, State, and federal officials to help  
22       craft effective environmental solutions that respect  
23       private property rights and agricultural production  
24       realities.

1           “(36) LIVESTOCK DISEASE RESEARCH AND EX-  
2           TENSION.—Research and extension grants may be  
3           made under this section for the purpose of identi-  
4           fying possible livestock disease threats, educating the  
5           public regarding livestock disease threats, training  
6           persons to deal with such threats, and conducting  
7           related research.

8           “(37) PLANT GENE EXPRESSION.—Research  
9           and development grants may be made under this  
10          section for the purpose of plant gene expression re-  
11          search to accelerate the application of basic plant  
12          genomic science to the development and testing of  
13          new varieties of enhanced food crops, crops that can  
14          be used as renewable energy sources, and other al-  
15          ternative uses of agricultural crops.”.

16 **SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
17 **SION, AND TEACHING POLICY ACT OF 1977.**

18          (a) NATIONAL AGRICULTURAL RESEARCH, EXTEN-  
19          SION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—  
20          Section 1408 of the National Agricultural Research, Ex-  
21          tension, and Teaching Policy Act of 1977 (7 U.S.C. 3123)  
22          is amended—

23                  (1) in subsection (b)(3)—

1 (A) by redesignating subparagraphs (R)  
2 through (DD) as subparagraphs (S) through  
3 (EE), respectively; and

4 (B) by inserting after subparagraph (Q)  
5 the following new subparagraph:

6 “(R) 1 member representing a nonland  
7 grant college or university with a historic com-  
8 mitment to research in the food and agricul-  
9 tural sciences.”;

10 (2) in subsection (c)(1), by striking “and land-  
11 grant colleges and universities” and inserting “,  
12 land-grant colleges and universities, and the Com-  
13 mittee on Agriculture of the House of Representa-  
14 tives, the Committee on Agriculture, Nutrition, and  
15 Forestry of the Senate, the Subcommittee on Agri-  
16 culture, Rural Development, Food and Drug Admin-  
17 istration and Related Agencies of the Committee on  
18 Appropriations of the House of Representatives, and  
19 the Subcommittee on Agriculture, Rural Develop-  
20 ment and Related Agencies of the Committee on Ap-  
21 propriations of the Senate”;

22 (3) in subsection (d)(1), inserting “consult with  
23 any appropriate agencies of the Department of Agri-  
24 culture and” after “the Advisory Board shall”; and

1           (4) in subsection (b)(1), by striking “30 mem-  
2       bers” and inserting “31 members”.

3       (b) GRANTS FOR RESEARCH ON PRODUCTION AND  
4       MARKETING OF ALCOHOLS AND INDUSTRIAL HYDRO-  
5       CARBONS FROM AGRICULTURAL COMMODITIES AND FOR-  
6       EST PRODUCTS.—Section 1419 of the National Agricul-  
7       tural Research, Extension, and Teaching Policy Act of  
8       1977 (7 U.S.C. 3154) is amended—

9           (1) in subsection (a)(2), by inserting “and ani-  
10       mal fats and oils” after “industrial oilseed crops”;  
11       and

12          (2) in subsection (a)(4), by inserting “or  
13       triglycerides” after “other industrial hydrocarbons”.

14       (c) FAS OVERSEAS INTERN PROGRAM.—Section  
15       1458(a) of the National Agricultural Research, Extension,  
16       and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is  
17       amended—

18          (1) by striking “and” at the end of paragraph  
19       (8);

20          (2) by striking the period at the end of para-  
21       graph (9) and inserting “; and”; and

22          (3) by adding at the end the following new  
23       paragraph:

24               “(10) establish a program, to be coordinated by  
25       the Cooperative State Research, Education, and Ex-

1       tension Service and the Foreign Agricultural Service,  
2       to place interns from United States colleges and uni-  
3       versities at Foreign Agricultural Service field offices  
4       overseas.”.

5       **SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.**

6       Title III of the Agricultural Risk Protection Act of  
7       2000 (7 U.S.C. 7624 note) is amended—

8               (1) in section 302(3), by inserting “or bio-  
9       diesel” after “such as ethanol”;

10              (2) in section 303(3), by inserting “animal by-  
11       products,” after “fibers,”; and

12              (3) in section 306(b)(1)—

13                   (A) by redesignating subparagraphs (E)  
14       through (J) as subparagraphs (F) through (K),  
15       respectively; and

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

18                   “(E) an individual affiliated with a live-  
19       stock trade association;”.

20       **SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.**

21       Section 1668 of the Food, Agriculture, Conservation,  
22       and Trade Act of 1990 (7 U.S.C. 5921) is amended to  
23       read as follows:

1 **“SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RE-**  
2 **SEARCH.**

3 “(a) PURPOSE.—It is the purpose of this section—

4 “(1) to authorize and support environmental as-  
5 sessment research to help identify and analyze envi-  
6 ronmental effects of biotechnology; and

7 “(2) to authorize research to help regulators de-  
8 velop long-term policies concerning the introduction  
9 of such technology.

10 “(b) GRANT PROGRAM.— The Secretary of Agri-  
11 culture shall establish a grant program within the Cooper-  
12 ative State Research, Education, and Extension Service  
13 and the Agricultural Research Service to provide the nec-  
14 essary funding for environmental assessment research  
15 concerning the introduction of genetically engineered  
16 plants and animals into the environment.

17 “(c) TYPES OF RESEARCH.— Types of research for  
18 which grants may be made under this section shall include  
19 the following:

20 “(1) Research designed to identify and develop  
21 appropriate management practices to minimize phys-  
22 ical and biological risks associated with genetically  
23 engineered animals and plants once they are intro-  
24 duced into the environment.

1           “(2) Research designed to develop methods to  
2           monitor the dispersal of genetically engineered ani-  
3           mals and plants.

4           “(3) Research designed to further existing  
5           knowledge with respect to the characteristics, rates  
6           and methods of gene transfer that may occur be-  
7           tween genetically engineered plants and animals and  
8           related wild and agricultural organisms.

9           “(4) Environmental assessment research de-  
10          signed to provide analysis, which compares the re-  
11          lative impacts of plants and animals modified  
12          through genetic engineering to other types of pro-  
13          duction systems.

14          “(5) Other areas of research designed to fur-  
15          ther the purposes of this section.

16          “(d) ELIGIBILITY REQUIREMENTS.—Grants under  
17 this section shall be—

18               “(1) made on the basis of the quality of the  
19               proposed research project; and

20               “(2) available to any public or private research  
21               or educational institution or organization.

22          “(e) CONSULTATION.— In considering specific areas  
23 of research for funding under this section, the Secretary  
24 of Agriculture shall consult with the Administrator of the  
25 Animal and Plant Health Inspection Service and the Na-

1 tional Agricultural Research, Extension, Education, and  
2 Economics Advisory Board.

3 “(f) PROGRAM COORDINATION.— The Secretary of  
4 Agriculture shall coordinate research funded under this  
5 section with the Office of Research and Development of  
6 the Environmental Protection Agency in order to avoid du-  
7 plication of research activities.

8 “(g) AUTHORIZATION OF APPROPRIATIONS.—

9 “(1) IN GENERAL.— There are authorized to be  
10 appropriated such sums as necessary to carry out  
11 this section.

12 “(2) WITHHOLDINGS FROM BIOTECHNOLOGY  
13 OUTLAYS.—The Secretary of Agriculture shall with-  
14 hold from outlays of the Department of Agriculture  
15 for research on biotechnology, as defined and deter-  
16 mined by the Secretary, at least one percent of such  
17 amount for the purpose of making grants under this  
18 section for research on biotechnology risk assess-  
19 ment. Except that, funding from this authorization  
20 should be collected and applied to the maximum ex-  
21 tent practicable to risk assessment research on all  
22 categories identified as biotechnology by the Sec-  
23 retary.”.

1 **SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RE-**  
2 **SEARCH GRANTS.**

3 Section 2(a) of the Competitive, Special, and Facili-  
4 ties Research Grant Act (7 U.S.C. 450i(a)) is amended  
5 by adding at the end the following new paragraph:

6 “(3) DETERMINATION OF HIGH PRIORITY RE-  
7 SEARCH.—Research priorities shall be determined by  
8 the Secretary on an annual basis, taking into ac-  
9 count input as gathered by the Secretary through  
10 the National Agricultural Research, Extension, Edu-  
11 cation, and Economics Advisory Board.”.

12 **SEC. 749. MATCHING FUNDS REQUIREMENT FOR RE-**  
13 **SEARCH AND EXTENSION ACTIVITIES OF 1890**  
14 **INSTITUTIONS.**

15 Section 1449 of the National Agricultural Research,  
16 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
17 3222d) is amended—

18 (1) by amending subsection (c) to read as fol-  
19 lows:

20 “(c) MATCHING FORMULA.—For each of fiscal years  
21 2003 through 2011, the State shall provide matching  
22 funds from non-Federal sources. Such matching funds  
23 shall be for an amount equal to not less than 60 percent  
24 of the formula funds to be distributed to the eligible insti-  
25 tution, and shall increase by 10 percent each fiscal year  
26 thereafter until fiscal year 2007.”; and

1           (2) by amending subsection (d) to read as fol-  
2           lows:

3           “(d) WAIVER AUTHORITY.—Notwithstanding sub-  
4           section (f), the Secretary may waive the matching funds  
5           requirement under subsection (c) above the 50 percent  
6           level for fiscal years 2003 through 2011 for an eligible  
7           institution of a State if the Secretary determines that the  
8           State will be unlikely to satisfy the matching require-  
9           ment.”.

10 **SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RE-**  
11 **SEARCH AND EXTENSION ACTIVITIES FOR**  
12 **THE UNITED STATES TERRITORIES.**

13           (a) RESEARCH MATCHING REQUIREMENT.—Section  
14           3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4))  
15           is amended by striking “the same matching funds” and  
16           all that follows through the end of the sentence and insert-  
17           ing “matching funds requirements from non-Federal  
18           sources for fiscal years 2003 through 2011 in an amount  
19           equal to not less than 50 percent of the formula funds  
20           to be distributed to the Territory. The Secretary may  
21           waive the matching funds requirements for a Territory for  
22           any of the fiscal years 2003 through 2011 if the Secretary  
23           determines that the Territory will be unlikely to satisfy  
24           the matching funds requirement for that fiscal year.”.

1 (b) EXTENSION MATCHING REQUIREMENT.—Section  
2 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is  
3 amended by striking “the same matching funds” and all  
4 that follows through the end of the sentence and inserting  
5 “matching funds requirements from non-Federal sources  
6 for fiscal years 2003 through 2011 in an amount equal  
7 to not less than 50 percent of the formula funds to be  
8 distributed to the Territory. The Secretary may waive the  
9 matching funds requirements for a Territory for any of  
10 the fiscal years 2003 through 2011 if the Secretary deter-  
11 mines that the Territory will be unlikely to satisfy the  
12 matching funds requirement for that fiscal year.”.

13 **SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND**  
14 **FOOD SYSTEMS.**

15 (a) FUNDING.—Section 401(b)(1) of the Agricultural  
16 Research, Extension, and Education Reform Act of 1998  
17 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

18 “(1) IN GENERAL.—

19 “(A) TOTAL AMOUNT TO BE TRANS-  
20 FERRED.—On October 1, 2003, and each Octo-  
21 ber 1 thereafter through September 30, 2011,  
22 the Secretary of Agriculture shall deposit funds  
23 of the Commodity Credit Corporation into the  
24 Account. The total amount of Commodity Cred-  
25 it Corporation funds deposited into the Account

1 under this subparagraph shall equal  
2 \$1,160,000,000.

3 “(B) EQUAL AMOUNTS.—To the maximum  
4 extent practicable, the amounts deposited into  
5 the Account pursuant to subparagraph (A) shall  
6 be deposited in equal amounts for each fiscal  
7 year.

8 “(C) AVAILABILITY OF FUNDS.—Amounts  
9 deposited into the Account pursuant to sub-  
10 paragraph (A) shall remain available until ex-  
11 pended.”.

12 (b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of  
13 the Agricultural Research, Extension, and Education Re-  
14 form Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to  
15 read as follows:

16 “(6) AVAILABILITY OF FUNDS.—Funds made  
17 available under this section to the Secretary prior to  
18 October 1, 2003, for grants under this section shall  
19 be available to the Secretary for a 2-year period.”.

20 **SEC. 751. CARBON CYCLE RESEARCH.**

21 Section 221 of the Agricultural Risk Protection Act  
22 of 2000 (Public Law 106–224; 114 Stat. 407) is  
23 amended—

24 (1) in subsection (a), by striking “Of the  
25 amount” and all that follows through “to provide”

1 and inserting “To the extent funds are made avail-  
2 able for this purpose, the Secretary shall provide”;

3 (2) in subsection (d), by striking “under sub-  
4 section (a)” and inserting “for this section”; and

5 (3) by adding at the end the following new sub-  
6 section:

7 “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
8 are authorized to be appropriated for fiscal years 2002  
9 through 2011 such sums as may be necessary to carry  
10 out this section.”

11 **SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL**  
12 **SCIENCES.**

13 Section 2(3) of the Research Facilities Act (7 U.S.C.  
14 390(2)(3)) is amended to read as follows:

15 “(3) FOOD AND AGRICULTURAL SCIENCES.—  
16 The term ‘food and agricultural sciences’ has the  
17 meaning given that term in section 1404(8) of the  
18 National Agricultural Research, Extension, and  
19 Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).”

20 **SEC. 753. FEDERAL EXTENSION SERVICE.**

21 Section 3(b)(3) of the Smith-Lever Act (7 U.S.C.  
22 343(b)(3)) is amended by striking “\$5,000,000” and in-  
23 serting “such sums as are necessary”.

1 **SEC. 754. POLICY RESEARCH CENTERS.**

2 Section 1419A(c)(3) of the National Agricultural Re-  
3 search, Extension, and Teaching Policy Act of 1977 (7  
4 U.S.C. 3155(c)(3)) is amended by striking “collect and  
5 analyze data” and inserting “collect, analyze, and dissemi-  
6 nate data”.

7 **Subtitle C—Related Matters**

8 **SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COL-  
9 LEGES IN UNITED STATES TERRITORIES.**

10 (a) **PURPOSE.**—It is the purpose of this section to  
11 promote and strengthen higher education in the food and  
12 agricultural sciences at agricultural and mechanical col-  
13 leges located in the Commonwealth of Puerto Rico, the  
14 Virgin Islands of the United States, Guam, American  
15 Samoa, the Commonwealth of the Northern Mariana Is-  
16 lands, the Federated States of Micronesia, the Republic  
17 of the Marshall Islands, or the Republic of Palau (herein-  
18 after referred to in this section as “eligible institutions”)  
19 by formulating and administering programs to enhance  
20 teaching programs in agriculture, natural resources, for-  
21 estry, veterinary medicine, home economics, and dis-  
22 ciplines closely allied to the food and agriculture produc-  
23 tion and delivery system.

24 (b) **GRANTS.**—The Secretary of Agriculture shall  
25 make competitive grants to those eligible institutions hav-

1 ing a demonstrable capacity to carry out the teaching of  
2 food and agricultural sciences.

3 (c) USE OF GRANT FUNDS.—Grants made under  
4 subsection (b) shall be used to—

5 (1) strengthen institutional educational capac-  
6 ities, including libraries, curriculum, faculty, sci-  
7 entific instrumentation, instruction delivery systems,  
8 and student recruitment and retention, in order to  
9 respond to identified State, regional, national, or  
10 international education needs in the food and agri-  
11 cultural sciences;

12 (2) attract and support undergraduate and  
13 graduate students in order to educate them in iden-  
14 tified areas of national need to the food and agri-  
15 culture sciences;

16 (3) facilitate cooperative initiatives between two  
17 or more eligible institutions or between eligible insti-  
18 tutions and units of State Government, organiza-  
19 tional in the private sector, to maximize the develop-  
20 ment and use of resources such as faculty, facilities,  
21 and equipment to improve food and agricultural  
22 sciences teaching programs; and

23 (4) conduct undergraduate scholarship pro-  
24 grams to assist in meeting national needs for train-  
25 ing food and agricultural scientists.

1 (d) GRANT REQUIREMENTS.—

2 (1) The Secretary of Agriculture shall ensure  
3 that each eligible institution, prior to receiving grant  
4 funds under subsection (b), shall have a significant  
5 demonstrable commitment to higher educations pro-  
6 grams in the food and agricultural sciences and to  
7 each specific subject area for which grant funds  
8 under this subsection are to be used.

9 (2) The Secretary of Agriculture may require  
10 that any grant awarded under this section contain  
11 provisions that require funds to be targeted to meet  
12 the needs identified in section 1402 of the National  
13 Agriculture Research, Extension, and Teaching Pol-  
14 icy Act of 1977.

15 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
16 are authorized to be appropriated such sums as are nec-  
17 essary for each of the fiscal years 2002 through 2011 to  
18 carry out this section.

19 **SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY**  
20 **AND RESULTING AUTHORITIES.**

21 (a) REVIEW OF PAYMENT OF COMPENSATION.—Sec-  
22 tion 415(e) of the Plant Protection Act (7 U.S.C. 7715(e))  
23 is amended by inserting before the final period the fol-  
24 lowing: “or review by any officer of the Government other  
25 than the Secretary or the designee of the Secretary”.

1 (b) REVIEW OF CERTAIN DECISIONS.—

2 (1) PLANT PROTECTION ACT.—Section 442 of  
3 the Plant Protection Act (7 U.S.C. 7772) is amend-  
4 ed by adding at the end following new subsection:

5 “(f) SECRETARIAL DISCRETION.—The action of any  
6 officer, employee, or agent of the Secretary in carrying  
7 out this section, including determining the amount of and  
8 making any payment authorized to be made under this  
9 section, shall not be subject to review by any officer of  
10 the Government other than the Secretary or the designee  
11 of the Secretary.”.

12 (2) OTHER PLANT AND ANIMAL PEST AND DIS-  
13 EASE LAWS.—Section 11 of the Act of May 29, 1884  
14 (21 U.S.C. 114a; commonly known as the “Animal  
15 Industry Act”) and the first section of the Act of  
16 September 25, 1981 (7 U.S.C. 147b), are each  
17 amended by adding at the end the following new  
18 sentence: “The action of any officer, employee, or  
19 agent of the Secretary in carrying out this section,  
20 including determining the amount of and making  
21 any payment authorized to be made under this sec-  
22 tion, shall not be subject to review by any officer of  
23 the Government other than the Secretary or the des-  
24 ignee of the Secretary.”.

1 (c) METHYL BROMIDE.—The Plant Protection Act (7  
2 U.S.C. 7701 et seq.) is amended by inserting after section  
3 418 the following new section:

4 **“SEC. 419. METHYL BROMIDE.**

5 “(a) IN GENERAL.—The Secretary, upon request of  
6 State, local, or tribal authorities, shall determine whether  
7 methyl bromide treatments or applications required by  
8 State, local, or tribal authorities to prevent the introduc-  
9 tion, establishment, or spread of plant pests (including  
10 diseases) or noxious weeds should be authorized as an offi-  
11 cial control or official requirement.

12 “(b) ADMINISTRATION.—

13 “(1) TIMELINE FOR DETERMINATION.—The  
14 Secretary shall make the determination required by  
15 subsection (a) not later than 90 days after receiving  
16 the request for such a determination.

17 “(2) REGULATIONS.—The promulgation of reg-  
18 ulations for and the administration of this section  
19 shall be made without regard to—

20 “(A) the notice and comment provisions of  
21 section 553 of title 5, United States Code;

22 “(B) the Statement of Policy of the Sec-  
23 retary of Agriculture, effective July 24, 1971  
24 (36 Fed. Reg. 13804; relating to notices of pro-

1 posed rulemaking and public participation in  
2 rulemaking); and

3 “(C) chapter 35 of title 44, United States  
4 Code (commonly known as the ‘Paperwork Re-  
5 duction Act’).

6 “(c) REGISTRY.—Not later than 180 days after the  
7 date of the enactment of this section, the Secretary shall  
8 publish, and thereafter maintain, a registry of State, local,  
9 and tribal requirements authorized by the Secretary under  
10 this section.”.

11 **Subtitle D—Repeal of Certain**  
12 **Activities and Authorities**

13 **SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE**  
14 **AND NATIONAL CONFERENCE.**

15 (a) REPEAL.—Subsections (b) and (c) of section 615  
16 of the Agricultural Research, Extension, and Education  
17 Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are re-  
18 pealed.

19 (b) CONFORMING AMENDMENTS.—

20 (1) GENERALLY.—Section 615 of such Act is  
21 amended—

22 (A) in the section heading, by striking  
23 “AND NATIONAL CONFERENCE”;

24 (B) by striking “(a) FOOD SAFETY RE-  
25 SEARCH INFORMATION OFFICE.—”;

1 (C) by redesignating paragraphs (1), (2),  
2 and (3) as subsections (a), (b), and (c), respec-  
3 tively, and moving the margins 2 ems to the  
4 left;

5 (D) in subsection (b) (as so redesignated),  
6 by redesignating subparagraphs (A) and (B) as  
7 paragraphs (1) and (2), respectively, and mov-  
8 ing the margins 2 ems to the left; and

9 (E) in subsection (c) (as so redesignated),  
10 by striking “this subsection” and inserting  
11 “this section”.

12 (2) TABLE OF SECTIONS.—The table of sections  
13 for such Act is amended by striking “and National  
14 Conference” in the item relating to section 615.

15 **SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP**  
16 **PROMOTION, RESEARCH, AND INFORMATION**  
17 **ACT OF 1994.**

18 Section 617 of the Agricultural Research, Extension,  
19 and Education Reform Act of 1998 (Public Law 105–185;  
20 112 Stat. 607) is repealed.

21 **SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.**

22 Section 1634 of the Food, Agriculture, Conservation,  
23 and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

1 **SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL**  
2 **WEATHER.**

3 (a) REPEAL.—Section 1639 of the Food, Agriculture,  
4 Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is  
5 repealed.

6 (b) CONFORMING AMENDMENT.—Section 1640(b) of  
7 the Food, Agriculture, Conservation, and Trade Act of  
8 1990 (7 U.S.C. 5854(b)) is amended by striking “take  
9 into” and all that follows through “Weather and”.

10 **SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH**  
11 **IRELAND.**

12 Section 1420 of the National Agricultural Research,  
13 Extension and Teaching Policy Act Amendments of 1985  
14 (Public Law 99–198; 99 Stat. 1551) is repealed.

15 **SEC. 776. PESTICIDE RESISTANCE STUDY.**

16 Section 1437 of the National Agricultural Research,  
17 Extension, and Teaching Policy Act Amendments of 1985  
18 (Public Law 99–198; 99 Stat. 1558) is repealed.

19 **SEC. 777. EXPANSION OF EDUCATION STUDY.**

20 Section 1438 of the National Agricultural Research,  
21 Extension, and Teaching Policy Act Amendments of 1985  
22 (Public Law 99–198; 99 Stat. 1559) is repealed.

23 **SEC. 778. SUPPORT FOR ADVISORY BOARD.**

24 (a) REPEAL.—Section 1412 of the National Agricul-  
25 tural Research, Extension, and Teaching Policy Act of  
26 1977 (7 U.S.C. 3127) is repealed.

1 (b) CONFORMING AMENDMENT.—Section 1413(e) of  
2 such Act (7 U.S.C. 3128(e)) is amended by striking “sec-  
3 tion 1412 of this title and”.

4 **SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR**  
5 **AGRICULTURAL RESEARCH FACILITIES.**

6 (a) REPEAL.—Section 4 of the Research Facilities  
7 Act (7 U.S.C. 390b) is repealed.

8 (b) CONFORMING AMENDMENT.—Section 2 of such  
9 Act (7 U.S.C. 390) is amended by striking paragraph (5).

10 **Subtitle E—Agriculture Facility**  
11 **Protection**

12 **SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRI-**  
13 **CULTURAL ENTERPRISES, RESEARCH FA-**  
14 **CILITIES, AND OTHER ENTITIES.**

15 (a) DEFINITIONS.—The Research Facilities Act (7  
16 U.S.C. 390 et seq.) is amended—

17 (1) by redesignating section 6 as section 7; and

18 (2) by inserting after section 5 the following

19 new section:

20 **“SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRI-**  
21 **CULTURAL ENTERPRISES, RESEARCH FACILI-**  
22 **TIES, AND OTHER ENTITIES AGAINST DISRUP-**  
23 **TION.**

24 “(a) DEFINITIONS.—For the purposes of this section,  
25 the following definitions apply:

1           “(1) ANIMAL OR AGRICULTURAL ENTER-  
2       PRISE.—The term ‘animal or agricultural enterprise’  
3       means any of the following:

4           “(A) A commercial, governmental, or aca-  
5       demic enterprise that uses animals, plants, or  
6       other biological materials for food or fiber pro-  
7       duction, breeding, processing, research, or test-  
8       ing.

9           “(B) A zoo, aquarium, circus, rodeo, or  
10      other entity that exhibits or uses animals,  
11      plants, or other biological materials for edu-  
12      cational or entertainment purposes.

13          “(C) A fair or similar event intended to  
14      advance agricultural arts and sciences.

15          “(D) A facility managed or occupied by an  
16      association, federation, foundation, council, or  
17      other group or entity of food or fiber producers,  
18      processors, or agricultural or biomedical re-  
19      searchers intended to advance agricultural or  
20      biomedical arts and sciences.

21          “(2) ECONOMIC DAMAGE.—The term ‘economic  
22      damage’ means the replacement of the following:

23          “(A) The cost of lost or damaged property  
24      (including all real and personal property) of an  
25      animal or agricultural enterprise.

1           “(B) The cost of repeating an interrupted  
2 or invalidated experiment.

3           “(C) The loss of revenue (including costs  
4 related to business recovery) directly related to  
5 the disruption of an animal or agricultural en-  
6 terprise.

7           “(D) The cost of the tuition and expenses  
8 of any student to complete an academic pro-  
9 gram that was disrupted, or to complete a re-  
10 placement program, when the tuition and ex-  
11 penses are incurred as a result of the damage  
12 or loss of the property of an animal or agricul-  
13 tural enterprise.

14           “(3) PROPERTY OF AN ANIMAL OR AGRICUL-  
15 TURAL ENTERPRISE.—The term ‘property of an ani-  
16 mal or agricultural enterprise’ means real and per-  
17 sonal property of or used by any of the following:

18           “(A) An animal or agricultural enterprise.

19           “(B) An employee of an animal or agricul-  
20 tural enterprise.

21           “(C) A student attending an academic ani-  
22 mal or agricultural enterprise.

23           “(4) DISRUPTION.—The term ‘disruption’ does  
24 not include any lawful disruption that results from  
25 lawful public, governmental, or animal or agricul-

1 tural enterprise employee reaction to the disclosure  
2 of information about an animal or agricultural en-  
3 terprise.

4 “(b) VIOLATION.—A person may not recklessly,  
5 knowingly, or intentionally cause, or contribute to, the dis-  
6 ruption of the functioning of an animal or agricultural en-  
7 terprise by damaging or causing the loss of any property  
8 of the animal or agricultural enterprise that results in eco-  
9 nomic damage, as determined by the Secretary.

10 “(c) ASSESSMENT OF CIVIL PENALTY.—

11 “(1) IN GENERAL.—The Secretary may impose  
12 on any person that the Secretary determines violates  
13 subsection (b) a civil penalty in an amount deter-  
14 mined under paragraphs (2) and (3). The civil pen-  
15 alty may be assessed only on the record after an op-  
16 portunity for a hearing.

17 “(2) RECOVERY OF DEPARTMENT COSTS.—The  
18 civil penalty assessed by the Secretary against a per-  
19 son for a violation of subsection (b) shall be not less  
20 than the total cost incurred by the Secretary for in-  
21 vestigation of the violation, conducting any hearing  
22 regarding the violation, and assessing the civil pen-  
23 alty.

24 “(3) RECOVERY OF ECONOMIC DAMAGE.—In  
25 addition to the amount determined under paragraph

1       (2), the amount of the civil penalty shall include an  
2       amount not less than the total cost (or, in the case  
3       of knowing or intentional disruption, not less than  
4       150 percent of the total cost) of the economic dam-  
5       age incurred by the animal or agricultural enter-  
6       prise, any employee of the animal or agricultural en-  
7       terprise, or any student attending an academic ani-  
8       mal or agricultural enterprise as a result of the  
9       damage or loss of the property of an animal or agri-  
10      cultural enterprise.

11      “(d) IDENTIFICATION.—The Secretary shall identify  
12      for each civil penalty assessed under subsection (c), the  
13      portion of the amount of the civil penalty that represents  
14      the recovery of Department costs and the portion that rep-  
15      resents the recovery of economic losses.

16      “(e) OTHER FACTORS IN DETERMINING PENALTY.—  
17      In determining the amount of a civil penalty under sub-  
18      section (c), the Secretary shall consider the following:

19              “(1) The nature, circumstance, extent, and  
20              gravity of the violation or violations.

21              “(2) The ability of the injured animal or agri-  
22              cultural enterprise to continue to operate, costs in-  
23              curred by the animal or agricultural enterprise to re-  
24              cover lost business, and the effect of the violation on

1 earnings of employees of the animal or agricultural  
2 enterprise.

3 “(3) The interruptions experienced by students  
4 attending an academic animal or agricultural enter-  
5 prise.

6 “(4) Whether the violator has previously vio-  
7 lated subsection (a).

8 “(5) The violator’s degree of culpability.

9 “(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

10 “(1) FUND ESTABLISHED.—There is estab-  
11 lished in the Treasury a fund which shall consist of  
12 that portion of each civil penalty collected under  
13 subsection (c) that represents the recovery of eco-  
14 nomic damages.

15 “(2) USE OF AMOUNTS IN FUND.—The Sec-  
16 retary of Agriculture shall use amounts in the fund  
17 to compensate animal or agricultural enterprises,  
18 employees of an animal or agricultural enterprise,  
19 and student attending an academic animal or agri-  
20 cultural enterprise for economic losses incurred as a  
21 result of the disruption of the functioning of an ani-  
22 mal or agricultural enterprise in violation of sub-  
23 section (b).”.

1                   **TITLE VIII—FORESTRY**  
2                                   **INITIATIVES**

3   **SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM**  
4                                   **AND STEWARDSHIP INCENTIVE PROGRAM.**

5           The Cooperative Forestry Assistance Act of 1978 is  
6 amended by striking section 4 (16 U.S.C. 2103) and sec-  
7 tion 6 (16 U.S.C. 2103b).

8   **SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCE-**  
9                                   **MENT PROGRAM.**

10           (a) FINDINGS.—Congress finds the following:

11                   (1) There is a growing dependence on private  
12 nonindustrial forest lands to supply the necessary  
13 market commodities and nonmarket values, such as  
14 habitat for fish and wildlife, aesthetics, outdoor  
15 recreation opportunities, and other forest resources,  
16 required by a growing population.

17                   (2) There is a strong demand for expanded as-  
18 sistance programs for owners of nonindustrial pri-  
19 vate forest land since the majority of the wood sup-  
20 ply of the United States comes from nonindustrial  
21 private forest land.

22                   (3) The soil, carbon stores, water and air qual-  
23 ity of the United States can be maintained and im-  
24 proved through good stewardship of nonindustrial  
25 private forest lands.

1           (4) The products and services resulting from  
2           stewardship of nonindustrial private forest lands  
3           provide income and employment that contribute to  
4           the economic health and diversity of rural commu-  
5           nities.

6           (5) Wildfires threaten human lives, property,  
7           forests, and other resources, and Federal and State  
8           cooperation in forest fire prevention and control has  
9           proven effective and valuable, in that properly man-  
10          aged forest stands are less susceptible to cata-  
11          strophic fire, as dramatized by the catastrophic fire  
12          seasons of 1998 and 2000.

13          (6) Owners of private nonindustrial forest lands  
14          are being faced with increased pressure to convert  
15          their forestland to development and other uses.

16          (7) Complex, long-rotation forest investments,  
17          including sustainable hardwood management, are  
18          often the most difficult commitment for small, non-  
19          industrial private forest landowners and, thus,  
20          should receive equal consideration under cost-share  
21          programs.

22          (8) The investment of one Federal dollar in  
23          State and private forestry programs is estimated to  
24          leverage \$9 on average from State, local, and private  
25          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 sustain-  
5 able forest program for the establishment, management,  
6 maintenance, enhancement, and restoration of forests on  
7 nonindustrial private forest lands in the United States.

8 (c) FOREST LAND ENHANCEMENT PROGRAM.—The  
9 Cooperative Forestry Assistance Act of 1978 is amended  
10 by inserting after section 3 (16 U.S.C. 2102) the following  
11 new section 4:

12 **“SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.**

13 “(a) ESTABLISHMENT.—

14 “(1) ESTABLISHMENT; PURPOSE.—The Sec-  
15 retary shall establish a Forest Land Enhancement  
16 Program (in this section referred to as the ‘Pro-  
17 gram’) for the purpose of providing financial, tech-  
18 nical, educational, and related assistance to State  
19 foresters to encourage the long-term sustainability of  
20 nonindustrial private forest lands in the United  
21 States by assisting the owners of such lands in more  
22 actively managing their forest and related resources  
23 by utilizing existing State, Federal, and private sec-  
24 tor resource management expertise, financial assist-  
25 ance, and educational programs.

1           “(2) ADMINISTRATION.—The Secretary shall  
2           carry out the Program within, and administer the  
3           Program through, the Natural Resources Conserva-  
4           tion Service.

5           “(3) COORDINATION.—The Secretary shall im-  
6           plement 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  
10          the following objectives:

11           “(1) Investment in practices to establish, re-  
12           store, protect, manage, maintain, and enhance the  
13           health and productivity of the nonindustrial private  
14           forest lands in the United States for timber, habitat  
15           for 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 seed-  
19           ling growth and survival, and growth enhancement  
20           practices occur where needed to enhance and sustain  
21           the long-term productivity of timber and nontimber  
22           forest resources to help meet future public demand  
23           for all forest resources and provide environmental  
24           benefits.

1           “(3) Reduce the risks and help restore, recover,  
2           and mitigate the damage to forests caused by fire,  
3           insects, invasive species, disease, and damaging  
4           weather.

5           “(4) Increase and enhance carbon sequestration  
6           opportunities.

7           “(5) Enhance implementation of agroforestry  
8           practices.

9           “(6) Maintain and enhance the forest landbase  
10          and leverage State and local financial and technical  
11          assistance to owners that promote the same con-  
12          servation and environmental values.

13          “(c) ELIGIBILITY.—

14                 “(1) IN GENERAL.—An owner of nonindustrial  
15                 private forest land is eligible for cost-sharing assist-  
16                 ance under the Program if the owner—

17                         “(A) agrees to develop and implement an  
18                         individual stewardship, forest, or stand manage-  
19                         ment plan addressing site specific activities and  
20                         practices in cooperation with, and approved by,  
21                         the State forester, state official, or private sec-  
22                         tor program in consultation with the State for-  
23                         ester;

24                         “(B) agrees to implement approved activi-  
25                         ties in accordance with the plan for a period of

1 not less than 10 years, unless the State forester  
2 approves a modification to such plan; and

3 “(C) meets the acreage restrictions as de-  
4 termined by the State forester in conjunction  
5 with the State Forest Stewardship Coordinating  
6 Committee established under section 19.

7 “(2) STATE PRIORITIES.—The Secretary, in  
8 consultation with the State forester and the State  
9 Forest Stewardship Coordinating Committee may  
10 develop State priorities for cost sharing under the  
11 Program that will promote forest management objec-  
12 tives in that State.

13 “(3) DEVELOPMENT OF PLAN.—An owner shall  
14 be eligible for cost-share assistance for the develop-  
15 ment of the individual stewardship, forest, or stand  
16 management plan required by paragraph (1).

17 “(d) APPROVED ACTIVITIES.—

18 “(1) DEVELOPMENT.—The Secretary, in con-  
19 sultation with the State forester and the State For-  
20 est Stewardship Coordinating Committee, shall de-  
21 velop a list of approved forest activities and prac-  
22 tices that will be eligible for cost-share assistance  
23 under the Program within each State.

24 “(2) TYPE OF ACTIVITIES.—In developing a list  
25 of approved activities and practices under paragraph

1 (1), the Secretary shall attempt to achieve the estab-  
2 lishment, restoration, management, maintenance,  
3 and enhancement of forests and trees for the fol-  
4 lowing:

5 “(A) The sustainable growth and manage-  
6 ment of forests for timber production.

7 “(B) The restoration, use, and enhance-  
8 ment of forest wetlands and riparian areas.

9 “(C) The protection of water quality and  
10 watersheds through the application of State-de-  
11 veloped forestry best management practices.

12 “(D) Energy conservation and carbon se-  
13 questration purposes.

14 “(E) Habitat for flora and fauna.

15 “(F) The control, detection, and moni-  
16 toring of invasive species on forestlands as well  
17 as preventing the spread and providing for the  
18 restoration of lands affected by invasive species.

19 “(G) Hazardous fuels reduction and other  
20 management activities that reduce the risks and  
21 help restore, recover, and mitigate the damage  
22 to forests caused by fire.

23 “(H) The development of forest or stand  
24 management plans.

1           “(I) Other activities approved by the Sec-  
2           retary, in coordination with the State forester  
3           and the State Forest Stewardship Coordinating  
4           Committee.

5           “(e) COOPERATION.—In implementing the Program,  
6           the Secretary shall cooperate with other Federal, State,  
7           and local natural resource management agencies, institu-  
8           tions of higher education, and the private sector.

9           “(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

10           “(1) IN GENERAL.—The Secretary shall share  
11           the cost of implementing the approved activities that  
12           the Secretary determines are appropriate, in the  
13           case of an owner that has entered into an agreement  
14           to place nonindustrial private forest lands of the  
15           owner in the Program.

16           “(2) RATE.—The Secretary shall determine the  
17           appropriate reimbursement rate for cost-share pay-  
18           ments under paragraph (1) and the schedule for  
19           making such payments.

20           “(3) MAXIMUM.—The Secretary shall not make  
21           cost-share payments under this subsection to an  
22           owner in an amount in excess of 75 percent of the  
23           total cost, or a lower percentage as determined by  
24           the State forester, to such owner for implementing  
25           the practices under an approved plan. The maximum

1 payments to any one owner shall be determined by  
2 the Secretary.

3 “(4) CONSULTATION.—The Secretary shall  
4 make determinations under this subsection in con-  
5 sultation with the State forester.

6 “(g) RECAPTURE.—

7 “(1) IN GENERAL.—The Secretary shall estab-  
8 lish and implement a mechanism to recapture pay-  
9 ments made to an owner in the event that the owner  
10 fails to implement any approved activity specified in  
11 the individual stewardship, forest, or stand manage-  
12 ment plan for which such owner received cost-share  
13 payments.

14 “(2) ADDITIONAL REMEDY.—The remedy pro-  
15 vided in paragraph (1) is in addition to any other  
16 remedy available to the Secretary.

17 “(h) DISTRIBUTION.—The Secretary shall distribute  
18 funds available for cost sharing under the Program among  
19 the States only after giving appropriate consideration to—

20 “(1) the total acreage of nonindustrial private  
21 forest land in each State;

22 “(2) the potential productivity of such land;

23 “(3) the number of owners eligible for cost  
24 sharing in each State;

1           “(4) the opportunities to enhance non-timber  
2 resources on such forest lands;

3           “(5) the anticipated demand for timber and  
4 nontimber resources in each State;

5           “(6) the need to improve forest health to mini-  
6 mize the damaging effects of catastrophic fire, in-  
7 sects, disease, or weather; and

8           “(7) the need and demand for agroforestry  
9 practices in each State.

10          “(i) DEFINITIONS.—In this section:

11           “(1) NONINDUSTRIAL PRIVATE FOREST  
12 LANDS.—The term ‘nonindustrial private forest  
13 lands’ means rural lands, as determined by the Sec-  
14 retary, that—

15                   “(A) have existing tree cover or are suit-  
16 able for growing trees; and

17                   “(B) are owned or controlled by any non-  
18 industrial private individual, group, association,  
19 corporation, Indian tribe, or other private legal  
20 entity (other than a nonprofit private legal enti-  
21 ty) so long as the individual, group, association,  
22 corporation, tribe, or entity has definitive deci-  
23 sion-making authority over the lands, including  
24 through long-term leases and other land tenure

1 systems, for a period of time long enough to en-  
2 sure compliance with the Program.

3 “(2) OWNER.—The term ‘owner’ includes a pri-  
4 vate individual, group, association, corporation, In-  
5 dian tribe, or other private legal entity (other than  
6 a nonprofit private legal entity) that has definitive  
7 decision-making authority over nonindustrial private  
8 forest lands through a long-term lease or other land  
9 tenure systems.

10 “(3) SECRETARY.—The term ‘Secretary’ means  
11 the Secretary of Agriculture.

12 “(4) STATE FORESTER.—The term ‘State for-  
13 ester’ means the director or other head of a State  
14 Forestry Agency or equivalent State official.

15 “(j) AVAILABILITY OF FUNDS.—The Secretary shall  
16 use \$200,000,000 of funds of the Commodity Credit Cor-  
17 poration to carry out the Program during the period be-  
18 ginning on October 1, 2001, and ending on September 30,  
19 2011.”.

20 (d) CONFORMING AMENDMENT.—Section 246(b)(2)  
21 of the Department of Agriculture Reorganization Act of  
22 1994 (7 U.S.C. 6962(b)(2)) is amended by striking “for-  
23 estry incentive program” and inserting “Forest Land En-  
24 hancement Program”.

1 **SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

2 (a) **EXTENSION AND AUTHORIZATION INCREASE.**—

3 Section 6 of the Renewable Resources Extension Act of  
4 1978 (16 U.S.C. 1675) is amended—

5 (1) by striking “\$15,000,000” and inserting  
6 “\$30,000,000”; and

7 (2) by striking “2002” and inserting “2011”.

8 (b) **SUSTAINABLE FORESTRY OUTREACH INITIA-**  
9 **TIVE.**—The Renewable Resources Extension Act of 1978  
10 is amended by inserting after section 5A (16 U.S.C.  
11 1674a) the following new section:

12 **“SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.**

13 “The Secretary shall establish a program to be known  
14 as the ‘Sustainable Forestry Outreach Initiative’ for the  
15 purpose of educating landowners regarding the following:

16 “(1) The value and benefits of practicing sus-  
17 tainable forestry.

18 “(2) The importance of professional forestry  
19 advice in achieving their sustainable forestry objec-  
20 tives.

21 “(3) The variety of public and private sector re-  
22 sources available to assist them in planning for and  
23 practicing sustainable forestry.”.

24 **SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.**

25 (a) **FINDINGS.**—Congress finds the following:

1           (1) The severity and intensity of wildland fires  
2 has increased dramatically over the past few decades  
3 as a result of past fire and land management poli-  
4 cies.

5           (2) The record 2000 fire season is a prime ex-  
6 ample of what can be expected if action is not taken.

7           (3) These wildfires threaten not only the na-  
8 tion's forested resources, but the thousands of com-  
9 munities intermingled with the wildlands in the  
10 wildland-urban interface.

11           (4) The National Fire Plan developed in re-  
12 sponse to the 2000 fire season is the proper, coordi-  
13 nated, and most effective means to address this wild-  
14 fire issue.

15           (5) Whereas adequate authorities exist to tackle  
16 the wildfire issues at the landscape level on Federal  
17 lands, there is limited authority to take action on  
18 most private lands where the largest threat to life  
19 and property lies.

20           (6) There is a significant Federal interest in en-  
21 hancing community protection from wildfire.

22           (b) ENHANCED PROTECTION.—The Cooperative For-  
23 estry Assistance Act of 1978 is amended by inserting after  
24 section 10 (16 U.S.C. 2106) the following new section:

1 **“SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.**

2       “(a) COOPERATIVE MANAGEMENT RELATED TO  
3 WILDFIRE THREATS.—The Secretary may cooperate with  
4 State foresters and equivalent State officials in the man-  
5 agement of lands in the United States for the following  
6 purposes:

7           “(1) Aid in wildfire prevention and control.

8           “(2) Protect communities from wildfire threats.

9           “(3) Enhance the growth and maintenance of  
10 trees and forests that promote overall forest health.

11          “(4) Ensure the continued production of all for-  
12 est resources, including timber, outdoor recreation  
13 opportunities, wildlife habitat, and clean water,  
14 through conservation of forest cover on watersheds,  
15 shelterbelts, and windbreaks.

16       “(b) COMMUNITY AND PRIVATE LAND FIRE ASSIST-  
17 ANCE PROGRAM.—

18           “(1) ESTABLISHMENT; PURPOSE.—The Sec-  
19 retary shall establish a Community and Private  
20 Land Fire Assistance program (in this section re-  
21 ferred to as the ‘Program’)—

22           “(A) to focus the Federal role in pro-  
23 moting optimal firefighting efficiency at the  
24 Federal, State, and local levels;

25           “(B) to augment Federal projects that es-  
26 tablish landscape level protection from wildfires;

1           “(C) to expand outreach and education  
2           programs to homeowners and communities  
3           about fire prevention; and

4           “(D) to establish defensible space around  
5           private landowners homes and property against  
6           wildfires.

7           “(2) ADMINISTRATION AND IMPLEMENTA-  
8           TION.—The Program shall be administered by the  
9           Forest Service and implemented through the State  
10          forester or equivalent State official.

11          “(3) COMPONENTS.—In coordination with exist-  
12          ing authorities under this Act, the Secretary may  
13          undertake on both Federal and non-Federal lands—

14               “(A) fuel hazard mitigation and preven-  
15               tion;

16               “(B) invasive species management;

17               “(C) multi-resource wildfire planning;

18               “(D) community protection planning;

19               “(E) community and landowner education  
20          enterprises, including the program known as  
21          FIREWISE;

22               “(F) market development and expansion;

23               “(G) improved wood utilization;

24               “(H) special restoration projects.

1           “(4) CONSIDERATIONS.—The Secretary shall  
2           use local contract personnel wherever possible to  
3           carry out projects under the Program.

4           “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
5           are hereby authorized to be appropriated to the Secretary  
6           \$35,000,000 for each of fiscal years 2002 through 2011,  
7           and such sums as may be necessary thereafter, to carry  
8           out this section.”.

9           **SEC. 805. INTERNATIONAL FORESTRY PROGRAM.**

10           Section 2405(d) of the Global Climate Change Pre-  
11           vention Act of 1990 (title XXIV of Public Law 101–624;  
12           7 U.S.C. 6704(d)) is amended by striking “2002” and in-  
13           serting “2011”.

14           **SEC. 806. LONG-TERM FOREST STEWARDSHIP CONTRACTS**  
15                                   **FOR HAZARDOUS FUELS REMOVAL AND IM-**  
16                                   **PLEMENTATION OF NATIONAL FIRE PLAN.**

17           (a) ANNUAL ASSESSMENT OF TREATMENT ACRE-  
18           AGE.—Not later than March 1 of each of fiscal years 2002  
19           through 2006, the Secretary of Agriculture shall submit  
20           to Congress an assessment of the number of acres of for-  
21           ested National Forest System lands recommended to be  
22           treated during the next fiscal year using stewardship end  
23           result contracts authorized by subsection (c). The assess-  
24           ment shall be based on the treatment schedules contained  
25           in the report entitled “Protecting People and Sustaining

1 Resources in Fire-Adapted Ecosystems”, dated October  
2 13, 2000, and incorporated into the National Fire Plan.  
3 The assessment shall identify the acreage by condition  
4 class, type of treatment, and treatment year to achieve  
5 the restoration goals outlined in the report within 10-, 15-  
6 , and 20-year time periods. The assessment shall also in-  
7 clude changes in the restoration goals based on the effects  
8 of fire, hazardous fuel treatments pursuant to the Na-  
9 tional Fire Plan, or updates in data.

10 (b) FUNDING RECOMMENDATION.—The Secretary of  
11 Agriculture shall include in the annual assessment a re-  
12 quest for funds sufficient to implement the recommenda-  
13 tions contained in the assessment using stewardship end  
14 result contracts under subsection (c) when the Secretary  
15 determines that the objectives of the National Fire Plan  
16 are best accomplished through forest stewardship end re-  
17 sult contracting.

18 (c) STEWARDSHIP END RESULT CONTRACTING.—

19 (1) AUTHORITY.—Subject to the amount of  
20 funds made available pursuant to subsection (b), the  
21 Secretary of Agriculture may enter into stewardship  
22 end result contracts to implement the National Fire  
23 Plan on National Forest System lands based upon  
24 the stewardship treatment schedules provided in the  
25 annual assessments under subsection (a). The con-

1       tracting goals and authorities described in sub-  
2       sections (b) through (f) of section 347 of the De-  
3       partment of the Interior and Related Agencies Ap-  
4       propriations Act, 1999 (as contained in section  
5       101(e) of division A of Public Law 105-277; 16  
6       U.S.C. 2104 note; commonly known as the Steward-  
7       ship End Result Contracting Demonstration Project)  
8       shall apply to contracts entered into under this sub-  
9       section, except that the period of the contract shall  
10      be 10 years.

11           (2) DURATION.—The authority of the Secretary  
12      of Agriculture to enter into contracts under this sub-  
13      section expires September 30, 2007.

14           (d) STATUS REPORT.—Beginning with the assess-  
15      ment required under subsection (a) in 2003, the Secretary  
16      of Agriculture shall include in the annual assessment a  
17      status report of the stewardship end result contracts en-  
18      tered into under the authority of this section.

19      **SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RE-**  
20   **SEARCH PROGRAM.**

21           It is the sense of Congress to reaffirm the importance  
22      of Public Law 87-88 (16 U.S.C. 582a et seq.), commonly  
23      known as the McIntire-Stennis Cooperative Forestry Act.

1       **TITLE IX—MISCELLANEOUS**  
2                   **PROVISIONS**  
3           **Subtitle A—Tree Assistance**  
4                   **Program**

5       **SEC. 901. ELIGIBILITY.**

6       (a) **LOSS.**—Subject to the limitation in subsection  
7 (b), the Secretary of Agriculture shall provide assistance,  
8 as specified in section 902, to eligible orchardists that  
9 planted trees for commercial purposes but lost such trees  
10 as a result of a natural disaster, as determined by the  
11 Secretary.

12       (b) **LIMITATION.**—An eligible orchardist shall qualify  
13 for assistance under subsection (a) only if such orchard-  
14 ist's tree mortality, as a result of the natural disaster, ex-  
15 ceeds 15 percent (adjusted for normal mortality).

16       **SEC. 902. ASSISTANCE.**

17       The assistance provided by the Secretary of Agri-  
18 culture to eligible orchardists for losses described in sec-  
19 tion 901 shall consist of either—

20           (1) reimbursement of 75 percent of the cost of  
21 replanting trees lost due to a natural disaster, as de-  
22 termined by the Secretary, in excess of 15 percent  
23 mortality (adjusted for normal mortality); or

24           (2) at the discretion of the Secretary, sufficient  
25 seedlings to reestablish the stand.

1 **SEC. 903. LIMITATION ON ASSISTANCE.**

2 (a) LIMITATION.—The total amount of payments  
3 that a person shall be entitled to receive under this subtitle  
4 may not exceed \$50,000, or an equivalent value in tree  
5 seedlings.

6 (b) REGULATIONS.—The Secretary of Agriculture  
7 shall issue regulations—

8 (1) defining the term “person” for the purposes  
9 of this subtitle, which shall conform, to the extent  
10 practicable, to the regulations defining the term  
11 “person” issued under section 1001 of the Food Se-  
12 curity Act of 1985 (7 U.S.C. 1308) and the Disaster  
13 Assistance Act of 1988 (7 U.S.C. 1421 note); and

14 (2) prescribing such rules as the Secretary de-  
15 termines necessary to ensure a fair and reasonable  
16 application of the limitation established under this  
17 section.

18 **SEC. 904. DEFINITIONS.**

19 In this subtitle:

20 (1) ELIGIBLE ORCHARDIST.—The term “eligible  
21 orchardist” means a person who produces annual  
22 crops from trees for commercial purposes and owns  
23 500 acres or less of such trees.

24 (2) NATURAL DISASTER.—The term “natural  
25 disaster” includes plant disease, insect infestation,

1 drought, fire, freeze, flood, earthquake, and other  
2 occurrences, as determined by the Secretary.

3 (3) TREE.—The term “tree” includes trees,  
4 bushes, and vines.

### 5 **Subtitle B—Other Matters**

6 **SEC. 921. HAZARDOUS FUEL REDUCTION GRANTS TO PRE-**  
7 **VENT WILDFIRE DISASTERS AND TRANS-**  
8 **FORM HAZARDOUS FUELS TO ELECTRIC EN-**  
9 **ERGY, USEFUL HEAT, OR TRANSPORTATION**  
10 **FUELS.**

11 (a) FINDINGS.—Congress finds the following:

12 (1) The damages caused by wildfire disasters  
13 have been equivalent in magnitude to the damage re-  
14 sulting from the Northridge earthquake, Hurricane  
15 Andrew, and the recent flooding of the Mississippi  
16 River and the Red River.

17 (2) More than 20,000 communities in the  
18 United States are at risk to wildfire and approxi-  
19 mately 11,000 of these communities are located near  
20 Federal lands. More than 72,000,000 acres of Na-  
21 tional Forest System lands and 57,000,000 acres of  
22 lands managed by the Secretary of the Interior are  
23 at risk of catastrophic fire in the near future. The  
24 accumulation of heavy forest fuel loads continues to  
25 increase as a result of disease, insect infestations,

1 and drought, further raising the risk of fire each  
2 year.

3 (3) Modification of forest fuel load conditions  
4 through the removal of hazardous fuels will minimize  
5 catastrophic damage from wildfires, reducing the  
6 need for emergency funding to respond to wildfires  
7 and protecting lives, communities, watersheds, and  
8 wildlife habitat.

9 (4) The hazardous fuels removed from forest  
10 lands represent an abundant renewable resource as  
11 well as a significant supply of biomass for biomass-  
12 to-energy facilities.

13 (b) HAZARDOUS FUELS TO ENERGY GRANT PRO-  
14 GRAM.—The Secretary concerned may make a grant to a  
15 person that operates a biomass-to-energy facility to offset  
16 the costs incurred to purchase hazardous fuels from forest  
17 lands for use by the facility in the production of electric  
18 energy, useful heat, or transportation fuels. The Secretary  
19 concerned shall select grant recipients on the basis of their  
20 planned purchases of hazardous fuels and the level of an-  
21 ticipated benefits to reduced wildfire risk.

22 (c) GRANT AMOUNTS.—A grant under this section  
23 shall be equal to at least \$5 per ton of hazardous fuels  
24 delivered, but not to exceed \$10 per ton of hazardous fuels

1 delivered, based on the distance of the hazardous fuels  
2 from the biomass-to-energy facility.

3 (d) MONITORING OF GRANT RECIPIENT ACTIVI-  
4 TIES.—As a condition on a grant under this section, the  
5 grant recipient shall keep such records as the Secretary  
6 concerned may require to fully and correctly disclose the  
7 use of the grant funds and all transactions involved in the  
8 purchase of hazardous fuels derived from forest lands.  
9 Upon notice by a duly authorized representative of the  
10 Secretary concerned, the operator of a biomass-to-energy  
11 facility that purchases or uses the resulting hazardous  
12 fuels shall afford the representative reasonable access to  
13 the facility and an opportunity to examine the inventory  
14 and records of the facility.

15 (e) MONITORING OF EFFECT OF TREATMENTS.—The  
16 Secretary concerned shall monitor Federal lands from  
17 which hazardous fuels are removed and sold to a biomass-  
18 to-energy facility to determine and document the reduction  
19 in fire hazards on such lands.

20 (f) DEFINITIONS.—In this section:

21 (1) BIOMASS-TO-ENERGY FACILITY.—The term  
22 “biomass-to-energy facility” means a facility that  
23 uses forest biomass as a raw material to produce  
24 electric energy, useful heat, or transportation fuels.

1           (2) FOREST BIOMASS.—The term “forest bio-  
2           mass” means hazardous fuels and biomass accumu-  
3           lations from precommercial thinnings, slash, and  
4           brush on forest lands that do not satisfy the defini-  
5           tion of hazardous fuels.

6           (3) HAZARDOUS FUELS.—The term “hazardous  
7           fuels” means any unnaturally excessive accumulation  
8           of organic material, particularly in areas designated  
9           as condition class 2 or condition class 3 (as defined  
10          in the report entitled “Protecting People and Sus-  
11          tainable Resources in Fire-Adapted Ecosystems”,  
12          prepared by the Forest Service, and dated October  
13          13, 2000), on forest lands that the Secretary con-  
14          cerned determines poses a substantial present or po-  
15          tential hazard to forest ecosystems, wildlife, human,  
16          community, or firefighter safety in the case of a  
17          wildfire, particularly a wildfire in a drought year.

18          (4) SECRETARY CONCERNED.—The term “Sec-  
19          retary concerned” means—

20                 (A) the Secretary of Agriculture or the  
21                 designee of the Secretary of Agriculture with  
22                 respect to the National Forest System lands  
23                 and private lands; and

24                 (B) the Secretary of the Interior or the  
25                 designee of the Secretary of the Interior with

1           respect to Federal lands under the jurisdiction  
2           of the Secretary of the Interior and Indian  
3           lands.

4           (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
5 authorized to be appropriated \$50,000,000 for each fiscal  
6 year to carry out this section.

7 **SEC. 922. BIOENERGY PROGRAM.**

8           Notwithstanding any limitations in the Commodity  
9 Credit Corporation Charter Act (15 U.S.C. 714 et seq.)  
10 or part 1424 of title 7, Code of Federal Regulations, the  
11 Commodity Credit Corporation shall designate animal  
12 fats, agricultural byproducts, and oils as eligible agricul-  
13 tural commodities for use in the Bioenergy Program to  
14 promote industrial consumption of agricultural commod-  
15 ities for the production of ethanol and biodiesel fuels.

16 **SEC. 923. AVAILABILITY OF SECTION 32 FUNDS.**

17           The 2d undesignated paragraph of section 32 of the  
18 Act of August 24, 1935 (Public Law 320; 49 Stat. 774;  
19 7 U.S.C. 612e), is amended by striking “\$300,000,000”  
20 and inserting “\$500,000,000”.

21 **SEC. 924. SENIORS FARMERS’ MARKET NUTRITION PRO-**  
22 **GRAM.**

23           (a) ESTABLISHMENT.—For each of the fiscal years  
24 2002 through 2011, the Secretary of Agriculture shall use  
25 \$15,000,000 of the funds available to the Commodity

1 Credit Corporation to carry out and expand a seniors  
2 farmers' market nutrition program.

3 (b) PROGRAM PURPOSES.— The purposes of the sen-  
4 iors farmers' market nutrition program are—

5 (1) to provide resources in the form of fresh,  
6 nutritious, unprepared, locally grown fruits, vegeta-  
7 bles, and herbs from farmers' markets, roadside  
8 stands and community supported agriculture pro-  
9 grams to low-income seniors;

10 (2) to increase the domestic consumption of ag-  
11 ricultural commodities by expanding or aiding in the  
12 expansion of domestic farmers' markets, roadside  
13 stands, and community supported agriculture pro-  
14 grams; and

15 (3) to develop or aid in the development of new  
16 and additional farmers' markets, roadside stands,  
17 and community supported agriculture programs.

18 (c) REGULATIONS.—The Secretary may issue such  
19 regulations as the Secretary considers necessary to carry  
20 out the seniors farmers' market nutrition program.

21 **SEC. 925. DEPARTMENT OF AGRICULTURE AUTHORITIES**  
22 **REGARDING CANEBERRIES.**

23 (a) AUTHORITY FOR MARKETING ORDER AND RE-  
24 SEARCH AND PROMOTION ORDER.—Section 8c of the Ag-  
25 ricultural Adjustment Act (7 U.S.C. 608c), reenacted with

1 amendments by the Agricultural Marketing Agreement  
2 Act of 1937, is amended—

3 (1) in subsection (2)—

4 (A) in paragraph (A), by inserting  
5 “caneberries (including raspberries, black-  
6 berries, and logenberries),” after “other than  
7 pears, olives, grapefruit,”; and

8 (B) in the second sentence, by inserting  
9 “caneberries (including raspberries, black-  
10 berries, and logenberries),” after “effective as  
11 to cherries, apples,”; and

12 (2) in subsection (6)(I), by inserting  
13 “caneberries (including raspberries, blackberries,  
14 and logenberries)” after “tomatoes,”.

15 (b) **AUTHORITY WITH RESPECT TO IMPORTS.**—Sec-  
16 tion 8e(a) of such Act (7 U.S.C. 608e-1(a)) is amended  
17 by inserting “caneberries (including raspberries, black-  
18 berries, and logenberries),” after “pistachios,”.

19 **SEC. 926. NATIONAL APPEALS DIVISION.**

20 Section 278 of the Department of Agriculture Reor-  
21 ganization Act of 1994 (7 U.S.C. 6998) is amended by  
22 adding at the end the following new subsection:

23 “(f) **FINALITY OF CERTAIN APPEAL DECISIONS.**—If  
24 an appellant prevails at the regional level in an adminis-  
25 trative appeal of a decision by the Division, the agency

1 may not pursue an administrative appeal of that decision  
2 to the national level.”.

3 **SEC. 927. OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-**  
4 **ADVANTAGED FARMERS AND RANCHERS.**

5 Subsection (a) of section 2501 of the Food, Agri-  
6 culture, Conservation, and Trade Act of 1990 (7 U.S.C.  
7 2279) is amended to read as follows:

8 “(a) OUTREACH AND ASSISTANCE.—

9 “(1) IN GENERAL.—The Secretary of Agri-  
10 culture (in this section referred to as the ‘Secretary’)  
11 shall provide outreach and technical assistance pro-  
12 grams specifically to encourage and assist socially  
13 disadvantaged farmers and ranchers to own and op-  
14 erate farms and ranches and to participate equitably  
15 in the full range of agricultural programs. This as-  
16 sistance, which should enhance coordination and  
17 make more effective the outreach, technical assist-  
18 ance, and education efforts authorized in specific ag-  
19 riculture programs, shall include information and as-  
20 sistance on commodity, conservation, credit, rural,  
21 and business development programs, application and  
22 bidding procedures, farm and risk management,  
23 marketing, and other essential information to par-  
24 ticipate in agricultural and other programs of the  
25 Department.

1           “(2) GRANTS AND CONTRACTS.—The Secretary  
2           may make grants and enter into contracts and other  
3           agreements in the furtherance of this section with  
4           the following entities:

5                   “(A) Any community-based organization,  
6                   network, or coalition of community-based orga-  
7                   nizations that—

8                           “(i) has demonstrated experience in  
9                           providing agricultural education or other  
10                          agriculturally related services to socially  
11                          disadvantaged farmers and ranchers;

12                           “(ii) provides documentary evidence of  
13                          its past experience of working with socially  
14                          disadvantaged farmers and ranchers dur-  
15                          ing the two years preceding its application  
16                          for assistance under this section; and

17                           “(iii) does not engage in activities pro-  
18                          hibited under section 501(c)(3) of the In-  
19                          ternal Revenue Code of 1986.

20                   “(B) 1890 Land-Grant Colleges, including  
21                   Tuskegee Institute, Indian tribal community  
22                   colleges and Alaska native cooperative colleges,  
23                   Hispanic serving post-secondary educational in-  
24                   stitutions, and other post-secondary educational  
25                   institutions with demonstrated experience in

1 providing agriculture education or other agri-  
2 culturally related services to socially disadvan-  
3 tagged family farmers and ranchers in their re-  
4 gion.

5 “(C) Federally recognized tribes and na-  
6 tional tribal organizations with demonstrated  
7 experience in providing agriculture education or  
8 other agriculturally related services to socially  
9 disadvantaged family farmers and ranchers in  
10 their region.

11 “(3) FUNDING.—There are authorized to be ap-  
12 propriated \$25,000,000 for each fiscal year to make  
13 grants and enter into contracts and other agree-  
14 ments with the entities described in paragraph (2)  
15 and to otherwise carry out the purposes of this sub-  
16 section.”.

17 **SEC. 928. EQUAL TREATMENT OF POTATOES AND SWEET**  
18 **POTATOES.**

19 Section 508(a)(2) of the Federal Crop Insurance Act  
20 (7 U.S.C. 1508(a)(2)) is amended by striking “and pota-  
21 toes” and inserting “, potatoes, and sweet potatoes”.

1 **SEC. 929. REFERENCE TO SEA GRASS AND SEA OATS AS**  
 2 **CROPS COVERED BY NONINSURED CROP DIS-**  
 3 **ASTER ASSISTANCE PROGRAM.**

4 Section 196(a)(2)(B) of the Federal Agriculture Im-  
 5 provement and Reform Act of 1996 (7 U.S.C.  
 6 7333(a)(2)(B)) is amended by inserting “sea grass and  
 7 sea oats,” after “fish),”.

8 **SEC. 930. OPERATION OF GRADUATE SCHOOL OF DEPART-**  
 9 **MENT OF AGRICULTURE.**

10 (a) **COMPETITION.**—Section 921 of the Federal Agri-  
 11 culture Improvement and Reform Act of 1996 (7 U.S.C.  
 12 2279b) is amended—

13 (1) in subsection (c)—

14 (A) by striking “Under” and inserting the  
 15 following:

16 “(1) **EDUCATIONAL, TRAINING, AND PROFES-**  
 17 **SIONAL DEVELOPMENT ACTIVITIES.—Under**”; and

18 (B) by adding at the end the following new  
 19 paragraph:

20 “(2) **COMPETITION.**—The Graduate School may  
 21 not enter into a contract or agreement with a Fed-  
 22 eral agency to provide services or conduct activities  
 23 described in paragraph (1) unless, before the award-  
 24 ing of the contract or agreement, the contact or  
 25 agreement was subject to competition that was open

1 to individuals and entities of the private sector.”;

2 and

3 (2) in subsection (i), by striking “The” and in-  
4 serting “Subject to subsection (c)(2), the”.

5 (b) AUDITS OF RECORDS.—Such section is further  
6 amended by adding at the end the following new sub-  
7 section:

8 “(k) AUDITS OF RECORDS.—The financial records of  
9 the Graduate School relating to contracts and agreements  
10 for services or activities described in subsection (c)(1)  
11 shall be made available to the Comptroller General for  
12 purposes of conducting an audit.”.

13 (c) CONFORMING REPEAL.—Section 1669 of the  
14 Food, Agriculture, Conservation, and Trade Act of 1990  
15 (7 U.S.C. 5922) is repealed.

16 **SEC. 931. ASSISTANCE FOR LIVESTOCK PRODUCERS.**

17 (a) AVAILABILITY OF ASSISTANCE.—In such  
18 amounts as are provided in advance in appropriation Acts,  
19 the Secretary may provide assistance to dairy and other  
20 livestock producers to cover economic losses incurred by  
21 such producers in connection with the production of live-  
22 stock.

23 (b) TYPES OF ASSISTANCE.—The assistance provided  
24 to livestock producers may be in the form of—

1           (1) indemnity payments to livestock producers  
2 who incur livestock mortality losses;

3           (2) livestock feed assistance to livestock pro-  
4 ducers affected by shortages of feed;

5           (3) compensation for sudden increases in pro-  
6 duction costs; and

7           (4) such other assistance, and for such other  
8 economic losses, as the Secretary considers appro-  
9 priate.

10       (c) LIMITATIONS.—Notwithstanding section 181(a),  
11 the Secretary may not use the funds of the Commodity  
12 Credit Corporation to provide assistance under this sec-  
13 tion.

14       (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
15 authorized to be appropriated to the Secretary such sums  
16 as may be necessary to carry out this section.

## PART B

*Summary of Amendment to the Amendment in the Nature of a Substitute Printed in Part A, To Be Considered As Adopted*

Combest—Makes two technical changes to the bill to ensure it is within the budgetary parameters established by the FY 2002 Concurrent Resolution on the Budget: (1) reduces the amount of the partial countercyclical payments that producers of peanuts and covered commodities may receive from 50% to 40% of the total projected countercyclical payment; and (2) adds a new subsection (h) at the end of section 105 which directs the Secretary, in calculating the effective price with respect to barley, to use either the all barley loan rate, or the feed barley loan rate, as appropriate. (Summary derived from information provided by sponsor.)

TEXT OF AMENDMENT TO THE AMENDMENT IN THE NATURE OF A  
SUBSTITUTE PRINTED IN PART A, TO BE CONSIDERED AS ADOPTED

In section 105(f)(2) (page 22, beginning line 17), strike “50 percent” and insert “40 percent”.

At the end of section 105 (page 23, after line 9), insert the following new subsection:

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

In section 143(a) (page 68, beginning line 7) strike “DAIRY” and insert “DAIRY”.

In section 164(f)(2) (page 112, beginning line 21), strike “50 percent” and insert “40 percent”.

In section 930, in the paragraph (2) being added by subsection (a) (page 352, beginning line 20), strike “contact” and insert “contract”.