

## Calendar No. 339

110TH CONGRESS  
1ST SESSION**H. R. 2419**

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 4, 2007

Received and read the first time

SEPTEMBER 5, 2007

Read the second time and placed on the calendar

**AN ACT**

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

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

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

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

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

Sec. 1. Short title and table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 1001. Definitions.

### Subtitle A—Direct Payments and Counter-Cyclical Payments

- Sec. 1101. Adjustments to base acres.
- Sec. 1102. Availability of direct payments.
- Sec. 1103. Availability of counter-cyclical payments.
- Sec. 1104. Availability of revenue-based counter-cyclical payments.
- Sec. 1105. Producer agreement required as condition of provision of direct payments and counter-cyclical payments.
- Sec. 1106. Planting flexibility.
- Sec. 1107. Period of effectiveness.

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

- Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.
- Sec. 1202. Loan rates for nonrecourse marketing assistance loans.
- Sec. 1203. Term of loans.
- Sec. 1204. Repayment of loans.
- Sec. 1205. Loan deficiency payments.
- Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
- Sec. 1207. Special marketing loan provisions for upland cotton.
- Sec. 1208. Special competitive provisions for extra long staple cotton.
- Sec. 1209. Availability of recourse loans for high moisture feed grains and seed cotton.
- Sec. 1210. Deadline for repayment of marketing assistance loan for peanuts.
- Sec. 1211. Commodity quality incentive payments for healthy oilseeds.

### Subtitle C—Sugar

- Sec. 1301. Sugar program.
- Sec. 1302. United States membership in the international sugar organization.
- Sec. 1303. Flexible marketing allotments for sugar.

### Subtitle D—Dairy-Related Provisions

- Sec. 1401. Dairy product price support program.
- Sec. 1402. Dairy forward pricing program.
- Sec. 1403. Dairy export incentive program.
- Sec. 1404. Revision of Federal marketing order amendment procedures.
- Sec. 1405. Dairy indemnity program.
- Sec. 1406. Extension of milk income loss contract program.
- Sec. 1407. Dairy promotion and research program.
- Sec. 1408. Report on Department of Agriculture reporting procedures for non-fat dry milk.
- Sec. 1409. Federal Milk Marketing Order Review Commission.

### Subtitle E—Administration

- Sec. 1501. Administration generally.
- Sec. 1502. Suspension of permanent price support authority.
- Sec. 1503. Payment Limitations.
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- Sec. 1506. Personal liability of producers for deficiencies.
- Sec. 1507. Extension of existing administrative authority regarding loans.
- Sec. 1508. Assignment of payments.
- Sec. 1509. Tracking of benefits.

- Sec. 1510. Upland cotton storage payments.
- Sec. 1511. Government publication of cotton price forecasts.
- Sec. 1512. Prevention of deceased persons receiving payments under farm commodity programs.

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- Sec. 2101. Conservation reserve program.
- Sec. 2102. Wetlands reserve program.
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- Sec. 2104. Grassland reserve program.
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- Sec. 2107. Grassroots source water protection program.
- Sec. 2108. Conservation of private grazing land.
- Sec. 2109. Great Lakes basin program for soil erosion and sediment control.
- Sec. 2110. Farm and ranchland protection program.
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- Sec. 2302. Voluntary public access and habitat incentive program.
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## 1 SEC. 1001. DEFINITIONS.

## 2 In this title:

1           (1) AGRICULTURAL ACT OF 1949.—The term  
2           “Agricultural Act of 1949” means the Agricultural  
3           Act of 1949 (7 U.S.C. 1421 et seq.), as in effect  
4           prior to the suspensions under section 171 of the  
5           Federal Agriculture Improvement and Reform Act of  
6           1996 (7 U.S.C. 7301), section 1602(b) of the Farm  
7           Security and Rural Investment Act of 2002 (7  
8           U.S.C. 7992(b)), and section 1502(b) of this Act.

9           (2) BASE ACRES.—The term “base acres”, with  
10          respect to a covered commodity on a farm, means  
11          the number of acres established under sections 1101  
12          and 1302 of the Farm Security and Rural Invest-  
13          ment Act of 2002 (7 U.S.C. 7911, 7952), as in ef-  
14          fect on the day before the date of the enactment of  
15          this Act, subject to any adjustment under section  
16          1101 of this Act.

17          (3) COMPARABLE UNITED STATES QUALITY.—  
18          The term “Comparable United States Quality”, with  
19          respect to upland cotton, means upland cotton clas-  
20          sified as Middling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton with a  
21          micronaire of 3.7 to 4.2, strength 30 grams per tex,  
22          and uniformity of 83.

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

1           (5) COVERED COMMODITY.—The term “covered  
2 commodity” means wheat, corn, grain sorghum, bar-  
3 ley, oats, upland cotton, rice, soybeans, peanuts, and  
4 other oilseeds.

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

8           (7) EFFECTIVE PRICE.—The term “effective  
9 price”, with respect to a covered commodity for a  
10 crop year, means the price calculated by the Sec-  
11 retary under section 1103 to determine whether  
12 counter-cyclical payments are required to be made  
13 for that crop year under that section.

14           (8) EXTRA LONG STAPLE COTTON.—The term  
15 “extra long staple cotton” means cotton that—

16                   (A) is produced from pure strain varieties  
17 of the Barbadosense species or any hybrid of the  
18 species, or other similar types of extra long sta-  
19 ple cotton, designated by the Secretary, having  
20 characteristics needed for various end uses for  
21 which United States upland cotton is not suit-  
22 able and grown in irrigated cotton-growing re-  
23 gions of the United States designated by the  
24 Secretary or other areas designated by the Sec-

1           retary as suitable for the production of the vari-  
2           eties or types; and

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

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

11          (10) LOAN COMMODITY.—The term “loan com-  
12          modity” means wheat, corn, grain sorghum, feed  
13          barley, malt barley, oats, upland cotton, extra long  
14          staple cotton, long grain rice, medium grain rice,  
15          short grain rice, soybeans, peanuts, other oilseeds,  
16          wool, mohair, honey, dry peas, lentils, and small  
17          chickpeas.

18          (11) OTHER OILSEED.—The term “other oil-  
19          seed” means a crop of sunflower seed, rapeseed,  
20          canola, safflower, flaxseed, mustard seed, crambe,  
21          sesame seed, or, if designated by the Secretary, an-  
22          other oilseed.

23          (12) PAYMENT ACRES.—The term “payment  
24          acres”, with respect to a covered commodity on a  
25          farm, means 85 percent of the base acres for the



1 covered commodity, on which direct payments and  
2 counter-cyclical payments are made.

3 (13) PAYMENT YIELD.—The term “payment  
4 yield” means the yield established for direct pay-  
5 ments and counter-cyclical payments under section  
6 1102 or 1302 of the Farm Security and Rural In-  
7 vestment Act of 2002 (7 U.S.C. 7912; 7952), as in  
8 effect on the day before the date of the enactment  
9 of this Act, for a farm for a covered commodity.

10 (14) PRODUCER.—

11 (A) IN GENERAL.—The term “producer”  
12 means an owner, operator, landlord, tenant, or  
13 sharecropper that shares in the risk of pro-  
14 ducing a crop and is entitled to share in the  
15 crop available for marketing from the farm, or  
16 would have shared had the crop been produced.

17 (B) HYBRID SEED.—In determining  
18 whether a grower of hybrid seed is a producer,  
19 the Secretary shall—

20 (i) not take into consideration the ex-  
21 istence of a hybrid seed contract; and

22 (ii) ensure that program requirements  
23 do not adversely affect the ability of the  
24 grower to receive a payment under this  
25 title.

1           (15) SECRETARY.—The term “Secretary”  
2 means the Secretary of Agriculture.

3           (16) STATE.—The term “State” means each of  
4 the several States of the United States, the District  
5 of Columbia, the Commonwealth of Puerto Rico, and  
6 any other territory or possession of the United  
7 States.

8           (17) TARGET PRICE.—The term “target price”  
9 means the price per bushel (or other appropriate  
10 unit in the case of upland cotton, rice, peanuts, and  
11 other oilseeds) of a covered commodity used to de-  
12 termine the payment rate for counter-cyclical pay-  
13 ments under section 1103.

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

17           (19) UNITED STATES PREMIUM FACTOR.—The  
18 term “United States Premium Factor” means the  
19 percentage by which the difference in the United  
20 States loan schedule premiums for Strict Middling  
21 (SM) 1<sup>1</sup>/<sub>8</sub>-inch cotton and for M 1<sup>3</sup>/<sub>32</sub>-inch exceeds  
22 the difference in the applicable premiums for com-  
23 parable international qualities delivered C/F Far  
24 East.

1     **Subtitle A—Direct Payments and**  
2             **Counter-Cyclical Payments**

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

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

6                 (1) IN GENERAL.—The Secretary shall provide  
7             for an adjustment, as appropriate, in the base acres  
8             for covered commodities for a farm whenever either  
9             of the following circumstances occurs:

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

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

17             (2) SPECIAL PAYMENT RULES.—For the crop  
18             year in which a base acres adjustment under para-  
19             graph (1) is first made, the owner of the farm shall  
20             elect to receive either direct payments and counter-  
21             cyclical payments with respect to the acreage added  
22             to the farm under this subsection or a prorated pay-  
23             ment under the conservation reserve contract, but  
24             not both.

25             (b) PREVENTION OF EXCESS BASE ACRES.—

1           (1) REQUIRED REDUCTION.—If the sum of the  
2           base acres for a farm, together with the acreage de-  
3           scribed in paragraph (2), exceeds the actual crop-  
4           land acreage of the farm, the Secretary shall reduce  
5           the base acres for 1 or more covered commodities for  
6           the farm so that the sum of the base acres and acre-  
7           age described in paragraph (2) does not exceed the  
8           actual cropland acreage of the farm.

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

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

16                (B) Any other acreage on the farm en-  
17                rolled in a conservation program for which pay-  
18                ments are made in exchange for not producing  
19                an agricultural commodity on the acreage.

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

24          (4) EXCEPTION FOR DOUBLE-CROPPED ACRE-  
25          AGE.—In applying paragraph (1), the Secretary

1       shall make an exception in the case of double crop-  
2       ping, as determined by the Secretary.

3       (c) PERMANENT REDUCTION IN BASE ACRES.—

4           (1) IN GENERAL.—The owner of a farm may  
5       reduce, at any time, the base acres for any covered  
6       commodity for the farm.

7           (2) ADMINISTRATION.—The reduction shall be  
8       permanent and made in the manner prescribed by  
9       the Secretary.

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

11       (a) PAYMENT REQUIRED.—For each of the 2008  
12       through 2012 crop years of each covered commodity, the  
13       Secretary shall make direct payments to producers on  
14       farms for which payment yields and base acres are estab-  
15       lished.

16       (b) PAYMENT RATE.—The payment rates used to  
17       make direct payments with respect to covered commodities  
18       for a crop year are as follows:

19           (1) Wheat, \$0.52 per bushel.

20           (2) Corn, \$0.28 per bushel.

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

22           (4) Barley, \$0.24 per bushel.

23           (5) Oats, \$0.024 per bushel.

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

25           (7) Rice, \$2.35 per hundredweight.

1 (8) Soybeans, \$0.44 per bushel.

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

3 (10) Peanuts, \$36.00 per ton.

4 (c) PAYMENT AMOUNT.—The amount of the direct  
5 payment to be paid to the producers on a farm for a cov-  
6 ered commodity for a crop year shall be equal to the prod-  
7 uct of the following:

8 (1) The payment rate specified in subsection  
9 (b).

10 (2) The payment acres of the covered com-  
11 modity on the farm.

12 (3) The payment yield for the covered com-  
13 modity for the farm.

14 (d) TIME FOR PAYMENT.—

15 (1) IN GENERAL.—In the case of each of the  
16 2008 through 2012 crop years, the Secretary may  
17 not make direct payments before October 1 of the  
18 calendar year in which the crop of the covered com-  
19 modity is harvested.

20 (2) ADVANCE PAYMENTS.—

21 (A) OPTION.—At the option of the pro-  
22 ducers on a farm, up to 22 percent of the direct  
23 payment for a covered commodity for any of the  
24 2008 through 2011 crop years shall be paid to  
25 the producers in advance.

1 (B) MONTH.—

2 (i) SELECTION.—The producers shall  
3 select the month within which the advance  
4 payment for a crop year will be made.

5 (ii) OPTIONS.—The month selected  
6 may be any month during the period be-  
7 ginning on December 1 of the calendar  
8 year before the calendar year in which the  
9 crop of the covered commodity is harvested  
10 through the month within which the direct  
11 payment would otherwise be made.

12 (iii) CHANGE.—The producers may  
13 change the selected month for a subse-  
14 quent advance payment by providing ad-  
15 vance notice to the Secretary.

16 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a  
17 producer on a farm that receives an advance direct  
18 payment for a crop year ceases to be a producer on  
19 that farm, or the extent to which the producer  
20 shares in the risk of producing a crop changes, be-  
21 fore the date the remainder of the direct payment is  
22 made, the producer shall be responsible for repaying  
23 the Secretary the applicable amount of the advance  
24 payment, as determined by the Secretary.

1 (e) PROHIBITION ON DE MINIMIS PAYMENTS.—If  
 2 the total direct payment to be paid to a producer on a  
 3 farm for all covered commodities is less than \$25.00, the  
 4 Secretary shall not tender the direct payment to the pro-  
 5 ducer.

6 **SEC. 1103. AVAILABILITY OF COUNTER-CYCLICAL PAY-**  
 7 **MENTS.**

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

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



1           modity in effect for the applicable period under  
2           subtitle B, except that, for the purpose of calcu-  
3           lating counter-cyclical payments under this sec-  
4           tion for rice and barley, the Secretary shall es-  
5           tablish national average all rice and all barley  
6           loan rates.

7           (2) The payment rate in effect for the covered  
8           commodity under section 1102 for the purpose of  
9           making direct payments with respect to the covered  
10          commodity.

11          (c) TARGET PRICE.—For purposes of subsection (a),  
12          the target prices for covered commodities shall be as fol-  
13          lows:

14               (1) Wheat, \$4.15 per bushel.

15               (2) Corn, \$2.63 per bushel.

16               (3) Grain sorghum, \$2.57 per bushel.

17               (4) Barley, \$2.73 per bushel.

18               (5) Oats, \$1.50 per bushel.

19               (6) Upland cotton, \$0.70 per pound.

20               (7) Rice, \$10.50 per hundredweight.

21               (8) Soybeans, \$6.10 per bushel.

22               (9) Other oilseeds, \$0.1150 per pound.

23               (10) Peanuts, \$495.00 per ton.

24          (d) PAYMENT RATE.—The payment rate used to  
25          make counter-cyclical payments with respect to a covered

1 commodity for a crop year shall be equal to the difference  
2 between—

3 (1) the target price for the covered commodity;  
4 and

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

7 (e) PAYMENT AMOUNT.—If counter-cyclical pay-  
8 ments are required to be paid under this section for any  
9 of the 2008 through 2012 crop years of a covered com-  
10 modity, the amount of the counter-cyclical payment to be  
11 paid to the producers on a farm for that crop year shall  
12 be equal to the product of the following:

13 (1) The payment rate specified in subsection  
14 (d).

15 (2) The payment acres of the covered com-  
16 modity on the farm.

17 (3) The payment yield for the covered com-  
18 modity for the farm.

19 (f) TIME FOR PAYMENTS.—

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

1       soon as practicable after the end of the 12-month  
2       marketing year for the covered commodity.

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

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

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

20           (B) the final partial payment shall be  
21           made the later of the following:

22                   (i) As soon as practicable after the  
23                   end of the 12-month marketing year for  
24                   the covered commodity.

1 (ii) October 1 of the fiscal year start-  
2 ing in the same calendar year as the end  
3 of the marketing year.

4 (4) AMOUNT OF PARTIAL PAYMENTS.—

5 (A) FIRST PARTIAL PAYMENT.—For each  
6 of the 2008 through 2010 crop years, the first  
7 partial payment under paragraph (3) to the  
8 producers on a farm may not exceed 40 percent  
9 of the projected counter-cyclical payment for  
10 the covered commodity for the crop year, as de-  
11 termined by the Secretary.

12 (B) FINAL PAYMENT.—The final payment  
13 for each of the 2008 through 2010 crop years  
14 shall be equal to the difference between—

15 (i) the actual counter-cyclical payment  
16 to be made to the producers for the cov-  
17 ered commodity for that crop year; and

18 (ii) the amount of the partial payment  
19 made to the producers under subparagraph  
20 (A).

21 (5) REPAYMENT.—The producers on a farm  
22 that receive a partial payment under this subsection  
23 for a crop year shall repay to the Secretary the  
24 amount, if any, by which the total of the partial pay-  
25 ments exceed the actual counter-cyclical payment to

1 be made for the covered commodity for that crop  
2 year.

3 (g) PROHIBITION ON DE MINIMIS PAYMENTS.—If  
4 the total counter-cyclical payment to be paid to a producer  
5 on a farm for all covered commodities is less than \$25.00,  
6 the Secretary shall not tender the counter-cyclical pay-  
7 ment to the producer.

8 **SEC. 1104. AVAILABILITY OF REVENUE-BASED COUNTER-**  
9 **CYCLICAL PAYMENTS.**

10 (a) AVAILABILITY AND ELECTION OF ALTERNATIVE  
11 APPROACH.—

12 (1) AVAILABILITY OF REVENUE-BASED  
13 COUNTER-CYCLICAL PAYMENTS.—As an alternative  
14 to receiving counter-cyclical payments under section  
15 1103 with respect to each covered commodity on a  
16 farm, the Secretary shall give the producers on the  
17 farm an opportunity to elect to instead receive rev-  
18 enue-based counter-cyclical payments under this sec-  
19 tion for the 2008 through 2012 crop years.

20 (2) SINGLE ELECTION; TIME FOR ELECTION.—  
21 As soon as practicable after the date of enactment  
22 of this Act, the Secretary shall provide notice to pro-  
23 ducers regarding their opportunity to make the elec-  
24 tion described in paragraph (1). The notice shall in-  
25 clude the following:

1 (A) Notice that the opportunity of the pro-  
2 ducers on a farm to make the election is being  
3 provided only once.

4 (B) Information regarding the manner in  
5 which the election must be made and the time  
6 periods and manner in which notice of the elec-  
7 tion must be submitted to the Secretary.

8 (3) ELECTION DEADLINE.—Within the time pe-  
9 riod and in the manner prescribed pursuant to para-  
10 graph (2), the producers on a farm shall submit to  
11 the Secretary notice of the election made under  
12 paragraph (1).

13 (4) EFFECT OF FAILURE TO MAKE ELEC-  
14 TION.—If the producers on a farm fail to make the  
15 election under paragraph (1) or fail to timely notify  
16 the Secretary of the election made, as required by  
17 paragraph (3), the producers shall be deemed to  
18 have made the election to receive counter-cyclical  
19 payments under section 1103 for all covered com-  
20 modities on the farm.

21 (b) PAYMENT REQUIRED.—In the case of producers  
22 on a farm who make the election under subsection (a) to  
23 receive revenue-based counter-cyclical payments, the Sec-  
24 retary shall make revenue-based counter-cyclical payments  
25 to such producers with respect to a covered commodity

1 on the farm, if the Secretary determines that the national  
2 actual revenue per acre for the covered commodity is less  
3 than the national target revenue per acre for the covered  
4 commodity, as determined pursuant to this section.

5 (c) NATIONAL ACTUAL REVENUE PER ACRE.—For  
6 each covered commodity for each of the 2008 through  
7 2012 crop years, the Secretary shall establish a national  
8 actual revenue per acre by multiplying the national aver-  
9 age yield for the given year by the higher of—

10 (1) the national average market price received  
11 by producers of the covered commodity during the  
12 12-month marketing year established by the Sec-  
13 retary; or

14 (2) the loan rate for the covered commodity  
15 under section 1202, except that, for the purpose of  
16 calculating national actual revenue per acre for rice  
17 and barley, the Secretary shall establish national av-  
18 erage all rice and all barley loan rates.

19 (d) NATIONAL TARGET REVENUE PER ACRE.—The  
20 national target revenue per acre shall be, on a per acre  
21 basis, as follows:

22 (1) Wheat, \$149.92.

23 (2) Corn, \$344.12.

24 (3) Grain Sorghum, \$131.28.

25 (4) Barley, \$153.30.

- 1 (5) Oats, \$92.10
- 2 (6) Upland cotton, \$496.93.
- 3 (7) Rice, \$548.06.
- 4 (8) Soybeans, \$231.87.
- 5 (9) Other oilseeds, \$129.18.
- 6 (10) Peanuts, \$683.83.

7 (e) NATIONAL PAYMENT YIELD.—The national pay-  
 8 ment yield shall be as follows:

- 9 (1) Wheat, 36.1 bushels per acre.
- 10 (2) Corn, 114.4 bushels per acre.
- 11 (3) Grain Sorghum, 58.2 bushels per acre.
- 12 (4) Barley, 48.6 bushels per acre.
- 13 (5) Oats, 49.8 bushels per acre.
- 14 (6) Upland cotton, 634 pounds per acre.
- 15 (7) Rice, 51.28 hundredweight per acre.
- 16 (8) Soybeans, 34.1 bushels per acre.
- 17 (9) Other oilseeds, 1167.6 pounds per acre.
- 18 (10) Peanuts, 1.496 tons per acre.

19 (f) NATIONAL PAYMENT RATE.—The national pay-  
 20 ment rate used to make revenue-based counter-cyclical  
 21 payments for a crop year shall be the result of—

- 22 (1) the difference between the national target  
 23 revenue per acre for the covered commodity and the  
 24 national actual revenue per acre for the covered  
 25 commodity; divided by



1           (2) the national payment yield for the covered  
2       commodity.

3       (g) PAYMENT AMOUNT.—If revenue-based counter-  
4       cyclical payments are required to be paid for any of the  
5       2008 through 2012 crop years of a covered commodity,  
6       the amount of the counter-cyclical payment to be paid to  
7       the producers on a farm for that crop year for the covered  
8       commodity shall be equal to the product of—

9           (1) the national payment rate for the covered  
10      commodity;

11          (2) the payment acres of the covered commodity  
12      on the farm; and

13          (3) the payment yield for counter-cyclical pay-  
14      ments for the covered commodity.

15       (h) TIME FOR PAYMENTS.—

16          (1) GENERAL RULE.—If the Secretary deter-  
17      mines that revenue-based counter-cyclical payments  
18      are required to be made under this section for the  
19      crop of a covered commodity, the Secretary shall  
20      make the counter-cyclical payments for the crop as  
21      soon as practicable after the end of the 12-month  
22      marketing year for the covered commodity.

23          (2) AVAILABILITY OF PARTIAL PAYMENTS.—If,  
24      before the end of the 12-month marketing year for  
25      a covered commodity, the Secretary estimates that

1 revenue-based counter-cyclical payments will be re-  
2 quired for the crop of the covered commodity, the  
3 Secretary shall give producers on a farm the option  
4 to receive partial payments of the revenue-based  
5 counter-cyclical payments projected to be made for  
6 that crop of the covered commodity.

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

12 (A) the first partial payment shall be made  
13 after completion of the first 6 months of the  
14 marketing year for the covered commodity; and

15 (B) the final partial payment shall be  
16 made the later of the following:

17 (i) As soon as practicable after the  
18 end of the 12-month marketing year for  
19 the covered commodity.

20 (ii) October 1 of the fiscal year start-  
21 ing in the same calendar year as the end  
22 of the marketing year.

23 (4) AMOUNT OF PARTIAL PAYMENTS.—

24 (A) FIRST PARTIAL PAYMENT.—For each  
25 of the 2008 through 2010 crop years, the first

1 partial payment under paragraph (3) to the  
2 producers on a farm may not exceed 40 percent  
3 of the projected revenue-based counter-cyclical  
4 payment for the covered commodity for the crop  
5 year, as determined by the Secretary.

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

9 (i) the actual revenue-based counter-  
10 cyclical payments to be made to the pro-  
11 ducers for the covered commodity for that  
12 crop year; and

13 (ii) the amount of the partial payment  
14 made to the producers on a farm under  
15 subparagraph (A) for that crop year.

16 (5) REPAYMENT.—Producers on a farm that  
17 receive a partial payment under this subsection for  
18 a crop year shall repay to the Secretary the amount,  
19 if any, by which the total of the partial payments ex-  
20 ceed the actual revenue-based counter-cyclical pay-  
21 ments to be made for the covered commodity for  
22 that crop year.

23 (i) PROHIBITION ON DE MINIMIS PAYMENTS.—If the  
24 total revenue-based counter-cyclical payment to be paid to  
25 a producer on a farm for all covered commodities is less

1 than \$25.00, the Secretary shall not tender the revenue-  
2 based counter-cyclical payment to the producer.

3 **SEC. 1105. PRODUCER AGREEMENT REQUIRED AS CONDI-**  
4 **TION OF PROVISION OF DIRECT PAYMENTS**  
5 **AND COUNTER-CYCLICAL PAYMENTS.**

6 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

7 (1) REQUIREMENTS.—Before the producers on  
8 a farm may receive direct payments or counter-cycli-  
9 cal payments with respect to the farm, the producers  
10 shall agree, during the crop year for which the pay-  
11 ments are made and in exchange for the payments—

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

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

19 (C) to comply with the planting flexibility  
20 requirements of section 1106;

21 (D) to use the land on the farm, in a  
22 quantity equal to the attributable base acres for  
23 the farm for an agricultural or conserving use,  
24 and not for a nonagricultural commercial or in-

1           dustrial use, as determined by the Secretary;  
2           and

3           (E) to effectively control noxious weeds  
4           and otherwise maintain the land in accordance  
5           with sound agricultural practices, as determined  
6           by the Secretary.

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

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

16          (b) TRANSFER OR CHANGE OF INTEREST IN  
17          FARM.—

18               (1) TERMINATION.—

19               (A) IN GENERAL.—Except as provided in  
20               paragraph (2), a transfer of (or change in) the  
21               interest of the producers on a farm in base  
22               acres for which direct payments or counter-cy-  
23               clical payments are made shall result in the ter-  
24               mination of the payments with respect to the  
25               base acres, unless the transferee or owner of

1           the acreage agrees to assume all obligations  
2           under subsection (a).

3           (B) EFFECTIVE DATE.—The termination  
4           shall take effect on the date determined by the  
5           Secretary.

6           (2) EXCEPTION.—If a producer entitled to a di-  
7           rect payment or counter-cyclical payment dies, be-  
8           comes incompetent, or is otherwise unable to receive  
9           the payment, the Secretary shall make the payment,  
10          in accordance with rules issued by the Secretary.

11          (c) ACREAGE REPORTS.—As a condition on the re-  
12          ceipt of any benefits under this subtitle or subtitle B, the  
13          Secretary shall require producers on a farm to submit to  
14          the Secretary annual acreage reports with respect to all  
15          cropland on the farm.

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

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

1 **SEC. 1106. PLANTING FLEXIBILITY.**

2 (a) PERMITTED CROPS.—Subject to subsection (b),  
3 any commodity or crop may be planted on base acres on  
4 a farm.

5 (b) LIMITATIONS REGARDING CERTAIN COMMOD-  
6 ITIES.—

7 (1) GENERAL LIMITATION.—The planting of an  
8 agricultural commodity specified in paragraph (3)  
9 shall be prohibited on base acres unless the com-  
10 modity, if planted, is destroyed before harvest.

11 (2) TREATMENT OF TREES AND OTHER  
12 PERENNIALS.—The planting of an agricultural com-  
13 modity specified in paragraph (3) that is produced  
14 on a tree or other perennial plant shall be prohibited  
15 on base acres.

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

19 (A) Fruits.

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

22 (C) Wild rice.

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

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

6           (2) on a farm that the Secretary determines  
7       has a history of planting agricultural commodities  
8       specified in subsection (b)(3) on base acres, except  
9       that direct payments and counter-cyclical payments  
10      shall be reduced by an acre for each acre planted to  
11      such an agricultural commodity; or

12          (3) by the producers on a farm that the Sec-  
13      retary determines has an established planting his-  
14      tory of a specific agricultural commodity specified in  
15      subsection (b)(3), except that—

16            (A) the quantity planted may not exceed  
17            the average annual planting history of such ag-  
18            ricultural commodity by the producers on the  
19            farm in the 1991 through 1995 or 1998  
20            through 2001 crop years (excluding any crop  
21            year in which no plantings were made), as de-  
22            termined by the Secretary; and

23            (B) direct payments and counter-cyclical  
24            payments shall be reduced by an acre for each  
25            acre planted to such agricultural commodity.



1 (d) PLANTING TRANSFERABILITY PILOT PROJECT.—

2 (1) PILOT PROJECT AUTHORIZED.—In addition  
3 to the exceptions provided in subsection (c), the Sec-  
4 retary shall carry out a pilot project in the State of  
5 Indiana under which paragraphs (1) and (2) of sub-  
6 section (b) shall not limit the planting of tomatoes  
7 grown for processing on up to 10,000 base acres  
8 during each of the 2008 through 2012 crop years.

9 (2) CONTRACT AND MANAGEMENT REQUIRE-  
10 MENTS.—To be eligible for selection to participate in  
11 the pilot project, a producer must—

12 (A) have a contract to grow tomatoes for  
13 processing; and

14 (B) agree to produce the tomatoes as part  
15 of a program of crop rotation on the farm to  
16 achieve agronomic and pest and disease man-  
17 agement benefits.

18 (3) TEMPORARY REDUCTION IN BASE ACRES.—  
19 The base acres on a farm for a crop year shall be  
20 reduced by an acre for each acre planted to tomatoes  
21 under the pilot program.

22 (4) DURATION OF REDUCTIONS.—The reduc-  
23 tion in the base acres of a farm for a crop year  
24 under paragraph (3) shall expire at the end of the  
25 crop year, unless the producers on the farm elect to

1 continue to participate in the pilot project for the  
2 subsequent crop year.

3 (5) RECALCULATION OF BASE ACRES.—If the  
4 Secretary recalculates base acres for a farm while  
5 the farm is included in the pilot project, the planting  
6 and production of tomatoes under the pilot project  
7 shall be considered to be the same as the planting,  
8 prevented planting, or production of a covered com-  
9 modity. Nothing in this paragraph provides author-  
10 ity for the Secretary to recalculate base acres for a  
11 farm.

12 **SEC. 1107. PERIOD OF EFFECTIVENESS.**

13 This subtitle shall be effective beginning with the  
14 2008 crop year of each covered commodity through the  
15 2012 crop year.

16 **Subtitle B—Marketing Assistance**  
17 **Loans and Loan Deficiency Pay-**  
18 **ments**

19 **SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING**  
20 **ASSISTANCE LOANS FOR LOAN COMMOD-**  
21 **ITIES.**

22 (a) NONRECOURSE LOANS AVAILABLE.—

23 (1) AVAILABILITY.—For each of the 2008  
24 through 2012 crops of each loan commodity, the  
25 Secretary shall make available to producers on a

1        farm nonrecourse marketing assistance loans for  
2        loan commodities produced on the farm.

3            (2) TERMS AND CONDITIONS.—The marketing  
4        assistance loans shall be made under terms and con-  
5        ditions that are prescribed by the Secretary and at  
6        the loan rate established under section 1202 for the  
7        loan commodity.

8            (b) ELIGIBLE PRODUCTION.—The producers on a  
9        farm shall be eligible for a marketing assistance loan  
10       under subsection (a) for any quantity of a loan commodity  
11       produced on the farm.

12           (c) TREATMENT OF CERTAIN COMMINGLED COM-  
13        MODITIES.—In carrying out this subtitle, the Secretary  
14        shall make loans to producers on a farm that would be  
15        eligible to obtain a marketing assistance loan, but for the  
16        fact the loan commodity owned by the producers on the  
17        farm commingled with loan commodities of other pro-  
18        ducers in facilities unlicensed for the storage of agricul-  
19        tural commodities by the Secretary or a State licensing  
20        authority, if the producers obtaining the loan agree to im-  
21        mediately redeem the loan collateral in accordance with  
22        section 166 of the Federal Agriculture Improvement and  
23        Reform Act of 1996 (7 U.S.C. 7286).

24           (d) COMPLIANCE WITH CONSERVATION AND WET-  
25        LANDS REQUIREMENTS.—As a condition of the receipt of

1 a marketing assistance loan under subsection (a), the pro-  
2 ducer shall comply with applicable conservation require-  
3 ments under subtitle B of title XII of the Food Security  
4 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-  
5 land protection requirements under subtitle C of title XII  
6 of the Act (16 U.S.C. 3821 et seq.) during the term of  
7 the loan.

8 (e) PEANUT-RELATED LOAN PROVISIONS.—

9 (1) OPTIONS FOR OBTAINING LOANS.—A mar-  
10 keting assistance loan for peanuts under this section  
11 and loan deficiency payments for peanuts under sec-  
12 tion 1205 may be obtained at option of the pro-  
13 ducers on a farm through—

14 (A) a designated marketing association or  
15 marketing cooperative of producers that is ap-  
16 proved by the Secretary; or

17 (B) the Farm Service Agency.

18 (2) STORAGE OF LOAN PEANUTS.—As a condi-  
19 tion on the Secretary's approval of an individual or  
20 entity to provide storage for peanuts for which a  
21 marketing assistance loan is made under this sec-  
22 tion, the individual or entity shall agree—

23 (A) to provide such storage on a non-  
24 discriminatory basis; and

1 (B) to comply with such additional require-  
 2 ments as the Secretary considers appropriate to  
 3 accomplish the purposes of this section and pro-  
 4 mote fairness in the administration of the bene-  
 5 fits of this section.

6 (3) **MARKETING.**—A marketing association or  
 7 cooperative may market peanuts for which a loan is  
 8 made under this section in any manner that con-  
 9 forms to consumer needs, including the separation of  
 10 peanuts by type and quality.

11 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**  
 12 **ASSISTANCE LOANS.**

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

- 16 (1) In the case of wheat, \$2.94 per bushel.
- 17 (2) In the case of corn, \$1.95 per bushel.
- 18 (3) In the case of grain sorghum, \$1.95 per  
 19 bushel.
- 20 (4) In the case of malt barley, \$2.50 per bushel.
- 21 (5) In the case of feed barley, \$1.90 per bushel.
- 22 (6) In the case of oats, \$1.46 per bushel.
- 23 (7) In the case of the base quality of upland  
 24 cotton, \$0.52 per pound.

1           (8) In the case of extra long staple cotton,  
2       \$0.7977 per pound.

3           (9) In the case of long grain rice, \$6.50 per  
4       hundredweight.

5           (10) In the case of medium grain rice and short  
6       grain rice, \$6.50 per hundredweight.

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

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

10               (A) Sunflower seed.

11               (B) Rapeseed.

12               (C) Canola.

13               (D) Safflower.

14               (E) Flaxseed.

15               (F) Mustard seed.

16               (G) Crambe.

17               (H) Sesame seed.

18               (I) Other oilseeds designated by the Sec-  
19       retary.

20           (13) In the case of dry peas, \$5.40 per hun-  
21       dredweight.

22           (14) In the case of lentils, \$11.28 per hundred-  
23       weight.

24           (15) In the case of small chickpeas, \$8.54 per  
25       hundredweight.

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

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

4           (18) In the case of nongraded wool, \$0.40 per  
5       pound.

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

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

8       (b) SINGLE COUNTY LOAN RATE FOR OTHER OIL-  
9       SEEDS.—The Secretary shall establish a single loan rate  
10      in each county for each kind of other oilseeds described  
11      in subsection (a)(12).

12      (c) SPECIAL RULES FOR CORN AND GRAIN SOR-  
13      GHUM.—

14           (1) SINGLE COUNTY AND NATIONAL AVERAGE  
15      LOAN RATE.—The Secretary shall—

16           (A) establish a single county loan rate for  
17      corn and grain sorghum in each county;

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

20           (C) determine each county loan rate and  
21      the national average loan rate for corn and  
22      grain sorghum and any and all other program  
23      loan rates applicable to corn and grain sorghum  
24      from a data set that includes prices for both  
25      commodities.

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

3                   (A) shall administer the applicable loan,  
4                   marketing loan, counter-cyclical payment, and  
5                   related programs from a single loan rate for  
6                   corn and grain sorghum that is identical in  
7                   each individual county;

8                   (B) shall provide that any adjustment in  
9                   the loan rate for location shall be determined  
10                  and applied on the basis of the combined data  
11                  set such that any transportation adjustment  
12                  shall be the same for corn and grain sorghum  
13                  in each individual county; and

14                  (C) may provide for adjustments for grade,  
15                  type, and quality as appropriate for the corn or  
16                  grain sorghum involved in each specific trans-  
17                  action.

18 **SEC. 1203. TERM OF LOANS.**

19           (a) TERM OF LOAN.—In the case of each loan com-  
20           modity, a marketing assistance loan under section 1201  
21           shall have a term of 9 months beginning on the first day  
22           of the first month after the month in which the loan is  
23           made.



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

4 **SEC. 1204. REPAYMENT OF LOANS.**

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

12 (1) The loan rate established for the commodity  
13 under section 1202, plus interest (determined in ac-  
14 cordance with section 163 of the Federal Agriculture  
15 Improvement and Reform Act of 1996 (7 U.S.C.  
16 7283)).

17 (2) A rate that the Secretary determines will—

18 (A) minimize potential loan forfeitures;

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

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

23 (D) allow the commodity produced in the  
24 United States to be marketed freely and com-

1           petitively, both domestically and internationally;  
2           and

3           (E) minimize discrepancies in marketing  
4           loan benefits across State boundaries and  
5           across county boundaries, if applicable.

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

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

16           (2) the prevailing world market price for the  
17           commodity (adjusted to United States quality and  
18           location), as determined by the Secretary.

19       (c) REPAYMENT RATES FOR EXTRA LONG STAPLE  
20 COTTON.—Repayment of a marketing assistance loan for  
21 extra long staple cotton shall be at the loan rate estab-  
22 lished for the commodity under section 1202, plus interest  
23 (determined in accordance with section 163 of the Federal  
24 Agriculture Improvement and Reform Act of 1996 (7  
25 U.S.C. 7283)).

1 (d) PREVAILING WORLD MARKET PRICE.—For pur-  
2 poses of this section and section 1207, the Secretary shall  
3 prescribe by regulation—

4 (1) a formula to determine the prevailing world  
5 market price for upland cotton, which shall be based  
6 on the Far East price of upland cotton;

7 (2) a formula to determine the prevailing world  
8 market price for—

9 (A) long grain rice; and

10 (B) medium and short grain rice;

11 (3) a mechanism by which the Secretary will  
12 announce periodically the prevailing world market  
13 price for upland cotton, long grain rice, and medium  
14 and short grain rice; and

15 (4) a mechanism by which the Secretary will  
16 make the adjustments, required by subsection (e), to  
17 the prevailing world market price for upland cotton,  
18 long grain rice, and medium and short grain rice.

19 (e) ADJUSTMENT OF PREVAILING WORLD MARKET  
20 PRICE FOR UPLAND COTTON AND RICE.—

21 (1) RICE.—The prevailing world market price  
22 for long grain, medium grain, and short grain rice  
23 determined in subsection (d) shall be adjusted to  
24 United States quality and location.

1           (2) COTTON.—The prevailing world market  
2           price for upland cotton, determined in subsection (d)  
3           shall be—

4                   (A) adjusted to United States quality and  
5           location, with such quality adjustment to in-  
6           clude—

7                           (i) any existing United States loan  
8                           schedule premiums for Comparable United  
9                           States Quality; and

10                           (ii) a reduction equal to any United  
11                           States Premium Factor to upland cotton of  
12                           a quality higher than Middling (M) 1<sup>3</sup>/<sub>32</sub>-  
13                           inch; and

14                   (B) adjusted to take into account average  
15           costs to market the commodity, including aver-  
16           age transportation costs, as determined by the  
17           Secretary.

18           (f) ADDITIONAL ADJUSTMENT AUTHORITY REGARD-  
19   ING PREVAILING WORLD MARKET PRICE FOR UPLAND  
20   COTTON.—

21                   (1) IN GENERAL.—During the period beginning  
22           on the date of the enactment of this Act through  
23           July 31, 2013, the Secretary may further adjust the  
24           prevailing world market price for upland cotton (ad-

1       justed under subsection (d)) if the Secretary deter-  
2       mines such adjustment necessary—

3               (A) to minimize potential loan forfeitures;

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

6               (C) to allow the commodity produced in  
7       the United States to be marketed freely and  
8       competitively, both domestically and inter-  
9       nationally;

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

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

20       (2) GUIDELINES FOR ADDITIONAL ADJUST-  
21       MENT.—In further adjusting the prevailing world  
22       market price for upland cotton under this sub-  
23       section, the Secretary shall establish a mechanism  
24       for determining and announcing such adjustments in

1       order to avoid undue disruption in the United States  
2       market.

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

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

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

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

20 **SEC. 1205. LOAN DEFICIENCY PAYMENTS.**

21       (a) AVAILABILITY OF LOAN DEFICIENCY PAY-  
22 MENTS.—

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

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

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

7                       (A) MARKETING ASSISTANCE LOANS.—

8       Subject to subparagraph (B), nongraded wool  
9       in the form of unshorn pelts and hay and silage  
10      derived from a loan commodity are not eligible  
11      for a marketing assistance loan under section  
12      1201.

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

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

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

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

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

3       (c) PAYMENT RATE.—

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

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

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

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

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

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

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

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



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

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

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

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

16 (a) ELIGIBLE PRODUCERS.—

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

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

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

11 (b) PAYMENT AMOUNT.—

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

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

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

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

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

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

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

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

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

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

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

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

(2) AVAILABILITY.—

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

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

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

11 **SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR**  
12 **UPLAND COTTON.**

13       (a) SPECIAL IMPORT QUOTA.—

14           (1) DEFINITION OF SPECIAL IMPORT QUOTA.—

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

18           (2) ESTABLISHMENT.—

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (1) DEFINITIONS.—In this subsection:

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

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

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

(ii) production of the current crop;  
and

(iii) imports to the latest date available during the marketing year.

(B) DEMAND.—The term “demand” means—

(i) the average seasonally adjusted annual rate of domestic mill consumption during the most recent 3 months for which data are available; and

(ii) the larger of—

(I) average exports of upland cotton during the preceding 6 marketing years; or

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

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



1           (2) PROGRAM.—The President shall carry out  
2           an import quota program that provides that when-  
3           ever the Secretary determines and announces that  
4           the average price of the base quality of upland cot-  
5           ton, as determined by the Secretary, in the des-  
6           ignated spot markets for a month exceeded 130 per-  
7           cent of the average price of the quality of cotton in  
8           the markets for the preceding 36 months, notwith-  
9           standing any other provision of law, there shall im-  
10          mediately be in effect a limited global import quota  
11          subject to the following conditions:

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

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

1 (C) PREFERENTIAL TARIFF TREAT-  
 2 MENT.—The quantity under a limited global  
 3 import quota shall be considered to be an in-  
 4 quota quantity for purposes of—

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

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

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

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

14 (D) QUOTA ENTRY PERIOD.—When a  
 15 quota is established under this subsection, cot-  
 16 ton may be entered under the quota during the  
 17 90-day period beginning on the date the quota  
 18 is established by the Secretary.

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

23 (c) ECONOMIC ADJUSTMENT ASSISTANCE TO USERS  
 24 OF UPLAND COTTON.—

1           (1) ISSUANCE OF MARKETING CERTIFICATES OR  
2           CASH PAYMENTS.—During the period beginning on  
3           the date of the enactment of this Act through July  
4           31, 2013, the Secretary shall issue, on a monthly  
5           basis, marketing certificates or cash payments, at  
6           the option of the recipient, to domestic users of up-  
7           land cotton for all documented use of upland cotton  
8           during the previous monthly period regardless of the  
9           origin of the upland cotton.

10          (2) VALUE OF CERTIFICATES OR PAYMENTS.—  
11          The value of the marketing certificates or cash pay-  
12          ments shall be 4 cents per pound.

13          (3) ALLOWABLE PURPOSES.—Economic adjust-  
14          ment assistance under this subsection shall be made  
15          available only to domestic users of upland cotton  
16          that certify that such funds shall be used only for  
17          acquisition, construction, installation, modernization,  
18          development, conversion, or expansion of land, plant,  
19          buildings, equipment, facilities, or machinery.

20          (4) REVIEW OR AUDIT.—The Secretary may  
21          conduct such review or audit of the records of a do-  
22          mestic user under this subsection as determined nec-  
23          essary to carry out the provisions of this subsection.

24          (5) IMPROPER USE OF ASSISTANCE.—If the  
25          Secretary determines, after a review or audit of the

1 records of the domestic user, that economic adjust-  
2 ment assistance under this subsection was not used  
3 for the purposes specified in paragraph (3), the do-  
4 mestic user shall be liable to repay such assistance  
5 to the Secretary, plus interest, as determined by the  
6 Secretary, and shall be ineligible to participate in  
7 the program established by this subsection for a pe-  
8 riod of 12 months following the determination of the  
9 Secretary.

10 **SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**  
11 **LONG STAPLE COTTON.**

12 (a) COMPETITIVENESS PROGRAM.—Notwithstanding  
13 any other provision of law, during the period beginning  
14 on the date of the enactment of this Act through July 31,  
15 2013, the Secretary shall carry out a program—

16 (1) to maintain and expand the domestic use of  
17 extra long staple cotton produced in the United  
18 States;

19 (2) to increase exports of extra long staple cot-  
20 ton produced in the United States; and

21 (3) to ensure that extra long staple cotton pro-  
22 duced in the United States remains competitive in  
23 world 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 4-week period, the world  
5 market price for the lowest priced competing growth  
6 of extra long staple cotton (adjusted to United  
7 States quality and location and for other factors af-  
8 fecting the competitiveness of such cotton), as deter-  
9 mined 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 that 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 4-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 4-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. 1209. AVAILABILITY OF RECOURSE LOANS FOR HIGH**  
 13 **MOISTURE FEED GRAINS AND SEED COTTON.**

14 (a) HIGH MOISTURE FEED GRAINS.—

15 (1) DEFINITION OF HIGH MOISTURE STATE.—

16 In this subsection, the term “high moisture state”  
 17 means corn or grain sorghum having a moisture con-  
 18 tent in excess of Commodity Credit Corporation  
 19 standards for marketing assistance loans made by  
 20 the Secretary under section 1201.

21 (2) RECOURSE LOANS AVAILABLE.—For each of  
 22 the 2008 through 2012 crops of corn and grain sor-  
 23 ghum, the Secretary shall make available recourse  
 24 loans, as determined by the Secretary, to producers  
 25 on a farm that—

1 (A) normally harvest all or a portion of  
2 their crop of corn or grain sorghum in a high  
3 moisture state;

4 (B) present—

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

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

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

1 of corn and grain sorghum in a high moisture  
2 state; and

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

8 (3) ELIGIBILITY OF ACQUIRED FEED GRAINS.—

9 A loan under this subsection shall be made on a  
10 quantity of corn or grain sorghum of the same crop  
11 acquired by the producer equivalent to a quantity  
12 determined by multiplying—

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

16 (B) the lower of the farm program pay-  
17 ment yield used to make counter-cyclical pay-  
18 ments under subtitle A or the actual yield on a  
19 field, as determined by the Secretary, that is  
20 similar to the field from which the corn or grain  
21 sorghum was obtained.

22 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-  
23 TON.—For each of the 2008 through 2012 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 (determined in accordance with section 163 of the Federal  
7 Agriculture Improvement and Reform Act of 1996 (7  
8 U.S.C. 7283)).

9 **SEC. 1210. DEADLINE FOR REPAYMENT OF MARKETING AS-**  
10 **SISTANCE LOAN FOR PEANUTS.**

11 (a) JUNE 30 REDEMPTION DEADLINE.—Notwith-  
12 standing any other provision of law, a marketing assist-  
13 ance loan for peanuts may not be redeemed after June  
14 30 of the year subsequent to the year in which the peanuts  
15 were harvested.

16 (b) EFFECT OF FAILURE TO REDEEM.—A marketing  
17 assistance loan for peanuts that is not redeemed before  
18 the deadline imposed by subsection (a) shall be deemed  
19 to be forfeited to the Commodity Credit Corporation.

20 **SEC. 1211. COMMODITY QUALITY INCENTIVE PAYMENTS**  
21 **FOR HEALTHY OILSEEDS.**

22 (a) INCENTIVE PAYMENTS REQUIRED.—Subject to  
23 the availability of funds for this purpose, the Secretary  
24 shall provide commodity quality incentive payments during  
25 the 2009 through 2013 crop years for the production of

1 oilseeds with specialized traits that enhance human health,  
2 as determined by the Secretary.

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

6 (1) been demonstrated to reduce or eliminate  
7 the need to partially hydrogenate the oil derived  
8 from the oilseed for use in human consumption; and

9 (2) 1 or more traits for which compelling im-  
10 pediments to commercialization have been identified.

11 (c) REQUEST FOR PROPOSALS.—

12 (1) ISSUANCE.—If funds are available to carry  
13 out this section for a crop year, the Secretary shall  
14 issue a request for proposals for payments under  
15 this section.

16 (2) MULTIYEAR PROPOSALS.—An entity may  
17 submit a multiyear proposal for payments under this  
18 section.

19 (3) CONTENT OF PROPOSALS.—A proposal for  
20 payments under this section shall include a descrip-  
21 tion of—

22 (A) each trait of the oilseed described in  
23 subsection (b)(2) and the value of the trait as  
24 a matter of public policy;

1 (B) the projected market size and value of  
2 the trait;

3 (C) the projected impact of the proposal  
4 on—

5 (i) the future price of loan commod-  
6 ities; and

7 (ii) if appropriate, on Federal Govern-  
8 ment farm program outlays to support  
9 loan commodities;

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

12 (E) a per bushel amount of incentive pay-  
13 ments requested for each year under this sec-  
14 tion that—

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

17 (ii) declines over time;

18 (F) the period of time, of not to exceed 4  
19 years, during which incentive payments are to  
20 be provided to producers; and

21 (G) the targeted total quantity of produc-  
22 tion and estimated acres needed to produce the  
23 targeted quantity for each year under this sec-  
24 tion.

25 (d) CONTRACTS FOR PRODUCTION.—

1           (1) IN GENERAL.—The Secretary shall approve  
2           successful proposals submitted under subsection (c)  
3           on a timely basis so as to allow successful applicants  
4           to offer production contracts to producers beginning  
5           in advance of the spring planting season for the  
6           2009 crop year.

7           (2) MULTIYEAR CONTRACTS.—A successful ap-  
8           plicant may enter into a multiyear contract with—

9                       (A) a specific group of producers; or

10                      (B) various groups of producers.

11           (3) TIMING OF PAYMENTS.—The Secretary  
12           shall make payments under this section after the  
13           Secretary receives documentation that the total pre-  
14           mium offered for crops produced under a contract  
15           (including the amount of incentive payments) has  
16           been made to covered producers.

17           (e) ADMINISTRATION.—If funding provided for a crop  
18           year is not fully allocated under the initial request for pro-  
19           posals under subsection (c), the Secretary shall issue addi-  
20           tional requests for proposals for subsequent years under  
21           this section.

22           (f) AUTHORIZATION OF APPROPRIATIONS.—There  
23           are authorized to be appropriated such sums as are nec-  
24           essary to carry out this section for each of fiscal years  
25           2009 through 2013.

## Subtitle C—Sugar

### SEC. 1301. SUGAR PROGRAM.

(a) IN GENERAL.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended to read as follows:

#### “SEC. 156. SUGAR PROGRAM.

“(a) SUGARCANE.—The Secretary shall make loans for raw cane sugar available to processors of domestically grown sugarcane at a rate equal to 18.5 cents per pound for each of the 2008 through 2012 crop years.

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

“(c) TERM OF LOANS.—

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

“(A) the end of the 9-month period beginning on the first day of the first month after the month in which the loan is made; or

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

1           “(2) SUPPLEMENTAL LOANS.—In the case of a  
2           loan made under this section in the last 3 months  
3           of a fiscal year, the processor may repledge the  
4           sugar as collateral for a second loan in the subse-  
5           quent fiscal year, except that the second loan shall—

6                       “(A) be made at the loan rate in effect at  
7                       the time the first loan was made; and

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

10          “(d) LOAN TYPE; PROCESSOR ASSURANCES.—

11               “(1) NONRECOURSE LOANS.—The Secretary  
12               shall carry out this section through the use of non-  
13               recourse loans.

14          “(2) PROCESSOR ASSURANCES.—

15               “(A) IN GENERAL.—The Secretary shall  
16               obtain from each processor that receives a loan  
17               under this section such assurances as the Sec-  
18               retary considers adequate to ensure that the  
19               processor will provide payments to producers  
20               that are proportional to the value of the loan  
21               received by the processor for the sugar beets  
22               and sugarcane delivered by producers to the  
23               processor.

24               “(B) MINIMUM PAYMENTS.—

1                   “(i) IN GENERAL.—Subject to clause  
2                   (ii), the Secretary may establish appro-  
3                   priate minimum payments for purposes of  
4                   this paragraph.

5                   “(ii) LIMITATION.—In the case of  
6                   sugar beets, the minimum payment estab-  
7                   lished under clause (i) shall not exceed the  
8                   rate of payment provided for under the ap-  
9                   plicable contract between a sugar beet pro-  
10                  ducer and a sugar beet processor.

11               “(3) ADMINISTRATION.—The Secretary may  
12               not impose or enforce any prenotification require-  
13               ment, or similar administrative requirement not oth-  
14               erwise in effect on May 13, 2002, that has the effect  
15               of preventing a processor from electing to forfeit the  
16               loan collateral (of an acceptable grade and quality)  
17               on the maturity of the loan.

18               “(e) LOANS FOR IN-PROCESS SUGAR.—

19               “(1) DEFINITION OF IN-PROCESS SUGARS AND  
20               SYRUPS.—In this subsection, the term ‘in-process  
21               sugars and syrups’ does not include raw sugar, liq-  
22               uid sugar, invert sugar, invert syrup, or other fin-  
23               ished product that is otherwise eligible for a loan  
24               under subsection (a) or (b).

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

5           “(3) LOAN RATE.—The loan rate shall be equal  
6           to 80 percent of the loan rate applicable to raw cane  
7           sugar or refined beet sugar, as determined by the  
8           Secretary on the basis of the source material for the  
9           in-process sugars and syrups.

10          “(4) FURTHER PROCESSING ON FORFEITURE.—

11               “(A) IN GENERAL.—As a condition of the  
12               forfeiture of in-process sugars and syrups serv-  
13               ing as collateral for a loan under paragraph (2),  
14               the processor shall, within such reasonable time  
15               period as the Secretary may prescribe and at no  
16               cost to the Commodity Credit Corporation, con-  
17               vert the in-process sugars and syrups into raw  
18               cane sugar or refined beet sugar of acceptable  
19               grade and quality for sugars eligible for loans  
20               under subsection (a) or (b).

21               “(B) TRANSFER TO CORPORATION.—Once  
22               the in-process sugars and syrups are fully proc-  
23               essed into raw cane sugar or refined beet sugar,  
24               the processor shall transfer the sugar to the  
25               Commodity Credit Corporation.



1                   “(C) PAYMENT TO PROCESSOR.—On trans-  
2                   fer of the sugar, the Secretary shall make a  
3                   payment to the processor in an amount equal to  
4                   the amount obtained by multiplying—

5                   “(i) the difference between—

6                   “(I) the loan rate for raw cane  
7                   sugar or refined beet sugar, as appro-  
8                   priate; and

9                   “(II) the loan rate the processor  
10                  received under paragraph (3); by

11                  “(ii) the quantity of sugar transferred  
12                  to the Secretary.

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

21                  “(6) TERM OF LOAN.—The term of a loan  
22                  made under this subsection for a quantity of in-proc-  
23                  ess sugars and syrups, when combined with the term  
24                  of a loan made with respect to the raw cane sugar  
25                  or refined beet sugar derived from the in-process

1       sugars and syrups, may not exceed 9 months, con-  
2       sistent with subsection (c).

3       “(f) AVOIDING FORFEITURES; CORPORATION INVEN-  
4       TORY DISPOSITION.—

5               “(1) IN GENERAL.—Subject to subsection  
6       (d)(3), to the maximum extent practicable, the Sec-  
7       retary shall operate the program established under  
8       this section at no cost to the Federal Government by  
9       avoiding the forfeiture of sugar to the Commodity  
10      Credit Corporation.

11             “(2) INVENTORY DISPOSITION.—

12               “(A) IN GENERAL.—To carry out para-  
13      graph (1), the Commodity Credit Corporation  
14      may accept bids to obtain raw cane sugar or re-  
15      fined beet sugar in the inventory of the Com-  
16      modity Credit Corporation from (or otherwise  
17      make available such commodities, on appro-  
18      priate terms and conditions, to) processors of  
19      sugarcane and processors of sugar beets (acting  
20      in conjunction with the producers of the sugar-  
21      cane or sugar beets processed by the proc-  
22      essors) in return for the reduction of production  
23      of raw cane sugar or refined beet sugar, as ap-  
24      propriate.

1           “(B) BIOENERGY FEEDSTOCK.—If a re-  
2           duction in the quantity of production accepted  
3           under subparagraph (A) involves sugar beets or  
4           sugarcane that has already been planted, the  
5           sugar beets or sugarcane so planted may not be  
6           used for any commercial purpose other than as  
7           a bioenergy feedstock.

8           “(C) ADDITIONAL AUTHORITY.—The au-  
9           thority provided under this paragraph is in ad-  
10          dition to any authority of the Commodity Credit  
11          Corporation under any other law.

12       “(g) INFORMATION REPORTING.—

13           “(1) DUTY OF PROCESSORS AND REFINERS TO  
14           REPORT.—A sugarcane processor, cane sugar re-  
15           finer, and sugar beet processor shall furnish the Sec-  
16           retary, on a monthly basis, such information as the  
17           Secretary may require to administer sugar pro-  
18           grams, including the quantity of purchases of sugar-  
19           cane, sugar beets, and sugar, and production, impor-  
20           tation, distribution, and stock levels of sugar.

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

22           “(A) PROPORTIONATE SHARE STATES.—As  
23           a condition of a loan made to a processor for  
24           the benefit of a producer, the Secretary shall  
25           require each producer of sugarcane located in a

1 State (other than the Commonwealth of Puerto  
2 Rico) in which there are in excess of 250 pro-  
3 ducers of sugarcane to report, in the manner  
4 prescribed by the Secretary, the sugarcane  
5 yields and acres planted to sugarcane of the  
6 producer.

7 “(B) OTHER STATES.—The Secretary may  
8 require each producer of sugarcane or sugar  
9 beets not covered by subparagraph (A) to re-  
10 port, in a manner prescribed by the Secretary,  
11 the yields of, and acres planted to, sugarcane or  
12 sugar beets, respectively, of the producer.

13 “(3) DUTY OF IMPORTERS TO REPORT.—

14 “(A) IN GENERAL.—Except as provided in  
15 subparagraph (B), the Secretary shall require  
16 an importer of sugars, syrups, or molasses to be  
17 used for human consumption or to be used for  
18 the extraction of sugar for human consumption  
19 to report, in the manner prescribed by the Sec-  
20 retary, the quantities of the products imported  
21 by the importer and the sugar content or equiv-  
22 alent of the products.

23 “(B) TARIFF-RATE QUOTAS.—Subpara-  
24 graph (A) shall not apply to sugars, syrups, or  
25 molasses that are within the quantities of tariff-

1 rate quotas that are subject to the lower rate  
2 of duties.

3 “(4) COLLECTION OF INFORMATION ON MEX-  
4 ICO.—

5 “(A) COLLECTION.—The Secretary shall  
6 collect—

7 “(i) information on the production,  
8 consumption, stocks and trade of sugar in  
9 Mexico, including United States exports of  
10 sugar to Mexico; and

11 “(ii) publicly available information on  
12 Mexican production, consumption, and  
13 trade of high fructose corn syrups, includ-  
14 ing United States exports of high fructose  
15 corn syrups to Mexico.

16 “(B) PUBLICATION.—The data collected  
17 under subparagraph (A) shall be published in  
18 each edition of the World Agricultural Supply  
19 and Demand Estimates.

20 “(5) PENALTY.—Any person willfully failing or  
21 refusing to furnish the information required to be  
22 reported by paragraph (1), (2), or (3), or furnishing  
23 willfully false information, shall be subject to a civil  
24 penalty of not more than \$10,000 for each such vio-  
25 lation.

1           “(6) MONTHLY REPORTS.—Taking into consid-  
2           eration the information received under this sub-  
3           section, the Secretary shall publish on a monthly  
4           basis composite data on production, imports, dis-  
5           tribution, and stock levels of sugar.

6           “(h) SUBSTITUTION OF REFINED SUGAR.—For pur-  
7           poses of Additional U.S. Note 6 to chapter 17 of the Har-  
8           monized Tariff Schedule of the United States and the re-  
9           export programs and polyhydric alcohol program adminis-  
10          tered by the Secretary, all refined sugars (whether derived  
11          from sugar beets or sugarcane) produced by cane sugar  
12          refineries and beet sugar processors shall be fully substi-  
13          tutable for the export of sugar and sugar-containing prod-  
14          ucts under those programs.

15          “(i) EFFECTIVE PERIOD.—This section shall be ef-  
16          fective only for the 2008 through 2012 crops of sugar  
17          beets and sugarcane.”.

18          (b) TRANSITION.—The Secretary of Agriculture shall  
19          make loans for raw cane sugar and refined beet sugar  
20          available for the 2007 crop year on the terms and condi-  
21          tions provided in section 156 of the Federal Agriculture  
22          Improvement and Reform Act of 1996 (7 U.S.C. 7272),  
23          as in effect on the day before the date of the enactment  
24          of this Act.

1 **SEC. 1302. UNITED STATES MEMBERSHIP IN THE INTER-**  
2 **NATIONAL SUGAR ORGANIZATION.**

3 The Secretary of Agriculture shall work with the Sec-  
4 retary of State to restore United States membership in  
5 the International Sugar Organization within one year  
6 after the date of enactment of this Act.

7 **SEC. 1303. FLEXIBLE MARKETING ALLOTMENTS FOR**  
8 **SUGAR.**

9 (a) DEFINITION OF HUMAN CONSUMPTION.—Section  
10 359a of the Agricultural Adjustment Act of 1938 (7  
11 U.S.C. 1359aa) is amended—

12 (1) by redesignating paragraphs (1) through  
13 (4) as paragraphs (2) through (5), respectively; and  
14 (2) by inserting before paragraph (2), as so re-  
15 designated, the following new paragraph (1):

16 “(1) HUMAN CONSUMPTION.—The term  
17 ‘human consumption’, when used in the context of a  
18 reference to sugar (whether in the form of sugar, in-  
19 process sugar, syrup, molasses, or in some other  
20 form) for human consumption, includes sugar for  
21 use in human food, beverages, or similar products.”.

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

1 **“SEC. 359b. FLEXIBLE MARKETING ALLOTMENTS FOR**  
2 **SUGAR.**

3 “(a) SUGAR ESTIMATES.—

4 “(1) IN GENERAL.—Not later than August 1  
5 before the beginning of each of the 2008 through  
6 2012 crop years for sugarcane and sugar beets, the  
7 Secretary shall estimate—

8 “(A) the quantity of sugar that will be  
9 subject to human consumption in the United  
10 States during the crop year;

11 “(B) the quantity of sugar that would pro-  
12 vide for reasonable carryover stocks;

13 “(C) the quantity of sugar that will be  
14 available from carry-in stocks for human con-  
15 sumption in the United States during the crop  
16 year;

17 “(D) the quantity of sugar that will be  
18 available from the domestic processing of sugar-  
19 cane, sugar beets, and in-process beet sugar;  
20 and

21 “(E) the quantity of sugars, syrups, and  
22 molasses that will be imported for human con-  
23 sumption or to be used for the extraction of  
24 sugar for human consumption in the United  
25 States during the crop year, whether such arti-



1           cles are under a tariff-rate quota or are in ex-  
2           cess or outside of a tariff-rate quota.

3           “(2) EXCLUSION.—The estimates under this  
4           subsection shall not apply to sugar imported for the  
5           production of polyhydric alcohol or to any sugar re-  
6           fined and reexported in refined form or in products  
7           containing sugar.

8           “(3) REESTIMATES.—The Secretary shall make  
9           reestimates of sugar consumption, stocks, produc-  
10          tion, and imports for a crop year as necessary, but  
11          no later than the beginning of each of the second  
12          through fourth quarters of the crop year.

13          “(b) SUGAR ALLOTMENTS.—

14               “(1) ESTABLISHMENT.—By the beginning of  
15               each crop year, the Secretary shall establish for that  
16               crop year appropriate allotments under section 359c  
17               for the marketing by processors of sugar processed  
18               from sugar cane or sugar beets or in-process beet  
19               sugar (whether such sugar beets or in-process beet  
20               sugar was produced domestically or imported) at a  
21               level sufficient to maintain raw and refined sugar  
22               prices above forfeiture levels so that there will be no  
23               forfeitures of sugar to the Commodity Credit Cor-  
24               poration under the loan program for sugar estab-  
25               lished under section 156 of the Federal Agriculture

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

3 “(2) MINIMUM.—The level of allotments estab-  
4 lished under paragraph (1) may not be less than 85  
5 percent of the estimated quantity of sugar for do-  
6 mestic human consumption for the crop year.

7 “(3) PRODUCTS.—The Secretary may include  
8 sugar products, whose majority content is sucrose, in  
9 the allotments established under paragraph (1) if  
10 the Secretary determines that the inclusion of such  
11 sugar products is appropriate for controlling the  
12 supply of sugar for human consumption.

13 “(c) COVERAGE OF ALLOTMENTS.—

14 “(1) IN GENERAL.—The marketing allotments  
15 provided for in this part shall apply to the mar-  
16 keting by processors of sugar intended for domestic  
17 human consumption that has been processed from  
18 sugar cane or sugar beets or in-process beet sugar  
19 (whether such sugar beets or in-process beet sugar  
20 was produced domestically or imported).

21 “(2) EXCEPTIONS.—Consistent with the admin-  
22 istration of marketing allotments during crop years  
23 2002 through 2007, the marketing allotments shall  
24 not apply to sugar sold—

1           “(A) to facilitate the exportation of such  
2           sugar to a foreign country, except that such ex-  
3           ports of sugar shall not be eligible to receive  
4           credits under re-export programs for refined  
5           sugar or sugar containing products adminis-  
6           tered by the Secretary;

7           “(B) to enable another processor to fulfill  
8           an allocation established for such other proc-  
9           essor, except that such sales must be made be-  
10          fore May 1 and must be reported to the Sec-  
11          retary; or

12          “(C) for uses other than domestic human  
13          consumption.

14          “(d) PROHIBITIONS.—

15               “(1) IN GENERAL.—During any crop year or  
16               portion thereof for which marketing allotments have  
17               been established, no processor of sugar beets or sug-  
18               arcane shall market for domestic human consump-  
19               tion a quantity of sugar in excess of the allocation  
20               established for such processor, except to enable an-  
21               other processor to fulfill an allocation established for  
22               such other processor or to facilitate the exportation  
23               of such sugar.

24               “(2) CIVIL PENALTY.—Any processor who  
25               knowingly violates paragraph (1) shall be liable to

1 the Commodity Credit Corporation for a civil penalty  
2 in an amount equal to 3 times the United States  
3 market value, at the time of the commission of the  
4 violation, of that quantity of sugar involved in the  
5 violation.

6 “(3) DEFINITION OF MARKET.—For purposes  
7 of this part, the term ‘market’ shall mean to sell or  
8 otherwise dispose of in commerce in the United  
9 States, including—

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

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

20 “(C) the sale of sugar for the production  
21 of ethanol or other bioenergy product, if such  
22 ethanol or bioenergy product is the subject of a  
23 payment under the feedstock flexibility program  
24 for bioenergy producers.”.

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

4           (1) by striking subsection (b) and inserting the  
5 following new subsection:

6       “(b) OVERALL ALLOTMENT QUANTITY.—

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

14           “(2) MINIMUM.—The overall allotment quantity  
15 established under paragraph (1) may not be less  
16 than 85 percent of the estimated quantity of sugar  
17 for domestic human consumption for the crop year.

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

21           “(A) to maintain raw and refined sugar  
22 prices above forfeiture levels to avoid the for-  
23 feiture of sugar to the Commodity Credit Cor-  
24 poration; and

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

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

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

11 (4) by striking subsection (h).

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

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

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

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

24 “(i) ALLOCATION FOR A NEW EN-  
25 TRANT THAT HAS CONSTRUCTED A NEW

1 FACTORY OR REOPENED A FACTORY THAT  
2 WAS NOT OPERATING SINCE BEFORE  
3 1998.—If a New Entrant constructs a new  
4 sugar beet processing factory, or acquires  
5 and reopens a sugar beet processing fac-  
6 tory that last processed sugar beets prior  
7 to the 1998 crop year and there is no allo-  
8 cation currently associated with the fac-  
9 tory, the Secretary shall—

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

19 “(II) reduce the allocations for  
20 beet sugar of all other processors on  
21 a pro rata basis to reflect the alloca-  
22 tion to the New Entrant.

23 “(ii) ALLOCATION FOR A NEW EN-  
24 TRANT THAT HAS ACQUIRED AN EXISTING  
25 FACTORY WITH A PRODUCTION HISTORY.—

1 If a New Entrant acquires an existing fac-  
2 tory that has processed sugar beets from  
3 the 1998 or later crop years and has a  
4 production history, then, upon the mutual  
5 agreement of the New Entrant and the  
6 company currently holding the allocation  
7 associated with the factory, the Secretary  
8 shall transfer to the New Entrant a por-  
9 tion of allocation of the current allocation  
10 holder to reflect the historical contribution  
11 of the production of the acquired factory to  
12 the total allocation of the current alloca-  
13 tion holder. In the absence of mutual  
14 agreement, the new entrant shall be ineli-  
15 gible for a beet sugar allocation.

16 “(iii) APPEALS.—Any decision made  
17 under this subsection may be appealed to  
18 the Secretary pursuant to section 359i.

19 “(iv) DEFINITION.—In this subpara-  
20 graph, the term ‘New Entrant’ means an  
21 individual, corporation, or other entity that  
22 does not have an allocation of the beet  
23 sugar allotment under this part, is not af-  
24 filiated with any other individual, corpora-  
25 tion, or entity that has an allocation of



1 beet sugar under this part (known as a  
2 ‘third party’), and will process sugar beets  
3 produced by sugar beet growers under con-  
4 tract with the New Entrant for the produc-  
5 tion of sugar at the new or re-opened fac-  
6 tory that is the basis for the New Entrant  
7 allocation.

8 “(v) AFFILIATION.—For purposes of  
9 this subparagraph, a New Entrant and a  
10 third party shall be deemed to be ‘affili-  
11 ated’ if—

12 “(I) the third party has an own-  
13 ership interest in the New Entrant;

14 “(II) the New Entrant and the  
15 third party have owners in common;

16 “(III) the third party has the  
17 ability to exercise control over the  
18 New Entrant by organizational rights,  
19 contractual rights, or any other  
20 means;

21 “(IV) the third party has a con-  
22 tractual relationship with the New  
23 Entrant by which the New Entrant  
24 will make use of the facilities or assets  
25 of such third party; or

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

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

10          (f) PROVISIONS APPLICABLE TO PRODUCERS.—Sec-  
 11 tion 359f(c) of the Agricultural Adjustment Act of 1938  
 12 (7 U.S.C. 1359ff(c)) is amended—

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

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

19           (3) in paragraph (7), by striking “amount of  
 20           sugarcane” and inserting “amount of sugar from  
 21           sugarcane”; and

22           (4) by striking paragraph (8) and inserting the  
 23           following new paragraph:

24           “(8) SEED DEFINITION.—In this subsection,  
 25           the term ‘seed’ includes only varieties of seed dedi-

1 cated to the production of sugarcane from which is  
2 produced sugar for human consumption, and ex-  
3 cludes seed of high-fiber cane varieties dedicated to  
4 other uses, as determined by the Secretary.”.

5 (g) SPECIAL RULES.—Section 359g of the Agricul-  
6 tural Adjustment Act of 1938 (7 U.S.C. 1359gg) is  
7 amended—

8 (1) by striking subsection (a) and inserting the  
9 following new subsection:

10 “(a) TRANSFER OF ACREAGE BASE HISTORY.—

11 “(1) TRANSFER AUTHORIZED.—For the pur-  
12 pose of establishing proportionate shares for sugar-  
13 cane farms under section 359f(c), the Secretary, on  
14 application of any producer, with the written consent  
15 of all owners of a farm, may transfer the acreage  
16 base history of the farm to any other parcels of land  
17 of the applicant.

18 “(2) CONVERTED ACREAGE BASE.—

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

1           proportionate share State in accordance with  
2           this paragraph.

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

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

18          “(D) GROWER OF RECORD.—If the trans-  
19          fer under subparagraph (C) cannot be accom-  
20          plished within the time period prescribed in  
21          such subparagraph, then the grower of record  
22          with regard to the base acreage on the date on  
23          which the acreage was converted to non-agricul-  
24          tural use shall be so notified, and shall be af-  
25          forded 90 days from the date of the receipt of

1 such notification to transfer the base to one or  
2 more farms operated by the grower.

3 “(E) POOL DISTRIBUTION.—If the trans-  
4 fers under subparagraphs (B) and (C) cannot  
5 be accomplished within the time periods pre-  
6 scribed therein, then the county committee for  
7 the applicable parish shall place the acreage  
8 base in a pool for possible assignment to other  
9 farms. After providing reasonable notice to  
10 farm owners, operators, and growers of record  
11 in the parish, the county committee shall accept  
12 requests from owners, operators, and growers of  
13 record in the parish. The county committee  
14 shall assign the base to other farms in the par-  
15 ish that are eligible and capable of accepting  
16 such base, based on a random drawing from  
17 among the requests received from owners, oper-  
18 ators, and growers of record with eligible farms.

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

ing base shall be reallocated to requesting county committees based on a random drawing. Any county committee receiving base under this subparagraph shall allocate the base to eligible farms using the process described in subparagraph (E).

“(G) STATUS OF REASSIGNED BASE.—

Once reassigned pursuant to this paragraph, the acreage base shall remain on the farm, and will be subject to the transfer provisions of paragraph (1).”;

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

“(d) TRANSFERS OF MILL ALLOCATIONS.—

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

“(2) ALLOCATION ADJUSTMENT.—Notwithstanding section 359d, the Secretary shall adjust the allocations of each of such processing companies af-

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

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

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

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

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

14                (2) by striking subsection (c).

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

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

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

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

3 “(b) ADJUSTMENT.—

4 “(1) BEFORE APRIL 1.—

5 “(A) INITIAL ADJUSTMENT REQUIRED.—

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

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



1 culture Improvement and Reform Act of 1996  
2 (7 U.S.C. 7272).

3 “(2) ON OR AFTER APRIL 1.—

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

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

22 “(c) ORDERLY SHIPPING PATTERNS FOR MAJOR  
23 SUPPLIERS.—

24 “(1) IN GENERAL.—The Secretary of Agri-  
25 culture shall establish orderly shipping patterns for

1 major suppliers of sugar to the United States under  
2 the tariff rate quotas in accordance with this sub-  
3 section.

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

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

21 (j) EFFECTIVE DATE.—The Agricultural Adjustment  
22 Act of 1938 is amended by inserting after section 359k  
23 (7 U.S.C. 1359kk) the following new section:

1 **“SEC. 359I. EFFECTIVE PERIOD.**

2 “This part shall be effective only for the 2008  
3 through 2012 crop years for sugar.”.

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

10 **Subtitle D—Dairy-Related**  
11 **Provisions**

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

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

19 (b) PURCHASE PRICE.—To carry out subsection (a)  
20 during the period specified in such subsection, the Sec-  
21 retary shall purchase—

22 (1) cheddar cheese in blocks at not less than  
23 \$1.13 per pound;

24 (2) cheddar cheese in barrels at not less than  
25 \$1.10 per pound;

1           (3) butter at not less than \$1.05 per pound;  
2       and

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

5       (c) TEMPORARY PRICE ADJUSTMENT TO AVOID EX-  
6       CESS INVENTORIES.—

7           (1) ADJUSTMENTS AUTHORIZED.—The Sec-  
8       retary may adjust the minimum purchase prices es-  
9       tablished under subsection (b) only as permitted  
10      under this subsection.

11          (2) CHEESE INVENTORIES IN EXCESS OF 200  
12      MILLION POUNDS.—If net removals for a period of  
13      12 consecutive months exceed 200 million pounds of  
14      cheese, but do not exceed 400 million pounds, the  
15      Secretary may reduce the purchase prices under  
16      paragraphs (1) and (2) of subsection (b) during the  
17      immediately following month by not more than 10  
18      cents per pound.

19          (3) CHEESE INVENTORIES IN EXCESS OF 400  
20      MILLION POUNDS.—If net removals for a period of  
21      12 consecutive months exceed 400 million pounds of  
22      cheese, the Secretary may reduce the purchase  
23      prices under paragraphs (1) and (2) of subsection  
24      (b) during the immediately following month by not  
25      more than 20 cents per pound.

1           (4) BUTTER INVENTORIES IN EXCESS OF 450  
2       MILLION POUNDS.—If net removals for a period of  
3       12 consecutive months exceed 450 million pounds of  
4       butter, but do not exceed 650 million pounds, the  
5       Secretary may reduce the purchase price under sub-  
6       section (b)(3) during the immediately following  
7       month by not more than 10 cents per pound.

8           (5) BUTTER INVENTORIES IN EXCESS OF 650  
9       MILLION POUNDS.—If net removals for a period of  
10      12 consecutive months exceed 650 million pounds of  
11      butter, the Secretary may reduce the purchase price  
12      under subsection (b)(3) during the immediately fol-  
13      lowing month by not more than 20 cents per pound.

14          (6) NONFAT DRY MILK INVENTORIES IN EX-  
15      CESS OF 600 MILLION POUNDS.—If net removals for  
16      a period of 12 consecutive months exceed 600 mil-  
17      lion pounds of nonfat dry milk, but do not exceed  
18      800 million pounds, the Secretary may reduce the  
19      purchase price under subsection (b)(4) during the  
20      immediately following month by not more than 5  
21      cents per pound.

22          (7) NONFAT DRY MILK INVENTORIES IN EX-  
23      CESS OF 800 MILLION POUNDS.—If net removals for  
24      a period of 12 consecutive months exceed 800 mil-  
25      lion pounds of nonfat dry milk, the Secretary may

1       reduce the purchase price under subsection (b)(4)  
2       during the immediately following month by not more  
3       than 10 cents per pound.

4       (d) UNIFORM PURCHASE PRICE.—The prices that  
5       the Secretary pays for cheese, butter, or nonfat dry milk,  
6       respectively, under subsection (a) shall be uniform for all  
7       regions of the United States.

8       (e) SALES FROM INVENTORIES.—In the case of each  
9       commodity specified in subsection (b) that is available for  
10      unrestricted use in inventories of the Commodity Credit  
11      Corporation, the Secretary may sell the commodity at the  
12      market prices prevailing for that commodity at the time  
13      of sale, except that the sale price may not be less than  
14      110 percent of the minimum purchase price specified in  
15      subsection (b) for that commodity.

16      (f) NET REMOVALS DEFINED.—In this section, the  
17      term “net removals” means—

18           (1) the sum of the quantity of a product de-  
19           scribed in subsection (a) purchased by the Com-  
20           modity Credit Corporation under this section and  
21           the quantity of such product exported under section  
22           153 of the Food Security Act of 1985 (15 U.S.C.  
23           713a–14); less

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

1 (g) COMMODITY CREDIT CORPORATION.—The Sec-  
2 retary shall use the funds of the Commodity Credit Cor-  
3 poration to carry out this section.

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

5 (a) PROGRAM REQUIRED.—The Secretary of Agri-  
6 culture shall establish a program under which milk pro-  
7 ducers and cooperative associations of producers are au-  
8 thorized to voluntarily enter into forward price contracts  
9 with milk handlers.

10 (b) MINIMUM MILK PRICE REQUIREMENTS.—Pay-  
11 ments made by milk handlers to milk producers and coop-  
12 erative associations of producers, and prices received by  
13 milk producers and cooperative associations, in accordance  
14 with the terms of a forward price contract authorized by  
15 subsection (a), shall be deemed to satisfy—

16 (1) all uniform and minimum milk price re-  
17 quirements of paragraphs (B) and (F) of subsection  
18 (5) of section 8c of the Agricultural Adjustment Act  
19 (7 U.S.C. 627), reenacted with amendments by the  
20 Agricultural Marketing Agreement Act of 1937; and

21 (2) the total payment requirement of paragraph  
22 (C) of such subsection.

23 (c) MILK COVERED BY PROGRAM.—

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

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

6                   (B) is in the current of interstate or for-  
7                   eign commerce or directly burdens, obstructs, or  
8                   affects interstate or foreign commerce in feder-  
9                   ally regulated milk.

10          (2) RELATION TO CLASS I MILK.—To assist  
11          milk handlers in complying with the limitation in  
12          paragraph (1)(A) without having to segregate or  
13          otherwise individually track the source and disposi-  
14          tion of milk, a milk handler may allocate milk re-  
15          ceipts from producers, cooperatives, and other  
16          sources that are not subject to a forward contract to  
17          satisfy the handler’s obligations with regard to Class  
18          I milk usage.

19          (d) VOLUNTARY PROGRAM.—A milk handler may not  
20          require participation in a forward pricing contract as a  
21          condition of the handler receiving milk from a producer  
22          or cooperative association of producers, and such producer  
23          or cooperative association may continue to have their milk  
24          priced under the order’s minimum payment provisions.  
25          The Secretary shall investigate complaints made by pro-



1 ducers or cooperative associations of coercion by handlers  
2 to enter into forward contracts, and if the Secretary finds  
3 evidence of such coercion, the Secretary shall take appro-  
4 priate action.

5 (e) DURATION.—No forward price contract may be  
6 entered into under this program after September 30,  
7 2012, and no forward contract entered into under the pro-  
8 gram may extend beyond September 30, 2015.

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

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

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

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

18 “(3) the maximum volume of dairy product ex-  
19 ports allowable consistent with the obligations of the  
20 United States under the Uruguay Round Agree-  
21 ments approved under section 101 of the Uruguay  
22 Round Agreements Act (19 U.S.C. 3511) is exported  
23 under the program each year (minus the volume sold  
24 under section 1163 of this Act (Public Law 99–198;  
25 7 U.S.C. 1731 note) during that year), except to the

1 extent that the export of such a volume under the  
 2 program would, in the judgment of the Secretary,  
 3 exceed the limitations on the value set forth in sub-  
 4 section (f); and”; and.

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

7 “(1) FUNDS AND COMMODITIES.—Except as  
 8 provided in paragraph (2), the Commodity Credit  
 9 Corporation shall in each year use money and com-  
 10 modities for the program under this section in the  
 11 maximum amount consistent with the obligations of  
 12 the United States under the Uruguay Round Agree-  
 13 ments approved under section 101 of the Uruguay  
 14 Round Agreements Act (19 U.S.C. 3511), minus the  
 15 amount expended under section 1163 of this Act  
 16 (Public Law 99–198; 7 U.S.C. 1731 note) during  
 17 that year.”.

18 **SEC. 1404. REVISION OF FEDERAL MARKETING ORDER**  
 19 **AMENDMENT PROCEDURES.**

20 Subsection (17) of section 8c of the Agricultural Ad-  
 21 justment Act (7 U.S.C. 608c), reenacted with amendments  
 22 by the Agricultural Marketing Agreement Act of 1937, is  
 23 amended to read as follows:

24 “(17) PROVISIONS APPLICABLE TO AMENDMENTS.—

1           “(A) APPLICABILITY TO AMENDMENTS.—The  
2 provisions of this section and section 8d, applicable  
3 to orders shall be applicable to amendments to or-  
4 ders.

5           “(B) ADVANCE NOTICE OF HEARING.—Notice  
6 of a hearing upon a proposed amendment to any  
7 order issued pursuant to this section shall be given  
8 not less than 3 days before the date fixed for the  
9 hearing, and such notice shall be deemed to be due  
10 notice of the hearing.

11           “(C) PROMPT RESPONSE TO REQUESTS FOR  
12 AMENDMENT HEARINGS.—Not more than 30 days  
13 after receipt of a written request for an amendment  
14 hearing regarding a milk marketing order, the Sec-  
15 retary shall—

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

17                   “(ii) issue notice of the hearing, which  
18 shall begin no more than 60 days, and conclude  
19 no more than 90 days, after receipt of the re-  
20 quest.

21           “(D) SUBMISSION AND USE OF EVIDENCE.—  
22 The proponents of any amendment proposed to be  
23 made to a milk marketing order shall file with the  
24 Secretary all testimony and other evidence in sup-  
25 port of the amendment, in written form, at least 7

1 business days before the date fixed for the hearing.  
2 The Secretary shall make such written testimony  
3 and other evidence available to interested members  
4 of the public. Subject to any evidentiary objections  
5 and cross examination of submitting witness, the  
6 written testimony and evidence shall be entered into  
7 evidence without being read at the hearing.

8 “(E) ISSUANCE OF DECISION.—The Secretary  
9 shall issue a recommended decision on a proposed  
10 amendment to a milk marketing order not later than  
11 90 days after the date set by the Administrative  
12 Law Judge for the submission of post-hearing pro-  
13 posed findings and conclusions and written argu-  
14 ments or briefs. The final decision shall be issued  
15 not later than 60 days after the date on which the  
16 recommended decision was issued.

17 “(F) AVOIDING DUPLICATION.—The Secretary  
18 shall not be required to call a hearing on any  
19 amendment proposed to be made to a milk mar-  
20 keting order in response to an application for a  
21 hearing on such proposed amendment if the applica-  
22 tion requesting the hearing is received by the Sec-  
23 retary within 90 days after the date on which the  
24 Secretary has announced the decision on a pre-  
25 viously proposed amendment to that order and the

1 two proposed amendments are essentially the  
2 same.”.

3 **SEC. 1405. DAIRY INDEMNITY PROGRAM.**

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

6 **SEC. 1406. EXTENSION OF MILK INCOME LOSS CONTRACT**  
7 **PROGRAM.**

8 Section 1502(c)(3)(B) of the Farm Security and  
9 Rural Investment Act of 2002 (7 U.S.C. 7982(c)(3)(B)),  
10 as amended by section 9006(a) of the U.S. Troop Readiness,  
11 Veterans’ Care, Katrina Recovery, and Iraq Accountability  
12 Appropriations Act, 2007 (Public Law 110–  
13 28, 121 Stat. 217), is amended by striking “2007” and  
14 inserting “2012”.

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

16 (a) EXTENSION OF PROMOTION AUTHORITY.—Section  
17 113(e)(2) of the Dairy Production Stabilization Act  
18 of 1983 (7 U.S.C. 4504(e)(2)) is amended by striking  
19 “2007” and inserting “2012”.

20 (b) DEFINITION OF UNITED STATES FOR PROMOTION  
21 PROGRAM.—Section 111 of the Dairy Production  
22 Stabilization Act of 1983 (7 U.S.C. 4502) is amended—

23 (1) by striking subsection (l) and inserting the  
24 following new subsection:

1       “(l) the term ‘United States’, when used in a geo-  
2 graphical sense, means all of the States, the District of  
3 Columbia, and the Commonwealth of Puerto Rico;” and  
4       (2) in subsection (m), by striking “(as defined  
5 in subsection (l))”.

6       (c) DEFINITION OF UNITED STATES FOR RESEARCH  
7 PROGRAM.—Section 130 of the Dairy Production Sta-  
8 bilization Act of 1983 (7 U.S.C. 4531)) is amended by  
9 striking paragraph (12) and inserting the following new  
10 paragraph:

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

15       (d) REFUND OF ASSESSMENTS ON IMPORTED DAIRY  
16 PRODUCTS.—Section 113(g) of the Dairy Production Sta-  
17 bilization Act of 1983 (7 U.S.C. 4504(g)) is amended by  
18 adding at the end the following:

19       “(7) REFUND OF ASSESSMENTS ON CERTAIN  
20 IMPORTED PRODUCTS.—

21       “(A) IN GENERAL.—An importer is enti-  
22 tled to a refund of any assessment paid under  
23 this subsection on imported dairy products im-  
24 ported under a contract entered into prior to  
25 July 26, 2007.

1                   “(B) EXPIRATION.—Refunds under para-  
2                   graph (A) shall expire one year after the date  
3                   of the enactment of the Farm, Nutrition, and  
4                   Bioenergy Act of 2007.”.

5   **SEC. 1408. REPORT ON DEPARTMENT OF AGRICULTURE RE-**  
6                   **PORTING PROCEDURES FOR NONFAT DRY**  
7                   **MILK.**

8           Not later than 90 days after the date of the enact-  
9   ment of this Act, the Secretary of Agriculture shall submit  
10 to Congress a report regarding Department of Agriculture  
11 reporting procedures for nonfat dry milk and the impact  
12 of these procedures on Federal milk marketing order min-  
13 imum prices during the period beginning on July 1, 2006,  
14 and ending on the date of the enactment of this Act.

15   **SEC. 1409. FEDERAL MILK MARKETING ORDER REVIEW**  
16                   **COMMISSION.**

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

23                   (1) the current Federal milk marketing order  
24                   system; and

25                   (2) non-Federal milk marketing order systems.

1 (b) ELEMENTS OF REVIEW AND EVALUATION.—As  
2 part of the review and evaluation under subsection (a),  
3 the commission shall consider legislative and regulatory  
4 options for—

5 (1) ensuring that the competitiveness of dairy  
6 products with other competing products in the mar-  
7 ketplace is preserved and enhanced;

8 (2) enhancing the competitiveness of American  
9 dairy producers in world markets;

10 (3) increasing the responsiveness of the Federal  
11 milk marketing order system to market forces;

12 (4) streamlining and expediting the process by  
13 which amendments to Federal milk market orders  
14 are adopted;

15 (5) simplifying the Federal milk marketing  
16 order system;

17 (6) evaluating whether the Federal milk mar-  
18 keting order system, established during the Great  
19 Depression, continues to serve the interests of the  
20 public, dairy processors, and dairy farmers;

21 (7) evaluating whether Federal milk marketing  
22 orders are operating in a manner to minimize costs  
23 to taxpayers and consumers; and



1           (8) evaluating the nutritional composition of  
2           milk, including the potential benefits and costs of  
3           adjusting the milk content standards.

4           (c) MEMBERSHIP.—

5           (1) COMPOSITION.—The commission shall con-  
6           sist of 18 members.

7           (2) MEMBERS.—As soon as practicable after  
8           the date on which funds are first made available to  
9           carry out this section, commission members shall be  
10          appointed as follows:

11           (A) Two members appointed by the Chair-  
12          man of the Committee on Agriculture of the  
13          House of Representatives, in consultation with  
14          the ranking member of the Committee on Agri-  
15          culture of the House of Representatives.

16           (B) Two members appointed by the Chair-  
17          man of the Committee on Agriculture, Nutri-  
18          tion, and Forestry of the Senate, in consulta-  
19          tion with the ranking member of the Committee  
20          on Agriculture, Nutrition and Forestry of the  
21          Senate.

22           (C) Fourteen members appointed by the  
23          Secretary of Agriculture.

24           (3) SPECIAL APPOINTMENT REQUIREMENTS.—

25          In the case of the members to be appointed under

1 paragraph (2)(C), the Secretary shall comply with  
2 the following requirements:

3 (A) At least one member shall represent a  
4 national consumer organization.

5 (B) At least four members shall represent  
6 land-grant universities or ASCARR institutions  
7 with accredited dairy economic programs, with  
8 two of these members being experts in the field  
9 of economics.

10 (C) At least one member shall represent  
11 the food and beverage retail sector.

12 (D) Four dairy producer and four dairy  
13 processors, appointed so as to balance geo-  
14 graphical distribution of milk production and  
15 dairy processing, reflect all segments of dairy  
16 processing, and represent all regions of the  
17 United States equitably, including States that  
18 operate outside of a Federal milk marketing  
19 order.

20 (4) CHAIR.—The commission shall elect one of  
21 its appointed members to serve as chairperson for  
22 the duration of the commission's proceedings.

23 (5) VACANCY.—Any vacancy occurring before  
24 the termination of the commission shall be filled in  
25 the same manner as the original appointment.

1           (6) COMPENSATION.—Members of the commis-  
2       sion shall serve without compensation, but shall be  
3       reimbursed by the Secretary of Agriculture from ex-  
4       isting budget authority for necessary and reasonable  
5       expenses incurred in the performance of the duties  
6       of the commission.

7       (d) REPORT.—Not later than two years after the date  
8       of the first meeting of the commission, the commission  
9       shall submit to the Secretary of Agriculture and Congress  
10      a report setting forth the results of the review and evalua-  
11      tion conducted under this section, including such rec-  
12      ommendations regarding the legislative and regulatory op-  
13      tions considered under subsection (b) as the commission  
14      considers to be appropriate. The report findings shall re-  
15      flect, to the extent practicable, a consensus opinion of the  
16      commission members, but the report may include majority  
17      and minority findings regarding those matters for which  
18      consensus was not reached.

19      (e) ADVISORY NATURE.—The commission is wholly  
20      advisory in nature, and the recommendations of the com-  
21      mission are non-binding.

22      (f) NO EFFECT ON EXISTING PROGRAMS.—The Sec-  
23      retary shall not allow the existence of the commission to  
24      impede, delay, or otherwise affect any decision making  
25      process of the Department of Agriculture, including any

1 rulemaking procedures planned, proposed, or near comple-  
2 tion.

3 (g) ADMINISTRATIVE ASSISTANCE.—The Secretary  
4 shall provide administrative support to the commission,  
5 and expend such funds as necessary from existing budget  
6 authority to carry out this responsibility.

7 (h) AUTHORIZATION OF APPROPRIATIONS.—There  
8 are authorized to be appropriated such sums as are nec-  
9 essary to carry out this section.

10 (i) TERMINATION.—The commission shall terminate  
11 immediately after submission of the report under sub-  
12 section (d).

## 13 **Subtitle E—Administration**

### 14 **SEC. 1501. ADMINISTRATION GENERALLY.**

15 (a) USE OF COMMODITY CREDIT CORPORATION.—  
16 The Secretary shall use the funds, facilities, and authori-  
17 ties of the Commodity Credit Corporation to carry out this  
18 title.

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

22 (c) REGULATIONS.—

23 (1) IN GENERAL.—Not later than 90 days after  
24 the date of the enactment of this Act, the Secretary  
25 and the Commodity Credit Corporation, as appro-

1        piate, shall promulgate such regulations as are nec-  
2        essary to implement this title.

3            (2) PROCEDURE.—The promulgation of the reg-  
4        ulations and administration of this title shall be  
5        made without regard to—

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

9            (B) the Statement of Policy of the Sec-  
10       retary of Agriculture effective July 24, 1971  
11       (36 Fed. Reg. 13804), relating to notices of  
12       proposed rulemaking and public participation in  
13       rulemaking; and

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

16           (3) CONGRESSIONAL REVIEW OF AGENCY RULE-  
17       MAKING.—In carrying out this subsection, the Sec-  
18       retary shall use the authority provided under section  
19       808 of title 5, United States Code.

20        (d) ADJUSTMENT AUTHORITY RELATED TO TRADE  
21       AGREEMENTS COMPLIANCE.—

22           (1) REQUIRED DETERMINATION; ADJUST-  
23       MENT.—If the Secretary determines that expendi-  
24       tures under subtitles A through E that are subject  
25       to the total allowable domestic support levels under

1 the Uruguay Round Agreements (as defined in sec-  
2 tion 2 of the Uruguay Round Agreements Act (19  
3 U.S.C. 3501)), as in effect on the date of enactment  
4 of this Act, will exceed such allowable levels for any  
5 applicable reporting period, the Secretary shall, to  
6 the maximum extent practicable, make adjustments  
7 in the amount of such expenditures during that pe-  
8 riod to ensure that such expenditures do not exceed  
9 such allowable levels.

10 (2) CONGRESSIONAL NOTIFICATION.—Before  
11 making any adjustment under paragraph (1), the  
12 Secretary shall submit to the Committee on Agri-  
13 culture of the House of Representatives or the Com-  
14 mittee on Agriculture, Nutrition, and Forestry of  
15 the Senate a report describing the determination  
16 made under that paragraph and the extent of the  
17 adjustment to be made.

18 **SEC. 1502. SUSPENSION OF PERMANENT PRICE SUPPORT**  
19 **AUTHORITY.**

20 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—  
21 The following provisions of the Agricultural Adjustment  
22 Act of 1938 shall not be applicable to the 2008 through  
23 2012 crops of covered commodities, peanuts, and sugar  
24 and shall not be applicable to milk during the period be-

1 ginning on the date of enactment of this Act through De-  
2 cember 31, 2012:

3 (1) Parts II through V of subtitle B of title III  
4 (7 U.S.C. 1326 et seq.).

5 (2) In the case of upland cotton, section 377 (7  
6 U.S.C. 1377).

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

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

10 (b) AGRICULTURAL ACT OF 1949.—The following  
11 provisions of the Agricultural Act of 1949 shall not be ap-  
12 plicable to the 2008 through 2012 crops of covered com-  
13 modities, peanuts, and sugar and shall not be applicable  
14 to milk during the period beginning on the date of enact-  
15 ment of this Act and through December 31, 2012:

16 (1) Section 101 (7 U.S.C. 1441).

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

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

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

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

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

22 (7) Section 115 (7 U.S.C. 1445k).

23 (8) Section 201 (7 U.S.C. 1446).

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

1           (10) Title IV (7 U.S.C. 1421 et seq.), other  
 2           than sections 404, 412, and 416 (7 U.S.C. 1424,  
 3           1429, and 1431).

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

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

6           (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—  
 7           The joint resolution entitled “A joint resolution relating  
 8           to corn and wheat marketing quotas under the Agricul-  
 9           tural Adjustment Act of 1938, as amended”, approved  
 10          May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be  
 11          applicable to the crops of wheat planted for harvest in the  
 12          calendar years 2008 through 2012.

13       **SEC. 1503. PAYMENT LIMITATIONS.**

14          (a) EXTENSION AND REVISION OF LIMITATIONS.—

15               (1) EXTENSION.—Sections 1001 and 1001C(a)  
 16               of the Food Security Act of 1985 (7 U.S.C. 1308,  
 17               1308–3(a)) are amended by striking “Farm Security  
 18               and Rural Investment Act of 2002” each place it ap-  
 19               pears (other than in subsection (d)(1) of section  
 20               1001 of such Act) and inserting “Farm, Nutrition,  
 21               and Bioenergy Act of 2007”.

22               (2) COMBINATION OF LIMITS.—Section 1001 of  
 23               the Food Security Act of 1985 (7 U.S.C. 1308) is  
 24               amended by striking subsections (b) and (c) and in-  
 25               serting the following new subsections:



1       “(b) LIMITATION ON DIRECT AND COUNTER-CYCLI-  
2 CAL PAYMENTS FOR COVERED COMMODITIES (OTHER  
3 THAN PEANUTS).—

4               “(1) DIRECT PAYMENTS.—The total amount of  
5 direct payments received, directly or indirectly, by a  
6 person or any legal entity (except a joint venture or  
7 a general partnership) in any crop year under sub-  
8 title A of title I of the Farm, Nutrition, and Bio-  
9 energy Act of 2007 for 1 or more covered commod-  
10 ities (except for peanuts) may not exceed \$60,000.

11              “(2) COUNTER-CYCLICAL PAYMENTS.—The  
12 total amount of counter-cyclical payments received,  
13 directly or indirectly, by a person or any legal entity  
14 (except a joint venture or a general partnership in  
15 any crop year under subtitle A of title I of the  
16 Farm, Nutrition, and Bioenergy Act of 2007 for one  
17 or more covered commodities (except for peanuts)  
18 may not exceed \$65,000.

19       “(c) LIMITATION ON DIRECT AND COUNTER-CYCLI-  
20 CAL PAYMENTS FOR PEANUTS.—

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

1 energy Act of 2007 for peanuts may not exceed  
2 \$60,000.

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

10 (b) DIRECT ATTRIBUTION.—Section 1001 of the  
11 Food Security Act of 1985 (7 U.S.C. 1308) is amended—

12 (1) in subsection (a)—

13 (A) by redesignating paragraphs (2) and  
14 (3) as paragraphs (4) and (5), respectively; and

15 (B) by inserting after paragraph (1) the  
16 following new paragraphs:

17 “(2) LEGAL ENTITY.—The term ‘legal entity’  
18 means an entity that is created under Federal or  
19 State law and that—

20 “(A) owns land or an agricultural com-  
21 modity; or

22 “(B) produces an agricultural commodity.

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

1           (2) by striking subsections (d) through (e) and  
2           inserting the following new subsections:

3           “(d) **ATTRIBUTION OF PAYMENTS.**—

4                 “(1) **IN GENERAL.**—In implementing sub-  
5           sections (b) and (c), the Secretary shall issue such  
6           regulations as are necessary to ensure that the total  
7           amount of payments are attributed to a person by  
8           taking into account the direct and indirect owner-  
9           ship interests of the person in a legal entity that is  
10          eligible to receive such payments.

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

16               “(3) **PAYMENTS TO A LEGAL ENTITY.**—

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

21               “(B) **ATTRIBUTION OF PAYMENTS.**—

22                   “(i) **PAYMENT LIMITS.**—Except as  
23          provided in clause (ii), payments made to  
24          a legal entity shall not exceed the amounts  
25          specified in subsections (b) and (c).

1                   “(ii) EXCEPTION.—Payments made to  
2                   a joint venture or a general partnership  
3                   shall not exceed, for each payment speci-  
4                   fied in subsections (b) and (c), the amount  
5                   determined by multiplying the maximum  
6                   payment amount specified in subsections  
7                   (b) and (c) by the number of persons and  
8                   legal entities (other than joint ventures  
9                   and general partnerships) that comprise  
10                  the ownership of the joint venture or gen-  
11                  eral partnership.

12                  “(4) FOUR LEVELS OF ATTRIBUTION FOR EM-  
13                  BEDDED ENTITIES.—

14                  “(A) IN GENERAL.—Attribution of pay-  
15                  ments made to legal entities shall be traced  
16                  through four levels of ownership in entities.

17                  “(B) FIRST LEVEL.—Any payments made  
18                  to a legal entity (a first-tier entity) that is  
19                  owned in whole or in part by a person shall be  
20                  attributed to the person in an amount that rep-  
21                  resents the direct ownership in the first-tier en-  
22                  tity by the person.

23                  “(C) SECOND LEVEL.—Any payments  
24                  made to a first-tier entity that is owned in  
25                  whole or in part by another legal entity (a sec-

ond-tier entity) shall be attributed to the second-tier entity in proportion to the second-tier entity's ownership in the first-tier entity. If the second-tier entity is owned in whole or in part by a person, the amount of the payment made to the first-tier entity shall be attributed to the person in the amount that represents the indirect ownership in the first-tier entity by the person.

“(D) THIRD AND FOURTH LEVELS.—The Secretary shall attribute payments at the third and fourth tiers of ownership in the same manner as specified in subparagraph (C) unless the fourth-tier of ownership is that of a fourth-tier entity and not that of a person, in which case the Secretary shall reduce the amount of the payment to be made to the first-tier entity in the amount that represents the indirect ownership in the first-tier entity by the fourth-tier entity.

“(e) SPECIAL RULES.—

“(1) MINOR CHILDREN.—Payments received by a child under the age of 18 shall be attributed to the child's parents, except that the Secretary shall issue regulations which provide the conditions under which

1 payments received by a child under the age of 18  
2 will not be attributed to the child's parents.

3 “(2) MARKETING COOPERATIVES.—Subsections  
4 (b) and (c) shall not apply to a cooperative associa-  
5 tion of producers with respect to commodities pro-  
6 duced by its members which are marketed by such  
7 association on behalf of its members but shall apply  
8 to such producers as persons.

9 “(3) TRUSTS AND ESTATES.—

10 “(A) IN GENERAL.—With respect to irrev-  
11 ocable trusts and estates, the Secretary shall  
12 administer the provisions of this subtitle in  
13 such manner as the Secretary determines will  
14 ensure that fair and equitable treatment of the  
15 beneficiaries of such trusts and estates.

16 “(B) IRREVOCABLE TRUST.—In order for  
17 a trust to be considered an irrevocable trust,  
18 the terms of the trust agreement must not  
19 allow for modification or termination of the  
20 trust by the grantor, allow for the grantor to  
21 have any future, contingent, or remainder inter-  
22 est in the corpus of the trust, or provide for the  
23 transfer of the corpus of the trust to the re-  
24 mainder beneficiary in less than 20 years from  
25 the date the trust is established except in cases

1           where the transfer is contingent on the remain-  
2           der beneficiary achieving at least the age of ma-  
3           jority or is contingent on the death of the  
4           grantor or income beneficiary.

5           “(C) REVOCABLE TRUST.—A revocable  
6           trust shall be considered to be the same person  
7           as the grantor of the trust.

8           “(4) CASH RENT TENANTS.—

9           “(A) DEFINITION.—In this paragraph, the  
10          term ‘cash rent tenant’ means a person or legal  
11          entity that rents land—

12               “(i) for cash; or

13               “(ii) for a crop share guaranteed as to  
14          the amount of the commodity to be paid in  
15          rent.

16          “(B) RESTRICTION.—A cash rent tenant  
17          who makes a significant contribution of active  
18          personal management, but not of personal  
19          labor, with respect to a farming operation is eli-  
20          gible to receive a payment described in sub-  
21          section (b) only if the tenant makes a signifi-  
22          cant contribution of equipment used in the  
23          farming operation.

24          “(5) FEDERAL AGENCIES.—

1           “(A) IN GENERAL.—Federal agencies shall  
2           not be eligible to receive any payment described  
3           in subsection (b) or (c).

4           “(B) RENTS LAND.—A person or legal en-  
5           tity that rents land owned by a Federal agency  
6           may receive such payments.

7           “(6) STATE AND LOCAL GOVERNMENTS.—

8           “(A) GOVERNMENTS INELIGIBLE.—

9           “(i) IN GENERAL.—Except as pro-  
10          vided in subparagraphs (B) and (C), State  
11          and local governments and political sub-  
12          divisions and agencies of such govern-  
13          ments, shall not be eligible to receive pay-  
14          ments described in subsections (b) and (c).

15          “(ii) TENANTS.—A person or legal en-  
16          tity that rents land owned by a State or  
17          local government or a political subdivision  
18          or agency of such government, may receive  
19          payments described in subsections (b) and  
20          (c) if they otherwise meet all applicable cri-  
21          teria.

22          “(B) EXCEPTION.—

23          “(i) IN GENERAL.—Within the limita-  
24          tion described in clause (ii), a State and  
25          the political subdivisions and agencies of



1           such governments, may receive payments  
2           described in subsections (b) and (c), if the  
3           State or a political subdivision or agency of  
4           such government—

5                   “(I) is the producer of all crops  
6                   produced on a farm; and

7                   “(II) the proceeds from the crop  
8                   production are used to maintain a  
9                   public school.

10                   “(ii) LIMITATION.—For each State,  
11                   the total amount of payments described in  
12                   subsections (b) and (c) that are received  
13                   collectively by the State and all political  
14                   subdivisions or agencies of such govern-  
15                   ments shall not exceed the amounts that  
16                   one legal entity may receive in one year as  
17                   specified in subsections (b) and (c).

18                   “(C) SHARE LEASES.—A State and the po-  
19                   litical subdivisions and agencies of such govern-  
20                   ments may, without regard to the provisions of  
21                   subparagraph (B), receive payments described  
22                   in subsections (b) and (c) if—

23                           “(i) the payments are received with  
24                           respect to land that is share leased to a  
25                           private party;

1 “(ii) the lease was in effect on the  
2 date of enactment of the Farm, Nutrition,  
3 and Bioenergy Act of 2007; and

4 “(iii) the land is used to maintain a  
5 public school.

6 “(7) CHANGES IN FARMING OPERATIONS.—In  
7 the administration of this subtitle, the Secretary  
8 may not approve any change in a farming operation  
9 that otherwise will increase the number of persons to  
10 which the limitations under this section are applied  
11 unless the Secretary determines that the change is  
12 bona fide and substantive. The addition of a family  
13 member to a farming operation under the criteria  
14 set out in section 1001A shall be considered a bona  
15 fide and substantive change in the farming oper-  
16 ation.

17 “(8) DENIAL OF PROGRAM BENEFITS.—

18 “(A) TWO YEAR DENIAL OF PAYMENT.—A  
19 person or legal entity shall be ineligible to re-  
20 ceive payments specified in subsections (b) and  
21 (c) for that year, and the succeeding crop year,  
22 in which the Secretary determines that the per-  
23 son or entity engaged in an activity in which  
24 the primary purpose of the activity was to avoid  
25 the application of the provisions of this subtitle

1 to the person, legal entity or any other person  
2 or legal entity.

3 “(B) EXTENDED INELIGIBILITY.—If the  
4 Secretary determines that a person or legal en-  
5 tity, for their benefit or the benefit of any other  
6 person or legal entity, has knowingly engaged  
7 in, or aided in the creation of fraudulent docu-  
8 ments, failed to disclose material information  
9 relevant to the administration of this subtitle  
10 requested by the Secretary, or committed other  
11 equally serious actions as identified in regula-  
12 tions issued by the Secretary, the Secretary  
13 may for a period not to exceed five crop years  
14 deny the issuance of payments to the person or  
15 legal entity.

16 “(C) PRO RATA DENIAL.—Payments other-  
17 wise owed to a person or legal entity covered by  
18 subparagraphs (A) or (B) shall be denied in a  
19 pro rata manner based upon the ownership in-  
20 terest of the person or legal entity in a farm,  
21 and payments otherwise payable to the person  
22 or legal entity who is a cash rent tenant on a  
23 farm owned or under the control of such person  
24 or legal entity shall be denied.

1           “(9) DEATH OF OWNER.—In the event of a  
2       transfer of any ownership interest in land or a com-  
3       modity as the result of the death of a program par-  
4       ticipant, the new owner of such land or commodity  
5       may, if such person is otherwise eligible to partici-  
6       pate in the applicable program, succeed to the prior  
7       owner’s contract and receive payments subject to  
8       this section without regard to the amount of pay-  
9       ments received by the new owner. Payments made  
10      pursuant to this subsection shall not exceed the  
11      amount to which the previous owner was entitled to  
12      receive under the terms of the contract at the time  
13      of the death of the prior owner.”.

14      (c) REPEAL OF THREE-ENTITY RULE.—Section  
15      1001A of the Food Security Act of 1985 (7 U.S.C. 1308–  
16      1) is amended—

17           (1) in the section heading, by striking “**PRE-**  
18       **VENTION OF CREATION OF ENTITIES TO QUAL-**  
19       **IFY AS SEPARATE PERSONS**”and inserting “**NO-**  
20       **TIFICATION OF INTERESTS**”; and

21           (2) by striking subsection (a) and inserting the  
22       following new subsection:

23       “(a) NOTIFICATION OF INTERESTS.—To facilitate  
24      administration of sections 1001 and this section, each en-  
25      tity or person receiving payments described in subsections

1 (b) and (c) of section 1001 as a separate person shall pro-  
 2 vide to the Secretary of Agriculture, at such times and  
 3 in such manner as prescribed by the Secretary, the name  
 4 and social security number of each individual, or the name  
 5 and taxpayer identification number of each entity, that  
 6 holds or acquires an ownership interest in such separate  
 7 person and shall provide such information regarding each  
 8 entity in which such separate person holds an ownership  
 9 interest.”.

10 (d) AMENDMENT FOR CONSISTENCY.—Section  
 11 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–  
 12 1) is amended by striking subsection (b) and inserting the  
 13 following new subsections:

14 “(b) ACTIVELY ENGAGED.—

15 “(1) IN GENERAL.—To be eligible to receive a  
 16 payment described in subsections (b) and (c) of sec-  
 17 tion 1001, a person or legal entity must be actively  
 18 engaged in farming as provided in this subsection or  
 19 subsection (c).

20 “(2) CLASSES ACTIVELY ENGAGED.—Except as  
 21 provided in subsections (c) and (d)—

22 “(A) a person, including a person partici-  
 23 pating in a farming operation as a partner in  
 24 a general partnership, a participant in a joint  
 25 venture, a grantor of a revocable trust, or a

1 participant in a similar entity as determined by  
2 the secretary, shall be considered to be actively  
3 engaged in farming with respect to a farm oper-  
4 ation if—

5 “(i) the person makes a significant  
6 contribution (based on the total value of  
7 the farming operation) to the farming op-  
8 eration of—

9 “(I) capital, equipment, or land;

10 and

11 “(II) personal labor or active per-  
12 sonal management;

13 “(ii) the person’s share of the profits  
14 or losses from the farming operation is  
15 commensurate with the contributions of  
16 the person to the farming operation; and

17 “(iii) the contributions of the person  
18 are at risk;

19 “(B) a legal entity that is a corporation,  
20 joint stock company, association, limited part-  
21 nership, charitable organization, or other simi-  
22 lar entity determined by the Secretary, includ-  
23 ing any such entity participating in the farming  
24 operation as a partner in a general partnership,  
25 a participant in a joint venture, a grantor of a

1 revocable trust, or as a participant in a similar  
2 entity as determined by the Secretary shall be  
3 considered as actively engaged in farming with  
4 respect to a farming operation if—

5 “(i) the entity separately makes a sig-  
6 nificant contribution (based on the total  
7 value of the farming operation) of capital,  
8 equipment, or land;

9 “(ii) the stockholders or members col-  
10 lectively make a significant contribution of  
11 personal labor or active personal manage-  
12 ment to the operation; and

13 “(iii) the standards provided in  
14 clauses (ii) and (iii) of paragraph (A), as  
15 applied to the entity, are met by the entity;

16 “(C) if a legal entity that is a general part-  
17 nership, joint venture, or similar entity, as de-  
18 termined by the Secretary, separately makes a  
19 significant contribution (based on the total  
20 value of the farming operation involved) of cap-  
21 ital, equipment, or land, and the standards pro-  
22 vided in clauses (ii) and (iii) of paragraph (A),  
23 as applied to the entity, are met by the entity,  
24 the partners or members making a significant  
25 contribution of personal labor or active personal

1 management shall be considered to be actively  
2 engaged in farming with respect to the farming  
3 operation involved; and

4 “(D) in making determinations under this  
5 subsection regarding equipment and personal  
6 labor, the Secretary shall take into consider-  
7 ation the equipment and personal labor nor-  
8 mally and customarily provided by farm opera-  
9 tors in the area involved to produce program  
10 crops.

11 “(c) SPECIAL CLASSES ACTIVELY ENGAGED.—

12 “(1) LANDOWNER.—A person or legal entity  
13 that is a landowner contributing the owned land to  
14 a farming operation shall be considered to be ac-  
15 tively engaged in farming with respect to the farm-  
16 ing operation if the landowner receives rent or in-  
17 come for such use of the land based on the land’s  
18 production or the operation’s operating results, and  
19 the person or legal entity meets the standard pro-  
20 vided in clauses (ii) and (iii) of subsection (b)(2)(A).

21 “(2) ADULT FAMILY MEMBER.—With respect to  
22 a farming operation when a majority of the partici-  
23 pants are family members, an adult family member  
24 shall be considered to be actively engaged in farming



1 with respect to the farming operation if the per-  
2 son—

3 “(A) makes a significant contribution,  
4 based on the total value of the farming oper-  
5 ation, of active personal management or per-  
6 sonal labor; and

7 “(B) such contribution meets the stand-  
8 ards provided in clauses (ii) and (iii) of sub-  
9 section (b)(2)(A).

10 “(3) SHARECROPPER.—A sharecropper who  
11 makes a significant contribution of personal labor to  
12 a farming operation shall be considered to be ac-  
13 tively engaged in farming with respect to the farm-  
14 ing operation if such contribution meets the stand-  
15 ards provided in clauses (ii) and (iii) of subsection  
16 (b)(2)(A).

17 “(4) GROWERS OF HYBRID SEED.—In deter-  
18 mining whether a person or legal entity growing hy-  
19 brid seed under contract shall be considered to be  
20 actively engaged in farming, the Secretary shall not  
21 take into consideration the existence of a hybrid seed  
22 contract.

23 “(5) CUSTOM FARMING SERVICES.—A person or  
24 legal entity receiving custom farming services will be  
25 considered separately eligible for payment limitation

1 purposes if such person or legal entity is actively en-  
2 gaged in farming based on subsection (b)(2) or  
3 paragraphs (1) through (5) of this subsection. No  
4 other rules with respect to custom farming shall  
5 apply in making a determination under this section.

6 “(6) SPOUSE.—Where one spouse is determined  
7 to be actively engaged, the other spouse shall be de-  
8 termined to have met the requirements of subclause  
9 (II) of subsection (b)(2)(A)(i) of this section.

10 “(d) CLASSES NOT ACTIVELY ENGAGED.—

11 “(1) CASH RENT LANDLORD.—A landlord con-  
12 tributing land to a farming operation shall not be  
13 considered to be actively engaged in farming with re-  
14 spect to the farming operation if the landlord re-  
15 ceives cash rent, or a crop share guaranteed as to  
16 the amount of the commodity to be paid in rent, for  
17 such use of the land.

18 “(2) OTHER PERSONS.—Any other person de-  
19 termined by the Secretary as failing to meet the  
20 standards set out in subsections (b)(2) and (c) shall  
21 not be considered to be actively engaged in farming  
22 with respect to a farming operation.”.

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

1 apply with respect to the 2007 crop of any covered com-  
2 modity.

3 **SEC. 1504. ADJUSTED GROSS INCOME LIMITATION.**

4 (a) EXTENSION OF ADJUSTED GROSS INCOME LIM-  
5 TATION.—Section 1001D of the Food Security Act of  
6 1985 (7 U.S.C. 1308–3a) is amended—

7 (1) in subsection (b)(2), by striking “Farm Se-  
8 curity and Rural Investment Act of 2002” each  
9 place it appears and inserting “Farm, Nutrition,  
10 and Bioenergy Act of 2007”; and

11 (2) in subsection (e), by striking “2007” and  
12 inserting “2012”.

13 (b) MODIFICATION OF LIMITATION.—Section  
14 1001D(b) of the Food Security Act of 1985 (7 U.S.C.  
15 1308–3a(b)) is amended—

16 (1) by striking paragraph (1) and inserting the  
17 following new paragraph:

18 “(1) CAPS.—

19 “(A) UPPER LIMIT.—Notwithstanding any  
20 other provision of law, an individual or entity  
21 shall not be eligible to receive any benefit de-  
22 scribed in paragraph (2) during a crop year if  
23 the average adjusted gross income of the indi-  
24 vidual or entity exceeds \$1,000,000.

1           “(B) PRODUCER EXEMPTION.—Notwith-  
2           standing any other provision of law, an indi-  
3           vidual or entity shall not be eligible to receive  
4           any benefit described in paragraph (2) during a  
5           crop year if the average adjusted gross income  
6           of the individual or entity exceeds \$500,000,  
7           unless not less than 66.66 percent of the aver-  
8           age adjusted gross income of the individual or  
9           entity is derived from farming, ranching, or for-  
10          estry operations, as determined by the Sec-  
11          retary.”;

12          (2) in paragraph (2)(A), by striking “or C”;  
13          and

14          (3) by adding at the end the following new  
15          paragraph:

16               “(3) INCOME DERIVED FROM FARMING, RANCH-  
17               ING OR FORESTRY OPERATIONS.—In determining  
18               what portion of the average adjusted gross income of  
19               an individual or entity is derived from farming,  
20               ranching, or forestry operations, the Secretary shall  
21               include income derived from the following:

22                       “(A) The production of crops, livestock, or  
23                       unfinished raw forestry products.

1           “(B) The sale, including the sale of ease-  
2           ments and development rights, of farm, ranch,  
3           or forestry land or water rights.

4           “(C) The sale, but not as a dealer, of  
5           equipment purchased to conduct farm, ranch,  
6           or forestry operations when the equipment is  
7           otherwise subject to depreciation expense.

8           “(D) The rental of land used for farming,  
9           ranching, or forestry operations.

10          “(E) The provision of production inputs  
11          and services to farmers, ranchers, and foresters.

12          “(F) The processing, storing, and trans-  
13          porting of farm, ranch, and forestry commod-  
14          ities.

15          “(G) The sale of land that has been used  
16          for agriculture.”.

17 **SEC. 1505. ADJUSTMENTS OF LOANS.**

18          Section 162 of the Federal Agriculture Improvement  
19          and Reform Act of 1996 (7 U.S.C. 7282) is amended—

20               (1) in subsection (a), by inserting “(except for  
21               cotton and long grain, medium grain, and short  
22               grain rice)” after “commodity”;

23               (2) in subsection (b), by striking “Farm Secu-  
24               rity and Rural Investment Act of 2002” and insert-

1       ing “Farm, Nutrition, and Bioenergy Act of 2007”;  
2       and

3               (3) by adding at the end the following new sub-  
4       sections:

5       “(d) ADJUSTMENT IN LOAN RATE FOR COTTON.—

6               “(1) ADJUSTMENT AUTHORITY.—The Secretary  
7       may make appropriate adjustments in the loan rate  
8       for cotton for differences in quality factors.

9               “(2) REVISIONS TO QUALITY ADJUSTMENTS  
10      FOR UPLAND COTTON.—

11              “(A) REVISION.—Within 180 days after  
12      the date of the enactment of the Farm, Nutri-  
13      tion, and Bioenergy Act of 2007, the Secretary,  
14      after consultation with the private sector as  
15      provided in paragraph (3), shall implement revi-  
16      sions in the administration of the marketing as-  
17      sistance loan program for upland cotton to  
18      more accurately and efficiently reflect market  
19      values for upland cotton.

20              “(B) MANDATORY REVISIONS.—The revi-  
21      sions required under subparagraph (A) shall in-  
22      clude the following:

23              “(i) The elimination or adjustment of  
24      warehouse location differentials to reflect  
25      market conditions.

1           “(ii) The establishment of differentials  
2           for the various quality factors and staple  
3           lengths of cotton based on a three-year,  
4           weighted moving average of the weighted  
5           designated spot market regions as deter-  
6           mined by regional production.

7           “(iii) The elimination of any artificial  
8           split in the premium or discount between  
9           upland cotton with a 32 or 33 staple  
10          length due to micronaire;

11          “(iv) A mechanism to ensure that no  
12          premium or discount is established that ex-  
13          ceeds the premium or discount associated  
14          with a leaf grade that is one better than  
15          the applicable color grade.

16          “(C) DISCRETIONARY REVISIONS.—The re-  
17          visions under subparagraph (A) may include, at  
18          a minimum, the following:

19               “(i) The use of non-spot market price  
20               data, in addition to spot market price data,  
21               that would enhance the accuracy of the  
22               price information used in determining  
23               quality adjustments under this subsection.

24               “(ii) Adjustments in the premiums or  
25               discounts associated with upland cotton

1 with a staple length of 33 or above due to  
2 micronaire with the goal of eliminating any  
3 unnecessary artificial splits in the calcula-  
4 tions of such premiums or discounts.

5 “(iii) Such other adjustments deter-  
6 mined appropriate by the Secretary, after  
7 consultations conducted in accordance with  
8 paragraph (3).

9 “(3) CONSULTATION WITH PRIVATE SECTOR.—

10 “(A) PRIOR TO REVISION.—Prior to imple-  
11 menting any revisions to the administration of  
12 the marketing assistance loan program for up-  
13 land cotton, the Secretary should endeavor to  
14 consult with an existing private sector com-  
15 mittee whose membership includes representa-  
16 tives of the production, ginning, warehousing,  
17 cooperative, and merchandising segments of the  
18 United States cotton industry and that has de-  
19 veloped recommendations concerning such revi-  
20 sions.

21 “(B) UPON REVIEW.—The Secretary shall  
22 also consult with the committee referred to in  
23 subparagraph (A) when conducting a review of  
24 adjustments in the operation of the loan pro-  
25 gram as provided in paragraph (4).



1                   “(C) INAPPLICABILITY OF FEDERAL ADVI-  
2                   SORY COMMITTEE ACT.—The Federal Advisory  
3                   Committee Act (5 U.S.C. App.) shall not apply  
4                   to consultations under this paragraph with the  
5                   committee referred to in subparagraph (A).

6                   “(4) REVIEW OF ADJUSTMENTS.—The Sec-  
7                   retary may review the operation of the upland cotton  
8                   quality adjustments implemented pursuant to this  
9                   subsection and may make further revisions to the  
10                  administration of the loan program, by either revok-  
11                  ing or revising the actions taken pursuant to para-  
12                  graph (2)(B) or by revoking or revising any actions  
13                  taken or authorized to be taken under paragraph  
14                  (2)(B).

15                  “(5) ADJUSTMENTS IN EFFECT PRIOR TO REVI-  
16                  SION.—The quality differences (premiums and dis-  
17                  counts for quality factors) applicable to the upland  
18                  cotton loan program (prior to any revisions in ac-  
19                  cordance with this subsection) shall be established  
20                  by the Secretary by giving equal weight—

21                         “(A) to loan differences for the preceding  
22                         crop; and

23                         “(B) to market differences for such crop in  
24                         the designated United States spot markets.

1       “(e) RICE LIMITATION.—With respect to long grain  
2 rice and medium and short grain rice, the Secretary shall  
3 not make adjustments in the loan rates for such commod-  
4 ities, except for differences in grade and quality (including  
5 milling yields).”.

6       **SEC. 1506. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**  
7

8       Section 164 of the Federal Agriculture Improvement  
9 and Reform Act of 1996 (7 U.S.C. 7284) is amended by  
10 striking “Farm Security and Rural Investment Act of  
11 2002” each place it appears and inserting “Farm, Nutri-  
12 tion, and Bioenergy Act of 2007”.

13       **SEC. 1507. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**  
14

15       Section 166 of the Federal Agriculture Improvement  
16 and Reform Act of 1996 (7 U.S.C. 7286) is amended in  
17 subsections (a) and (c)(1) by striking “subtitle B and C  
18 of title I of the Farm Security and Rural Investment Act  
19 of 2002” each place it appears and inserting “subtitle B  
20 of title I of the Farm, Nutrition, and Bioenergy Act of  
21 2007”.

22       **SEC. 1508. ASSIGNMENT OF PAYMENTS.**

23       (a) IN GENERAL.—The provisions of section 8(g) of  
24 the Soil Conservation and Domestic Allotment Act (16

1 U.S.C. 590h(g)), relating to assignment of payments, shall  
2 apply to payments made under the authority of this title.

3 (b) NOTICE.—The producer making the assignment,  
4 or the assignee, shall provide the Secretary with notice,  
5 in such manner as the Secretary may require, of any as-  
6 signment made under this section.

7 **SEC. 1509. TRACKING OF BENEFITS.**

8 As soon as practicable after the date of enactment  
9 of this Act, the Secretary shall track the benefits provided,  
10 directly or indirectly, to individuals and entities under ti-  
11 tles I and II and the amendments made by those titles.

12 **SEC. 1510. UPLAND COTTON STORAGE PAYMENTS.**

13 Beginning with the 2011 crop of upland cotton, the  
14 Secretary may not use the funds of the Commodity Credit  
15 Corporation to pay storage, handling, and other costs as-  
16 sociated with the storage of upland cotton for which a  
17 marketing assistance loan is made under section 1201.

18 **SEC. 1511. GOVERNMENT PUBLICATION OF COTTON PRICE**  
19 **FORECASTS.**

20 Section 15 of the Agricultural Marketing Act (12  
21 U.S.C. 1141j) is amended by striking subsection (d).

1 **SEC. 1512. PREVENTION OF DECEASED PERSONS RECEIV-**  
2 **ING PAYMENTS UNDER FARM COMMODITY**  
3 **PROGRAMS.**

4 (a) IDENTIFICATION OF ERRONEOUS PAYMENTS  
5 MADE TO DECEASED PERSONS.—The Secretary of Agri-  
6 culture shall—

7 (1) undertake a study to identify any estate of  
8 a deceased person that continued to receive pay-  
9 ments under this title for more than two crop years  
10 after the death of the person; and

11 (2) submit a report containing the results of  
12 the study to Congress.

13 (b) NOTIFICATION.—The Secretary shall issue regu-  
14 lations that specify deadlines by which a legal entity must  
15 notify the Secretary of any change in ownership of such  
16 entity, including the death of a person with a direct or  
17 indirect ownership interest in the entity, that may affect  
18 the entity's eligibility to receive payments or other benefits  
19 under this title. The Secretary may deny the issuance of  
20 such payments or benefits to an entity that fails to comply  
21 with such regulations.

22 (c) RECOUPMENT.—If the Secretary determines that  
23 the estate of a deceased person failed to timely notify the  
24 Farm Service Agency of the death, the Secretary shall re-  
25 coup the erroneous payments made on behalf of the de-  
26 ceased person. The Secretary shall withhold payments that

1 would otherwise be made under this title to farming oper-  
 2 ations in which the deceased person was actively engaged  
 3 in farming before death until the funds have been re-  
 4 coupled.

5 (d) COORDINATION.—The Secretary shall, twice a  
 6 year, reconcile individual tax identification numbers with  
 7 the Internal Revenue Service for recipients of payments  
 8 under this title to determine recipients' living status.

## 9 **TITLE II—CONSERVATION**

### Subtitle A—Conservation Programs of the Food Security Act of 1985

Sec. 2101. Conservation reserve program.  
 Sec. 2102. Wetlands reserve program.  
 Sec. 2103. Conservation security program.  
 Sec. 2104. Grassland reserve program.  
 Sec. 2105. Environmental quality incentives program.  
 Sec. 2106. Regional water enhancement program.  
 Sec. 2107. Grassroots source water protection program.  
 Sec. 2108. Conservation of private grazing land.  
 Sec. 2109. Great Lakes basin program for soil erosion and sediment control.  
 Sec. 2110. Farm and ranchland protection program.  
 Sec. 2111. Farm viability program.  
 Sec. 2112. Wildlife habitat incentive program.

### Subtitle B—Conservation Programs Under Other Laws

Sec. 2201. Agricultural management assistance program.  
 Sec. 2202. Resource Conservation and Development Program.  
 Sec. 2203. Small watershed rehabilitation program.

### Subtitle C—Additional Conservation Programs

Sec. 2301. Chesapeake Bay program for nutrient reduction and sediment control.  
 Sec. 2302. Voluntary public access and habitat incentive program.

### Subtitle D—Administration and Funding

Sec. 2401. Funding of conservation programs under Food Security Act of 1985.  
 Sec. 2402. Improved provision of technical assistance under conservation programs.  
 Sec. 2403. Cooperative conservation partnership initiative.  
 Sec. 2404. Regional equity and flexibility.  
 Sec. 2405. Administrative requirements for conservation programs.

Sec. 2406. Annual report on participation by specialty crop producers in conservation programs.

Sec. 2407. Promotion of market-based approaches to conservation.

Sec. 2408. Establishment of State technical committees and their responsibilities.

Sec. 2409. Payment limitations.

#### Subtitle E—Miscellaneous Provisions

Sec. 2501. Inclusion of income from affiliated packing and handling operations as income derived from farming for application of adjusted gross income limitation on eligibility for conservation programs.

Sec. 2502. Encouragement of voluntary sustainability practices guidelines.

Sec. 2503. Farmland resource information.

## 1 **Subtitle A—Conservation Programs** 2 **of the Food Security Act of 1985**

### 3 **SEC. 2101. CONSERVATION RESERVE PROGRAM.**

4 (a) AUTHORIZATION AND ELIGIBLE LAND.—Section  
5 1231 of the Food Security Act of 1985 (16 U.S.C. 3831)  
6 is amended—

7 (1) in subsection (a)—

8 (A) by striking “2007” and inserting  
9 “2012”; and

10 (B) by inserting before the period the fol-  
11 lowing: “and to address issues raised by State,  
12 regional, and national conservation initiatives”;  
13 and

14 (2) in subsection (b)—

15 (A) in paragraph (1)(B)—

16 (i) by striking “the Farm Security  
17 and Rural Investment Act of 2002” and  
18 inserting “the Farm, Nutrition, and Bio-  
19 energy Act of 2007”; and

1 (ii) by striking the period at the end  
2 and inserting a semicolon; and

3 (B) in paragraph (4), by striking the semi-  
4 colon at the end of subparagraph (E) and in-  
5 serting “; or”.

6 (b) MAXIMUM ENROLLMENT.—Section 1231(d) of  
7 the Food Security Act of 1985 (16 U.S.C. 3831(d)) is  
8 amended by striking “2007” and inserting “2012”.

9 (c) CONSERVATION PRIORITY AREAS.—Section  
10 1231(f) of the Food Security Act of 1985 (16 U.S.C.  
11 3831(f)) is amended by striking “the Chesapeake Bay Re-  
12 gion (Pennsylvania, Maryland, and Virginia)” and insert-  
13 ing “the Chesapeake Bay Region”.

14 (d) TREATMENT OF MULTI-YEAR GRASSES AND  
15 LEGUMES.—Subsection (g) of section 1231 of the Food  
16 Security Act of 1985 (16 U.S.C. 3831) is amended to read  
17 as follows:

18 “(g) MULTI-YEAR GRASSES AND LEGUMES.—

19 “(1) IN GENERAL.—For purposes of this sub-  
20 chapter, alfalfa and other multi-year grasses and  
21 legumes in a rotation practice, approved by the Sec-  
22 retary, shall be considered agricultural commodities.

23 “(2) CROPPING HISTORY.—Alfalfa, when grown  
24 as part of a rotation practice, as determined by the  
25 Secretary, is an agricultural commodity subject to

1 the cropping history criteria under subsection  
2 (b)(1)(B) for the purpose of determining whether  
3 highly erodible cropland has been planted or consid-  
4 ered planted for 4 of the 6 years referred to in such  
5 subsection.”.

6 (e) PILOT PROGRAM FOR ENROLLMENT OF WET-  
7 LAND AND BUFFER ACREAGE IN CONSERVATION RE-  
8 SERVE.—Section 1231(h)(1)(A) of the Food Security Act  
9 of 1985 (16 U.S.C. 3831(h)(1)(A)) is amended by striking  
10 “2007” and inserting “2012”.

11 (f) MANAGED HAYING AND GRAZING.—Section  
12 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C.  
13 3832(a)(7)) is amended—

14 (1) in subparagraph (A)—

15 (A) by inserting “and prescribed grazing  
16 for the control of invasive species” after “bio-  
17 mass”; and

18 (B) by striking “and” at the end of the  
19 subparagraph;

20 (2) by redesignating subparagraph (B) as sub-  
21 paragraph (D); and

22 (3) by inserting after subparagraph (A) the fol-  
23 lowing new subparagraph:



1 “(B) managed grazing during the year, ex-  
2 cept that in permitting such grazing, the Sec-  
3 retary shall—

4 “(i) reduce the rental payment other-  
5 wise payable under the contract by a per-  
6 centage determined by the Secretary to be  
7 appropriate; and

8 “(ii) require a management plan, in-  
9 cluding a grazing rate, approved by the  
10 Secretary that is consistent with section  
11 1231(a);

12 “(C) dryland crop production and grazing  
13 practices on acreage enrolled into the conserva-  
14 tion reserve enhancement program announced  
15 on May 27, 1998 (63 Fed. Reg. 28965) where  
16 the conservation reserve enhancement program  
17 is initiated to address declining groundwater or  
18 surface water resources and water quality  
19 issues associated with declining groundwater or  
20 surface water resources and the conservation  
21 reserve enhancement contract requires the  
22 owner or operator to retire a water right, except  
23 that in permitting dryland crop production and  
24 grazing, the Secretary shall—

1 “(i) develop an appropriate working  
2 lands conservation plan that implements  
3 conservation practices suitable to the re-  
4 gion to address soil conservation, water  
5 quality, wildlife habitat, or other environ-  
6 mental benefits;

7 “(ii) apply the provisions of section  
8 11005 of the Farm, Nutrition, and Bio-  
9 energy Act of 2007 in determining the eli-  
10 gibility for crop insurance of dryland crop  
11 production and grazing activities allowed  
12 under a conservation reserve enhancement  
13 contract for the purposes of this section,  
14 dryland crop production and grazing activi-  
15 ties allowed under a conservation reserve  
16 enhancement contract shall be considered  
17 ‘noncropland’ in applying the provisions of  
18 section 11005 of the Farm, Nutrition, and  
19 Bioenergy Act of 2007;

20 “(iii) reduce the rental payment other-  
21 wise payable under the contract by an  
22 amount commensurate with the economic  
23 value of the crop production or grazing ac-  
24 tivity, while still leaving sufficient financial  
25 incentives for the owner or operator to par-

1           ticipate in the conservation reserve en-  
2           hancement; and

3           “(iv) at the request of a State that  
4           has previously entered into a conservation  
5           reserve enhancement program agreement,  
6           renegotiate the agreement to allow for the  
7           dryland crop production and grazing in ac-  
8           cordance with this section; and”.

9       (g) RENTAL RATES.—Section 1234(c) of the Food  
10   Security Act of 1985 (16 U.S.C. 3834(c)) is amended by  
11   adding at the end the following new paragraph:

12           “(5) COUNTY AVERAGE MARKET DRY-LAND AND  
13   IRRIGATED CASH RENTAL RATES.—

14           “(A) ANNUAL ESTIMATES.—Beginning not  
15   later than one year after the date of the enact-  
16   ment of the Farm, Nutrition, and Bioenergy  
17   Act of 2007, the National Agricultural Statis-  
18   tics Service shall conduct an annual survey of  
19   per acre estimates of county average market  
20   dry-land and irrigated cash rental rates for  
21   cropland and pastureland in all counties or  
22   equivalent subdivisions within each State with  
23   20,000 acres or more of cropland and  
24   pastureland.

1           “(B) PUBLIC AVAILABILITY OF ESTI-  
2           MATES.—The estimates derived as a result of  
3           the annual survey conducted under subpara-  
4           graph (A) shall be maintained on a website of  
5           the Department of Agriculture for use by the  
6           general public.”.

7           (h) CONSERVATION RESERVE PROGRAM TRANSITION  
8           INCENTIVES.—Section 1235 of the Food Security Act of  
9           1985 (16 U.S.C. 3835) is amended—

10           (1) in subsection (c)(1)(B)—

11                   (A) in clause (ii), by striking “or” at the  
12                   end;

13                   (B) by redesignating clause (iii) as clause  
14                   (iv); and

15                   (C) by inserting after clause (ii) the fol-  
16                   lowing new clause:

17                           “(iii) to facilitate a transition of land  
18                           subject to the contract from a retired or  
19                           retiring owner or operator to a beginning  
20                           farmer or rancher, socially disadvantaged  
21                           farmer or rancher, or limited resource  
22                           farmer or rancher for the purpose of re-  
23                           turning some or all of the land into pro-  
24                           duction using sustainable grazing or crop  
25                           production methods; or”; and

1           (2) by adding at the end the following new sub-  
2       section:

3       “(f) TRANSITION OPTION FOR CERTAIN FARMERS OR  
4       RANCHERS.—

5           “(1) DUTIES OF THE SECRETARY.—In the case  
6       of a contract modification approved in order to fa-  
7       cilitate the transfer of land subject to a contract  
8       from a retired or retiring owner or operator under  
9       subsection (c)(1)(B)(iii) to a beginning farmer or  
10      rancher, socially disadvantaged farmer or rancher,  
11      or limited resource farmer or rancher (in this sub-  
12      section referred to as a ‘covered farmer or rancher’)  
13      the Secretary shall—

14           “(A) beginning on the date that is 1 year  
15      before the date of termination of the contract—

16           “(i) allow the covered farmer or  
17      rancher, in conjunction with the retired or  
18      retiring owner or operator, to make con-  
19      servation and land improvements; and

20           “(ii) allow the covered farmer or  
21      rancher, at the election of the covered  
22      farmer or rancher, to begin the certifi-  
23      cation process under the Organic Foods  
24      Production Act of 1990 (7 U.S.C. 6501 et  
25      seq.);

1           “(B) beginning on the date of termination  
2           of the contract, require the retired or retiring  
3           owner or operator to sell or lease (under a long-  
4           term lease or a lease with an option to pur-  
5           chase) to the covered farmer or rancher the  
6           land subject to the contract for production pur-  
7           poses;

8           “(C) require the covered farmer or rancher  
9           to develop and implement a comprehensive con-  
10          servation plan that meets such sustainability  
11          criteria as the Secretary may establish;

12          “(D) provide to the covered farmer or  
13          rancher an opportunity to enroll in the con-  
14          servation security program or the environmental  
15          quality incentives program by not later than the  
16          date on which the farmer or rancher takes pos-  
17          session of the land through ownership or lease;  
18          and

19          “(E) continue to make annual payments to  
20          the retired or retiring owner or operator for not  
21          more than an additional 2 years after the date  
22          of termination of the contract, if the retired or  
23          retiring owner or operator is not a family mem-  
24          ber (as defined in section 1001A(b)(3)(B) of  
25          this Act) of the covered farmer or rancher.

1           “(2) REENROLLMENT.—The Secretary shall  
 2           provide to a beginning farmer or rancher, socially  
 3           disadvantaged farmer or rancher, or limited resource  
 4           farmer or rancher described in paragraph (1) the  
 5           option to reenroll any applicable partial field con-  
 6           servation practice that is—

7                       “(A) eligible for enrollment under the con-  
 8           tinuous signup requirement of section  
 9           1231(h)(4)(B); and

10                      “(B) part of an approved comprehensive  
 11           conservation plan.”.

12           (i) EARLY TERMINATION.—Section 1235(e)(1) of the  
 13           Food Security Act of 1985 (16 U.S.C. 3835(e)(1)) is  
 14           amended by striking “before January 1, 1995,”.

15           (j) EXCEPTIONS TO EARLY TERMINATION.—Section  
 16           1235(e)(2) of the Food Security Act of 1985 (16 U.S.C.  
 17           3835(e)(2)) is amended by adding at the end the following  
 18           new subparagraph:

19                      “(D) Land enrolled under continuous  
 20           signup.”.

21           **SEC. 2102. WETLANDS RESERVE PROGRAM.**

22           (a) ESTABLISHMENT AND PURPOSE.—Subsection (a)  
 23           of section 1237 of the Food Security Act of 1985 (16  
 24           U.S.C. 3837) is amended to read as follows:

25                      “(a) ESTABLISHMENT AND PURPOSES.—

1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2       tablish a wetlands reserve program to assist owners  
3       of eligible lands in restoring and protecting wet-  
4       lands.

5           “(2) PURPOSES.—The purposes of the wetlands  
6       reserve program are—

7               “(A) to restore, to create, to protect, or to  
8       enhance wetlands on lands that are eligible  
9       under subsections (c) and (d); and

10               “(B) to authorize the Secretary, at the sole  
11       discretion of the Secretary, to purchase flood-  
12       plain easements.”.

13       (b) MAXIMUM ENROLLMENT.—Section 1237(b) of  
14       the Food Security Act of 1985 (16 U.S.C. 3837(b)) is  
15       amended—

16               (1) by striking paragraph (1) and inserting the  
17       following new paragraph:

18               “(1) MAXIMUM ENROLLMENT.—The total num-  
19       ber of acres enrolled in the wetlands reserve pro-  
20       gram shall not exceed 3,605,000 acres.”; and

21               (2) by adding at the end the following new  
22       paragraphs:

23               “(3) ANNUAL ENROLLMENT GOAL.—Of the  
24       total number of acres authorized by paragraph (1),



1 to the maximum extent practicable, the Secretary  
2 shall enroll 250,000 acres in each fiscal year.

3 “(4) FLOOD-PLAIN EASEMENTS.—Of the acres  
4 to be enrolled each fiscal year, not more than 10,000  
5 acres may be enrolled using flood-plain easements.”.

6 (c) ELIGIBLE LANDS.—Subsection (c) of section  
7 1237 of the Food Security Act of 1985 (16 U.S.C. 3837)  
8 is amended to read as follows:

9 “(c) ELIGIBILITY.—For purposes of enrolling land  
10 into the wetland reserve program established under this  
11 subchapter during the 2008 through 2012 fiscal years,  
12 land shall be eligible to be placed into such reserve if the  
13 Secretary determines that—

14 “(1) in the case of wetlands—

15 “(A) the land maximizes wetland values  
16 and functions and wildlife benefits;

17 “(B) the land is farmed wetland or con-  
18 verted wetland, together with adjacent lands  
19 that are functionally dependent on such wet-  
20 lands, except that converted wetlands where the  
21 conversion was not commenced prior to Decem-  
22 ber 23, 1985, shall not be eligible to be enrolled  
23 in the program under this section;

24 “(C) the likelihood of the successful res-  
25 toration of such land, and the resultant wetland

1 values, merit inclusion of the land into the pro-  
2 gram taking into consideration the cost of such  
3 restoration; and

4 “(D) the land consists of riparian areas,  
5 including areas that link wetlands that are pro-  
6 tected by easements or some other device or cir-  
7 cumstance that achieves the same purpose as  
8 an easement; or

9 “(2) in the case of flood-plain lands—

10 “(A) the flood-plain land has been dam-  
11 aged by flooding at least once within the pre-  
12 vious calendar year, or has been subject to flood  
13 damage at least twice within the previous 10  
14 years; or

15 “(B) the enrollment of other land within  
16 the flood plain would contribute to the restora-  
17 tion of the flood storage and flow or erosion  
18 control.”.

19 (d) INELIGIBLE LANDS.—Subsection (e) of section  
20 1237 of the Food Security Act of 1985 (16 U.S.C. 3837)  
21 is amended to read as follows:

22 “(e) INELIGIBLE LAND.—The Secretary may not ac-  
23 quire easements on—

24 “(1) in the case of wetlands—

1           “(A) land that contains timber stands es-  
 2           tablished under the conservation reserve under  
 3           subchapter B; or

4           “(B) pasture land established to trees  
 5           under the conservation reserve under sub-  
 6           chapter B; or

7           “(2) in the case of flood-plain lands—

8           “(A) land on which implementation of res-  
 9           toration practices would not be productive; or

10          “(B) land that is subject to an existing  
 11          easement or deed restriction, and the easement  
 12          or deed provides sufficient protection or res-  
 13          toration of the flood plain’s functions and val-  
 14          ues, as determined by the Secretary.”.

15          (e) EASEMENTS AND AGREEMENTS.—Section 1237A  
 16          of the Food Security Act of 1985 (16 U.S.C. 3837a) is  
 17          amended—

18                 (1) in subsection (a)(2), by inserting “if appli-  
 19                 cable,” after “(2)”;

20                 (2) in subsection (b)—

21                         (A) in the matter before paragraph (1), by  
 22                         inserting “or flood-plain land” after “values of  
 23                         wetland”;

24                         (B) in paragraph (1)(B), by inserting “or  
 25                         flood-plain land” after “wetland”; and

1 (C) in paragraph (3), by inserting “or  
2 flood-plain lands” after “wetlands”;

3 (3) by striking subsection (f) and inserting the  
4 following new subsection:

5 “(f) COMPENSATION.—Compensation for easements  
6 acquired by the Secretary under this subchapter shall be  
7 made in cash in such amount as agreed to and specified  
8 in the easement agreement. Lands may be enrolled  
9 through the submission of bids under a procedure estab-  
10 lished by the Secretary. Commendation may be provided  
11 in not less than 5, nor more than 30, annual payments  
12 of equal or unequal size, as agreed to by the owner and  
13 the Secretary based on the following option that results  
14 in the lowest amount of compensation to be paid by the  
15 Secretary:

16 “(1) A percentage of the fair market value  
17 based on the Uniform Standards for Professional  
18 Appraisals Procedures, as determined by the Sec-  
19 retary or a percentage of the market value deter-  
20 mined by an area-wide market survey.

21 “(2) A geographic cap, prescribed in regulations  
22 issued by the Secretary.

23 “(3) The offer made by the landowner.”; and

24 (4) by adding at the end the following new sub-  
25 section:

1       “(h) ACCEPTANCE OF CONTRIBUTIONS.—The Sec-  
2 retary may accept and use contributions of non-Federal  
3 funds to administer the program under this subchapter.”.

4       (f) DUTIES OF THE SECRETARY.—Section 1237C of  
5 the Food Security Act of 1985 (16 U.S.C. 3837c) is  
6 amended—

7           (1) in subsection (a)(1)—

8               (A) by inserting “including necessary  
9 maintenance activities,” after “values,”; and

10              (B) by inserting “or flood plains land”  
11 after “wetland”; and

12           (2) by striking subsection (c) and inserting the  
13 following new subsection:

14       “(c) RANKING OF OFFERS.—

15           “(1) IN GENERAL.—When evaluating offers  
16 from landowners, the Secretary may consider—

17               “(A) the conservation benefits of obtaining  
18 an easement or other interest in the land;

19               “(B) the cost-effectiveness of each ease-  
20 ment or other interest in eligible land, so as to  
21 maximize the environmental benefits per dollar  
22 expended; and

23               “(C) whether the landowner or another  
24 person is offering to contribute financially to

1           the cost of the easement or other interest in the  
2           land to leverage Federal funds.

3           “(2) CONSERVATION BENEFITS.—In deter-  
4           mining the acceptability of easement offers, the Sec-  
5           retary may take into consideration—

6           “(A) in the case of wetlands—

7                   “(i) the extent to which the purposes  
8                   of the easement program would be  
9                   achieved on the land;

10                   “(ii) the productivity of the land; and

11                   “(iii) the on-farm and off-farm envi-  
12                   ronmental threats if the land is used for  
13                   the production of agricultural commodities;  
14                   and

15           “(B) in the case of flood-plain lands—

16                   “(i) the extent to which the purposes  
17                   of the easement program would be  
18                   achieved on the land;

19                   “(ii) whether the land has been re-  
20                   peatedly flooded over the last ten years;

21                   “(iii) the extent to which an easement  
22                   on the flood-plain land would contribute to  
23                   the restoration or management of land in  
24                   the area surrounding the flood-plain land;  
25                   and

1 “(iv) other factors, as determined by  
2 the Secretary.”.

3 (g) WETLANDS RESERVE ENHANCEMENT.—Section  
4 1237D(c) of the Food Security Act of 1985 (16 U.S.C.  
5 3837d(c)) is amended by striking paragraph (4) and in-  
6 serting the following new paragraph:

7 “(4) WETLANDS RESERVE ENHANCEMENT.—

8 “(A) IN GENERAL.—The provisions of this  
9 subchapter that limit payments to any person,  
10 and section 1305(d) of the Agricultural Rec-  
11 onciliation Act of 1987 (Public Law 100–203;  
12 7 U.S.C. 1308 note), shall not apply to pay-  
13 ments received by a State, political subdivision,  
14 or agency thereof in connection with agree-  
15 ments entered into under a special wetlands re-  
16 serve enhancement program carried out by that  
17 entity that has been approved by the Secretary.

18 “(B) AGREEMENTS.—The Secretary may  
19 enter into agreements with States (including  
20 political subdivisions and agencies of States) re-  
21 garding payments described in subparagraph  
22 (A) that the Secretary determines will advance  
23 the purposes of this subchapter.”.

1 (h) AUTHORIZATION.—The Food Security Act of  
 2 1985 is amended by inserting after section 1237F (16  
 3 U.S.C. 3837f) the following new section:

4 **“SEC. 1237G. PERIOD OF AUTHORIZATION.**

5 “This subchapter is authorized to be carried out for  
 6 the 2008 through 2012 fiscal years.”.

7 **SEC. 2103. CONSERVATION SECURITY PROGRAM.**

8 (a) ESTABLISHMENT OF NEW CONSERVATION SECUR-  
 9 RITY PROGRAM THROUGH 2017.—Subchapter A of chap-  
 10 ter 2 of subtitle D of title XII of the Food Security Act  
 11 of 1985 (16 U.S.C. 3838 et seq.) is amended to read as  
 12 follows:

13 **“Subchapter A—Conservation Security**  
 14 **Program**

15 **“SEC. 1238. DEFINITIONS.**

16 “In this subchapter:

17 “(1) BEGINNING FARMER OR RANCHER.—The  
 18 term ‘beginning farmer or rancher’ has the meaning  
 19 given the term under section 343(a) of the Consoli-  
 20 dated Farm and Rural Development Act (7 U.S.C.  
 21 1991(a)).

22 “(2) CONSERVATION PLAN.—The term ‘con-  
 23 servation plan’ means a plan that—



1           “(A) identifies resources of concern, inven-  
2           tories resources, and establishes benchmark  
3           data and stewardship enhancement objectives;

4           “(B) describes improvements that will en-  
5           able the producer to meet and exceed the stew-  
6           ardship threshold for all applicable resources of  
7           concern; and

8           “(C) contains a schedule and evaluation  
9           plan for the planning, installing, maintaining,  
10          and managing new conservation practices, ac-  
11          tivities, and management measures and main-  
12          taining, managing, and improving existing con-  
13          servation practices, activities, and management  
14          measures.

15          “(3) CONSERVATION PRACTICE.—The term  
16          ‘conservation practice’ means a site-specific land  
17          management practice or activity, or a supporting  
18          structural practice, that is part of an implemented  
19          management system designed to address a priority  
20          resource of concern.

21          “(4) CONSERVATION SECURITY CONTRACT.—  
22          The term ‘conservation security contract’ means a  
23          contract entered into under this subchapter.

1           “(5) CONSERVATION SECURITY PROGRAM.—The  
2           term ‘conservation security program’ means the pro-  
3           gram established under section 1238A(a).

4           “(6) MANAGEMENT INTENSITY.—The term  
5           ‘management intensity’ means the degree, scope,  
6           and comprehensiveness of conservation practices, ac-  
7           tivities, or management measures taken by a pro-  
8           ducer to address a priority resource of concern to a  
9           level exceeding the stewardship threshold.

10          “(7) NONDEGRADATION STANDARD.—The term  
11          ‘nondegradation standard’ means the level of natural  
12          resource conservation and environmental manage-  
13          ment measures required to improve and sustain the  
14          status and condition of natural and environmental  
15          resources to a level that, as determined by the Sec-  
16          retary—

17                 “(A) prevents impairment of soil, water,  
18                 and air quality and the quality of fish and wild-  
19                 life habitat; and

20                 “(B) sustains the long-term productivity of  
21                 agricultural resources.

22          “(8) PRIORITY RESOURCE OF CONCERN.—The  
23          term ‘priority resource of concern’ means a resource  
24          of concern identified by the Secretary, consistent  
25          with the requirements of section 1238C(a), that

1 must be addressed by participants in the conserva-  
2 tion security program in a particular watershed or  
3 other area within that State.

4 “(9) PRODUCER.—The term ‘producer’ means  
5 an owner, operator, landlord, tenant, or share-  
6 cropper that—

7 “(A) shares in the risk of producing any  
8 crop or livestock; and

9 “(B) is entitled to share in the crop or  
10 livestock available for marketing from a farm  
11 (or would have shared had the crop or livestock  
12 been produced).

13 “(10) RESOURCE-SPECIFIC INDEX.—The term  
14 ‘resource-specific index’ means an index of manage-  
15 ment intensity or other similar index, developed by  
16 the Secretary, that estimates the expected level of  
17 resource and environmental outcomes of the con-  
18 servation practices, activities, and management  
19 measures employed by a producer.

20 “(11) SOCIALLY DISADVANTAGED FARMER OR  
21 RANCHER.—The term ‘socially disadvantaged farmer  
22 or rancher’ has the meaning given the term under  
23 section 355(e) of the Consolidated Farm and Rural  
24 Development Act (7 U.S.C. 2003(e)).

1           “(12) STRUCTURAL PRACTICE.—The term  
2       ‘structural practice’ means a site-specific, con-  
3       structed conservation practice that is integrated with  
4       and essential to the successful implementation of the  
5       system of land management practices and activities  
6       that are the basis of a conservation security con-  
7       tract.

8       **“SEC. 1238A. CONSERVATION SECURITY PROGRAM.**

9       “(a) ESTABLISHMENT AND PURPOSE.—The Sec-  
10      retary shall establish, and for each of fiscal years 2012  
11      through 2017, carry out a conservation security program  
12      to assist producers in improving environmental quality by  
13      addressing priority resources of concern in a comprehen-  
14      sive manner.

15      “(b) ELIGIBLE PRODUCERS.—To be eligible to par-  
16      ticipate in the conservation security program, a producer  
17      shall—

18           “(1) demonstrate that the producer is address-  
19      ing at least one priority resource of concern to a  
20      minimum level of management intensity determined  
21      by the Secretary; and

22           “(2) develop and submit to the Secretary, and  
23      obtain the approval of the Secretary of, a conserva-  
24      tion offer.

25      “(c) ELIGIBLE LAND.—

1           “(1) IN GENERAL.—Except as provided in para-  
2           graph (2), private agricultural land (including crop-  
3           land, grassland, prairie land, improved pasture land,  
4           forest land and rangeland) and land under the juris-  
5           diction of an Indian tribe (as defined by the Sec-  
6           retary) shall be eligible for enrollment in the con-  
7           servation security program.

8           “(2) EXCLUSIONS.—

9           “(A) LAND ENROLLED IN OTHER CON-  
10          SERVATION PROGRAMS.—Except as provided in  
11          subsection (f)(3)(A), the following lands are not  
12          eligible for enrollment in the conservation secu-  
13          rity program:

14               “(i) Lands enrolled in the conserva-  
15               tion reserve program under subchapter B  
16               of chapter 1.

17               “(ii) Land enrolled in the wetlands re-  
18               serve program established under sub-  
19               chapter C of chapter 1.

20               “(iii) Land enrolled in the grassland  
21               reserve program established under sub-  
22               chapter C of chapter 2.

23           “(B) CONVERSION TO CROPLAND.—Land  
24           used for crop production after October 1, 2011,  
25           that had not been planted, considered to be

1           planted, or devoted to crop production for at  
2           least 4 of the 6 years preceding that date (ex-  
3           cept for land enrolled in the conservation re-  
4           serve program or that has been maintained  
5           using long-term crop rotation practices, as de-  
6           termined by the Secretary) shall not be the  
7           basis for any payment under the conservation  
8           security program.

9           “(d) ECONOMIC USES.—With respect to eligible land  
10          covered by a conservation security contract, the Secretary  
11          shall permit economic uses of the land that—

12               “(1) maintain the agricultural nature of the  
13          land; and

14               “(2) are consistent with the conservation pur-  
15          poses of the conservation security program.

16          “(e) CONSERVATION SECURITY CONTRACTS.—

17               “(1) IN GENERAL.—After a determination that  
18          a producer is eligible for the conservation security  
19          program, and on approval of the conservation offer  
20          of the producer, the Secretary shall enter into a con-  
21          servation security contract with the producer to en-  
22          roll the land to be covered by the contract in the  
23          conservation security program.

24               “(2) TERM.—A conservation security contract  
25          shall be for a term of 5 years.

1           “(3) AGRICULTURAL OPERATION.—All the acres  
2           of the agricultural operation that are under the pro-  
3           ducer’s effective control at the time the producer en-  
4           ters into a conservation security contract shall be  
5           covered by the conservation security contract.

6           “(4) PROVISIONS.—The conservation security  
7           contract of a producer shall—

8                   “(A) include a conservation plan approved  
9                   by the Secretary;

10                   “(B) describe the land covered by the con-  
11                   servation security contract;

12                   “(C) state the amount of the stewardship  
13                   enhancement payment the Secretary agrees to  
14                   make to the producer each year of the conserva-  
15                   tion security contract under section 1238C(e);

16                   “(D) describe the new conservation prac-  
17                   tices and activities the producer is required to  
18                   implement during the term of the conservation  
19                   security contract in order to increase the level  
20                   of management intensity with which the pro-  
21                   ducer addresses a priority resource of concern  
22                   or priority resources of concern, as designated  
23                   by the Secretary under section 1238C(a)(1);  
24                   and

1           “(E) include such other provisions as the  
2           Secretary determines necessary to ensure the  
3           conservation purposes of the conservation secu-  
4           rity program are met.

5           “(5) ON-FARM RESEARCH AND DEMONSTRA-  
6           TION OR PILOT TESTING.—The Secretary may ap-  
7           prove a conservation security contract that in-  
8           cludes—

9           “(A) on-farm conservation research and  
10          demonstration activities; and

11          “(B) pilot testing of new technologies or  
12          innovative conservation practices.

13          “(f) MODIFICATION.—The Secretary may allow a  
14          producer to modify a conservation security contract before  
15          the expiration of the contract if the Secretary determines  
16          that failure to modify the contract would significantly  
17          interfere with achieving the purposes of the conservation  
18          security program.

19          “(g) CONTRACT TERMINATION.—

20          “(1) VOLUNTARY TERMINATION.—A producer  
21          may terminate a conservation security contract if the  
22          Secretary determines that termination of the con-  
23          tract would not defeat the purposes of the conserva-  
24          tion plan of the producer.



1           “(2) INVOLUNTARY TERMINATION.—The Sec-  
2       retary may terminate a contract under this sub-  
3       chapter if the Secretary determines that the pro-  
4       ducer violated the contract.

5           “(3) TRANSFER OR CHANGE OF INTEREST IN  
6       LAND SUBJECT TO CONSERVATION SECURITY CON-  
7       TRACT.—

8           “(A) IN GENERAL.—Except as provided in  
9       subparagraph (B), the transfer, or change in  
10      the interest, of a producer in land subject to a  
11      conservation security contract shall result in the  
12      termination of the conservation security con-  
13      tract.

14          “(B) TRANSFER OF DUTIES AND  
15      RIGHTS.—Subparagraph (A) shall not apply if,  
16      within a reasonable period of time after the  
17      date of the transfer or change in the interest in  
18      land, the transferee of the land provides written  
19      notice to the Secretary that all duties and  
20      rights under the conservation security contract  
21      have been transferred to, and assumed by, the  
22      transferee. The Secretary shall specify what will  
23      be considered a reasonable period of time for  
24      purposes of providing the notification required  
25      by this subparagraph.

1       “(h) CONTRACT RENEWAL.—At the end of an initial  
2 conservation security contract of a producer, the Secretary  
3 may allow the producer to renew the contract for one addi-  
4 tional five-year period if the producer—

5               “(1) demonstrates compliance with the terms of  
6 the existing contract, including a demonstration that  
7 the producer has complied with the schedule for the  
8 implementation of new practices and activities in-  
9 cluded in the conservation security contract and has  
10 met the stated goals for increasing the level of man-  
11 agement intensity with which the producer is ad-  
12 dressing the designated priority resource of concern  
13 or priority resources of concern; and

14               “(2) agrees to implement and maintain such  
15 additional new conservation practices and activities  
16 as the Secretary determines necessary and feasible  
17 to achieve higher levels of management intensity  
18 with which the producer addresses the designated  
19 priority resource of concern or priority resources of  
20 concern.

21       “(i) EFFECT OF NONCOMPLIANCE DUE TO CIR-  
22 CUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—  
23 The Secretary shall include in the conservation security  
24 contract a provision to ensure that a producer shall not  
25 be considered in violation of a conservation security con-

1 tract for failure to comply with the conservation security  
2 contract due to circumstances beyond the control of the  
3 producer, including a disaster or related condition, as de-  
4 termined by the Secretary.

5 “(j) EVALUATION OF OFFERS.—In evaluating appli-  
6 cations by producers to enroll in the conservation security  
7 program, the Secretary shall—

8 “(1) consider the extent to which the antici-  
9 pated environmental benefits from the contract are  
10 provided at least cost relative to other similar activi-  
11 ties;

12 “(2) consider the extent to which the producer  
13 proposes to increase the level of performance on ap-  
14 plicable resource-specific indices or the level of man-  
15 agement intensity with which the producer addresses  
16 the designated priority resources of concern;

17 “(3) consider the extent to which the environ-  
18 mental benefits expected to result from the contract  
19 complements other conservation efforts in the water-  
20 shed or region;

21 “(4) consider the multiple benefits of conserva-  
22 tion-based farming systems, including resource-con-  
23 servation crop rotations, managed rotational graz-  
24 ing, and the adoption of certified production under  
25 the national organic production program under the

1 Organic Foods Production Act of 1990 (7 U.S.C.  
2 6501 et seq.); and

3 “(5) develop any additional criteria for evalu-  
4 ating applications that the Secretary determines are  
5 necessary to ensure that national, State, and local  
6 conservation priorities are effectively addressed.

7 “(k) COORDINATION WITH ORGANIC CERTIFI-  
8 CATION.—Within 90 days after the date of the enactment  
9 of the Farm, Nutrition, and Bioenergy Act of 2007, the  
10 Secretary shall establish a transparent and producer-  
11 friendly means by which producers may coordinate and si-  
12 multaneously certify eligibly under a conservation security  
13 contract and under the national organic production pro-  
14 gram established under the Organic Foods Production Act  
15 of 1990 (7 U.S.C. 6501 et seq.).

16 **“SEC. 1238B. DUTIES OF PRODUCERS.**

17 “(a) AGREEMENT BY PRODUCER.—Under a con-  
18 servation security contract, a producer shall agree—

19 “(1) to implement during the term of the con-  
20 servation security contract the conservation plan ap-  
21 proved by the Secretary;

22 “(2) to maintain, and make available to the  
23 Secretary at such times as the Secretary may re-  
24 quest, appropriate records showing the effective and

1       timely implementation of the conservation security  
2       contract; and

3               “(3) not to engage in any activity during the  
4       term of the conservation security contract that  
5       would interfere with the purposes of the conservation  
6       security program.

7       “(b) EFFECT OF VIOLATION.—On the violation of a  
8       term or condition of the conservation security contract of  
9       a producer—

10              “(1) if the Secretary determines that the viola-  
11       tion warrants termination of the conservation secu-  
12       rity contract, the producer shall—

13                      “(A) forfeit all rights to receive payments  
14       under the conservation security contract; and

15                      “(B) refund to the Secretary all or a por-  
16       tion of the payments received by the producer  
17       under the conservation security contract, in-  
18       cluding any advance payments and interest on  
19       the payments, as determined by the Secretary;

20              “(2) if the Secretary determines that the viola-  
21       tion does not warrant termination of the conserva-  
22       tion security contract, the producer shall refund to  
23       the Secretary, or accept adjustments to, the pay-  
24       ments provided to the producer, as the Secretary de-  
25       termines to be appropriate; or

1           “(3) some combination of the remedies author-  
2           ized by paragraphs (1) and (2), as determined by  
3           the Secretary to be appropriate.

4   **“SEC. 1238C. DUTIES OF THE SECRETARY.**

5           “(a) IDENTIFICATION OF PRIORITY RESOURCES OF  
6   CONCERN.—

7           “(1) IDENTIFICATION AT STATE LEVEL.—The  
8           Secretary shall ensure that the identification of pri-  
9           ority resources of concern is made at the State level  
10          so that each priority resource of concern—

11                  “(A) represents a significant environmental  
12                  concern, including watershed management or  
13                  wildlife habitat, in the State to which agricul-  
14                  tural activities are contributing; and

15                  “(B) is likely to be addressed successfully  
16                  through the implementation of conservation  
17                  practices and other activities by producers.

18          “(2) LIMITATION.—The Secretary shall identify  
19          not more than 5 resources of concern as priority re-  
20          sources of concern in a particular watershed or other  
21          appropriate region or area within a State.

22          “(3) ADVICE AND CONSULTATION.—The Sec-  
23          retary, with the advice of the appropriate State tech-  
24          nical committee and in consultation with Federal  
25          and State agencies with expertise related to natural

1 resources and environmental quality, shall designate,  
2 to the extent practicable, each priority resource of  
3 concern identified under paragraph (1) as either a  
4 primary, secondary, or tertiary resource of concern.

5 “(b) DEVELOPMENT OF RESOURCE-SPECIFIC INDI-  
6 CES.—The Secretary shall develop resource-specific indi-  
7 ces to measure the management intensity with which spe-  
8 cific resources of concern are addressed, for purposes of  
9 determining eligibility and payments for participants in  
10 the conservation security program.

11 “(c) STEWARDSHIP ENHANCEMENT PAYMENT.—

12 “(1) TIMING OF PAYMENT.—The Secretary  
13 shall make a payment under a conservation security  
14 contract as soon as practicable after October 1 of  
15 each fiscal year.

16 “(2) EXCLUSIONS.—A payment to a producer  
17 under this subsection shall not be provided for—

18 “(A) the design, construction, or mainte-  
19 nance of animal waste storage or treatment fa-  
20 cilities or associated waste transport or transfer  
21 devices for animal feeding operations; or

22 “(B) conservation practices and activities  
23 for which there is no net cost or loss of income  
24 to the producer, as determined by the Sec-  
25 retary.

1           “(3) AVAILABILITY OF PAYMENTS.—The Sec-  
2       retary shall provide a stewardship enhancement pay-  
3       ment to a producer under a conservation security  
4       contract to compensate the producer for—

5           “(A) ongoing implementation and mainte-  
6       nance of conservation practices, activities, and  
7       management measures in place on the pro-  
8       ducers operation at the time the conservation  
9       security contract is accepted; and

10          “(B) installation and adoption of new con-  
11       servation practices, activities, and management  
12       measures or improvements to conservation prac-  
13       tices, activities, and management measures in  
14       place on the producer’s operation, as required  
15       by the conservation security contract.

16          “(4) PAYMENT AMOUNT.—The amount of the  
17       stewardship enhancement payment shall be deter-  
18       mined by the Secretary and shall be based, to the  
19       maximum extent feasible, on—

20           “(A) a portion of the actual costs incurred  
21       by the producer;

22           “(B) the income forgone by the producer;  
23       and



1                   “(C) resource-specific indices, in any case  
2                   in which such indices have been developed and  
3                   implemented.

4           “(d) PAYMENT LIMITATIONS.—An individual or enti-  
5   ty may not receive, directly or indirectly, payments under  
6   a conservation security contract that, in the aggregate, ex-  
7   ceed \$150,000 for the 5-year term of the conservation se-  
8   curity contract, excluding funding arrangements with fed-  
9   erally recognized Indian Tribes or Alaska Native Corpora-  
10   tions.

11          “(e) REGULATIONS.—The Secretary shall promulgate  
12   regulations that—

13               “(1) provide for adequate safeguards to protect  
14       the interests of tenants and sharecroppers, including  
15       provision for sharing payments, on a fair and equi-  
16       table basis; and

17               “(2) prescribe such other rules as the Secretary  
18       determines to be necessary to ensure a fair and rea-  
19       sonable application of the limitations established  
20       under subsection (d).

21          “(f) ALLOCATION TO STATES.—When making alloca-  
22   tions to States of funds made available to carry out the  
23   conservation security program, the Secretary shall give  
24   significant consideration to the extent and magnitude of  
25   the environmental needs associated with agricultural pro-

1 duction in each State, the degree to which implementation  
2 of the conservation security program in the State is, or  
3 will be, effective in helping producers address these needs,  
4 and other considerations to achieve equitable geographic  
5 distributions of funds, as determined by the Secretary.

6 “(g) TECHNICAL ASSISTANCE.—For each of fiscal  
7 years 2008 through 2017, the Secretary shall provide ap-  
8 propriate technical assistance to producers for the develop-  
9 ment and implementation of conservation security con-  
10 tracts, in an amount not to exceed 15 percent of the  
11 amounts expended for the fiscal year.

12 “(h) DATA.—The Secretary shall maintain conserva-  
13 tion security program contract and payment data in a  
14 manner that provides detailed and segmented data that  
15 allows for quantification of the amount of payments made  
16 to producers for—

17 “(1) the maintenance of conservation practices,  
18 activities, and management measures in place on the  
19 producer’s operation at the time the conservation se-  
20 curity offer is accepted by the Secretary;

21 “(2) the installation and adoption of new con-  
22 servation practices, activities, and management  
23 measures and the improvements to conservation  
24 practices, activities, and management measures in  
25 place on the producer’s operation at the time the

1 conservation security offer is accepted by the Sec-  
2 retary;

3 “(3) participation in research, demonstration,  
4 and pilot projects; and

5 “(4) the development and periodic assessment  
6 and evaluation of comprehensive conservation  
7 plans.”.

8 (b) EFFECT ON EXISTING CONSERVATION SECURITY  
9 CONTRACTS.—Subchapter A of chapter 2 of subtitle D of  
10 title XII of the Food Security Act of 1985 (16 U.S.C.  
11 3838 et seq.), as in effect on the day before the date of  
12 the enactment of this Act, shall continue to apply to con-  
13 servation security contracts entered into before October 1,  
14 2007. The Secretary of Agriculture may continue to make  
15 payments under such subchapter, as so in effect, with re-  
16 spect to such a conservation security contracts during the  
17 term of the contract.

18 (c) PROHIBITION ON NEW CONTRACTS.—A conserva-  
19 tion security contract may not be entered into or renewed  
20 under subchapter A of chapter 2 of subtitle D of title XII  
21 of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.),  
22 as in effect on the day before the date of the enactment  
23 of this Act, after September 30, 2007.

1 **SEC. 2104. GRASSLAND RESERVE PROGRAM.**

2 (a) ENROLLMENT PRIORITY.—Subsection (b) of sec-  
3 tion 1238N of the Food Security Act of 1985 (16 U.S.C.  
4 3838n) is amended by striking paragraph (3) and insert-  
5 ing the following new paragraph:

6 “(3) PRIORITY FOR LONG-TERM AGREEMENTS  
7 AND EASEMENTS.—Of the total number of acres en-  
8 rolled in the program at any one time through the  
9 methods described in paragraph (2)(A), the Sec-  
10 retary shall ensure that at least 60 percent of the  
11 acres were enrolled through the use of 30-year rental  
12 agreements and permanent and long-term easements  
13 described in clause (ii) of such paragraph.”.

14 (b) ENROLLMENT OF ACREAGE.—Subsection (b) of  
15 section 1238N of the Food Security Act of 1985 (16  
16 U.S.C. 3838n) is amended by striking paragraph (1) and  
17 inserting the following new paragraph:

18 “(1) ENROLLMENT.—The Secretary shall enroll  
19 an additional 1,340,000 acres of restored or im-  
20 proved grassland, rangeland, and pastureland in the  
21 grassland reserve program during fiscal years 2008  
22 through 2012.”.

23 (c) ENROLLMENT OF CONSERVATION RESERVE PRO-  
24 GRAM LAND.—Section 1238N of the Food Security Act  
25 of 1985 (16 U.S.C. 3838n) is amended by adding at the  
26 end the following new subsections:

1       “(d) ENROLLMENT OF CONSERVATION RESERVE  
2 PROGRAM LAND.—

3               “(1) ENROLLMENT AUTHORIZED.—Subject to  
4 the eligibility requirements of subsection (c) and all  
5 other requirements of this subchapter, land enrolled  
6 in the conservation reserve program may be enrolled  
7 in the grassland reserve program if the Secretary de-  
8 termines that the land is of high ecological value and  
9 under significant threat of conversion to other uses.

10              “(2) MAXIMUM ENROLLMENT.—The number of  
11 acres of conservation reserve program land enrolled  
12 under this subsection in a calendar year shall not ex-  
13 ceed 10 percent of the total number of acres enrolled  
14 in the grassland reserve program in that calendar  
15 year.

16              “(3) PROHIBITION ON DUPLICATION OF PAY-  
17 MENTS.—Land enrolled in the program under this  
18 subsection shall no longer be eligible for payments  
19 under the conservation reserve program.

20              “(e) METHOD FOR DETERMINATION OF FAIR MAR-  
21 KET VALUE.—The Secretary shall determine the fair mar-  
22 ket value of land to be enrolled in program based on the  
23 option specified in paragraph (1), (2), (3), or (4) that re-  
24 sults in the lowest amount of compensation to be paid by  
25 the Secretary:

1           “(1) A percentage of the fair market value  
2       based on the Uniform Standards for Professional  
3       Appraisals Procedures, as determined by the Sec-  
4       retary.

5           “(2) A percentage of the market value deter-  
6       mined by an area wide market survey.

7           “(3) A geographic cap, as prescribed in regula-  
8       tions issued by the Secretary.

9           “(4) The offer made by the owner of the land.”.

10       (d) GRASSLAND RESERVE ENHANCEMENT.—Section  
11 1238N of the Food Security Act of 1985 (16 U.S.C.  
12 3838n) is amended by inserting after subsection (d), as  
13 added by subsection (b), the following new subsection:

14       “(e) GRASSLAND RESERVE ENHANCEMENT.—The  
15 Secretary may enter into such agreements with States, in-  
16 cluding political subdivisions and agencies of States, that  
17 the Secretary determines will advance the purposes of the  
18 grassland reserve program. Section 1305(d) of the Agri-  
19 cultural Reconciliation Act of 1987 (Public Law 100–203;  
20 7 U.S.C. 1308 note) shall not apply to payments received  
21 by a State or political subdivision or agency thereof in con-  
22 nection with such an agreement.”.

23       (e) USE OF PRIVATE ORGANIZATIONS OR STATE  
24 AGENCIES.—Section 1238Q of the Food Security Act of  
25 1985 (16 U.S.C. 3838q) is amended—

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

3           “(a) **AUTHORITY TO USE PRIVATE ORGANIZATIONS**  
4 **OR STATES.**—The Secretary shall permit a private con-  
5 servation or land trust organization (referred to in this  
6 section as a ‘private organization’) or a State agency to  
7 own, write, and enforce an easement under this sub-  
8 chapter, in lieu of the Secretary, subject to the right of  
9 the Secretary to conduct periodic inspections and enforce  
10 the easement, if—

11           “(1) the Secretary determines that granting the  
12           permission will promote protection of grassland, land  
13           that contains forbs, and shrubland;

14           “(2) the owner authorizes the private organiza-  
15           tion or State agency to hold and enforce the ease-  
16           ment; and

17           “(3) the private organization or State agency  
18           agrees to assume the costs incurred in administering  
19           and enforcing the easement, including the costs of  
20           restoration or rehabilitation of the land as specified  
21           by the owner and the private organization or State  
22           agency.”;

23           (2) in subsection (b), by striking “hold” and in-  
24           serting “own, write,”; and

1           (3) in subsection (c), by striking “hold” and in-  
2       serting “own, write,”.

3 **SEC. 2105. ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
4 **GRAM.**

5       (a) PURPOSES.—Section 1240 of the Food Security  
6 Act of 1985 (16 U.S.C. 3839aa) is amended—

7           (1) in the matter preceding paragraph (1), by  
8       inserting “, forest management, organic transition,”  
9       after “agricultural production”; and

10          (2) by striking paragraphs (3) and (4) and in-  
11       serting the following new paragraphs:

12           “(3) providing flexible assistance to producers  
13       to install and maintain conservation practices that,  
14       while sustaining production of food and fiber—

15           “(A) enhance soil, water, and related nat-  
16       ural resources, including grazing land,  
17       forestland, wetland, and wildlife; and

18           “(B) conserve energy;

19           “(4) assisting producers to make beneficial, cost  
20       effective changes to cropping systems, grazing man-  
21       agement, energy use, forest management, nutrient  
22       management associated with livestock, pest or irriga-  
23       tion management, or other practices on agricultural  
24       and forested land; and”.



1 (b) DEFINITIONS.—Section 1240A of the Food Secu-  
2 rity Act of 1985 (16 U.S.C. 3839aa–1) is amended—

3 (1) by striking paragraph (3) and inserting the  
4 following new paragraph:

5 “(3) LAND MANAGEMENT PRACTICE.—

6 “(A) IN GENERAL.—The term ‘land man-  
7 agement practice’ means a site-specific nutrient  
8 or manure management, integrated pest man-  
9 agement, irrigation management, tillage or res-  
10 idue management, grazing management, air  
11 quality management, forest management, sil-  
12 vicultural practice, or other land management  
13 practice carried out on eligible land that the  
14 Secretary determines is needed to protect from  
15 degradation, in the most cost-effective manner,  
16 water, soil, or related resources.

17 “(B) FOREST MANAGEMENT PRACTICES.—  
18 For purposes of subparagraph (A), forest man-  
19 agement practices may include activities that  
20 the Secretary determines are needed to—

21 “(i) improve water quality;

22 “(ii) restore forest biodiversity;

23 “(iii) control invasive species; or

24 “(iv) improve watershed health.

1                   “(C) COORDINATED IMPLEMENTATION.—A  
2                   land management practice may involve multiple  
3                   landowners implementing eligible conservation  
4                   activities in a coordinated fashion.”;

5                   (2) in paragraph (4), by inserting “alpacas,  
6                   bison,” after “sheep,”;

7                   (3) by redesignating paragraphs (3), (4), (5),  
8                   and (6), as so amended, as paragraphs (4), (5), (6),  
9                   and (8), respectively;

10                  (4) by inserting after paragraph (2) the fol-  
11                  lowing new paragraph:

12                  “(3) INTEGRATED PEST MANAGEMENT.—The  
13                  term ‘integrated pest management’ means a sustain-  
14                  able approach to managing pests by combining bio-  
15                  logical, cultural, physical, and chemical tools in a  
16                  way that minimizes economic, health, an environ-  
17                  mental risks.”; and

18                  (5) by inserting after paragraph (6), as so re-  
19                  designated, the following new paragraph:

20                  “(7) SOCIALLY DISADVANTAGED FARMER OR  
21                  RANCHER.—The term ‘socially disadvantaged farmer  
22                  or rancher’ has the meaning given the term under  
23                  section 355(e) of the Consolidated Farm and Rural  
24                  Development Act (7 U.S.C. 2003(e)).”.

1 (c) ELIGIBLE PRACTICES.—Section 1240B(a) of the  
2 Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)) is  
3 amended—

4 (1) in paragraph (1), by striking “2010” and  
5 inserting “2012”; and

6 (2) in paragraph (2)—

7 (A) in subparagraph (A), by inserting “or  
8 receives organic certification” after “chapter”;  
9 and

10 (B) by striking subparagraph (B) and in-  
11 serting the following new subparagraph:

12 “(B) a producer that implements a land  
13 management practice, receives technical services  
14 from an approved third-party provider, develops  
15 a comprehensive nutrient management plan, or  
16 implements energy efficiency improvements or  
17 renewable energy systems, in accordance with  
18 this chapter shall be eligible to receive incentive  
19 payments.”.

20 (d) BEGINNING FARMERS OR RANCHERS AND SO-  
21 CIALY DISADVANTAGED FARMERS OR RANCHERS.—Sec-  
22 tion 1240B(d)(2) of the Food Security Act of 1985 (16  
23 U.S.C. 3839aa–2(d)(2)) is amended by striking subpara-  
24 graph (A) and inserting the following new subparagraph:

1                   “(A) INCREASED COST-SHARE FOR CER-  
2                   TAIN PRODUCERS.—The Secretary shall in-  
3                   crease the amount provided under paragraph  
4                   (1) to a producer that is a beginning farmer or  
5                   rancher, socially disadvantaged farmer or  
6                   rancher, or limited resource farmer or rancher  
7                   to 90 percent of the cost of the practice, as de-  
8                   termined by the Secretary.”.

9                   (e) ADDITIONAL SUPPORT FOR USE OF GASIFIER  
10                  TECHNOLOGY.—Section 1240B(d)(2) of the Food Secu-  
11                  rity Act of 1985 (16 U.S.C. 3839aa–2(d)(2)) is amended  
12                  by adding at the end the following new subparagraph:

13                         “(C) INCREASED COST-SHARE FOR USE OF  
14                         GASIFIER TECHNOLOGY.—In carrying out this  
15                         chapter, the Secretary shall promote air quality  
16                         by providing for a 90 percent cost share for  
17                         those projects that utilize gasifier technology  
18                         for the purposes of the disposal of animal car-  
19                         casses and by-products.”.

20                  (f) INCENTIVE PAYMENTS.—Section 1240B(e) of the  
21                  Food Security Act of 1985 (16 U.S.C. 3839aa–2(e)) is  
22                  amended—

23                         (1) by striking paragraph (1) and inserting the  
24                         following new paragraph:

1           “(1) AVAILABILITY OF INCENTIVE PAY-  
2           MENTS.—The Secretary shall make incentive pay-  
3           ments in an amount and at a rate determined by the  
4           Secretary to be necessary to encourage a producer—

5                   “(A) to perform 1 or more land manage-  
6           ment practices;

7                   “(B) to receive technical services from an  
8           approved third-party provider;

9                   “(C) to develop a comprehensive nutrient  
10          management plan; or

11                  “(D) to implement energy efficiency im-  
12          provements or renewable energy systems.”; and

13          (2) in paragraph (2), by inserting “pollinator  
14          habitat,” after “invasive species,”.

15          (g) ALLOCATION OF FUNDING.—Section 1240B(g) of  
16          the Food Security Act of 1985 (16 U.S.C. 3839aa–2(g))  
17          is amended—

18                  (1) by striking “For each” and inserting the  
19          following:

20                   “(1) ALLOCATION FOR LIVESTOCK PRODUCTION  
21          PRACTICES.—For each”;

22                  (2) in such paragraph, as so designated, by  
23          striking “2007” and inserting “2012”; and

24                  (3) by adding at the end the following new  
25          paragraph:

1           “(2) ALLOCATION FOR CERTAIN PRODUCERS.—

2           For each of fiscal years 2007 through 2012, of the  
3           funds made available for cost-share payments and  
4           incentive payments under this chapter, the Secretary  
5           shall reserve, for a period of not less than 90 days  
6           after the date on which the funds are made available  
7           for the fiscal year—

8                   “(A) not less than 5 percent for beginning  
9           farmers and ranchers; and

10                   “(B) not less than 5 percent of funds for  
11           socially disadvantaged farmers and ranchers  
12           and limited resource farmers and ranchers.”.

13           (h) ELIGIBILITY OF MARKET AGENCIES AND CUS-  
14 TOM FEEDING BUSINESSES.—Section 1240B of the Food  
15 Security Act of 1985 (16 U.S.C. 3839aa–2) is amended  
16 by adding at the end the following new subsection:

17           “(i) ELIGIBILITY OF MARKET AGENCIES AND CUS-  
18 TOM FEEDING BUSINESSES FOR ASSISTANCE.—A market  
19 agency (as defined in section 301(c) of the Packers and  
20 Stockyards Act, 1921 (7 U.S.C. 201(c))) or custom feed-  
21 ing business may receive technical assistance, cost-share  
22 payments, or incentive payments under the program. Any  
23 reference to ‘producer’ in this chapter shall be deemed to  
24 include a market agency or custom feeding business.”.

1 (i) EVALUATION OF APPLICATIONS FOR COST-SHARE  
2 PAYMENTS AND INCENTIVE PAYMENTS.—Section 1240C  
3 of the Food Security Act of 1985 (16 U.S.C. 3839aa–3)  
4 is amended to read as follows:

5 **“SEC. 1240C. EVALUATION OF APPLICATIONS FOR COST-**  
6 **SHARE PAYMENTS AND INCENTIVE PAY-**  
7 **MENTS.**

8 “(a) PRIORITIES AND GROUPING OF APPLICA-  
9 TIONS.—In evaluating applications for cost-share pay-  
10 ments and incentive payments, the Secretary shall—

11 “(1) prioritize applications based on their over-  
12 all level of cost-effectiveness to ensure that the con-  
13 servation practices and approaches proposed are the  
14 most efficient means of achieving the anticipated en-  
15 vironmental benefits of the project;

16 “(2) prioritize applications based on how effec-  
17 tively and comprehensively the project addresses the  
18 designated resource concern or resource concerns;

19 “(3) prioritize applications that best fulfill the  
20 purpose of the environmental quality incentives pro-  
21 gram specified in section 1240(1);

22 “(4) develop criteria for evaluating applications  
23 that will ensure that national, State, and local con-  
24 servation priorities are effectively addressed; and

1           “(5) to the greatest extent practicable, group  
2       applications of similar crop or livestock operations  
3       for evaluation purposes or otherwise evaluate appli-  
4       cations relative to other applications for similar  
5       farming operations.

6       “(b) EVALUATION PROCESS.—The Secretary shall  
7       ensure that the evaluation process is as streamlined and  
8       efficient as practicable in the case of applications that—

9           “(1) involve operations with substantial and  
10      sound environmental management systems; and

11          “(2) seek a single practice or a limited number  
12      of practices to further improve the environmental  
13      performance of that system.”.

14      (j) DUTIES OF PRODUCERS.—Section 1240D(2) of  
15      the Food Security Act of 1985 (16 U.S.C. 3839aa–4(2))  
16      is amended by striking “or ranch” and inserting “, ranch,  
17      or forestland”.

18      (k) PROGRAM PLAN.—Section 1240E of the Food Se-  
19      curity Act of 1985 (16 U.S.C. 3839aa–5) is amended by  
20      striking subsections (a) and (b) and inserting the following  
21      new subsections:

22          “(a) PLAN OF OPERATIONS.—To be eligible to re-  
23      ceive cost-share payments or incentive payments under the  
24      program, a producer shall submit to the Secretary for ap-  
25      proval a plan of operations that—



1           “(1) specifies practices covered under the pro-  
2       gram;

3           “(2) includes such terms and conditions as the  
4       Secretary considers necessary to carry out the pro-  
5       gram, including a description of the purposes to be  
6       met by the implementation of the plan;

7           “(3) in the case of a confined livestock feeding  
8       operation, provides for development and implementa-  
9       tion of a comprehensive nutrient management plan,  
10      if applicable; and

11          “(4) in the case of forestland, is consistent with  
12      the provisions of a forest management plan meeting  
13      with the approval of the Secretary, which may in-  
14      clude a forest stewardship plan, as specified in sec-  
15      tion 5 of the Cooperative Forestry Assistance Act of  
16      1978 (16 U.S.C. 2103a), other practice plan ap-  
17      proved by the State forester, or other plan deter-  
18      mined appropriate by the Secretary.

19          “(b) AVOIDANCE OF DUPLICATION.—The Secretary  
20      shall—

21           “(1) consider a permit acquired under a water  
22      or air quality regulatory program as the equivalent  
23      of a plan of operations under subsection (a); and

24           “(2) to the maximum extent practicable, elimi-  
25      nate duplication of planning activities under the pro-

1       gram under this chapter and comparable conserva-  
2       tion programs.”.

3       (l) DUTIES OF THE SECRETARY.—Section 1240F of  
4 the Food Security Act of 1985 (16 U.S.C. 3839aa–6) is  
5 amended—

6           (1) by striking “To the extent” and inserting  
7       “(a) PROVISION OF ASSISTANCE.—To the extent”;  
8       and

9           (2) by adding at the end the following new sub-  
10       section:

11       “(b) WATER SAVINGS.—In the case of a practice pri-  
12 marily intended to conserve water, the Secretary may pro-  
13 vide assistance to a producer under this section only if  
14 the Secretary determines that—

15           “(1) the practice results in a minimum reduc-  
16 tion, as determined by the Secretary, in the total  
17 consumptive use of ground water or surface water  
18 resources affected by the practice;

19           “(2) any saved water remains in the source for  
20 the useful life of the practice; and

21           “(3) the practice will not result, directly or indi-  
22 rectly, in an increase in the consumptive use of  
23 water in the agriculture operation of the producer.”.

1 (m) CONSERVATION INNOVATION GRANTS.—Section  
2 1240H of the Food Security Act of 1985 (16 U.S.C.  
3 3839aa–8) is amended to read as follows:

4 **“SEC. 1240H. CONSERVATION INNOVATION GRANTS.**

5 “(a) COMPETITIVE GRANTS.—The Secretary shall  
6 pay the cost of competitive grants that are intended to  
7 stimulate innovative approaches to leveraging Federal in-  
8 vestment in environmental enhancement and protection, in  
9 conjunction with agricultural production or forest resource  
10 management, through the program.

11 “(b) USE.—The Secretary may provide grants under  
12 this section to governmental and non-governmental orga-  
13 nizations and persons, on a competitive basis, to carry out  
14 projects that—

15 “(1) involve producers that are eligible for pay-  
16 ments or technical assistance under the program;

17 “(2) leverage funds made available to carry out  
18 the program under this chapter with matching funds  
19 provided by State and local governments and private  
20 organizations to promote environmental enhance-  
21 ment and protection in conjunction with agricultural  
22 production;

23 “(3) ensure efficient and effective transfer of  
24 innovative technologies and approaches dem-

1       onstrated through projects that receive funding  
2       under this section; and

3               “(4) provide environmental and resource con-  
4       servation benefits through increased participation by  
5       producers of specialty crops.

6       “(c) PILOT PROGRAM FOR COMPREHENSIVE CON-  
7       SERVATION PLANNING.—

8               “(1) PILOT PROGRAM REQUIRED.—The Sec-  
9       retary shall establish a pilot program to undertake  
10      comprehensive conservation planning to assist pro-  
11      ducers before they submit an application for assist-  
12      ance under any of the conservation programs au-  
13      thorized by this subtitle.

14              “(2) CONSERVATION PLANNING ASSISTANCE.—  
15      The Secretary shall undertake pilot projects under  
16      the pilot program in the locations specified in para-  
17      graph (3) to assist producers by making a com-  
18      prehensive assessment of the resource concerns,  
19      needs, and alternative solutions for the producer’s  
20      entire operation, as determined by the Secretary, fol-  
21      lowing the procedures in the Natural Resources Con-  
22      servation Service conservation planning manual. The  
23      assistance shall be provided by the Secretary directly  
24      or through third party providers certified by the Sec-  
25      retary, and shall not be at the expense of the pro-

1       ducer. The results of the comprehensive planning as-  
2       sistance shall be provided to the producer to enable  
3       informed choices on the type of financial assistance  
4       available under this subtitle that would most effec-  
5       tively address the resource needs of the operation  
6       consistent with the environmental goals for the area  
7       in which the operation is located.

8               “(3) PILOT PROJECTS.—Pilot projects in com-  
9       prehensive conservation planning shall be under-  
10      taken in the Chesapeake Bay watershed, and shall  
11      include the identification of hydrologic, soil, and  
12      rural land use factors that are unique to the Del-  
13      marva Peninsula.

14             “(4) REPORT.—The Secretary shall conduct an  
15      assessment of the effectiveness of the pilot program  
16      and publish a report, available to the public, of the  
17      results of the assessment. Such assessments shall be  
18      undertaken in the second year and the fifth year of  
19      the pilot program.

20             “(d) AIR QUALITY.—Of the funds made available  
21      under subsection (e)(1), the Secretary shall use  
22      \$10,000,000 for fiscal year 2008, \$15,000,000 for fiscal  
23      year 2009, \$30,000,000 for fiscal year 2010, \$40,000,000  
24      for fiscal year 2011, and \$55,000,000 for fiscal year 2012  
25      to support air quality improvements to help producers

1 meet State and local regulatory requirements related to  
2 air quality. Notwithstanding the requirements under sub-  
3 sections (a) and (b), these funds shall be made available  
4 to a State on the basis of air quality concerns facing that  
5 producers in that State. The funds made available shall  
6 be used to provide cost-share and incentive payments to  
7 producers.

8 “(e) FUNDING.—

9 “(1) AVAILABILITY OF FUNDS.—Of the funds  
10 made available under section 1241(a)(6) for fiscal  
11 years 2008 through 2012, the Secretary shall use  
12 \$30,000,000 for fiscal year 2008, \$35,000,000 for  
13 fiscal year 2009, \$50,000,000 for fiscal year 2010,  
14 \$60,000,000 for fiscal year 2011, and \$75,000,000  
15 for fiscal year 2012.

16 “(2) OUTREACH FOR CERTAIN PRODUCERS.—  
17 Of the funds made available under paragraph (1) for  
18 a fiscal year, the Secretary shall use \$5,000,000 to  
19 make grants to support effective outreach and inno-  
20 vative approaches for outreach and to serve organic  
21 producers and producers of specialty crops (as de-  
22 fined in section 3 of the Specialty Crops Competi-  
23 tiveness Act of 2004 (Public Law 108–465; 7 U.S.C.  
24 1621 note).

1           “(3) COMPREHENSIVE CONSERVATION PLAN-  
2           NING.—Of the funds made available under para-  
3           graph (1) for a fiscal year, the Secretary shall use  
4           \$5,000,000 to carry out the comprehensive conserva-  
5           tion planning pilot program under subsection (c).”.

6   **SEC. 2106. REGIONAL WATER ENHANCEMENT PROGRAM.**

7           (a) PURPOSE AND GOALS.—The purpose of this sec-  
8           tion is to authorize a regional water enhancement pro-  
9           gram, within the environmental quality incentives pro-  
10          gram, to enhance performance-based, cost-effective con-  
11          servation carried out through cooperative agreements en-  
12          tered into by the Secretary of Agriculture with producers,  
13          governmental entities, and Indian tribes. The goal of the  
14          program is to improve water quality or ground and surface  
15          water quantity through coordinated program activities on  
16          agricultural lands. The Secretary will develop goals and  
17          provide coordinated program assistance for water quality  
18          or water quantity improvement projects.

19          (b) ESTABLISHMENT OF PROGRAM.—Section 1240I  
20          of the Food Security Act of 1985 (16 U.S.C. 3839aa–9)  
21          is amended to read as follows:

22   **“SEC. 1240I. REGIONAL WATER ENHANCEMENT PROGRAM.**

23          “(a) DEFINITIONS.—In this section:

24                  “(1) REGIONAL WATER ENHANCEMENT ACTIVI-  
25          TIES.—The term ‘regional water enhancement activi-

1       ties’ includes resource condition assessment and  
2       modeling, water quality, water quantity or water  
3       conservation plan development, management system  
4       and environmental monitoring and evaluation, cost-  
5       share of restoration or enhancement projects, incen-  
6       tive payments for land management practices, ease-  
7       ment purchases, conservation contracts with land-  
8       owners, improved irrigation systems, water banking  
9       and other forms of water transactions, groundwater  
10      recharge and other conservation related activities  
11      that the Secretary determines will help to achieve  
12      the water quality or water quantity benefits on agri-  
13      cultural lands identified in a partnership agreement.

14           “(2) PARTNERSHIP AGREEMENT.—The term  
15      ‘partnership agreement’ means an agreement be-  
16      tween the Secretary and a partner under subsection  
17      (d).

18           “(3) PARTNER.—The term ‘partner’ means an  
19      entity that enters into a partnership agreement with  
20      the Secretary to carry out regional water enhance-  
21      ment activities. The term includes—

22                   “(A) an agricultural producer, agricultural  
23                   or silvicultural producer association, or other  
24                   group of such producers;



1                   “(B) a State or unit of local government,  
2                   including an irrigation or water district; or

3                   “(C) a federally recognized Indian tribe.

4                   “(b) ESTABLISHMENT OF PROGRAM.—

5                   “(1) ESTABLISHMENT.—The Secretary shall es-  
6                   tablish a regional water enhancement program in ac-  
7                   cordance with this section to improve water quality  
8                   or water quantity on a regional scale to benefit  
9                   working agricultural land and other lands sur-  
10                  rounding agricultural land.

11                  “(2) IDENTIFICATION OF WATER QUALITY AND  
12                  WATER QUANTITY PRIORITY AREAS.—The Secretary  
13                  shall identify areas where protecting or improving  
14                  water quality, water quantity, or both is a priority.  
15                  In identifying these areas, the Secretary shall  
16                  prioritize the Chesapeake Bay, the Upper Mississippi  
17                  River basin, the Everglades, the Sacramento River  
18                  watershed, and the Klamath River basin. Not more  
19                  than 50 percent of the funds made available for the  
20                  regional water enhancement program shall be re-  
21                  served for priority areas identified in this paragraph.

22                  “(c) SELECTION OF PARTNERS.—

23                  “(1) SOLICITATION OF PARTNERSHIP PRO-  
24                  POSALS.—Not later than 90 days after the date of  
25                  the enactment of the Farm, Nutrition, and Bio-

1 energy Act of 2007, the Secretary shall invite pro-  
2 spective partners to submit competitive grant pro-  
3 posals for regional water enhancement partnerships.

4 “(2) ELEMENTS.—To be eligible for consider-  
5 ation for participation in the program, a proposal  
6 submitted by a partner shall contain the following  
7 elements:

8 “(A) Identification of the exact geographic  
9 area for which the partnership is proposed,  
10 which may be based on—

11 “(i) a watershed (or portion thereof);

12 “(ii) an irrigation, water, drainage  
13 district, including service area; or

14 “(iii) some other geographic area with  
15 characteristics making it suitable for land-  
16 scape-wide program implementation, as  
17 may be determined by the Secretary.

18 “(B) Identification of the water quality or  
19 water quantity issues that are of concern in the  
20 area.

21 “(C) A method for determining a baseline  
22 assessment of water quality, water quantity,  
23 and other resource conditions in the region.

24 “(D) A detailed description of the proposed  
25 regional water enhancement activities to be un-

1           dertaken in the area, including an estimated  
2           timeline and budget for each activity.

3           “(E) A description of the performance  
4           measures to be used to gauge the effectiveness  
5           of the regional water enhancement activities.

6           “(F) A description of other regional water  
7           enhancement activities carried out by the Sec-  
8           retary.

9           “(G) A description of regional water en-  
10          hancement activities carried out by partners  
11          through other means.

12          “(3) SELECTION OF PROPOSALS.—The Sec-  
13          retary shall award grants competitively, based on the  
14          following criteria applied by the Secretary:

15               “(A) Proposals that will result in the inclu-  
16               sion of the highest percentage of agricultural  
17               lands and producers in the area.

18               “(B) Proposals that will result in the high-  
19               est percentage of on-the-ground activities versus  
20               administrative costs.

21               “(C) Proposals that will provide the great-  
22               est contribution to sustaining or enhancing ag-  
23               ricultural production in the area or rural eco-  
24               nomic development.

1           “(D) Proposals that include performance  
2           measures that will allow post-activity conditions  
3           to be satisfactorily measured to gauge overall  
4           effectiveness.

5           “(E) Proposals that will capture surface-  
6           water runoff on farms through the construction,  
7           improvement, or maintenance of irrigation  
8           ponds.

9           “(F) Proposals that have the highest likeli-  
10          hood of improving issues of concern for the area  
11          through the participation of multiple interested  
12          persons.

13          “(G) Proposals that will assist producers  
14          in meeting a regulatory requirement imposed on  
15          lands in agriculture production that reduces the  
16          economic scope of the producer’s operation.

17          “(4) DURATION.—Grants under this subsection  
18          shall be made on a multi-year basis, not to exceed  
19          5 years total, except that the Secretary may termi-  
20          nate a grant earlier if the performance measures are  
21          not being met.

22          “(d) PARTNERSHIP AGREEMENTS.—

23                 “(1) GENERALLY.—Not later than 30 days  
24                 after the award of a grant to a partner under sub-  
25                 section (c), the Secretary shall enter into a partner-

1 ship agreement with the grant recipient. At a min-  
2 imum, the agreement shall contain—

3 “(A) a description of the respective duties  
4 and responsibilities of the Secretary and the  
5 partner in carrying out regional water enhance-  
6 ment activities; and

7 “(B) the criteria that the Secretary will  
8 use to measure the overall effectiveness of the  
9 regional water enhancement activities funded by  
10 the grant in improving the water quality or  
11 quantity conditions of the region relative to the  
12 performance measures in the grant proposal.

13 “(2) ACCEPTANCE OF CONTRIBUTIONS.—The  
14 Secretary may accept and use contributions of non-  
15 Federal funds to administer the program under this  
16 section.

17 “(3) WAIVER AUTHORITY.—The Secretary shall  
18 waive the limitation in section 1001D of this Act if  
19 the Secretary determines that doing so is necessary  
20 to fulfill the objectives of the regional water en-  
21 hancement program.

22 “(e) MODIFICATION OF SECRETARIAL AUTHORITY.—  
23 To the extent that the Secretary will be carrying out re-  
24 gional water enhancement activities in an area, the Sec-  
25 retary may use the general authorities provided in this

1 subtitle to ensure that all producers and landowners in  
2 the region have the opportunity to participate in such ac-  
3 tivities.

4 “(f) RELATIONSHIP WITH OTHER PROGRAMS.—The  
5 Secretary shall ensure that, to the extent producers and  
6 landowners are individually participating in other pro-  
7 grams under this subtitle in a region where the regional  
8 water enhancement program is in effect, any improve-  
9 ments to water quality or water quantity attributable to  
10 such individual participation is included in the evaluation  
11 criteria developed under subparagraph (d)(1)(B).

12 “(g) CONSISTENCY WITH STATE LAW.—Any regional  
13 water enhancement activity conducted under this section  
14 shall be consistent with State water laws.

15 “(h) FUNDING.—

16 “(1) AVAILABILITY OF FUNDS.—In addition to  
17 funds made available to carry out this chapter under  
18 section 1241(a)(6), the Secretary shall use funds of  
19 the Commodity Credit Corporation to carry out this  
20 section in the amount of, to the maximum extent  
21 practicable, \$60,000,000 for each of fiscal years  
22 2008 through 2012.

23 “(2) LIMITATION ON ADMINISTRATIVE EX-  
24 PENSES.—Not more than 3 percent of the funds  
25 made available under paragraph (1) for a fiscal year

1       may be used for administrative expenses of the Sec-  
2       retary.”.

3   **SEC. 2107. GRASSROOTS SOURCE WATER PROTECTION**  
4                   **PROGRAM.**

5       (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
6   1240O(b) of the Food Security Act of 1985 (16 U.S.C.  
7   3839bb–2(b)) is amended by striking “\$5,000,000 for  
8   each of fiscal years 2002 through 2007” and inserting  
9   “\$20,000,000 for each of fiscal years 2008 through  
10  2012”.

11       (b) ADDITIONAL FUNDING.—Section 1240O of the  
12   Food Security Act of 1985 (16 U.S.C. 3839bb–2) is  
13   amended by adding at the end the following new sub-  
14   section:

15       “(c) ONE-TIME INFUSION OF FUNDS.—Of the funds  
16   of the Commodity Credit Corporation, the Secretary shall  
17   make available, on a one-time basis, \$10,000,000 to carry  
18   out this section. Such funds shall remain available until  
19   expended.”.

20   **SEC. 2108. CONSERVATION OF PRIVATE GRAZING LAND.**

21       Section 1240M(e) of the Food Security Act of 1985  
22   (16 U.S.C. 3839bb(e)) is amended by striking “2007” and  
23   inserting “2012”.

1 **SEC. 2109. GREAT LAKES BASIN PROGRAM FOR SOIL ERO-**  
 2 **SION AND SEDIMENT CONTROL.**

3 Section 1240P(c) of the Food Security Act of 1985  
 4 (16 U.S.C. 3839bb–3(c)) is amended by striking “2007”  
 5 and inserting “2012”.

6 **SEC. 2110. FARM AND RANGLAND PROTECTION PROGRAM.**

7 Subchapter B of chapter 2 of subtitle D of title XII  
 8 of the Food Security Act of 1985 (16 U.S.C. 3838h et  
 9 seq.) is amended to read as follows:

10 **“Subchapter B—Farm and Ranchland**  
 11 **Protection Program**

12 **“SEC. 1238H. DEFINITIONS.**

13 “In this subchapter:

14 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
 15 tity’ means any of the following:

16 “(A) An agency of a State or local govern-  
 17 ment or an Indian tribe (including a farmland  
 18 protection board or land resource council estab-  
 19 lished under State law).

20 “(B) An organization that is organized for,  
 21 and at all times since the formation of the orga-  
 22 nization has been operated principally for, 1 or  
 23 more of the conservation purposes specified in  
 24 clause (i), (ii), (iii), or (iv) of section  
 25 170(h)(4)(A) of the Internal Revenue Code of  
 26 1986.



1           “(C) An organization described in section  
2           501(c)(3) of the Internal Revenue Code of 1986  
3           that is exempt from taxation under section  
4           501(a) of that Code.

5           “(D) An organization described in section  
6           509(a)(2) of the Internal Revenue Code of  
7           1986.

8           “(E) An organization described in section  
9           509(a)(3) of the Internal Revenue Code of 1986  
10          that is controlled by an organization described  
11          in section 509(a)(2), of that Code.

12          “(2) ELIGIBLE LAND.—The term ‘eligible land’  
13          means land on a farm or ranch that—

14               “(A) is cropland;

15               “(B) is rangeland;

16               “(C) is grassland;

17               “(D) is pasture land;

18               “(E) is forest land that is an incidental  
19          part of an agricultural operation, as determined  
20          by the Secretary; or

21               “(F) contains historical or archaeological  
22          resources.

23          “(3) INDIAN TRIBE.—The term ‘Indian tribe’  
24          has the meaning given the term in section 4 of the

1 Indian Self-Determination and Education Assistance  
2 Act (25 U.S.C. 450b).

3 “(4) PROGRAM.—The term ‘program’ means  
4 the farm and ranchland protection program estab-  
5 lished under section 1238I(a).

6 “(5) SECRETARY.—The term ‘Secretary’ means  
7 the Secretary of Agriculture.

8 **“SEC. 1238I. FARM AND RANCHLAND PROTECTION PRO-**  
9 **GRAM.**

10 “(a) ESTABLISHMENT.—

11 “(1) ESTABLISHMENT AND PURPOSE.—The  
12 Secretary shall establish and carry out a farm and  
13 ranchland protection program under which the Sec-  
14 retary shall facilitate and provide funding for the  
15 purchase of conservation easements or other inter-  
16 ests in eligible land that is subject to a pending offer  
17 from a certified State or eligible entity for the pur-  
18 pose of protecting the agricultural use and related  
19 conservation values of the land by limiting incompat-  
20 ible nonagricultural uses of the land.

21 “(2) PRIORITY.—In carrying out the program,  
22 the Secretary shall give the highest priority—

23 “(A) to protecting farm and ranchland  
24 with prime, unique or other productive soils

1           that are at risk of non-agricultural develop-  
2           ment; or

3                   “(B) to projects that further a State or  
4           local policy consistent with the purposes of the  
5           program.

6           “(b) GRANTS TO CERTIFIED STATES.—The Sec-  
7   retary shall make grants to States certified by the Sec-  
8   retary under subsection (c). Such grants shall be made  
9   based on demonstrated need for farm and ranch land pro-  
10   tection. Grants may be made for multiple transactions so  
11   long as all funds provided under the program are used  
12   to purchase conservation easements or other interests in  
13   land in a timely and effective manner. A State receiving  
14   a grant under this subsection may use up to 10 percent  
15   of the grant funds for reasonable costs of purchasing and  
16   enforcing conservation easements.

17           “(c) CERTIFICATION OF STATES FOR GRANTS.—

18                   “(1) CERTIFICATION PROCESS.—The Secretary  
19   shall implement a process, to be published in the  
20   Federal Register, for certifying States as eligible to  
21   participate in the program. The Secretary may pro-  
22   vide a reasonable transitional period, not to extend  
23   past September 30, 2008, in order to allow contin-  
24   ued operation of the program for such time as need-

1 ed for the Secretary to implement the certification  
2 process.

3 “(2) CERTIFICATION REQUIREMENTS.—To be  
4 certified under the process implemented under para-  
5 graph (1), a State shall demonstrate, at a minimum,  
6 the following:

7 “(A) A legislative consistent with the pur-  
8 poses of the program.

9 “(B) The necessary authority and the re-  
10 sources to monitor and enforce the terms of  
11 conservation easements or other interests in  
12 land or to require the holder of such easements  
13 or other interests in land acquired with the use  
14 of funding under the program to monitor and  
15 enforce the terms of such easements or other  
16 interests in land.

17 “(C) Policies and procedures to ensure  
18 that, on average, the purchase price of con-  
19 servation easements or other interests in land  
20 purchased with program funds do not exceed  
21 the fair market value of the easements or other  
22 interests in land.

23 “(D) Policies and procedures that ensure  
24 that conservation easements or other interests  
25 in land purchased with program funds will con-

1           tinue to protect the agricultural use and related  
2           conservation values of the land.

3           “(d) AGREEMENTS WITH ELIGIBLE ENTITIES.—

4           “(1) AGREEMENTS AUTHORIZED.—The Sec-  
5           retary may enter into an agreement with an eligible  
6           entity, other than a certified State, under which the  
7           entity may purchase conservation easements using a  
8           combination of its own funds and funds distributed  
9           by the Secretary under the program.

10          “(2) TERMS AND CONDITIONS.—An agreement  
11          under this subsection shall stipulate the terms and  
12          conditions under which the eligible entity shall use  
13          funds provided by the Secretary under the program.  
14          The eligible entity shall be authorized to use its own  
15          terms and conditions for conservation easements and  
16          other purchases of interests in land, so long as—

17               “(A) such terms and conditions are con-  
18               sistent with the purposes of the program and  
19               permit effective enforcement of the conservation  
20               purposes of such easements or other interests;

21               “(B) the eligible entity has in place a re-  
22               quirement consistent with agricultural activities  
23               regarding the impervious surfaces to be allowed  
24               for any conservation easement or other interest

1 in land purchased using funds provided under  
2 the program; and

3 “(C) the eligible entity requires use of a  
4 conservation plan for any highly erodible crop-  
5 land for which a conservation easement or other  
6 interest in land has been purchased using funds  
7 provided under the program.

8 “(e) FEDERAL CONTINGENT RIGHT OF ENFORCE-  
9 MENT.—The Secretary may require the inclusion of a Fed-  
10 eral contingent right of enforcement or executory limita-  
11 tion in a conservation easement or other interest in land  
12 for conservation purposes purchased with Federal funds  
13 provided under the program, in order to enforce the ease-  
14 ment as a party of last resort. The inclusion of such a  
15 right or interest shall not be considered to be the Federal  
16 acquisition of real property and the Federal standards and  
17 procedures for land acquisition shall not apply to the in-  
18 clusion of the right or interest.

19 “(f) REVIEW; REVOCATION.—

20 “(1) REVIEW.—Every 3 years, the Secretary  
21 shall review the certification of States under sub-  
22 section (c) and the performance of eligible entities in  
23 meeting the terms and conditions of an agreement  
24 under subsection (d).

1           “(2) REVOCATION.—If, in the determination of  
2           the Secretary, a State no longer meets the qualifica-  
3           tions described in subsection (c)(2) or an eligible en-  
4           tity is not meeting the terms and conditions of an  
5           agreement under subsection (d), the Secretary  
6           may—

7                   “(A) revoke the certification of the State  
8                   or terminate the agreement with the eligible en-  
9                   tity; or

10                   “(B) allow the State or eligible entity a  
11                   specified period of time in which to take such  
12                   actions as may be necessary to retain its certifi-  
13                   cation or to meet the terms and conditions of  
14                   the agreement, as the case may be.

15           “(g) CONSERVATION PLAN.—Any highly erodible  
16           cropland for which a conservation easement or other inter-  
17           est is purchased under this subchapter shall be subject to  
18           the requirements of a conservation plan. In the case of  
19           an easement or other interest in land that is perpetual  
20           in duration, the Secretary may not require the conversion  
21           of the cropland to less intensive uses if, under such plan,  
22           soil erosion can be reduced to ‘T’ or below.

23           “(h) COST SHARING.—The share of the cost provided  
24           under this section for purchasing a conservation easement  
25           or other interest in land shall not exceed 50 percent of

1 the appraised fair market value of the conservation ease-  
2 ment or other interest in eligible land. Fair market value  
3 shall be determined on the basis of an appraisal of the  
4 conservation easement or other interest in eligible land  
5 using an industry-approved methodology determined by  
6 the entity.”.

7 **SEC. 2111. FARM VIABILITY PROGRAM.**

8 Section 1238J(b) of the Food Security Act of 1985  
9 (16 U.S.C. 3838j(b)) is amended by striking “2007” and  
10 inserting “2012”.

11 **SEC. 2112. WILDLIFE HABITAT INCENTIVE PROGRAM.**

12 (a) REAUTHORIZATION.—Section 1240N of the Food  
13 Security Act of 1985 (16 U.S.C. 3839bb–1) is amended  
14 by adding at the end the following new subsection:

15 “(d) DURATION OF PROGRAM.—Using funds made  
16 available under section 1241(a)(7), the Secretary shall  
17 carry out the program during fiscal years 2008 through  
18 2012.”.

19 (b) COST SHARE FOR LONG-TERM AGREEMENTS  
20 AND IMPACT ON SCOPE OF OPERATIONS.—Section  
21 1240N(b)(2) of the Food Security Act of 1985 (16 U.S.C.  
22 3839bb–1(b)(2)) is amended—

23 (1) in the paragraph heading by inserting “AND  
24 IMPACT ON SCOPE OF OPERATIONS” after “AGREE-  
25 MENTS”;



1           (2) in subparagraph (A), by striking “years,”  
 2           and inserting “years, or that will assist producers in  
 3           meeting a regulatory requirement imposed on lands  
 4           in agriculture production that reduces the economic  
 5           scope of the producer’s operation,”; and

6           (3) in subparagraph (B), by striking “15 per-  
 7           cent” and inserting “25 percent”.

## 8       **Subtitle B—Conservation Programs** 9               **Under Other Laws**

### 10   **SEC. 2201. AGRICULTURAL MANAGEMENT ASSISTANCE** 11               **PROGRAM.**

12           (a) ELIGIBLE STATES.—Section 524(b)(1) of the  
 13   Federal Crop Insurance Act (7 U.S.C. 1524(b)(1)) is  
 14   amended—

15               (1) by inserting “Hawaii,” after “Delaware,”;  
 16           and

17               (2) by inserting “Virginia,” after “Vermont,”.

18           (b) TECHNICAL CORRECTION.—Section  
 19   524(b)(4)(B)(i) of the Federal Crop Insurance Act (7  
 20   U.S.C. 1524(b)(4)(B)(i)) is amended by striking “Except  
 21   as provided in clauses (ii) and (iii), the” and inserting  
 22   “The”.

23           (c) CERTAIN USES.—Section 524(b)(4) of the Fed-  
 24   eral Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is

1 amended by adding at the end the following new subpara-  
2 graph:

3 “(C) CERTAIN USES.—Of the amounts  
4 made available to carry out this subsection for  
5 a fiscal year, the Commodity Credit Corpora-  
6 tion shall use not less than—

7 “(i) 50 percent to carry out subpara-  
8 graphs (A), (B), and (C) of paragraph (2)  
9 through the Natural Resources Conserva-  
10 tion Service;

11 “(ii) 10 percent to provide organic  
12 certification cost share assistance through  
13 the Agricultural Marketing Service; and

14 “(iii) 40 percent to conduct activities  
15 to carry out subparagraph (F) of para-  
16 graph (2) through the Risk Management  
17 Agency.”.

18 **SEC. 2202. RESOURCE CONSERVATION AND DEVELOPMENT**  
19 **PROGRAM.**

20 (a) **LOCALLY LED PLANNING PROCESS.**—Section  
21 1528 of the Agriculture and Food Act of 1981 (16 U.S.C.  
22 3451) is amended—

23 (1) in paragraph (1), by striking “planning  
24 process” in the matter preceding subparagraph (A)  
25 and inserting “locally led planning process”; and

1           (2) in paragraph (9), by striking “council” and  
2           inserting “locally led council”.

3           (b) AUTHORIZED TECHNICAL ASSISTANCE.—Section  
4   1528(13) of the Agriculture and Food Act of 1981 (16  
5   U.S.C. 3451(13)) is amended by striking subparagraphs  
6   (C) and (D) and inserting the following new subpara-  
7   graphs:

8                   “(C) providing assistance for the imple-  
9                   mentation of area plans and projects; and

10                   “(D) providing services which bring to  
11                   bear the resources of Department of Agri-  
12                   culture programs in a local community, as de-  
13                   fined in the locally led planning process.”.

14           (c) IMPROVED PROVISION OF TECHNICAL ASSIST-  
15   ANCE.—Section 1531 of the Agriculture and Food Act of  
16   1981 (16 U.S.C. 3454) is amended—

17                   (1) by inserting “(a) IN GENERAL.—” before  
18                   “In carrying”; and

19                   (2) by adding at the end the following new sub-  
20                   section:

21                   “(b) COORDINATOR.—To improve the provision of  
22                   technical assistance to councils under this subtitle, the  
23                   Secretary shall designate an individual, to be known as  
24                   the ‘Coordinator’, for each council. The Coordinator shall

1 be directly responsible for the provision of technical assist-  
 2 ance to the council.”.

3 (d) PROGRAM EVALUATION.—Section 1534 of the  
 4 Agriculture and Food Act of 1981 (16 U.S.C. 3457) is  
 5 repealed.

6 **SEC. 2203. SMALL WATERSHED REHABILITATION PRO-**  
 7 **GRAM.**

8 (a) AVAILABILITY OF FUNDS.—Section 14(h)(1) of  
 9 the Watershed Protection and Flood Prevention Act (16  
 10 U.S.C. 1012(h)(1)) is amended by adding at the end the  
 11 following new subparagraph:

12 “(G) \$50,000,000 for each of fiscal years  
 13 2009 through 2012.”.

14 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
 15 14(h)(2)(E) of the Watershed Protection and Flood Pre-  
 16 vention Act (16 U.S.C. 1012(h)(2)(E)) is amended by  
 17 striking “fiscal year 2007” and inserting “each of fiscal  
 18 years 2007 through 2012”.

19 **Subtitle C—Additional**  
 20 **Conservation Programs**

21 **SEC. 2301. CHESAPEAKE BAY PROGRAM FOR NUTRIENT RE-**  
 22 **DUCTION AND SEDIMENT CONTROL.**

23 Chapter 5 of subtitle D of the Food Security Act of  
 24 1985 is amended by inserting after section 1240P (16  
 25 U.S.C. 3839bb–3) the following new section:

1 **“SEC. 1240Q. RIVER RESTORATION IN THE CHESAPEAKE**  
2 **BAY WATERSHED.**

3 “(a) CHESAPEAKE BAY WATERSHED DEFINED.—In  
4 this section, the term ‘Chesapeake Bay watershed’ means  
5 all tributaries, backwaters, and side channels, including  
6 their watersheds, draining into the Chesapeake Bay.

7 “(b) COMPREHENSIVE PLAN FOR CHESAPEAKE BAY  
8 WATERSHED.—

9 “(1) DEVELOPMENT.—The Secretary of Agri-  
10 culture shall develop, as expeditiously as practicable,  
11 a proposed comprehensive plan for the purpose of  
12 restoring, preserving, and protecting the Chesapeake  
13 bay watershed.

14 “(2) PROVEN TECHNOLOGIES AND INNOVATIVE  
15 APPROACHES.—The comprehensive plan shall pro-  
16 vide for the development of new technologies and in-  
17 novative approaches to advance the following goals:

18 “(A) Improvement of water quality and  
19 quantity within the Chesapeake Bay.

20 “(B) Restoration, enhancement, and pres-  
21 ervation of habitat for plants and wildlife.

22 “(C) Increase economic opportunity for  
23 producers and rural communities.

24 “(3) SPECIFIC COMPONENTS.—The comprehen-  
25 sive plan shall include such features as are necessary  
26 to provide for—

1           “(A) the development and implementation  
2           of a program for erosion prevention and con-  
3           trol, sediment control and sediment removal,  
4           and reduction of nutrient loads;

5           “(B) the development and implementation  
6           of a program for—

7                   “(i) the planning, conservation, eval-  
8                   uation, and construction of measures for  
9                   fish and wildlife habitat conservation and  
10                  rehabilitation; and

11                  “(ii) stabilization and enhancement of  
12                  land and water resources; and

13           “(C) the development and implementation  
14           of a long-term resource monitoring program.

15           “(4) CONSULTATION.—The comprehensive plan  
16           shall be developed by the Secretary in consultation  
17           with appropriate Federal and State agencies.

18           “(c) SUBMISSION OF PLAN.—

19                   “(1) SUBMISSION.—Not later than 2 years  
20                   after the date of enactment of the Farm, Nutrition,  
21                   and Bioenergy Act of 2007, the Secretary shall  
22                   transmit to Congress a report containing the com-  
23                   prehensive plan.

24           “(2) ADDITIONAL STUDIES AND ANALYSES.—

25           After submission of the report required by para-

1 graph (1), the Secretary shall continue to conduct  
2 such studies and analyses related to the comprehen-  
3 sive plan as are necessary, consistent with this sub-  
4 section.

5 “(d) RESTORATION ENHANCEMENT AND PRESERVA-  
6 TION PROJECTS.—

7 “(1) PROJECT AUTHORITY.—In cooperation  
8 with appropriate Federal and State agencies, the  
9 Secretary shall carry out restoration enhancement  
10 and preservation projects for the Chesapeake Bay  
11 watershed to address the goals specified in sub-  
12 section (b)(2). To achieve the restoration, preserva-  
13 tion, and protection benefits of a project, the Sec-  
14 retary shall proceed expeditiously with the imple-  
15 mentation of the project consistent with the com-  
16 prehensive plan.

17 “(2) CRITICAL PROJECTS.—In carrying out this  
18 subsection, the Secretary shall begin with the Sus-  
19 quehanna River, the Shenandoah River, the Potomac  
20 River, and the Patuxent River.

21 “(3) AVAILABILITY OF FUNDS.—Of the funds  
22 of the Commodity Credit Corporation, the Secretary  
23 shall use to carry out projects under this subsection  
24 the following amounts:

25 “(A) \$10,000,000 for fiscal year 2008.

1 “(B) \$15,000,000 for fiscal year 2009.

2 “(C) \$30,000,000 for fiscal year 2010.

3 “(D) \$40,000,000 for fiscal year 2011.

4 “(E) \$55,000,000 for fiscal year 2012.

5 “(4) FEDERAL SHARE.—The Federal share of  
6 the cost of carrying out any individual project under  
7 this subsection shall not exceed \$5,000,000.

8 “(e) GENERAL PROVISIONS.—

9 “(1) WATER QUALITY.—In carrying out  
10 projects and activities under this section, the Sec-  
11 retary shall take into account the protection of water  
12 quality by considering applicable State water quality  
13 standards.

14 “(2) PUBLIC PARTICIPATION.—In developing  
15 the comprehensive plan under subsection (b) and  
16 carrying out projects under subsection (d), the Sec-  
17 retary shall implement procedures to facilitate public  
18 participation, including providing advance notice of  
19 meetings, providing adequate opportunity for public  
20 input and comment, maintaining appropriate  
21 records, and making a record of the proceeding of  
22 meetings available for public inspection.

23 “(f) COORDINATION.—The Secretary shall integrate  
24 and coordinate projects and activities carried out under



1 this section with other Federal and State programs,  
2 projects, and activities.

3 “(g) COST SHARING.—

4 “(1) NON-FEDERAL SHARE.—Subject to sub-  
5 section (d)(4), the non-Federal share of the cost of  
6 projects and activities carried out under this section  
7 shall be not less than 35 percent.

8 “(2) OPERATION, MAINTENANCE, REHABILITA-  
9 TION, AND REPLACEMENT.—The operation, mainte-  
10 nance, rehabilitation, and replacement of projects  
11 carried out under this section shall be a non-Federal  
12 responsibility.

13 “(h) SENSE OF CONGRESS REGARDING CHESAPEAKE  
14 BAY EXECUTIVE COUNCIL.—

15 “(1) FINDINGS.—Congress finds the following:

16 “(A) One of the stated goals of the Chesa-  
17 peake Bay Agreement is to ‘develop, promote,  
18 and achieve sound land use practices which pro-  
19 tect and restore watershed resources and water  
20 quality, maintain reduced pollutant loadings for  
21 the Bay and its tributaries, and restore and  
22 preserve aquatic living resources’.

23 “(B) Department of Agriculture conserva-  
24 tion programs are integral to the restoration of

1 the Chesapeake Bay and achieving the water  
2 quality goals for the Chesapeake Bay program.

3 “(2) SENSE OF CONGRESS.—In light of the  
4 findings specified in paragraph (1), it is the sense of  
5 Congress that the Secretary of Agriculture should be  
6 a member of the Chesapeake Bay Executive Council,  
7 and is authorized to do so under section 1(3) of the  
8 Soil Conservation and Domestic Allotment Act (16  
9 U.S.C. 590a(3)).”.

10 **SEC. 2302. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**  
11 **CENTIVE PROGRAM.**

12 Chapter 5 of subtitle D of title XII of the Food Secu-  
13 rity Act of 1985 is amended by inserting after section  
14 1240Q, as added by section 2301, the following new sec-  
15 tion:

16 **“SEC. 1240R. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**  
17 **CENTIVE PROGRAM.**

18 “(a) ESTABLISHMENT.—The Secretary shall estab-  
19 lish a voluntary public access program under which States  
20 and tribal governments may apply for grants to encourage  
21 owners and operators of privately-held farm, ranch, and  
22 forest land to voluntarily make that land available for ac-  
23 cess by the public for wildlife-dependent recreation, includ-  
24 ing hunting or fishing, under programs administered by  
25 the States and tribal governments.

1       “(b) APPLICATIONS.—In submitting applications for  
2 a grant under the program, a State or tribal government  
3 shall describe—

4           “(1) the benefits that the State or tribal gov-  
5 ernment intends to achieve by encouraging public ac-  
6 cess to private farm and ranch land for—

7                   “(A) hunting and fishing; and

8                   “(B) to the maximum extent practicable,  
9 other recreational purposes; and

10          “(2) the methods that will be used to achieve  
11 those benefits.

12       “(c) PRIORITY.—In approving applications and  
13 awarding grants under the program, the Secretary shall  
14 give priority to States and tribal governments that—

15           “(1) have consistent opening dates for migra-  
16 tory bird hunting for both residents and non-resi-  
17 dents;

18           “(2) propose to maximize participation by offer-  
19 ing a program the terms of which are likely to meet  
20 with widespread acceptance among landowners;

21           “(3) propose to ensure that land enrolled under  
22 the State or tribal government program has appro-  
23 priate wildlife habitat;

24           “(4) propose to strengthen wildlife habitat im-  
25 provement efforts on land enrolled in a special con-

1       servation reserve enhancement program described in  
2       1234(f)(4) by providing incentives to increase public  
3       hunting and other recreational access on that land;  
4       and

5           “(5) propose to use additional Federal, State,  
6       tribal government, or private resources in carrying  
7       out the program.

8       “(d) RELATIONSHIP TO OTHER LAWS.—Nothing in  
9       this section preempts a State or tribal government law,  
10      including any State or tribal government liability law.

11      “(e) REGULATIONS.—The Secretary shall promulgate  
12      such regulations as are necessary to carry out this section.

13      “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
14      is authorized to be appropriated to the Secretary  
15      \$20,000,000 for each of fiscal years 2008 through 2012  
16      to carry out this section.”.

17      **SEC. 2303. MUCK SOILS CONSERVATION.**

18      (a) ESTABLISHMENT OF PROGRAM.—The Secretary  
19      of Agriculture shall carry out a conservation program  
20      under which the Secretary makes payments to assist own-  
21      ers and operators of eligible land specified in subsection  
22      (b) to conserve and improve the soil, water, and wildlife  
23      resources of such land.

1       (b) ELIGIBLE LAND.—To be eligible for inclusion in  
2 the program established under this section, the land  
3 must—

4           (1) be comprised of soil that qualifies as muck,  
5 as determined by the Secretary;

6           (2) be used for production of an agricultural  
7 crop;

8           (3) have a spring cover crop planted in conjunc-  
9 tion with the primary agricultural crop referred to in  
10 paragraph (2);

11          (4) have a winter crop planted; and

12          (5) have ditch banks seeded with grass that is  
13 maintained on a year-round basis.

14       (c) PAYMENT AMOUNTS.—The Secretary may pro-  
15 vide payments of not less than \$300, but not more than  
16 \$500, per acre per year under the program.

17       (d) AUTHORIZATION OF APPROPRIATIONS.—There  
18 are authorized to be appropriated to the Secretary to carry  
19 out the program \$50,000,000 for each of fiscal years 2008  
20 through 2012.

1       **Subtitle D—Administration and**  
2                                   **Funding**

3       **SEC. 2401. FUNDING OF CONSERVATION PROGRAMS UNDER**  
4                                   **FOOD SECURITY ACT OF 1985.**

5           (a) IN GENERAL.—Section 1241(a) of the Food Se-  
6       curity Act of 1985 (16 U.S.C. 3841(a)) is amended in the  
7       matter preceding paragraph (1), by striking “2007” and  
8       inserting “2012”.

9           (b) CONSERVATION SECURITY PROGRAM.—Para-  
10      graph (3) of section 1241(a) of the Food Security Act of  
11      1985 (16 U.S.C. 3841(a)) is amended to read as follows:

12               “(3) The conservation security program under  
13      subchapter A of chapter 2, using, to the maximum  
14      extent practicable—

15                       “(A) in the case of conservation security  
16                       contracts entered into before October 1, 2007,  
17                       under such subchapter, as in effect on the day  
18                       before the date of the enactment of the Farm,  
19                       Nutrition, and Bioenergy Act of 2007—

20                               “(i) \$1,454,000,000 for the period of  
21                               fiscal years 2007 through 2012; and

22                               “(ii) \$1,927,000,000 for the period of  
23                               fiscal years 2007 through 2017; and

1           “(B) in the case of conservation security  
2           contracts entered into on or after October 1,  
3           2011, under such subchapter—

4                   “(i) \$501,000,000 for fiscal year  
5                   2012; and

6                   “(ii) \$4,646,000,000 for the period of  
7                   fiscal years 2012 through 2017.”.

8           (c) FARM AND RANCHLAND PROTECTION PRO-  
9           GRAM.—Paragraph (4) of section 1241(a) of the Food Se-  
10          curity Act of 1985 (16 U.S.C. 3841(a)) is amended to  
11          read as follows:

12                   “(4) The farm and ranchland protection pro-  
13          gram under subchapter B of chapter 2, using, to the  
14          maximum extent practicable—

15                           “(A) \$125,000,000 in fiscal year 2008;

16                           “(B) \$150,000,000 in fiscal year 2009;

17                           “(C) \$200,000,000 in fiscal year 2010;

18                           “(D) \$240,000,000 in fiscal year 2011;

19                   and

20                           “(E) \$280,000,000 in fiscal year 2012.”.

21           (d) ENVIRONMENTAL QUALITY INCENTIVES PRO-  
22          GRAM.—Paragraph (6) of section 1241(a) of the Food Se-  
23          curity Act of 1985 (16 U.S.C. 3841(a)) is amended to  
24          read as follows:

“(6) The environmental quality incentives program under chapter 4, using, to the maximum extent practicable—

“(A) \$1,250,000,000 in fiscal year 2008;

“(B) \$1,600,000,000 in fiscal year 2009;

“(C) \$1,700,000,000 in fiscal year 2010;

“(D) \$1,800,000,000 in fiscal year 2011;

and

“(E) \$2,000,000,000 in fiscal year 2012.”.

(e) WILDLIFE HABITAT INCENTIVES PROGRAM.—

Paragraph (7)(D) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking “2007” and inserting “2012”.

**SEC. 2402. IMPROVED PROVISION OF TECHNICAL ASSISTANCE UNDER CONSERVATION PROGRAMS.**

Section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842) is amended—

(1) in subsection (a)—

(A) by striking “or” at the end of paragraph (1); and

(B) by striking paragraph (2) and inserting the following new paragraphs:

“(2) through a contract with an approved third party, if available; or



1 “(3) at the option of the producer, through a  
2 payment as determined by the Secretary, directly to  
3 an approved third party, if available, or to the pro-  
4 ducer for an approved third party, if available.”;

5 (2) in subsection (b)—

6 (A) by striking “technical assistance” each  
7 place it appears and inserting “technical serv-  
8 ices”; and

9 (B) in paragraph (1)(B), by striking “that  
10 assistance” and inserting “those technical serv-  
11 ices”; and

12 (3) by adding at the end the following new sub-  
13 sections:

14 “(c) PAYMENT AMOUNTS.—

15 “(1) USE OF PREVAILING MARKET RATES.—

16 The Secretary shall set the amounts of payments  
17 under subsection (b)(1)(B) for technical services at  
18 levels not less than prevailing private market rates.

19 “(2) EXCEPTION.—Paragraph (1) shall not  
20 apply in instances where personnel of the Depart-  
21 ment of Agriculture are immediately available to  
22 provide comparable technical services to eligible pro-  
23 ducers.

24 “(d) REVIEW AND EXPEDITED APPROVAL OF TECH-  
25 NICAL ASSISTANCE SPECIFICATIONS.—

1           “(1) REVIEW OF EXISTING TECHNICAL ASSIST-  
2       ANCE SPECIFICATIONS.—

3           “(A) REVIEW OF SPECIFICATIONS.—The  
4       Secretary shall direct each State to review and  
5       ensure, to the maximum extent practicable, the  
6       completeness and relevance of technical assist-  
7       ance specifications in effect as of the date of  
8       the enactment of the Farm, Nutrition, and Bio-  
9       energy Act of 2007.

10          “(B) CONSULTATION.—In conducting the  
11       assessment under subparagraph (A), a State  
12       shall consult with specialty crop producers, crop  
13       consultants, cooperative extension and land-  
14       grant universities, nongovernmental organiza-  
15       tions, and other qualified entities.

16          “(C) EXPEDITED REVISION OF SPECIFICA-  
17       TIONS.—If a State determines under subpara-  
18       graph (A) that revisions to its technical assist-  
19       ance specifications are necessary, the State  
20       shall establish an administrative process for ex-  
21       pediting the revisions.

22          “(2) ADDRESSING CONCERNS OF SPECIALTY  
23       CROP PRODUCERS.—

24          “(A) IN GENERAL.—The Secretary shall  
25       direct each State to fully incorporate into its

1 technical assistance specifications and provide  
2 for the appropriate range of conservation prac-  
3 tices and resource mitigation measures available  
4 to specialty crop producers.

5 “(B) AVAILABILITY OF ADEQUATE TECH-  
6 NICAL ASSISTANCE.—The Secretary shall en-  
7 sure that adequate technical assistance is avail-  
8 able for the implementation of conservation  
9 practices by specialty crop producers through  
10 Federal conservation programs. In carrying out  
11 this requirement, the Secretary shall develop—

12 “(i) programs that meet specific needs  
13 of specialty crop producers through cooper-  
14 ative agreements with other agencies and  
15 nongovernmental organizations; and

16 “(ii) program specifications that allow  
17 for innovative approaches that engage local  
18 resources in providing technical assistance  
19 for planning and implementation of con-  
20 servation practices.

21 “(e) NON-FEDERAL ASSISTANCE.—The Secretary  
22 may request the services of, and enter into cooperative  
23 agreements or contracts with, non-Federal entities to as-  
24 sist the Secretary in providing technical assistance nec-

1 essary to develop and implement conservation programs  
2 under this title.”.

3 **SEC. 2403. COOPERATIVE CONSERVATION PARTNERSHIP**  
4 **INITIATIVE.**

5 (a) TRANSFER OF EXISTING PROVISIONS.—Sub-  
6 sections (b), (c), and (d) of section 1243 of the Food Secu-  
7 rity Act of 1985 (16 U.S.C. 3843) are—

8 (1) redesignated as subsections (c), (d), and (e),  
9 respectively; and

10 (2) transferred to appear at the end of section  
11 1244 of such Act (16 U.S.C. 3844).

12 (b) ESTABLISHMENT OF PARTNERSHIP INITIA-  
13 TIVE.—Section 1243 of the Food Security Act of 1985  
14 (16 U.S.C. 3843), as amended by subsection (a), is  
15 amended to read as follows:

16 **“SEC. 1243. COOPERATIVE CONSERVATION PARTNERSHIP**  
17 **INITIATIVE.**

18 “(a) ESTABLISHMENT OF INITIATIVE.—

19 “(1) ESTABLISHMENT.—The Secretary shall es-  
20 tablish a cooperative conservation partnership initia-  
21 tive (in this section referred to as the ‘Partnership’)  
22 within each program described in subsection (b) to  
23 address conservation issues involving production ag-  
24 riculture on local, regional, or State levels.

1           “(2) ADMINISTRATION.—The Secretary shall  
2       carry out the Partnership—

3           “(A) by selecting proposals for grants and  
4       agreements by eligible entities described in sub-  
5       section (c) through a competitive selection proc-  
6       ess;

7           “(B) by making grants to, and entering  
8       into agreements with, with eligible entities de-  
9       scribed in subsection (c) for not less than 2  
10      years, but not more than 5 years, in duration;  
11      and

12          “(C) by providing producers that are par-  
13      ticipating in a special project and initiative of  
14      an eligible entity preferential enrollment into 1  
15      or more of the programs described in subsection  
16      (b).

17          “(3) PURPOSES.—The purposes of the Partner-  
18      ship are to carry out special projects and initia-  
19      tives—

20          “(A) to address conservation issues involv-  
21      ing production agriculture on local, regional, or  
22      State levels through producers and eligible enti-  
23      ties;

24          “(B) to address community and economic  
25      development needs and opportunities; and

1           “(C) to increase access to, and partici-  
2           tion in, the programs described in subsection  
3           (b) by producers of specialty crops (as defined  
4           in section 3 of the Specialty Crops Competitive-  
5           ness Act of 2004, Pub. L. 108–465 (7 U.S.C.  
6           1621 note).

7           “(b) COVERED PROGRAMS.—The conservation pro-  
8           grams covered by this section are the following:

9           “(1) Conservation security program.

10          “(2) Environmental quality incentives program.

11          “(3) Wildlife habitat incentive program.

12          “(c) ELIGIBLE PARTNERS.—Grants may be made or  
13           agreements may be entered into under this section with  
14           any of the following (or a combination thereof):

15          “(1) States and agencies of States.

16          “(2) Political subdivisions of States, including  
17           counties and State- or county-sponsored conserva-  
18           tion districts.

19          “(3) Indian tribes.

20          “(4) Nongovernmental organizations and asso-  
21           ciations, including producer associations, farmer co-  
22           operatives, extension associations, and conservation  
23           organizations with a history of working cooperatively  
24           with producers to effectively address resource con-

1       cerns related to agricultural production, as deter-  
2       mined by the Secretary.

3           “(5) A combination of partners specified in a  
4       preceding paragraph.

5       “(d) APPLICATIONS.—

6           “(1) COMPETITIVE PROCESS.—The Secretary  
7       shall establish a competitive process for considering  
8       applications for grants or agreements under this sec-  
9       tion consistent with the evaluation criteria listed in  
10      subsection (e).

11          “(2) PROGRAM ALLOCATION.—Applications  
12      shall include—

13           “(A) specification of the amount of fund-  
14      ing or acres, or both, of 1 or more covered pro-  
15      grams specified in subsection (b) proposed to be  
16      allocated to carry out the special project or ini-  
17      tiative; and

18           “(B) a schedule for utilization of funding  
19      or acres over the life of the proposed project or  
20      initiative.

21          “(e) EVALUATION CRITERIA.—In evaluating applica-  
22      tions for grants or agreements under this section the Sec-  
23      retary shall consider the extent to which—

24           “(1) preferential enrollment in the covered pro-  
25      grams specified in the application will effectively ad-

1 dress the environmental objectives established for  
2 the special project or initiative; and

3 “(2) the special project or initiative covered by  
4 the application—

5 “(A) enjoys local and regional support  
6 from producers and other interested persons,  
7 including governmental and nongovernmental  
8 organizations with appropriate expertise on the  
9 issues the project or initiative seeks to address;

10 “(B) includes clear environmental objec-  
11 tives;

12 “(C) includes a well defined project or ini-  
13 tiative plan that identifies sensitive areas re-  
14 quiring treatment and prioritizes conservation  
15 practices and activities needed to achieve envi-  
16 ronmental objectives;

17 “(D) promises adequate and coordinated  
18 participation to achieve the objectives of the  
19 project or initiative;

20 “(E) coordinates integration of local,  
21 State, and Federal efforts to make the best use  
22 of available resources and maximize cost-effec-  
23 tive investments;

24 “(F) leverages financial and technical re-  
25 sources from sources other than the programs



1 authorized by this subtitle, including financial  
2 and technical resources provided by Federal  
3 and State agencies, local governments, non-  
4 governmental organizations and associations,  
5 and other private sector entities;

6 “(G) describes how all necessary technical  
7 assistance will be provided to each producer  
8 participating in the project or initiative, includ-  
9 ing cost estimates for technical assistance and  
10 whether such assistance will be provided by  
11 technical service providers;

12 “(H) describes how the administrative  
13 costs of the project or initiative will be mini-  
14 mized;

15 “(I) addresses a local, State, regional, or  
16 national environmental priority or priorities,  
17 with particular emphasis on any priority for  
18 which there is an existing State or federally ap-  
19 proved plan in place for addressing that pri-  
20 ority;

21 “(J) includes a plan to evaluate progress,  
22 measure results, and meet the purposes of the  
23 agreement;

24 “(K) clearly demonstrates that enrollment  
25 of producers in covered programs will be con-

1           sistent with the purposes and policies of each  
2           individual program, as established in statute,  
3           rules and regulations, and program guidance  
4           promulgated by implementing agencies;

5           “(L) links resource and environmental ob-  
6           jectives with community development or  
7           agritourism objectives that can be improved as  
8           a result of addressing the resources of concern;

9           “(M) demonstrates innovation in linking  
10          environmental and community development ob-  
11          jectives; and

12          “(N) addresses the needs of beginning  
13          farmers and ranchers, socially disadvantaged  
14          farmers and ranchers, and limited resource  
15          farmers and ranchers.

16          “(f) PRIORITIES.—To the maximum extent prac-  
17          ticable, consistent with the requirements of subsection (d),  
18          the Secretary shall ensure that, each fiscal year, grants  
19          are awarded and agreements are entered into under this  
20          section to support projects and initiatives that collectively  
21          address the resource concerns facing producers, ranchers,  
22          and nonindustrial private forest landowners, including  
23          specifically projects and initiatives that are designed—

24                  “(1) to achieve improvements in water quality  
25          in watersheds impacted by agriculture, particularly

1 by increasing the participation of producers in im-  
2 plementing best management practices in a water-  
3 shed or developing environmentally and economically  
4 viable alternative uses for manure and litter;

5 “(2) to achieve improvements in air quality in  
6 a geographical area where agricultural operations  
7 impact air quality;

8 “(3) to support State activities to efficiently  
9 manage and utilize their water resources in regions,  
10 States or local areas where water quantity is a con-  
11 cern;

12 “(4) to assist in carrying out a State Wildlife  
13 Habitat Incentives Program plan or other State, re-  
14 gional, or national conservation initiative.

15 “(5) to control invasive species on rangeland or  
16 other agricultural land through the cooperative ef-  
17 forts of multiple producers in a geographical area;

18 “(6) to address a specific resource of concern or  
19 set of concerns on private, non-industrial forest land;

20 “(7) to reduce losses of pesticides to the envi-  
21 ronment by engaging multiple producers in a geo-  
22 graphic area in adoption of integrated pest manage-  
23 ment practices and approaches;

1           “(8) to protect farmland and ranch land facing  
2           development pressures from being converted to non-  
3           agricultural use; or

4           “(9) to assist producers in carrying out good  
5           management practices to enhance food safety.

6           “(g) DUTIES OF PARTNERS.—Eligible partners  
7           shall—

8           “(1) identify conservation issues affecting pro-  
9           duction agriculture on local, regional, or State levels  
10          that could be addressed through special projects and  
11          initiatives;

12          “(2) enter into agreements or obtain grants  
13          from the Secretary to carry out special projects and  
14          initiatives;

15          “(3) identify through outreach efforts producers  
16          that can participate in the special project or initia-  
17          tive of the eligible entity if the producer is otherwise  
18          eligible to be enrolled, as determined by the Sec-  
19          retary, or has already enrolled, in the applicable pro-  
20          gram described in subsection (b); and

21          “(4) carry out the special project and initiative.

22          “(h) DUTIES OF THE SECRETARY.—

23          “(1) ADDITIONAL DUTIES.—In addition to the  
24          normal administration of the programs described in  
25          subsection (b), the Secretary shall be responsible for

1       basic administrative and oversight functions relating  
2       to the special projects and initiatives, including—

3               “(A) rules and procedures relating to con-  
4               servation standards and specifications;

5               “(B) conservation compliance;

6               “(C) appeals;

7               “(D) adjusted gross income limitations;

8               “(E) direct attribution; and

9               “(F) such other similar functions as the  
10       Secretary might designate.

11       “(2) FLEXIBILITY.—The Secretary may adjust  
12       eligibility criteria, approved practices, practice stand-  
13       ards, innovative conservation practices, and other  
14       elements of the programs described in subsection (b)  
15       to better reflect unique local circumstances and pur-  
16       poses if the Secretary determines such adjustments  
17       would—

18               “(A) improve environmental enhancement  
19               and long-term sustainability of the natural re-  
20               source base; and

21               “(B) be consistent with the purposes of the  
22               program and the special project and initiative.

23       “(3) PREFERENTIAL ENROLLMENT.—Subject to  
24       the limitations under subsection (j), the Secretary

1       shall provide preferential enrollment to producers  
2       that are eligible—

3               “(A) for the applicable program described  
4               in subsection (b); and

5               “(B) to participate in the special project  
6               and initiative of an eligible partner.

7       “(i) COST SHARE.—The Secretary shall not require  
8       more than 25 percent of the cost of a project or initiative  
9       supported under a grant or agreement entered into under  
10      this section to come from non-Federal sources. However,  
11      the Secretary may give higher priority to projects or initia-  
12      tives offering to cover a higher percentage of the cost of  
13      the project or initiative from non-Federal sources.

14      “(j) INCENTIVE AND BONUS PAYMENTS.—

15              “(1) AVAILABILITY.—Applications submitted  
16      under subsection (d)(2) may include proposals for  
17      special incentive and bonus payments, consistent  
18      with the statutory purposes of the programs in-  
19      volved, to producers that—

20              “(A) restore land, water, or habitat as a  
21              community development asset; or

22              “(B) provide public access to enrolled land.

23              “(2) CRITERIA.—The Secretary shall develop  
24      and publish criteria for providing special incentive or  
25      bonus payments to producers under paragraph (1).

1 “(k) FUNDING.—

2 “(1) SET-ASIDE.—Of the funds provided for  
3 each of fiscal years 2008 through 2012 to implement  
4 the programs specified in subsection (b), the Sec-  
5 retary shall reserve 10 percent to ensure an ade-  
6 quate source of funds for grants, agreements, finan-  
7 cial assistance to producers under this section.

8 “(2) ALLOCATION TO STATES.—The Secretary  
9 shall allocate to States 90 percent of the funds re-  
10 served under paragraph (1) for a fiscal year to allow  
11 State Conservationists, with the advice of State tech-  
12 nical committees, to select projects and initiatives  
13 for funding under this section at the State level. The  
14 Secretary shall develop criteria for this allocation  
15 made on a similar basis as to the program priorities  
16 under subsection (f).

17 “(3) UNUSED FUNDING.—Any funds reserved  
18 for a fiscal year under paragraph (1) that are not  
19 obligated by April 1 of that fiscal year may be used  
20 to carry out other activities under conservation pro-  
21 grams under subtitle D during the remainder of that  
22 fiscal year.

23 “(4) ADMINISTRATIVE COSTS FUNDING CAP.—  
24 Of the funds made available under this section for  
25 a particular project or initiative, not more than 5

1       percent may be expended by the eligible entity on  
 2       the administrative costs of the project or initiative.”.

3   **SEC. 2404. REGIONAL EQUITY AND FLEXIBILITY.**

4       Section 1241(d) of the Food Security Act of 1985  
 5   (16 U.S.C. 3841(d)) is amended by striking  
 6   “\$12,000,000” and inserting “\$15,000,000”.

7   **SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CON-**  
 8       **SERVATION PROGRAMS.**

9       (a) INCENTIVES FOR CERTAIN PRODUCERS.—Section  
 10   1244(a) of the Food Security Act of 1985 (16 U.S.C.  
 11   3844(a)) is amended—

12           (1) in the subsection heading, by striking “BE-  
 13       GINNING” and inserting “INCENTIVES FOR CER-  
 14       TAIN”;

15           (2) by inserting “, socially disadvantaged farm-  
 16       ers and ranchers, limited resource farmers and  
 17       ranchers,” after “beginning farmers and ranchers”;  
 18       and

19           (3) by striking “and limited resource agricul-  
 20       tural producers”.

21       (b) SINGLE, SIMPLIFIED APPLICATION PROCESS FOR  
 22   CONSERVATION PROGRAMS.—Section 1244 of the Food  
 23   Security Act of 1985 (16 U.S.C. 3844), as amended by  
 24   section 2403, is amended by adding at the end the fol-  
 25   lowing new subsection:



1 “(f) SINGLE, SIMPLIFIED APPLICATION PROCESS.—

2 “(1) ESTABLISHMENT.—In carrying out any of  
3 the conservation programs under this title adminis-  
4 tered by the Natural Resources Conservation Serv-  
5 ice, the Secretary shall establish and make available  
6 to producers and landowners a single, simplified ap-  
7 plication process to be used by producers and land-  
8 owners in initially requesting assistance under such  
9 programs. The Secretary shall ensure that—

10 “(A) conservation program applicants are  
11 not required to provide information that dupli-  
12 cates information and resources already avail-  
13 able to the Secretary regarding that applicant  
14 and for that specific operation; and

15 “(B) the application process is streamlined  
16 to minimize complexity and redundancy.

17 “(2) REVIEW OF APPLICATION PROCESS.—The  
18 Secretary shall review the conservation application  
19 process and the forms and related mechanisms used  
20 to receive assistance requests from producers and  
21 landowners. The purpose of the review shall be to  
22 determine what information the applicant is actually  
23 required to submit during the application process,  
24 including—

1           “(A) identification information for the ap-  
2           plicant;

3           “(B) identification and location informa-  
4           tion for the land parcel or tract of concern;

5           “(C) a general statement of the applicant’s  
6           resource concern or concerns for the land parcel  
7           or tract; and

8           “(D) the minimum amount of other infor-  
9           mation the Secretary considers essential for the  
10          applicant to provide.

11          “(3) REVISION AND STREAMLINING.—The Sec-  
12          retary shall carry out a revision of the application  
13          forms and processes for conservation programs cov-  
14          ered in this subsection to enable utilization of infor-  
15          mation technology as an avenue to incorporate ap-  
16          propriate data and information concerning the con-  
17          servation needs and solutions appropriate for the  
18          land area identified by the applicant. The revision  
19          shall seek to streamline the application process to  
20          minimize the burden placed on the applicant.

21          “(4) CONSERVATION PROGRAM APPLICATION.—  
22          When the needs of an applicant are adequately as-  
23          sessed by the Secretary, directly or through a third-  
24          party provider under section 1242, in order to deter-  
25          mine the conservation programs under this title that

1 best match the needs of the applicant, with the ap-  
2 proval of the applicant, the Secretary may convert  
3 the initial application into a specific application for  
4 assistance for a specific program. To the maximum  
5 extent practical, the specific application for con-  
6 servation program assistance shall be carried out by  
7 the Secretary by requesting only that specific further  
8 information from the applicant that is not already  
9 available to the Secretary.

10 “(5) IMPLEMENTATION AND NOTIFICATION.—  
11 Not later than one year after the date of the enact-  
12 ment of the Farm, Nutrition, and Bioenergy Act of  
13 2007, the Secretary shall complete the requirements  
14 of this subsection and shall submit to Congress a  
15 written notification of such completion.”.

16 **SEC. 2406. ANNUAL REPORT ON PARTICIPATION BY SPE-**  
17 **CIALTY CROP PRODUCERS IN CONSERVA-**  
18 **TION PROGRAMS.**

19 (a) REPORT REQUIRED.—Subtitle F of title XII of  
20 the Food Security Act of 1985 is amended by inserting  
21 after section 1251 (16 U.S.C. 2005a) the following new  
22 section:

1 **“SEC. 1252. ANNUAL REPORT ON PARTICIPATION BY SPE-**  
2 **cialty Crop Producers in Conserva-**  
3 **tion Programs.**

4 “(a) REPORT REQUIRED.—The Secretary of Agri-  
5 culture shall submit to the Committee on Agriculture of  
6 the House of Representatives and the Committee on Agri-  
7 culture, Nutrition, and Forestry of the Senate an annual  
8 report that—

9 “(1) documents and analyzes the participation  
10 by producers of specialty crops in conservation pro-  
11 grams under subtitle D, including the conservation  
12 security program and the environmental quality in-  
13 centives program;

14 “(2) tracks such participation by crop and live-  
15 stock type; and

16 “(3) describes the results of implementing the  
17 plan required by subsection (b), as well as any modi-  
18 fications to the plan that the Secretary finds nec-  
19 essary to increase its effectiveness.

20 “(b) ACCESS PLAN.—As part of each report sub-  
21 mitted under subsection (a), the Secretary shall set forth  
22 a plan to improve the access of producers of specialty  
23 crops to, and their participation in, conservation programs  
24 under subtitle D. In developing the plan, the Secretary  
25 shall consult with organizations representing producers of  
26 specialty crops.

1       “(c) SPECIALTY CROP DEFINED.—In this section,  
2 the term ‘specialty crop’ has the meaning given such term  
3 by section 3(1) of the Specialty Crops Competitiveness Act  
4 of 2004 (Public Law 108–465; 7 U.S.C. 1621 note).”.

5       (b) INITIAL REPORT.—The first report required  
6 under section 1252 of the Food Security Act of 1985, as  
7 added by subsection (a), shall be submitted not later than  
8 180 days after the date of the enactment of this Act. Sub-  
9 section (a)(2) of such section shall not apply with respect  
10 to the first report.

11 **SEC. 2407. PROMOTION OF MARKET-BASED APPROACHES**  
12 **TO CONSERVATION.**

13       (a) FINDINGS.—Congress finds the following:

14           (1) Many of the conservation and environmental  
15 benefits produced on farms, ranches, and private  
16 forest lands in the United States do not have an as-  
17 signed value in the market place or lack a private  
18 market altogether.

19           (2) While private markets for environmental  
20 goods and services are emerging, their viability has  
21 been hampered by several barriers.

22           (3) The Federal Government can help overcome  
23 these barriers and promote the establishment of  
24 markets for agricultural and forestry conservation  
25 activities.

1           (4) Generating substantial private-sector de-  
2           mand for environmental goods and services hinges  
3           on the ability to use environmental credits generated  
4           by agricultural and forest conservation activities.

5           (b) MARKET-BASED APPROACHES.—Subtitle E of  
6           title XII of the Food Security Act of 1985 is amended  
7           by inserting after section 1244 (16 U.S.C. 3844) the fol-  
8           lowing new section:

9           **“SEC. 1245. MARKET-BASED APPROACHES TO CONSERVA-**  
10           **TION.**

11           “(a) IMPLEMENTATION.—To facilitate the develop-  
12           ment and effective operation of private sector market-  
13           based approaches for environmental goods and services  
14           produced by farmers, ranchers, and owners of private for-  
15           est land, the Secretary may conduct research and analysis,  
16           enter into contracts and cooperative agreements, and  
17           award grants for the purpose of—

18           “(1) promoting the development of consistent  
19           standards and processes for quantifying environ-  
20           mental benefits, including the creation of perform-  
21           ance standards or baselines;

22           “(2) promoting the establishment of reporting  
23           and credit registries, including third-party  
24           verification and certification; and

1           “(3) promoting actions that facilitate the devel-  
2           opment and functioning of private-sector market-  
3           based approaches for environmental goods and serv-  
4           ices involving agriculture and forestry.

5           “(b) ENVIRONMENTAL SERVICES STANDARDS  
6 BOARD.—

7           “(1) ESTABLISHMENT.—There is to be estab-  
8           lished an Environmental Services Standards Board  
9           to develop consistent performance standards for  
10          quantifying environmental services from land man-  
11          agement and agricultural activities in order to facili-  
12          tate the development of credit markets for conserva-  
13          tion and land management activities that are agri-  
14          culture or forest based.

15          “(2) CHAIRPERSON.—The Secretary of Agri-  
16          culture shall serve as chair of the Environmental  
17          Services Standards Board.

18          “(3) MEMBERSHIP.—The Environmental Serv-  
19          ices Standards Board shall be comprised of the Sec-  
20          retary of Agriculture, the Secretary of the Interior,  
21          the Secretary of Energy, the Secretary of Com-  
22          merce, the Secretary of Transportation, the Admin-  
23          istrator of the Environmental Protection Agency, the  
24          Commander of the Army Corps of Engineers, and

1       such other representatives as determined by the  
2       President.

3               “(4) SUBCOMMITTEES.—The Environmental  
4       Services Standards Board may form subcommittees  
5       to address specific issues.

6       “(c) DISSEMINATION OF PERFORMANCE STAND-  
7       ARDS.—Federal agencies are authorized to adopt perform-  
8       ance standards developed by the Environmental Services  
9       Standards Board for quantifying environmental services  
10      that establish credits to meet requirements of environ-  
11      mental and conservation programs.

12      “(d) FUNDING .—There is authorized to be appro-  
13      priated \$50,000,000 to carry out this section. Amounts  
14      so appropriated shall remain available until expended.

15      “(e) DEFINITIONS.—In this section:

16              “(1) BASELINE.—The term ‘baseline’ means a  
17      level of effort or performance that is expected to be  
18      met before an entity can generate marketable cred-  
19      its.

20              “(2) PERFORMANCE STANDARD.—The term  
21      ‘performance standard’ means a defined level of en-  
22      vironmental performance, expressed as a narrative  
23      or measurable number, which specifies the minimum  
24      acceptable environmental performance of an oper-  
25      ation or practice.”.



1 **SEC. 2408. ESTABLISHMENT OF STATE TECHNICAL COM-**  
2 **MITTEES AND THEIR RESPONSIBILITIES.**

3 Subtitle G of title XII of the Farm Security Act of  
4 1985 (16 U.S.C. 3861, 3862) is amended to read as fol-  
5 lows:

6 **“Subtitle G—State Technical**  
7 **Committees**

8 **“SEC. 1261. ESTABLISHMENT OF STATE TECHNICAL COM-**  
9 **MITTEES.**

10 “(a) ESTABLISHMENT.—The Secretary shall estab-  
11 lish a technical committee in each State to assist the Sec-  
12 retary in the considerations relating to implementation  
13 and technical aspects of the conservation programs under  
14 this title.

15 “(b) COMPOSITION.—Each State technical committee  
16 shall be composed of agricultural producers and other pro-  
17 fessionals that represent a variety of disciplines in the soil,  
18 water, wetland, and wildlife sciences. The technical com-  
19 mittee for a State shall include representatives from  
20 among the following:

21 “(1) The Natural Resources Conservation Serv-  
22 ice.

23 “(2) The Farm Service Agency.

24 “(3) The Forest Service.

25 “(4) The Cooperative State Research, Edu-  
26 cation, and Extension Service.

1           “(5) The State fish and wildlife agency.

2           “(6) The State forester or equivalent State offi-  
3       cial.

4           “(7) The State water resources agency.

5           “(8) The State department of agriculture.

6           “(9) The State association of soil and water  
7       conservation districts.

8           “(10) At least 12 agricultural producers rep-  
9       resenting the variety of crops and livestock or poul-  
10      try grown within the State.

11          “(11) Nonprofit organizations within the mean-  
12      ing of section 501(c)(3) of the Internal Revenue  
13      Code of 1986 with demonstrable conservation exper-  
14      tise and experience working with agriculture pro-  
15      ducers in the State.

16          “(12) Agribusiness.

17      “(c) SUBCOMMITTEES.—A State technical committee  
18      shall convene one or more subcommittees to provide tech-  
19      nical guidance and implementation recommendations. The  
20      topics that a subcommittee shall address shall include, at  
21      a minimum, the following:

22          “(1) Establishing priorities and criteria for  
23      State initiatives under the programs in this title, in-  
24      cluding the review of whether local working groups  
25      are addressing those priorities.

1           “(2) Issues related to private forestlands pro-  
2           tection and enhancement.

3           “(3) Issues related to water quality and water  
4           quantity.

5           “(4) In those States where applicable, issues re-  
6           lated to air quality.

7           “(5) Issues related to wildlife habitat, including  
8           the protection of nesting wildlife.

9           “(6) Issues related to wetland protection, res-  
10          toration, and mitigation requirements.

11          “(7) Other issues as the Secretary determines  
12          would be useful.

13   **“SEC. 1262. RESPONSIBILITIES.**

14          “(a) IN GENERAL.—Each State technical committee  
15          established under section 1261 shall meet regularly to pro-  
16          vide information, analysis, and recommendations to appro-  
17          priate officials of the Department of Agriculture who are  
18          charged with implementing the conservation provisions of  
19          this title.

20          “(b) PUBLIC NOTICE AND ATTENDANCE.—Each  
21          State technical committee shall provide public notice of,  
22          and permit public attendance at, meetings considering  
23          issues of concern related to carrying out this title.

24          “(c) ADVISORY ROLE.—The role of a State technical  
25          committee is advisory in nature, and the committee shall

1 have no implementation or enforcement authority. How-  
2 ever, the Secretary shall give strong consideration to the  
3 recommendations of the committee in administering the  
4 programs under this title.

5 “(d) FACA REQUIREMENTS.—Except as provided in  
6 subsection (b), a State technical committee, including any  
7 subcommittee of State technical committee, is exempt  
8 from the Federal Advisory Committee Act (5 U.S.C.  
9 App.).”.

10 **SEC. 2409. PAYMENT LIMITATIONS.**

11 (a) IN GENERAL.—The Food Security Act of 1985  
12 is amended by inserting after section 1245, as added by  
13 section 2407, the following new section:

14 **“SEC. 1246. PAYMENT LIMITATIONS.**

15 “(a) PAYMENTS FOR CONSERVATION PRACTICES.—  
16 The total amount of payments that a person or a legal  
17 entity (except a joint venture or a general partnership)  
18 may receive, directly or indirectly, in any fiscal year shall  
19 not exceed—

20 “(1) \$60,000 from any single program under  
21 this title or as agricultural management assistance  
22 under section 524(b) of the Federal Crop Insurance  
23 Act (7 U.S.C. 524(b)); or

24 “(2) \$125,000 from more than one program  
25 under this title and as agricultural management as-

1       sistance under section 524(b) of the Federal Crop  
2       Insurance Act.

3       “(b) EXCEPTIONS.—The limitations under subsection  
4 (a) shall not apply with respect to the following:

5               “(1) The wetlands reserve program under sub-  
6 chapter C of chapter 1 of subtitle D.

7               “(2) The farm and ranchland protection pro-  
8 gram under subchapter B of chapter 2 of such sub-  
9 title.

10              “(3) The grassland reserve program under sub-  
11 chapter C of chapter 2 of such subtitle.

12       “(c) DIRECT ATTRIBUTION.—

13              “(1) IN GENERAL.—In implementing the pay-  
14 ment limitations in subsection (a), the Secretary  
15 shall issue such regulations as are necessary to en-  
16 sure that the total amount of payments are attrib-  
17 uted to a person by taking into account the direct  
18 and indirect ownership interests of the person in a  
19 legal entity that is eligible to receive such payments.

20              “(2) PAYMENTS TO A PERSON.—Every payment  
21 made directly to a person shall be combined with the  
22 person’s pro rata interest in payments received by a  
23 legal entity in which the person has a direct or indi-  
24 rect ownership interest.

25              “(3) PAYMENTS TO A LEGAL ENTITY.—

1           “(A) IN GENERAL.—Every payment made  
2           to a legal entity shall be attributed to those per-  
3           sons who have a direct or indirect ownership in-  
4           terest in the legal entity.

5           “(B) ATTRIBUTION OF PAYMENTS.—

6           “(i) PAYMENT LIMITS.—Except as  
7           provided in clause (ii), payments made to  
8           a legal entity shall not exceed the amounts  
9           specified in subsection (a).

10          “(ii) EXCEPTION.—Payments made to  
11          a joint venture or a general partnership  
12          shall not exceed, for each payment speci-  
13          fied in subsection (a), the amount deter-  
14          mined by multiplying the maximum pay-  
15          ment amount specified in subsection (a) by  
16          the number of persons and legal entities  
17          (other than joint ventures and general  
18          partnerships) that comprise the ownership  
19          of the joint venture or general partner-  
20          ship.”.

21          (b) CONFORMING AMENDMENTS.—

22          (1) EXISTING PAYMENT LIMITATIONS IN CON-  
23          SERVATION PROGRAMS.—Title XII of the Food Se-  
24          curity Act of 1985 is amended—

1 (A) in section 1234 (16 U.S.C. 3834) by  
 2 striking subsection (f);

3 (B) in section 1238C (16 U.S.C. 3838e),  
 4 as amended by section 2103, by striking sub-  
 5 sections (d) and (e); and

6 (C) by striking section 1240G (16 U.S.C.  
 7 3839aa–7).

8 (2) AGRICULTURAL MANAGEMENT ASSIST-  
 9 ANCE.—Section 524(b) of the Federal Crop Insur-  
 10 ance Act (7 U.S.C. 524) is amended by striking  
 11 paragraph (3).

## 12 **Subtitle E—Miscellaneous** 13 **Provisions**

14 **SEC. 2501. INCLUSION OF INCOME FROM AFFILIATED**  
 15 **PACKING AND HANDLING OPERATIONS AS IN-**  
 16 **COME DERIVED FROM FARMING FOR APPLI-**  
 17 **CATION OF ADJUSTED GROSS INCOME LIMI-**  
 18 **TATION ON ELIGIBILITY FOR CONSERVATION**  
 19 **PROGRAMS.**

20 Section 1001D(b)(1) of the Food Security Act of  
 21 1985 (7 U.S.C. 1308–3a(b)(1)) is amended by inserting  
 22 “(including, for purposes of paragraph (2)(C), affiliated  
 23 packing and handling operations)” after “derived from  
 24 farming”.

1 **SEC. 2502. ENCOURAGEMENT OF VOLUNTARY SUSTAIN-**  
2 **ABILITY PRACTICES GUIDELINES.**

3 In administering this title and the amendments made  
4 by this title, the Secretary of Agriculture may encourage  
5 the development of voluntary sustainable practices guide-  
6 lines for producers and processors of specialty crops.

7 **SEC. 2503. FARMLAND RESOURCE INFORMATION.**

8 (a) DEVELOPMENT AND DISSEMINATION OF FARM-  
9 LAND RESOURCE INFORMATION.—The Secretary of Agri-  
10 culture shall design and implement educational programs  
11 and materials emphasizing the importance of productive  
12 farmland to the Nation's well-being and distribute edu-  
13 cational materials through communications media,  
14 schools, groups, and other Federal agencies. The Sec-  
15 retary shall carry out this subsection through existing  
16 agencies or interagency groups and in cooperation with  
17 nonprofit organizations and the cooperative extension  
18 services of States.

19 (b) FARMLAND INFORMATION CENTERS.—The Sec-  
20 retary shall designate 1 or more farmland information  
21 centers to provide technical assistance and serve as central  
22 depositories and distribution points for information on  
23 farmland issues. Information provided by a center shall  
24 include online access to data on land cover and use  
25 changes and trends and literature, laws, historical ar-  
26 chives, policies, programs, and innovative actions or pro-



1 posals by local and State governments or nonprofit organi-  
2 zations related to farmland protection.

3 (c) FUNDING.—Funds for the farmland information  
4 centers designated under subsection (b) shall be provided  
5 using funds made available for the farm and ranchland  
6 protection program established under subchapter B of  
7 chapter 2 of subtitle D of title XII of the Food Security  
8 Act of 1985 (16 U.S.C. 3838h et seq.). Such funding for  
9 a fiscal year shall not exceed one-half of 1 percent of the  
10 funds made available for the farm and ranchland protec-  
11 tion program for that fiscal year, but no less than  
12 \$400,000 annually.

13 (d) MATCHING FUNDS.—Federal funding for a farm-  
14 land information center designated under subsection (b)  
15 shall be matched with non-Federal funds, through cash  
16 or in-kind contributions.

17 **SEC. 2504. PILOT PROGRAM FOR FOUR-YEAR CROP ROTA-**  
18 **TION FOR PEANUTS.**

19 (a) CONTRACT AUTHORITY.—The Secretary of Agri-  
20 culture shall enter into a contract with a peanut producer  
21 under which the producer will implement a four-year crop  
22 rotation for peanuts.

23 (b) CONTRACT PAYMENTS.—Under the contract, the  
24 Secretary shall pay to the producer a contract implemen-

1 tation payment, in an amount determined to be appro-  
 2 priate by the Secretary.

3 (c) FUNDING.—For each of fiscal years 2008 through  
 4 2012, the Secretary shall use the funds, facilities, and au-  
 5 thorities of the Commodity Credit Corporation to carry  
 6 out the provisions under this section, except that funding  
 7 of the pilot program may not exceed \$10,000,000 in each  
 8 of such fiscal years.

## 9 **TITLE III—TRADE**

Sec. 3001. Agricultural Trade Development and Assistance Act of 1954.

Sec. 3002. Export credit guarantee program.

Sec. 3003. Market access program.

Sec. 3004. Food for Progress Act of 1985.

Sec. 3005. Reauthorization of McGovern-Dole International Food for Education  
 and Child Nutrition Program.

Sec. 3006. Bill Emerson Humanitarian Trust.

Sec. 3007. Technical assistance for specialty crops.

Sec. 3008. Technical assistance for the resolution of trade disputes.

Sec. 3009. Representation by the United States at international standard-set-  
 ting bodies.

Sec. 3010. Foreign market development cooperator program.

Sec. 3011. Emerging markets.

Sec. 3012. Export Enhancement Program.

Sec. 3013. Minimum level of nonemergency food assistance.

Sec. 3014. Germplasm conservation.

Sec. 3015. Report on efforts to improve procurement planning.

Sec. 3016. International disaster assistance under the Foreign Assistance Act  
 of 1961.

## 10 **SEC. 3001. AGRICULTURAL TRADE DEVELOPMENT AND AS-** 11 **SISTANCE ACT OF 1954.**

12 (a) PURPOSE OF PROGRAM.—Section 201 of the Ag-  
 13 ricultural Trade Development and Assistance Act of 1954  
 14 (7 U.S.C. 1721) is amended so that paragraph (1) reads  
 15 as follows:

1           “(1) address famine and food crises and re-  
2       spond to emergency food needs arising from man-  
3       made disasters, and natural disasters.”.

4       (b) SUPPORT FOR ELIGIBLE ORGANIZATIONS.—Sec-  
5       tion 202(e)(1) of the Agricultural Trade Development and  
6       Assistance Act of 1954 (7 U.S.C. 1722(e)(1)) is amend-  
7       ed—

8           (1) by striking “not less than 5 percent nor  
9       more than 10 percent of the funds” and inserting  
10      “not less than 7 percent nor more than 12 percent  
11      of the funds”;

12      (2) striking “and” at the end of subparagraph  
13      (A);

14      (3) striking the period at the end of subpara-  
15      graph (B) and inserting “; and”; and

16      (4) inserting after subparagraph (B) the fol-  
17      lowing:

18           “(C) developing, implementing and improv-  
19       ing monitoring systems of programs receiving  
20       funds under this title.”.

21       (c) GENERATION AND USE OF CURRENCIES BY PRI-  
22       VATE VOLUNTARY ORGANIZATIONS AND COOPERA-  
23       TIVES.—Subsection (b) of section 203 of the Agricultural  
24       Trade Development and Assistance Act of 1954 (7 U.S.C.

1 1723) is amended by striking “1 or more recipient coun-  
2 tries” and inserting “in 1 or more recipient countries”.

3 (d) LEVELS OF ASSISTANCE.—Section 204(a) of the  
4 Agricultural Trade Development and Assistance Act of  
5 1954 (7 U.S.C. 1724(a)) is amended—

6 (1) in paragraph (1) by striking “2002 through  
7 2007” and inserting “2008 through 2012”; and

8 (2) in paragraph (2) by striking “2002 through  
9 2007” and inserting “2008 through 2012”.

10 (e) FOOD AID CONSULTATIVE GROUP.—

11 (1) REPORT TO CONGRESS.—Section 205 of the  
12 Agricultural Trade Development and Assistance Act  
13 of 1954 (7 U.S.C. 1725) is amended—

14 (A) by redesignating subsection (f) as sub-  
15 section (g); and

16 (B) by inserting after subsection (e) the  
17 following new subsection:

18 “(f) REPORT TO CONGRESS.—

19 “(1) IN GENERAL.—Not later than 180 days  
20 after the date of the enactment of the Farm, Nutri-  
21 tion, and Bioenergy Act of 2007, and annually  
22 thereafter until December 31, 2012, the Adminis-  
23 trator of the United States Agency for International  
24 Development, in close consultation with the Group,  
25 shall submit to the appropriate congressional com-

1       mittees a report on efforts taken by the United  
2       States Agency for International Development and  
3       the Department of Agriculture to develop a strategy  
4       under this section to achieve an integrated and effec-  
5       tive food assistance program.

6               “(2) APPROPRIATE CONGRESSIONAL COMMIT-  
7       TEES DEFINED.—In this subsection, the term ‘ap-  
8       propriate congressional committees’ means—

9               “(A) the Committee on Foreign Affairs  
10       and the Committee on Agriculture of the House  
11       of Representatives; and

12              “(B) the Committee on Agriculture, Nutri-  
13       tion, and Forestry of the Senate.”.

14       (2) TERMINATION.—Such section is further  
15       amended in subsection (g) (as redesignated by para-  
16       graph (1)(A)) by striking “2007” and inserting  
17       “2012”.

18       (f) DENIAL OF PROPOSALS.—Paragraph (3) of sec-  
19       tion 207(a) of the Agricultural Trade Development and  
20       Assistance Act of 1954 (7 U.S.C. 1726a(a)) is amended  
21       to read as follows:

22              “(3) DENIAL.—If a proposal under paragraph  
23       (1) is denied, the response shall specify the reasons  
24       for denial.”.

1 (g) PROGRAM OVERSIGHT, MONITORING, AND EVAL-  
2 UATION.—Section 207 of the Agricultural Trade Develop-  
3 ment and Assistance Act of 1954 (7 U.S.C. 1726a) is  
4 amended by adding at the end the following:

5 “(f) PROGRAM OVERSIGHT, MONITORING, AND EVAL-  
6 UATION.—

7 “(1) IN GENERAL.—The Administrator, in con-  
8 sultation with the Secretary, shall establish systems  
9 to improve, monitor, and evaluate the effectiveness  
10 and efficiency of assistance provided under this title  
11 in order to maximize the impact of such assistance.  
12 Such systems shall include the following:

13 “(A) program monitors in countries receiv-  
14 ing assistance under this title;

15 “(B) country and regional food aid impact  
16 evaluations;

17 “(C) evaluations of best practices for food  
18 aid programs;

19 “(D) evaluation of monetization programs;

20 “(E) early warning assessments to prevent  
21 famines; and

22 “(F) upgraded information technology sys-  
23 tems.

24 “(2) IMPLEMENTATION REPORT.—Not later  
25 than 180 days after the date of enactment of the

1 Farm, Nutrition, and Bioenergy Act of 2007, the  
2 Administrator shall submit to the appropriate con-  
3 gressional committees a report on efforts undertaken  
4 to implement paragraph (1).

5 “(3) GOVERNMENT ACCOUNTABILITY OFFICE.—  
6 Not later than 270 days after the date of the sub-  
7 mission of the report under paragraph (2), the  
8 Comptroller General of the United States shall sub-  
9 mit to the appropriate congressional committees a  
10 report that—

11 “(A) reviews and comments on the report  
12 under paragraph (2); and

13 “(B) provides recommendations regarding  
14 any additional actions necessary to improve the  
15 monitoring and evaluation of assistance pro-  
16 vided under this title.

17 “(4) ANNUAL REPORT.—Not later than Feb-  
18 ruary 1 of each year, the Administrator shall submit  
19 to the appropriate congressional committees a report  
20 assessing the systems implemented under paragraph  
21 (1) and their impact on the effectiveness and effi-  
22 ciency of assistance provided under this title.

23 “(5) FUNDING.—In addition to other funds  
24 made available for the Administrator to perform  
25 monitoring of emergency food assistance, the Admin-

1       istrator may implement this subsection using up to  
 2       \$15,000,000 of funds made available under this title  
 3       for each of the fiscal years 2008 through 2012, ex-  
 4       cept for paragraph (1)(F), for which only  
 5       \$2,500,000 shall be made available during fiscal  
 6       year 2008.

7               “(6) APPROPRIATE CONGRESSIONAL COMMIT-  
 8       TEES DEFINED.—In this subsection, the term ‘ap-  
 9       propriate congressional committees’ means—

10               “(A) the Committee on Foreign Affairs  
 11               and the Committee on Agriculture of the House  
 12               of Representatives; and

13               “(B) the Committee on Agriculture, Nutri-  
 14               tion, and Forestry of the Senate.”.

15       (h) SHELF-STABLE PREPACKAGED FOODS.—Section  
 16       208(f) of the Agricultural Trade Development and Assist-  
 17       ance Act of 1954 (7 U.S.C. 1726b(f)) is amended—

18               (1) by striking “2007” and insert “2012”; and

19               (2) by striking “\$3,000,000” and inserting  
 20       “\$7,000,000”

21       (i) PREPOSITIONING.—Section 407(c)(4) of the Agri-  
 22       cultural Trade Development and Assistance Act of 1954  
 23       (7 U.S.C. 1736a(c)(4)) is amended—

24               (1) by striking “Funds” and inserting “(A) IN  
 25       GENERAL.—Funds”;



- 1           (2) by striking “2007” and inserting “2012”;  
2           (3) by striking “\$2,000,000” and inserting  
3           “\$8,000,000”; and  
4           (4) by adding at the end the following new sub-  
5           paragraph:

6                   “(B)       ADDITIONAL       PREPOSITIONING  
7           SITES.—

8                   “(i) FEASIBILITY ASSESSMENT.—On  
9                   or after the date of the enactment of the  
10                  Farm, Nutrition, and Bioenergy Act of  
11                  2007, the Administrator is authorized to  
12                  carry out assessments for the establish-  
13                  ment of not less than two sites to deter-  
14                  mine the feasibility of and costs associated  
15                  with using such sites for the purpose of  
16                  storing and handling agricultural commod-  
17                  ities for prepositioning in foreign countries.

18                  “(ii) ESTABLISHMENT OF SITES.—  
19                  Based on the results of the assessments  
20                  carried out under clause (i), the Adminis-  
21                  trator is authorized to establish additional  
22                  sites for pre-positioning in foreign coun-  
23                  tries.

24                  “(iii) AUTHORIZATION OF APPROPRIA-  
25                  TIONS.—To carry out this subparagraph,

1           there are authorized to be appropriated to  
2           the Administrator such sums as may be  
3           necessary for each of the fiscal years 2008  
4           through 2012.”.

5           (j) ANNUAL REPORTS.—Section 407(f) of the Agri-  
6   cultural Trade Development and Assistance Act of 1954  
7   (7 U.S.C. 1736a(f)) is amended—

8           (1) in paragraph (2)—

9           (A) in subparagraph (B), by adding at the  
10          end before the semicolon the following: “, and  
11          the amount of funds, tonnage levels, and types  
12          of activities for non-emergency food assistance  
13          programs under title II of this Act”;

14          (B) in subparagraph (C), by adding at the  
15          end before the semicolon the following: “, and  
16          a general description of the projects and activi-  
17          ties implemented”; and

18          (C) so that subparagraph (D) reads as fol-  
19          lows:

20                 “(D) an assessment of the progress toward  
21          reducing food insecurity in the populations re-  
22          ceiving food assistance from the United  
23          States.”; and

24          (2) in paragraph (3), by striking “January 15”  
25          and inserting “March 1”.

1       (k) EXPIRATION OF ASSISTANCE.—Section 408 of  
2 the Agricultural Trade Development and Assistance Act  
3 of 1954 (7 U.S.C. 1736b) is amended by striking “2007”  
4 and inserting “2012”.

5       (l) AUTHORIZATION OF APPROPRIATIONS.—Sub-  
6 section (a) of section 412 of the Agricultural Trade Devel-  
7 opment and Assistance Act of 1954 (7 U.S.C. 1736f) is  
8 amended to read as follows:

9       “(a) AUTHORIZATION OF APPROPRIATIONS.—For  
10 each of the fiscal years 2008 through 2012, there are au-  
11 thorized to be appropriated to the President—

12               “(1) such sums as may be necessary to carry  
13 out the concessional credit sales program established  
14 under title I,

15               “(2) \$2,500,000,000 to carry out the emer-  
16 gency and non-emergency food assistance programs  
17 under title II, and

18               “(3) such sums as may be necessary to carry  
19 out the grant program established under title III,  
20 including such amounts as may be required to make pay-  
21 ments to the Commodity Credit Corporation to the extent  
22 the Commodity Credit Corporation is not reimbursed  
23 under the programs under this Act for the actual costs  
24 incurred or to be incurred by such Corporation in carrying  
25 out such programs.”.

1 (m) MICRONUTRIENT FORTIFICATION PROGRAMS.—

2 (1) PURPOSE.—Subsection (a)(2)(C) of section  
3 415 of the Agricultural Trade Development and As-  
4 sistance Act of 1954 (7 U.S.C. 1736g–2) is amend-  
5 ed—

6 (A) by striking “using the same mecha-  
7 nism that was used to assess the micronutrient  
8 fortification program in” and inserting “uti-  
9 lizing recommendations from”; and

10 (B) by striking “with funds from the Bu-  
11 reau for Humanitarian Response of the United  
12 States Agency for International Development”  
13 and inserting “with implementation by an inde-  
14 pendent entity with proven impartiality and a  
15 mechanism that incorporates the range of  
16 stakeholders implementing programs under title  
17 II of this Act as well as other food assistance  
18 industry experts”.

19 (2) TERMINATION OF AUTHORITY.—Subsection  
20 (d) of such section is amended by striking “2007”  
21 and inserting “2012”.

22 (n) JOHN OGONOWSKI AND DOUG BEREUTER FARM-  
23 ER-TO-FARMER PROGRAM.—

1           (1) MINIMUM FUNDING.—Section 501(d) of the  
2       Agricultural Trade Development and Assistance Act  
3       of 1954 (7 U.S.C. 1737(d)) is amended—

4           (A) by inserting “or \$10,000,000, which-  
5       ever amount is greater,” after “not less than  
6       0.5 percent”; and

7           (B) by striking “2002 through 2007” and  
8       inserting “2008 through 2012”.

9           (2) AUTHORIZATION OF APPROPRIATIONS.—  
10      Section 501(e) of the Agricultural Trade Develop-  
11      ment and Assistance Act of 1954 (7 U.S.C. 1737(e))  
12      is amended by striking paragraph (1) and inserting  
13      the following new paragraph:

14           “(1) IN GENERAL.—To carry out programs  
15      under this section, there is authorized to be appro-  
16      priated for each of fiscal years 2008 through 2012  
17      the following amounts:

18           “(A) \$10,000,000 for sub-Saharan African  
19      and Caribbean Basin countries.

20           “(B) \$5,000,000 for all other countries not  
21      included in subparagraph (A).”.

22      (o) REFERENCES TO COMMITTEE.—The Agricultural  
23      Trade Development and Assistance Act of 1954 (7 U.S.C.  
24      1691 et seq.) is amended by striking “Committee on Inter-

1 national Relations” each place it appears and inserting  
 2 “Committee on Foreign Affairs”.

3 **SEC. 3002. EXPORT CREDIT GUARANTEE PROGRAM.**

4 (a) REPEAL OF SUPPLIER CREDIT GUARANTEE PRO-  
 5 GRAM AND INTERMEDIATE EXPORT CREDIT GUARANTEE  
 6 PROGRAM.—

7 (1) REPEALS.—Section 202 of the Agricultural  
 8 Trade Act of 1978 (7 U.S.C. 5622) is amended—

9 (A) in subsection (a)—

10 (i) in paragraph (1), by striking “(1)”  
 11 and all that follows through “The Com-  
 12 modity” and inserting “The Commodity”;

13 (ii) in paragraph (1), by striking “3-  
 14 year period” and inserting “6-month pe-  
 15 riod”; and

16 (iii) by striking paragraphs (2) and  
 17 (3);

18 (B) by striking subsections (b) and (c);

19 and

20 (C) by redesignating subsections (d)  
 21 through (l) as subsections (b) through (j), re-  
 22 spectively.

23 (2) CONFORMING AMENDMENTS.—The Agricul-  
 24 tural Trade Act of 1978 is amended—

25 (A) in section 202 (7 U.S.C. 5622)—

1 (i) in subsection (b)(4) (as redesignig-  
 2 nated by paragraph (1)(C)), by striking “,  
 3 consistent with the provisions of subsection  
 4 (c)”;

5 (ii) in subsection (d) (as redesignated  
 6 by paragraph (1)(C))—

7 (I) by striking “(1)” and all that  
 8 follows through “The Commodity”  
 9 and inserting “The Commodity”; and

10 (II) by striking paragraph (2);  
 11 and

12 (iii) in subsection (g)(2) (as redesignig-  
 13 nated by paragraph (1)(C)), by striking  
 14 “subsections (a) and (b)” and inserting  
 15 “subsection (a)”; and

16 (B) in section 211 (7 U.S.C. 5641), by  
 17 striking subsection (b) and inserting the fol-  
 18 lowing:

19 “(b) EXPORT CREDIT GUARANTEE PROGRAMS.—(1)  
 20 The Commodity Credit Corporation shall make available  
 21 for each of fiscal years 2008 through 2012 not less than  
 22 \$5,500,000,000 in credit guarantees under section 202(a).

23 “(2) Section 202(k)(1) of the Agricultural Trade Act  
 24 of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking  
 25 ‘2007’ and inserting ‘2012’.”.

1 **SEC. 3003. MARKET ACCESS PROGRAM.**

2 (a) ORGANIC COMMODITIES.—Section 203(a) of the  
3 Agricultural Trade Act of 1978 (7 U.S.C. 5623(a)) is  
4 amended by inserting after “agricultural commodities” the  
5 following: “(including commodities that are organically  
6 produced (as defined in section 2103 of the Organic Foods  
7 Production Act of 1990 (7 U.S.C. 6502))”.

8 (b) FUNDING.—Section 211(c)(1)(A) of the Agricul-  
9 tural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is  
10 amended by striking “, and \$200,000,000 for each of fis-  
11 cal years 2006 and 2007” and inserting “\$200,000,000  
12 for each of fiscal years 2006 and 2007, and \$225,000,000  
13 for each of fiscal years 2008 through 2012”.

14 **SEC. 3004. FOOD FOR PROGRESS ACT OF 1985.**

15 The Food for Progress Act of 1985 (7 U.S.C. 1736o)  
16 is amended by striking “2007” each place it appears and  
17 inserting “2012”.

18 **SEC. 3005. REAUTHORIZATION OF MCGOVERN-DOLE INTER-**  
19 **NATIONAL FOOD FOR EDUCATION AND**  
20 **CHILD NUTRITION PROGRAM.**

21 (a) ADMINISTRATION OF PROGRAM.—Section 3107  
22 of the Farm Security and Rural Investment Act of 2002  
23 (7 U.S.C. 1736o–1) is amended—

24 (1) in subsection (d), in the matter preceding  
25 paragraph (1), by striking “The President shall des-



1        designate 1 or more Federal agencies to” and inserting  
2        “The Secretary shall”;

3            (2) in subsection (f)(2), in the matter preceding  
4        subparagraph (A), by striking “implementing agen-  
5        cy” and inserting “Secretary”; and

6            (3) in subsections (c)(2)(B), (f)(1), (h)(1) and  
7        (2), and (i), by striking “President” each place it  
8        appears and inserting “Secretary”.

9        (b) FUNDING.—Section 3107(l) of the Farm Security  
10    and Rural Investment Act of 2002 (7 U.S.C. 1736o-1(l))  
11    is amended—

12            (1) by striking paragraphs (1) and (2) and in-  
13        serting the following:

14            “(1) USE OF COMMODITY CREDIT CORPORATION  
15        FUNDS.—Of the funds of the Commodity Credit  
16        Corporation, the Secretary shall use to carry out this  
17        section—

18            “(A) \$0 for fiscal year 2008;

19            “(B) \$140,000,000 for fiscal year 2009;

20            “(C) \$170,000,000 for fiscal year 2010;

21            “(D) \$230,000,000 for fiscal year 2011;

22            “(E) \$300,000,000 for fiscal year 2012;

23            and

24            “(F) \$0 for fiscal year 2013.”;

1           (2) by redesignating paragraph (3) as para-  
2       graph (2); and

3           (3) in paragraph (2) (as redesignated by para-  
4       graph (2)), by striking “any Federal agency imple-  
5       menting or assisting” and inserting “the Depart-  
6       ment of Agriculture or any other Federal agency as-  
7       sisting”.

8       **SEC. 3006. BILL EMERSON HUMANITARIAN TRUST.**

9       Section 302 of the Bill Emerson Humanitarian Trust  
10   Act (7 U.S.C. 1736f–1) is amended by striking “2007”  
11   each place it appears in subsection (b)(2)(B)(i) and para-  
12   graphs (1) and (2) of subsection (h) and inserting “2012”.

13   **SEC. 3007. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

14       Section 3205 of the Farm Security and Rural Invest-  
15   ment Act of 2002 (7 U.S.C. 5680) is amended so that  
16   subsection (d) reads as follows:

17       “(d) FUNDING.—

18           “(1) COMMODITY CREDIT CORPORATION.—The  
19       Secretary shall use the funds, facilities, and authori-  
20       ties of the Commodity Credit Corporation to carry  
21       out this section.

22           “(2) FUNDING AMOUNT.—The Secretary shall  
23       use the funds of, or an equal value of commodities  
24       owned by, the Commodity Credit Corporation to  
25       carry out this section—

1                   “(A) \$4,000,000 for fiscal year 2008;  
2                   “(B) \$6,000,000 for fiscal year 2009;  
3                   “(C) \$8,000,000 for fiscal year 2010;  
4                   “(D) \$10,000,000 for each of fiscal years  
5                   2011 through 2012.”.

6   **SEC. 3008. TECHNICAL ASSISTANCE FOR THE RESOLUTION**  
7                   **OF TRADE DISPUTES.**

8           (a) IN GENERAL.—The Secretary of Agriculture may  
9   provide monitoring, analytic support, and other technical  
10   assistance to limited resource persons and organizations  
11   associated with agricultural trade (as determined by the  
12   Secretary) to address unfair trade practices of foreign  
13   countries and to reduce trade barriers.

14          (b) AUTHORIZATION OF APPROPRIATIONS.—There  
15   are authorized such sums as necessary to carry out sub-  
16   section (a).

17   **SEC. 3009. REPRESENTATION BY THE UNITED STATES AT**  
18                   **INTERNATIONAL STANDARD-SETTING BOD-**  
19                   **IES.**

20          (a) IN GENERAL.—Pursuant to the authority of the  
21   Secretary provided by section 1458(a)(3) of the Food and  
22   Agriculture Act of 1977 (7 U.S.C. 3291(a)(3)), the Sec-  
23   retary is authorized to enhance United States support for  
24   international organizations, including the Food and Agri-  
25   culture Organization, the Codex Alimentarius Commis-

1 sion, the International Plant Protection Convention, and  
 2 the World Organization for Animal Health, that establish  
 3 international standards regarding food, food safety,  
 4 plants, and animals, respectively, by funding additional  
 5 positions of Associate Professional Officers to address san-  
 6 itary and phytosanitary priorities of the United States  
 7 within applicable international organizations.

8 (b) AUTHORIZATION OF APPROPRIATIONS.—There  
 9 are authorized to be appropriated such sums as necessary  
 10 to carry out this section for each of fiscal years 2007–  
 11 2012.

12 **SEC. 3010. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
 13 **PROGRAM.**

14 (a) FOREIGN MARKET DEVELOPMENT COOPERATOR  
 15 PROGRAM.—Subsection (c) of section 702 of the Agricul-  
 16 tural Trade Act of 1978 (7 U.S.C. 5722) is amended by  
 17 striking “Committee on International Relations” and in-  
 18 serting “Committee on Foreign Affairs”.

19 (b) FUNDING.—Subsection (a) of section 703 of such  
 20 Act (7 U.S.C. 5723) is amended by striking “2002  
 21 through 2007” and inserting “2008 through 2012”.

22 **SEC. 3011. EMERGING MARKETS.**

23 The Food, Agriculture, Conservation, and Trade Act  
 24 of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is

1 amended in each of subsections (a) and (d)(1)(A)(i) by  
2 striking “2007” and inserting “2012.

3 **SEC. 3012. EXPORT ENHANCEMENT PROGRAM.**

4 Section 301(e)(1)(G) of the Agricultural Trade Act  
5 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking  
6 “2007” and inserting “2012”.

7 **SEC. 3013. MINIMUM LEVEL OF NONEMERGENCY FOOD AS-**  
8 **SISTANCE.**

9 Section 412 of the Agricultural Trade Development  
10 and Assistance Act of 1954 (7 U.S.C. 1736f) is amended  
11 by inserting at the end the following new subsection:

12 “(e) MINIMUM LEVEL OF NONEMERGENCY FOOD AS-  
13 SISTANCE.—

14 “(1) FUNDS.—Of the amounts made available  
15 to carry out emergency and nonemergency food as-  
16 sistance programs under title II, not less than  
17 \$450,000,000 for each of fiscal years 2008 through  
18 2012 shall be expended for nonemergency food as-  
19 sistance programs under title II.

20 “(2) EXCEPTION.—The Administrator may use  
21 less than the amount specified in paragraph (1) for  
22 a fiscal year for nonemergency food assistance pro-  
23 grams under title II if—

24 “(A) the Administrator submits to the  
25 Committees on Foreign Affairs, Agriculture,

1           and Appropriations of the House of Representa-  
2           tives and the Committees on Appropriations  
3           and Agriculture, Nutrition, and Forestry of the  
4           Senate a report requesting the reduction and  
5           containing the reasons for the reduction; and

6                   “(B) following submission of the report,  
7           Congress enacts a law approving the Adminis-  
8           trator’s request.”.

9   **SEC. 3014. GERMPLASM CONSERVATION.**

10       (a) CONTRIBUTION.—The Administrator of the  
11   United States Agency for International Development shall  
12   contribute funds to endow the Global Crop Diversity Trust  
13   (in this section referred to as the “Trust”) to assist in  
14   the conservation of genetic diversity in food crops through  
15   the collection and storage of the germplasm of such crops  
16   in a manner that provides for—

17           (1) the maintenance and storage of seed collec-  
18   tions;

19           (2) the documentation and cataloguing of the  
20   genetics and characteristics of conserved seeds to en-  
21   sure efficient reference for researchers, plant breed-  
22   ers, and the public;

23           (3) building the capacity of seed collection in  
24   developing countries;

(6) oversight designed to ensure international coordination of these actions and efficient, public accessibility to this diversity through a cost-effective system.

(c) AUTHORIZATION.—There are authorized to be appropriated to carry out this section a total of \$60,000,000 over the period of fiscal year 2008 through fiscal year 2012.

24 (a) REPORT REQUIRED.—Not later than 90 days  
25 after the date of the enactment of this Act, the Adminis-

1 trator of the United States Agency for International De-  
2 velopment and the Secretary of Agriculture shall submit  
3 to the appropriate congressional committees a report on  
4 efforts taken by both the United States Agency for Inter-  
5 national Development and the Department of Agriculture  
6 to improve planning for food and transportation procure-  
7 ment, including efforts to eliminate bunching of food pur-  
8 chases.

9 (b) CONTENTS.—The report required under sub-  
10 section (a) should include, among other things, a descrip-  
11 tion of efforts taken to—

12 (1) improve coordination of food purchases by  
13 the United States Agency for International Develop-  
14 ment and the Department of Agriculture;

15 (2) increase flexibility in procurement sched-  
16 ules;

17 (3) increase utilization of historical analyses  
18 and forecasting; and

19 (4) improve and streamline legal claims proc-  
20 esses for resolving transportation disputes.

21 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-  
22 FINED.—In this section, the term “appropriate congres-  
23 sional committees” means—



1           (1) the Committee on Foreign Affairs and the  
2           Committee on Agriculture of the House of Rep-  
3           resentatives; and

4           (2) the Committee on Agriculture, Nutrition,  
5           and Forestry of the Senate.

6   **SEC. 3016. INTERNATIONAL DISASTER ASSISTANCE UNDER**  
7                           **THE FOREIGN ASSISTANCE ACT OF 1961.**

8           For each of the fiscal years 2008 through 2012, of  
9           the amounts made available to carry out section 491 of  
10          the Foreign Assistance Act of 1961 (22 U.S.C. 2292), not  
11          less than \$40,000,000 for each such fiscal year is author-  
12          ized be made available for the purposes of famine preven-  
13          tion and relief under such section.

14                           **TITLE IV—NUTRITION**  
15                           **PROGRAMS**

                          Subtitle A—Food Stamp Program

Sec. 4001. Renaming the food stamp program.

Sec. 4002. Definition of drug addiction or alcoholic treatment and rehabilita-  
                          tion program.

Sec. 4003. Nutrition education.

Sec. 4004. Food distribution on Indian reservations.

Sec. 4005. Excluding combat related pay from countable income.

Sec. 4006. Increasing the standard deduction.

Sec. 4007. Excluding dependent care expenses.

Sec. 4008. Adjusting countable resources for inflation.

Sec. 4009. Excluding education accounts from countable income.

Sec. 4010. Excluding retirement accounts from countable income.

Sec. 4011. Deobligate food stamp coupons.

Sec. 4012. Allow for the accrual of benefits.

Sec. 4013. Increasing the minimum benefit.

Sec. 4014. State option for telephonic signature.

Sec. 4015. Review of major changes in program design.

Sec. 4016. Grants for simple application and eligibility determination systems  
                          and improved access to benefits.

Sec. 4017. Civil money penalties and disqualification of retail food stores and  
                          wholesale food concerns.

- Sec. 4018. Major systems failures.
- Sec. 4019. Funding of employment and training programs.
- Sec. 4020. Reductions in payments for administrative costs.
- Sec. 4021. Cash payment pilot projects.
- Sec. 4022. Findings of Congress regarding Secure Supplemental Nutrition Assistance program nutrition education.
- Sec. 4023. Nutrition education and promotion initiative to address obesity.
- Sec. 4024. Authorization of appropriations.
- Sec. 4025. Consolidated block grants for Puerto Rico and American Samoa.
- Sec. 4026. Study on comparable access to Secure Supplemental Nutrition Assistance Program benefits for Puerto Rico.
- Sec. 4027. Reauthorization of community food project competitive grants.
- Sec. 4028. Emergency food assistance program.

#### Subtitle B—Commodity Distribution

- Sec. 4201. Authorization of appropriations.
- Sec. 4202. Distribution of surplus commodities; special nutrition projects.
- Sec. 4203. Commodity distribution program.

#### Subtitle C—Child Nutrition and Related Programs

- Sec. 4301. Purchase of fresh fruits and vegetables for distribution to schools and service institutions.
- Sec. 4302. Buy American requirements.
- Sec. 4303. Expansion of fresh fruit and vegetable program.
- Sec. 4304. Purchases of locally produced foods.

#### Subtitle D—Miscellaneous

- Sec. 4401. Seniors farmers' market nutrition program.
- Sec. 4402. Congressional Hunger Center.
- Sec. 4403. Joint nutrition monitoring and related research activities.
- Sec. 4404. Sense of the Congress.

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

### 2     **SEC. 4001. RENAMING THE FOOD STAMP PROGRAM.**

3         (a) AMENDMENTS TO THE FOOD STAMP ACT OF  
4     1977.—

5             (1) REFERENCES AMENDED.—The provisions of  
6     the Food Stamp Act of 1977 (7 U.S.C. 2011 et  
7     seq.)—

8             (A) specified in paragraph (2)(A) are  
9     amended in the section heading by striking  
10    “**FOOD STAMP**” each place it appears and in-

serting “**SECURE SUPPLEMENTAL NUTRI-**  
**TION ASSISTANCE**”;

(B) specified in paragraph (2)(B) are amended in the subsection heading by striking “FOOD STAMP” each place it appears and inserting “SECURE SUPPLEMENTAL NUTRITION ASSISTANCE”;

(C) specified in paragraph (2)(C) are amended by striking each place it appears “food stamp recipient” and inserting “member of a household that receives Secure Supplemental Nutrition Assistance Program benefits”,

(D) specified in paragraph (2)(D) are amended by striking “food stamp recipients” each place it appears and inserting “members of households that receive Secure Supplemental Nutrition Assistance Program benefits”,

(E) specified in paragraph (2)(E) are amended by striking “food stamp households” each place it appears and inserting “households that receive Secure Supplemental Nutrition Assistance Program benefits”;

(F) specified in paragraph (2)(F) are amended by striking “Simplified Food Stamp Program” each place it appears and inserting

1 “Simplified Secure Supplemental Nutrition As-  
2 sistance Program”;

3 (G) specified in paragraph (2)(H) are  
4 amended by striking “food stamp participants”  
5 each place it appears and inserting “partici-  
6 pants in the Secure Supplemental Nutrition As-  
7 sistance Program”;

8 (H) specified in paragraph (2)(I) are  
9 amended by striking “food stamp informational  
10 activities” each place it appears and inserting  
11 “informational activities relating to the Secure  
12 Supplemental Nutrition Assistance Program”;

13 (I) specified in paragraph (2)(J) are  
14 amended by striking “food stamp caseload”  
15 each place it appears and inserting “caseload  
16 under the Secure Supplemental Nutrition As-  
17 sistance Program”;

18 (J) specified in paragraph (2)(K) are  
19 amended by striking “State’s food stamp house-  
20 holds” each place it appears and inserting “the  
21 number of households in the State receiving Se-  
22 cure Supplemental Nutrition Assistance Pro-  
23 gram benefits”;

24 (K) specified in paragraph (2)(L) are  
25 amended in the section heading by striking

1           **“FOOD STAMP PORTION”** each place it ap-  
2           pears and inserting **“SECURE SUPPLE-**  
3           **MENTAL NUTRITION ASSISTANCE PRO-**  
4           **GRAM BENEFITS”**;

5           (L) specified in paragraph (2)(M) are  
6           amended by striking “food stamps” each place  
7           it appears and inserting “Secure Supplemental  
8           Assistance Nutrition Program benefits”;

9           (M) specified in paragraph (2)(N) are  
10          amended by striking “Food stamp program”  
11          each place it appears and inserting “Secure  
12          Supplemental Nutrition Assistance Program”;

13          (N) specified in paragraph (2)(o) are  
14          amended by striking “food stamp program ben-  
15          efits” each place it appears and inserting “Se-  
16          cure Supplemental Nutrition Program bene-  
17          fits”; and

18          (O) specified in paragraph (2)(O) are  
19          amended by striking “food stamp program”  
20          each place it appears and inserting “Secure  
21          Supplemental Nutrition Assistance Nutrition  
22          Program”.

23          (2) PROVISIONS REFERRED TO.—The provi-  
24          sions of the of the Food Stamp Act of 1977 referred  
25          to in paragraph (1) are the following:

- 1 (A) Sections 4 and 26.
- 2 (B) Section 6(j).
- 3 (C) Section 6(o)(6)(A)(ii).
- 4 (D)(i) Subparagraphs (D) and (E) of sec-
- 5 tion 6(o)(6);
- 6 (ii) sections 16(h)(1)(E)(i) and 12(a); and
- 7 (iii) paragraphs (1)(B)(ii)(II) and (3)(B)
- 8 of section 17(b).
- 9 (E) Sections 7(h)(3)(B)(ii), 9(b)(1), 12(a),
- 10 and 17(b)(1)(B)(ii)(I).
- 11 (F) Sections 11(e)(25) and 26(b).
- 12 (G) Section 11(f)(2)(B).
- 13 (H) Section 16(a).
- 14 (I) Section 16(e)(9)(C).
- 15 (J) Section 17(b)(1)(B)(iii)(I).
- 16 (K) Section 22.
- 17 (L)(i) Subsections (d)(3) and (o)(6)(A)(i)
- 18 of section 6;
- 19 (ii) paragraphs (2)(B)(v)(II) and (14) of
- 20 section 11(e); and
- 21 (iii) sections 12(e)(16), 17(b)(3)(C), and
- 22 18(a)(3)(A)(ii).
- 23 (M) Section 3(h).
- 24 (N)(i) In section 6—
- 25 (I) subsection (h); and

1 (II) in subsection (o)—

2 (aa) paragraph (2); and

3 (bb) subclauses (IV) and (V) of  
4 paragraph (6)(A)(ii).

5 (ii) Section 7(k)(2).

6 (iii) In section 11—

7 (I) subsection (e)(25)(A);

8 (II) paragraphs (1), (2), and (3) of  
9 subsection (s); and

10 (III) subsection (t)(1)(B).

11 (iv) In section 17—

12 (I) subsection (a)(2);

13 (II) paragraphs (1)(A), (2), and  
14 (3)(D) of subsection (b);

15 (III) paragraphs (1)(B), (2)(C)(ii),  
16 and (3)(E) of subsection (d); and

17 (IV) subsections (e) and (f).

18 (v) Section 21(d)(3).

19 (O)(i) Sections 2, 3(h), and 4.

20 (ii) In section 5—

21 (I) subsections (a), (b), (c), and (d);

22 (II) clauses (ii)(III) and (iv)(IV) of  
23 subsection (e)(6)(C);

24 (III) paragraphs (1), (3), and  
25 (6)(B)(iv) of subsection (g); and

1 (IV) subsections (h)(2)(A) and  
2 (k)(4)(B).

3 (iii) In section 6—

4 (I) subsections (a) and (b);

5 (II) in subsection (d)(1)—

6 (aa) subparagraphs (A) and (B);

7 (bb) clauses (i), (ii), and (iii) of  
8 subparagraph (C); and

9 (cc) clauses (v) and (vi) of sub-  
10 paragraph (D);

11 (III) paragraphs (2)(C), (3), and  
12 (4)(A)(i) of subsection (d);

13 (IV) subsections (e), (f), and (h);

14 (V) paragraphs (1) and (2) of sub-  
15 section (i); and

16 (VI) subsections (j), (k), (l)(1),  
17 (m)(1), (n), (o)(5)(A);

18 (iv) In section 7—

19 (I) subsections (a), (b), and (g);

20 (II) paragraphs (1) and (2)(B) of  
21 subsection (j); and

22 (III) in subsection (k)—

23 (aa) paragraph (3); and

24 (bb) subparagraphs (B)(ii) and  
25 (C) of paragraph (4).



- 1 (v) In section 8—  
2 (I) subsections (a), (c)(2), and (d)(2);  
3 (II) in subsection (f)—  
4 (aa) clauses (i)(II)(aa), (ii)(I),  
5 and (iv) of paragraph (1)(D); and  
6 (bb) paragraph (3)(B)(ii)(II)(bb).  
7 (vi) In section 9—  
8 (I) paragraphs (1) and (3) of sub-  
9 section (a); and  
10 (II) subsections (b)(1), (d), (e), and  
11 (g).  
12 (vii) In section 11—  
13 (I) subsections (c) and (d);  
14 (II) in subsection (e)—  
15 (aa) paragraph (1)(A);  
16 (bb) clauses (i) and (iv) of para-  
17 graph (2)(B); and  
18 (cc) paragraphs (10), (17),  
19 (20)(B), and (22);  
20 (III) subsections (f)(1), (g), (i), and  
21 (j)(1);  
22 (IV) paragraphs (1), (2), (3), and (4)  
23 of subsection (o);  
24 (V) subsections (p) and (q); and

1 (VI) paragraphs (2)(A) and (B)(4)(A)  
2 of subsection (t).  
3 (viii) Sections 12(a) and 14(a)(1).  
4 (ix) Subsections (b)(1) and (c) of section  
5 15.  
6 (x) In section 16—  
7 (I) subsection (a);  
8 (II) paragraph (1), (2), and (3) of  
9 subsection (b);  
10 (III) in subsection (c)—  
11 (aa) the matter preceding sub-  
12 paragraph (A);  
13 (bb) subparagraphs (D)(i)(II)  
14 and (F)(iii)(I) of paragraph (1); and  
15 (cc) subparagraphs (A), (B), and  
16 (C) of paragraph (9);  
17 (IV) subsections (e), (g), and (i)(1);  
18 and  
19 (V) in subsection (k)—  
20 (aa) subparagraphs (A) and (B)  
21 of paragraph (2);  
22 (bb) subparagraphs (A) and  
23 (B)(i) of paragraph (3); and  
24 (cc) subparagraphs (A)(ii) and  
25 (B)(iv)(II) of paragraph (5).

- 1 (xi) In section 17—  
2 (I) subsection (a)(1);  
3 (II) in subsection (b)—  
4 (aa) subparagraphs (A) and  
5 (B)(i) of paragraph (1); and  
6 (bb) subparagraph (2);  
7 (III) subsection (c);  
8 (IV) subparagraphs (A) and (C) of  
9 subsection (d) (2); and  
10 (V) subsections (e), (g), and (h)(2).  
11 (xii) Subsections (a)(3)(D), (b), (d), and  
12 (e) of section 18.  
13 (xiii) Subsections (a)(1) and (f) of section  
14 20.  
15 (xiv) In section 21—  
16 (I) subsection (a);  
17 (II) in subsection (b)—  
18 (aa) in paragraph (2)—  
19 (AA) clause (i) and (ii) of  
20 subparagraph (A);  
21 (BB) subparagraphs (B)  
22 and (C)(i);  
23 (CC) clause (ii), and sub-  
24 clauses (II), (III), and (IV) of

1 clause (iii), of subparagraph (F);  
2 and  
3 (DD) subparagraph (G)(i);  
4 (bb) paragraph (3);  
5 (cc) in paragraph (4)—  
6 (AA) subparagraphs (A) and  
7 (B); and  
8 (BB) the flush text at the  
9 end;  
10 (dd) paragraphs (5) and (7);  
11 (III) subsection (C)(2)(B);  
12 (IV) paragraphs (1)(A), (2), and (3)  
13 of subsection (d); and  
14 (V) paragraphs (1) and (2) of sub-  
15 section (f).  
16 (xv) In section 22—  
17 (I) subsection (a)(1);  
18 (II) in subsection (b)—  
19 (aa) paragraph (2);  
20 (bb) in paragraph (3)—  
21 (AA) subparagraphs (A) and  
22 (B)(ii);  
23 (BB) clauses (ii) and (iii) of  
24 subparagraph (C);

1 (CC) subparagraph (D)(ii);  
2 and  
3 (DD) clauses (i), (ii), and  
4 (iv) of subparagraph (E);  
5 (cc) paragraph (5);  
6 (dd) subparagraphs (B) and (C)  
7 of paragraph (6);  
8 (ee) subparagraphs (A) and (B)  
9 of paragraph (7);  
10 (ff) paragraphs (8) and (9);  
11 (gg) in paragraph (10)—  
12 (AA) subparagraph (A)  
13 (BB) clauses (i) and (ii) of  
14 subparagraph (B); and  
15 (CC) subparagraph (C); and  
16 (hh) paragraphs (11), (12), and  
17 (13);  
18 (III) in subsection (d)—  
19 (aa) paragraph (1)(B)(i); and  
20 (bb) paragraph (3); and  
21 (IV) subsections (g)1 and (h).  
22 (xvi) Section 23(c).  
23 (xvii) In section 26—  
24 (I) subparagraphs (B) and (C) of sub-  
25 section (c)(4); and

1 (II) subsection (f)(1).

2 (b) REFERENCES IN OTHER LAWS, DOCUMENT, AND  
3 RECORDS OF THE UNITED STATES.—In any law (exclud-  
4 ing the Food Stamp Act of 1977), regulation, rule, docu-  
5 ment, or record of the United States—

6 (1) a reference to food stamp recipients shall be  
7 deemed to be a reference to recipients of Secure  
8 Supplemental Nutrition Assistance Program bene-  
9 fits;

10 (2) a reference to food stamp households shall  
11 be deemed to be a reference to households that re-  
12 ceive Secure Supplemental Nutrition Assistance Pro-  
13 gram benefits;

14 (3) a reference to the Simplified Food Stamp  
15 Program shall be deemed to be a reference to the  
16 Simplified Secure Supplemental Nutrition Assistance  
17 Program;

18 (4) a reference to food stamp participants shall  
19 be deemed to be a reference to participants in the  
20 Secure Supplemental Nutrition Assistance Program;

21 (5) a reference to food stamp informational ac-  
22 tivities shall be deemed to be a reference to informa-  
23 tional activities relating to the Secure Supplemental  
24 Nutrition Assistance Program;

1           (6) a reference to food stamp caseload shall be  
 2       deemed to be a reference to caseload under the Se-  
 3       cure Supplemental Nutrition Assistance Program;

4           (7) a reference to food stamps shall be deemed  
 5       to be a reference to Secure Supplemental Nutrition  
 6       Assistance Program benefits; and

7           (8) a reference to the food stamp program shall  
 8       be deemed to be a reference to Secure Supplemental  
 9       Nutrition Assistance Program.

10 **SEC. 4002. DEFINITION OF DRUG ADDICTION OR ALCO-**  
 11 **HOLIC TREATMENT AND REHABILITATION**  
 12 **PROGRAM.**

13       Section 3(f) of the Food Stamp Act of 1977 (7  
 14 U.S.C. 2012(f)) is amended by striking “ center, under  
 15 part B of title XIX of the Public Health Service Act (42  
 16 U.S.C. 300x et seq.)” and inserting “center, that is—

17           “(1) tax exempt; and

18           “(2) certified by the State title XIX agency,  
 19       under part B of title XIX of the Public Health Serv-  
 20       ice Act (42 U.S.C. 300x et seq.), as receiving fund-  
 21       ing under part B, eligible to receive funding under  
 22       part B even if no funds are being received, or oper-  
 23       ating to further the purposes of part B, except that  
 24       nothing in this paragraph shall be construed to re-

1        require State or Federal licensure to meet these re-  
2        quirements;”.

3    **SEC. 4003. NUTRITION EDUCATION.**

4        (a) AUTHORITY TO PROVIDE NUTRITION EDU-  
5        CATION.—Section 4(a) of the Food Stamp Act of 1977  
6        (7 U.S.C. 2013(a)) is amended in the first sentence by  
7        inserting “and through an approved State plan, nutrition  
8        education” after “an allotment”.

9        (b) IMPLEMENTATION.—Section 11(f) of the Food  
10       Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended to read  
11       as follows:

12       “(f) NUTRITION EDUCATION.—

13                “(1) IN GENERAL.—State agencies may imple-  
14        ment a nutrition education program for individuals  
15        eligible for Secure Supplemental Nutrition Assist-  
16        ance Program benefits that promotes healthy food  
17        choices consistent with current Dietary Guidelines.

18                “(2) DELIVERY OF NUTRITION EDUCATION.—  
19        State agencies may deliver nutrition education di-  
20        rectly to eligible persons or through agreements with  
21        the Cooperative State Research, Education and Ex-  
22        tension Service, including through the expanded food  
23        and nutrition education under section 3(d) of the  
24        Act of May 8, 1914 (7 U.S.C. 343(d)), and other



1 State and community health and nutrition providers  
2 and organizations.

3 “(3) NUTRITION EDUCATION STATE PLANS.—  
4 State agencies wishing to provide nutrition education  
5 under this subsection shall submit a Nutrition Edu-  
6 cation State Plan to the Food and Nutrition Service  
7 for approval. The plan shall identify the uses of the  
8 funding for local projects and conform to standards  
9 set forth by the Secretary in regulations or guid-  
10 ance. State costs for providing nutrition education  
11 under this subsection shall be reimbursed pursuant  
12 to section 16(a).

13 “(4) NOTIFICATION.—Whenever practicable,  
14 State agencies shall notify applicants, participants,  
15 and eligible program participants of the availability  
16 of nutrition education under this subsection.”.

17 **SEC. 4004. FOOD DISTRIBUTION ON INDIAN RESERVATIONS.**

18 (a) IN GENERAL.—Section 4 of the Food Stamp Act  
19 of 1977 (7 U.S.C. 2013) is amended by striking sub-  
20 section (b) and inserting the following:

21 “(b) FOOD DISTRIBUTION PROGRAM ON INDIAN  
22 RESERVATIONS.—

23 “(1) IN GENERAL.—Distribution of commod-  
24 ities, with or without the Secure Supplemental Nu-  
25 trition Assistance Program, shall be made whenever

1 a request for concurrent or separate food program  
2 operations, respectively, is made by a tribal organi-  
3 zation.

4 “(2) ADMINISTRATION.—

5 “(A) IN GENERAL.—Subject to subpara-  
6 graphs (B) and (C), in the event of a distribu-  
7 tion on all or part of an Indian reservation, the  
8 appropriate agency of the State government in  
9 the area involved shall be responsible for the  
10 distribution.

11 “(B) ADMINISTRATION BY TRIBAL ORGANI-  
12 ZATION.—If the Secretary determines that a  
13 tribal organization is capable of effectively and  
14 efficiently administering a distribution de-  
15 scribed in subparagraph (A), then the tribal or-  
16 ganization shall administer the distribution.

17 “(C) PROHIBITION.—The Secretary shall  
18 not approve any plan for a distribution de-  
19 scribed in subparagraph (A) that permits any  
20 household on any Indian reservation to partici-  
21 pate simultaneously in the Secure Supplemental  
22 Nutrition Assistance Program and the distribu-  
23 tion of federally donated foods.

24 “(3) DISQUALIFIED PARTICIPANTS.—The Sec-  
25 retary shall ensure that an individual who is dis-

1 qualified from participation in the Food Distribution  
2 Program on Indian Reservations under this sub-  
3 section is not eligible to participate in the Secure  
4 Supplemental Nutrition Assistance Program under  
5 this Act.

6 “(4) ADMINISTRATIVE COSTS.—The Secretary  
7 is authorized to pay such amounts for administrative  
8 costs of such distribution on Indian reservations as  
9 the Secretary finds necessary for effective adminis-  
10 tration of such distribution by a State agency or  
11 tribal organization.

12 “(5) TRADITIONAL AND LOCAL FOODS FUND.—

13 “(A) IN GENERAL.—The Secretary shall  
14 establish a fund to purchase traditional and lo-  
15 cally-grown food, designated by region, for re-  
16 cipients of food distributed under this sub-  
17 section.

18 “(B) NATIVE AMERICAN PRODUCERS.—  
19 For recipients of food distributed under sub-  
20 paragraph (A), at least 50 percent shall be pro-  
21 duced by Native American farmers, ranchers,  
22 and producers.

23 “(C) DEFINITION OF TRADITIONAL AND  
24 LOCALLY GROWN.—The Secretary, in conjunc-  
25 tion with the Indian Tribal Organizations, will

1 determine the definition of traditional and lo-  
2 cally-grown.

3 “(D) AUTHORIZATION OF APPROPRIA-  
4 TIONS.—There is authorized to be appropriated  
5 to the Secretary \$5,000,000 for each of the fis-  
6 cal years 2008 through 2012 to carry out sub-  
7 paragraph (A).”.

8 (b) FDPIR FOOD PACKAGE.—Not later than 180  
9 days after the date of enactment of this Act, the Secretary  
10 of Agriculture shall submit to the Committee on Agri-  
11 culture of the House of Representatives and the Com-  
12 mittee on Agriculture, Nutrition, and Forestry of the Sen-  
13 ate a report that describes—

14 (1) how the Secretary derives the process for  
15 determining the food package under the Food Dis-  
16 tribution Program on Indian Reservations estab-  
17 lished under section 4(b) of the Food Stamp Act of  
18 1977 (7 U.S.C. 2013(b)) (referred to in this sub-  
19 section as the “food package”);

20 (2) the extent to which the food package—

21 (A) conforms (or fails to conform) to the  
22 2005 Dietary Guidelines for Americans pub-  
23 lished under section 301 of the National Nutri-  
24 tion Monitoring and Related Research Act of  
25 1990 (7 U.S.C. 5341);

1 (B) addresses (or fails to address) the nu-  
 2 tritional and health challenges that are specific  
 3 to Native Americans; and

4 (C) addresses (or fails to address) the nu-  
 5 tritional needs of low-income Native Americans,  
 6 compared to the Secure Supplemental Nutrition  
 7 Assistance Program;

8 (3) any plans of the Secretary to revise and up-  
 9 date the food package to conform with the most re-  
 10 cent Dietary Guidelines for Americans, including  
 11 any costs associated with the planned changes; and

12 (4) if the Secretary does not plan changes to  
 13 the food package, the rationale of the Secretary for  
 14 retaining the food package.

15 **SEC. 4005. EXCLUDING COMBAT RELATED PAY FROM**  
 16 **COUNTABLE INCOME.**

17 Section (5)(d) of the Food Stamp Act of 1977 (7  
 18 U.S.C. 2014(d)) is amended—

19 (1) by striking “and (18)”, and inserting  
 20 “(18)”, and

21 (2) by inserting before the period at the end the  
 22 following: “and (19) any additional payment received  
 23 under Chapter 5 of title 37, United States Code, by  
 24 (or as an allotment to or transfer from) a member  
 25 of the United States Armed Forces deployed to a

1 designated combat zone for the duration of the  
2 member's deployment to or service in a combat zone  
3 if the additional pay was not received immediately  
4 prior to serving in that or another combat zone.”.

5 **SEC. 4006. INCREASING THE STANDARD DEDUCTION.**

6 Section (5)(e)(1) of the Food Stamp Act of 1977 (7  
7 U.S.C. 2014(e)(1)) is amended—

8 (1) in subparagraph (A)(ii) by striking “not  
9 less than \$134” and all that follows through the pe-  
10 riod at the end, and inserting the following: “not  
11 less than \$145, \$248, \$205, and \$128, respectively.  
12 On October 1, 2008, and each October 1 thereafter,  
13 such standard deduction shall be an amount that is  
14 equal to the amount from the previous fiscal year  
15 adjusted to the nearest lower dollar increment to re-  
16 flect changes in the Consumer Price Index for All  
17 Urban Consumers published by the Bureau of Labor  
18 Statistics, for items other than food, for the 12  
19 months ending the preceding June 30.”; and

20 (2) in subparagraph (B)(ii) by striking “not  
21 less than \$269.” and inserting the following: “not  
22 less than \$291. On October 1, 2008, and each Octo-  
23 ber 1 thereafter, such standard deduction shall be  
24 an amount that is equal to the amount of the pre-  
25 vious fiscal year adjusted to the nearest dollar incre-

1       ment to reflect changes in the Consumer Price Index  
 2       for All Urban Consumers published by the Bureau  
 3       of Labor Statistics, for items other than food, for  
 4       the 12 months ending the preceding June 30.”.

5   **SEC. 4007. EXCLUDING DEPENDENT CARE EXPENSES.**

6       Section (5)(e)(3)(A) of the Food Stamp Act of 1977  
 7   (7 U.S.C. 2014(e)(3)(A)) is amended by striking “, the  
 8   maximum allowable level of which shall be \$200 per month  
 9   for each dependent child under 2 years of age and \$175  
 10   per month for each other dependent,”.

11   **SEC. 4008. ADJUSTING COUNTABLE RESOURCES FOR IN-**  
 12                   **FLATION.**

13       Section (5)(g) of the Food Stamp Act of 1977 (7  
 14   U.S.C. 2014(g)) is amended—

15               (1) by striking “(g)(1) The Secretary” and in-  
 16       serting the following:

17       “(g) ALLOWABLE FINANCIAL RESOURCES.—

18               “(1) TOTAL AMOUNT.—

19                       “(A) IN GENERAL.—The Secretary”.

20               (2) in subparagraph (A) (as so designated by  
 21       paragraph (1))—

22                       (A) by inserting “(as adjusted in accord-  
 23               ance with subparagraph (B))” after “\$2,000”;  
 24               and

1 (B) by inserting “(as adjusted in accord-  
2 ance with subparagraph (B))” after “\$3,000”;  
3 and  
4 (3) by adding at the end the following:

5 “(B) ADJUSTMENT FOR INFLATION.—

6 “(i) IN GENERAL.—Beginning on Oc-  
7 tober 1, 2007, and each October 1 there-  
8 after, the amounts in subparagraph (A)  
9 shall be adjusted to the nearest \$100 in-  
10 crement to reflect changes for the 12-  
11 month period ending the preceding June in  
12 the Consumer Price Index for All Urban  
13 Consumers published by the Bureau of  
14 Labor Statistics of the Department of  
15 Labor.

16 “(ii) REQUIREMENT.—Each adjust-  
17 ment under clause (i) shall be based on the  
18 unrounded amount for the prior 12-month  
19 period.”.

20 **SEC. 4009. EXCLUDING EDUCATION ACCOUNTS FROM**  
21 **COUNTABLE INCOME.**

22 Section (5)(g) of the Food Stamp Act of 1977 (7  
23 U.S.C. 2014(g)) is amended by adding at the end the fol-  
24 lowing:



1           “(7) EXCLUSION OF EDUCATION ACCOUNTS  
2 FROM COUNTABLE RESOURCES.—

3           “(A) MANDATORY EXCLUSIONS.—The Sec-  
4 retary shall exclude from financial resources  
5 under this subsection the value of any funds in  
6 a qualified tuition program described in section  
7 529 of the Internal Revenue Code of 1986 or  
8 in a Coverdell education savings account under  
9 section 530 of that Code.

10           “(B) DISCRETIONARY EXCLUSIONS.—The  
11 Secretary may also exclude from financial re-  
12 sources under this subsection the value of any  
13 program or account included in any successor  
14 or similar provision that is enacted and deter-  
15 mined to be exempt from taxation under the In-  
16 ternal Revenue Code of 1986.”.

17 **SEC. 4010. EXCLUDING RETIREMENT ACCOUNTS FROM**  
18 **COUNTABLE INCOME.**

19       Section (5)(g) of the of the Food Stamp Act of 1977  
20 (7 U.S.C. 2014(g)), as amended by section 4009, is  
21 amended—

22           (1) in subsection (g)(2)(B)(v) by striking “or  
23 retirement account (including an individual ac-  
24 count)” and inserting “account”; and

25           (2) adding at the end the following:

1           “(8) EXCLUSION OF RETIREMENT ACCOUNTS  
2 FROM COUNTABLE RESOURCES.—

3           “(A) MANDATORY EXCLUSIONS.—The Sec-  
4 retary shall exclude from financial resources  
5 under this subsection the value of any funds in  
6 a plan, contract, or account as described in sec-  
7 tion 401(a), 403(a), 403(b), 408, 408A, 457(b),  
8 or 501(c)(18) of the Internal Revenue Code of  
9 1986 and the value of funds in a Federal Thrift  
10 Savings Plan account as provided section 8439  
11 of title 5, United States Code.

12           “(B) DISCRETIONARY EXCLUSIONS.—

13           “(i) The Secretary may exclude from  
14 financial resources under this subsection  
15 any other retirement plans, contracts, or  
16 accounts that have been determined to be  
17 tax qualified retirement plans, contracts,  
18 or accounts, under the Internal Revenue  
19 Code of 1986.

20           “(ii) The Secretary may also exclude  
21 from financial resources under this sub-  
22 section the value of any program or ac-  
23 count included in any successor or similar  
24 provision that is enacted and determined to

1                   be exempt from taxation under the Inter-  
2                   nal Revenue Code of 1986.”.

3 **SEC. 4011. DEOBLIGATE FOOD STAMP COUPONS.**

4           (a) IN GENERAL.—Section 7 of the Food Stamp Act  
5 of 1977 (7 U.S.C. 2016) is amended—

6                   (1) by striking the section designation and  
7                   heading and all that follows through “subsection (j))  
8                   shall be” and inserting the following:

9 **“SEC. 7. ISSUANCE AND USE OF BENEFITS.**

10           “(a) IN GENERAL.—Except as provided in subsection  
11 (j), EBT cards shall be”.

12                   (2) in subsection (b)—

13                           (A) by striking “(b) Coupons” and insert-  
14                   ing the following:

15           “(b) USE.—Benefits”; and

16                           (B) by striking “: *Provided further*” and all  
17                   that follows through “denominations issued”;

18                   (3) in subsection (c)—

19                           (A) by striking “(c) Coupons” and insert-  
20                   ing the following:

21           “(c) DESIGN.—

22                           “(1) IN GENERAL.—EBT cards”;

23                           (B) in the 1st sentence by striking “and  
24                   define their denomination”; and

1 (C) by striking the 2d sentence and insert-  
2 ing the following:

3 “(2) PROHIBITION.—The name of any public  
4 official shall not appear on any EBT card.”;

5 (4) by striking subsection (d);

6 (5) in subsection (e)—

7 (A) by striking “coupons” each place it ap-  
8 pears and inserting “benefits”; and

9 (B) by striking “coupon issuers” each  
10 place it appears and inserting “benefit issuers”;

11 (6) in subsection (f)—

12 (A) by striking “coupons” each place it ap-  
13 pears and inserting “benefits”;

14 (B) by striking “coupon issuer” and insert-  
15 ing “benefit issuer”; and

16 (C) by striking “section 11(e)(20)” and all  
17 that follows through the period and inserting  
18 “section 11(e)(19).”;

19 (7) by amending subsection (g) to read as fol-  
20 lows:

21 “(g) BENEFIT SYSTEM.—

22 “(1) COST.—The cost of documents or systems  
23 that may be required by subsection (i) may not be  
24 imposed upon a retail food store participating in the  
25 Secure Supplemental Nutrition Assistance Program.

1           “(2) DEVALUATION AND TERMINATION OF  
2       ISSUANCE OF PAPER COUPONS.—

3           “(A) COUPON ISSUANCE.—Beginning on  
4       the effective date of this subsection, no State  
5       shall issue any coupon, stamp, certificate, or  
6       authorization card to a household that receives  
7       benefits under this Act.

8           “(B) EBT CARDS.—Beginning 1 year after  
9       the effective date of this subsection, only an  
10      EBT card issued under subsection (i) shall be  
11      eligible for exchange at any retail food store.

12          “(C) DE-OBLIGATION OF COUPONS.—Cou-  
13      pons not redeemed in the 1-year period begin-  
14      ning on the effective date of this subsection will  
15      no longer be an obligation of the Federal Gov-  
16      ernment and shall not be redeemable.”.

17          (8) in subsection (h)(1) by striking “coupons”  
18      and inserting “benefits”;

19          (9) in subsection (j)—

20              (A) in paragraph (2)(A)(ii) by striking  
21              “printing, shipping, and redeeming coupons”  
22              and inserting “issuing and redeeming benefits”;  
23              and

24              (B) in paragraph (5) by striking “coupon”  
25              and inserting “benefit”; and

1 (10) in subsection (k)—

2 (A) by striking “coupons in the form of”  
3 each place it appears and inserting “benefits in  
4 the form of”; and

5 (B) by striking “a coupon issued in the  
6 form of” each place it appears and inserting  
7 “benefits in the form of”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 3 of the Food Stamp Act of 1977  
10 (7 U.S.C. 2012) is amended—

11 (A) in subsection (a) by striking “coupons”  
12 and inserting “benefits”;

13 (B) by amending subsection (b) to read as  
14 follows:

15 “(b) ‘Benefit’ means the value of assistance provided  
16 under this Act to a household by means of an electronic  
17 benefit transfer under section 7(i), or other means of pro-  
18 viding assistance, as determined by the Secretary.”;

19 (C) in the 1st sentence of subsection (c) by  
20 striking “authorization cards” and inserting  
21 “benefits”;

22 (D) in subsection (d) by striking “or ac-  
23 cess device” and all that follows through “num-  
24 ber”;

25 (E) in subsection (e)—

1 (i) by striking “coupon issuer” and in-  
2 serting “benefit issuer”; and

3 (ii) by striking “coupons” and insert-  
4 ing “benefits”;

5 (F) by inserting after subsection (f) the  
6 following:

7 “(f-1) EBT CARD.—The term ‘EBT card’ means an  
8 electronic benefit transfer card issued under section 7(i).”;

9 (G) in subsection (i)(5)(D) by striking  
10 “coupons” and inserting “benefits”; and

11 (H) in subsection (t) by inserting “includ-  
12 ing point of sale devices,” after “other means of  
13 access”.

14 (2) Section 4(a) of the Food Stamp Act of  
15 1977 (7 U.S.C. 2013(a)) is amended—

16 (A) by striking “coupons” each place it ap-  
17 pears and inserting “benefits”; and

18 (B) by striking “coupons issued” and in-  
19 serting “benefits issued”.

20 (3) Section 5(i)(2)(E) of the Food Stamp Act  
21 of 1977 (7 U.S.C. 2014(i)(2)(E)) is amended by  
22 striking “, as defined in section 3(i) of this Act,”.

23 (4) Section 6(b)(1) of the Food Stamp Act of  
24 1977 (7 U.S.C. 2015(b)(1)) is amended—

1 (A) in subparagraph (B) by striking “cou-  
2 pons or authorization cards” and inserting  
3 “benefits”; and

4 (B) by striking “coupons” each place it ap-  
5 pears and inserting “benefits”.

6 (5) Section 7(j)(5) is amended by striking “cou-  
7 pon” and inserting “benefit”.

8 (6) Section 8(b) of the Food Stamp Act of  
9 1977 (7 U.S.C. 2017(b)) is amended by striking “,  
10 whether through coupons, access devices, or other-  
11 wise”.

12 (7) Section 9 of the Food Stamp Act of 1977  
13 (7 U.S.C. 2018) is amended—

14 (A) by striking “coupons” each place it ap-  
15 pears and inserting “benefits”; and

16 (B) in subsection (a)—

17 (i) in paragraph (1) by striking “cou-  
18 pon” and inserting “benefit”; and

19 (ii) in paragraph (3) by striking “cou-  
20 pons, or to redeem”.

21 (8) Section 10 of the Food Stamp Act of 1977  
22 (7 U.S.C. 2019) is amended—

23 (A) by striking the section designation and  
24 heading and all that follows through “Regula-  
25 tions” and inserting the following:



1 **“SEC. 10. REDEMPTION OF BENEFITS.**

2 “Regulations”; and

3 (B) by striking “coupons” each place it ap-  
4 pears and inserting “benefits”.

5 (9) Section 11 of the Food Stamp Act of 1977  
6 (7 U.S.C. 2020) is amended—

7 (A) in subsection (e)—

8 (i) in paragraph (15) by striking  
9 “when using its authorization card in order  
10 to receive its coupons” and inserting  
11 “when receiving benefits”; and

12 (ii) in paragraph (19) by striking  
13 “that,” and all that follows through “para-  
14 graph;” and inserting “that eligible house-  
15 holds may be required to present photo-  
16 graphic identification cards in order to re-  
17 ceive their benefits.”;

18 (B) in subsection (h) by striking “coupon  
19 or coupons” and inserting “benefits”;

20 (C) by striking “coupon” each place it ap-  
21 pears and inserting “benefit”; and

22 (D) by striking “coupons” each place it  
23 appears and inserting “benefits”.

24 (10) Section 13 of the Food Stamp Act of 1977  
25 (7 U.S.C. 2022) is amended by striking “coupons”  
26 each place it appears and inserting “benefits”.

1           (11) Section 15 of the Food Stamp Act of 1977  
2       (7 U.S.C. 2024) is amended—

3           (A) in subsection (a) by striking “coupons”  
4       and inserting “benefits”;

5           (B) in subsection (b)(1)—

6               (i) by striking “coupons” each place it  
7       appears and inserting “benefits”;

8               (ii) by striking “coupons or authoriza-  
9       tion cards” and inserting “benefits”; and

10              (iii) by striking “access device” each  
11       place it appears and inserting “benefit”;

12           (C) in subsection (c) by striking “coupons”  
13       each place it appears and inserting “benefits”;

14           (D) in subsection (d) by striking “Cou-  
15       pons” and inserting “Benefits”;

16           (E) in subsections (e) and (f) by striking  
17       “coupon” each place it appears and inserting  
18       “benefit”; and

19           (F) in subsection (g) by striking “coupon,  
20       authorization cards or access devices” and in-  
21       serting “benefits”; and

22       (12) Section 16(a) of the Food Stamp Act of  
23       1977 (7 U.S.C. 2025(a)) is amended by striking  
24       “coupons” each place it appears and inserting “ben-  
25       efits”.

1           (13) Section 17 of the Food Stamp Act of 1977  
2       (7 U.S.C. 2026) is amended—

3           (A) in subsection (a)(2) by striking “cou-  
4       pon” and inserting “benefit”;

5           (B) in subsection (b)(1)—

6           (i) in subparagraph (B)(v)—

7               (I) by striking “countersigned  
8       food coupons or similar”; and

9               (II) by striking “food coupons”  
10       and inserting “EBT cards”; and

11           (ii) in subparagraph (C)(i)(I) by strik-  
12       ing “coupons” and inserting “EBT cards”;  
13       and

14           (C) in subsection (j) by striking “coupon”  
15       and inserting “benefit”.

16       (14) Section 21 of the Food Stamp Act of 1977  
17       (7 U.S.C. 2030) is amended—

18           (A) in subsection (d)(3)—

19               (i) by striking “food coupons” and in-  
20       serting “benefits”; and

21               (ii) by striking “food stamp benefits”  
22       and inserting “benefits”.

23       (15) Section 22 of the Food Stamp Act of 1977  
24       (7 U.S.C. 2031) is amended—

1 (A) by striking “food coupons” each place  
2 it appears and inserting “benefits”;

3 (B) by striking “coupons” each place it ap-  
4 pears and inserting “benefits”; and

5 (C) in subsection (g)(1)(A) by striking  
6 “coupon” and inserting “benefit”.

7 (c) REFERENCES IN OTHER LAWS, DOCUMENTS,  
8 AND RECORDS OF THE UNITED STATES.—In any law (ex-  
9 cluding the Food Stamp Act of 1977), regulation, rule,  
10 document, or record of the United States, a reference to  
11 “coupon”, “authorization card”, or “other access device”  
12 as used in the Food Stamp Act of 1977 as in effect before  
13 the date of the enactment of this Act shall be deemed to  
14 be a reference to “benefit” as defined in such Act as in  
15 effect after the date of the enactment of this Act.

16 **SEC. 4012. ALLOW FOR THE ACCRUAL OF BENEFITS.**

17 Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C.  
18 2016(i)) is amended by adding at the end the following:

19 “(12) RECOVERING ELECTRONIC BENEFITS.—

20 “(A) A State agency may recover benefits  
21 from a household’s electronic benefits account  
22 because of inactivity in the account after the  
23 household has not accessed the account the  
24 lesser of—

1 “(i) 3 months during which the ac-  
 2 count has continuously had a balance in  
 3 excess of \$1,000, adjusted for changes in  
 4 the thrifty food plan since June 2007; or  
 5 “(ii) 12 months.

6 “(B) A household whose benefits are recov-  
 7 ered under subparagraph (A) shall receive no-  
 8 tice and shall have the benefits made available  
 9 again upon a request made during a period of  
 10 not less than 12 months after the recovery.”.

11 **SEC. 4013. INCREASING THE MINIMUM BENEFIT.**

12 Section 8(a) of the Food Stamp Act of 1977 (7  
 13 U.S.C. 2017(a)) is amended by striking “\$10 per month”  
 14 and inserting “10 percent of the thrifty food plan for a  
 15 household containing 1 member, as determined by the Sec-  
 16 retary under section 3(o)”.

17 **SEC. 4014. STATE OPTION FOR TELEPHONIC SIGNATURE.**

18 Section 11(e)(2)(C) of the Food Stamp Act of 1977  
 19 (7 U.S.C. 2020(e)(2)(C)) is amended—

- 20 (1) by inserting “(i)” after “(C)”; and
- 21 (2) by adding at the end the following:

22 “(ii) A State agency may establish a sys-  
 23 tem by which an applicant household may sign  
 24 an application through a recorded verbal assent  
 25 over the telephone. Any such system shall—

1           “(I) record for future reference the  
2 household member’s verbal assent and the  
3 information to which assent was given;

4           “(II) include effective safeguards  
5 against impersonation, identity theft, or in-  
6 vasions of privacy;

7           “(III) not deny or interfere with the  
8 right of the household to apply in writing;

9           “(IV) promptly send the household  
10 member a written copy of the application,  
11 with instructions on a simple procedure for  
12 correcting any errors or omissions;

13           “(V) comply with paragraph (1)(B);

14           “(VI) satisfy all requirements for a  
15 signature on an application under this Act  
16 and other laws applicable to the Secure  
17 Supplemental Nutrition Assistance Pro-  
18 gram, with the date on which the house-  
19 hold member provides verbal assent effec-  
20 tive as the date of application for all pur-  
21 poses; and

22           “(VII) comply with such other stand-  
23 ards as the Secretary may establish.”.

1 **SEC. 4015. REVIEW OF MAJOR CHANGES IN PROGRAM DE-**  
2 **SIGN.**

3 (a) PROHIBITION.—Section 11(e)(6) of the Food  
4 Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

5 (1) in subparagraph (A) by striking “and” at  
6 the end;

7 (2) by striking subparagraph (B) and inserting  
8 the following:

9 “(B) except as provided in section 5(h)(4),  
10 only State employees employed in accordance  
11 with the current standards for a Merit System  
12 of Personnel Administration, or any standards  
13 later prescribed by the Office of Personnel  
14 Management pursuant to section 208 of the  
15 Intergovernmental Personnel Act of 1970 (42  
16 U.S.C. 4728) modifying or superseding such  
17 standards relating to the establishment and  
18 maintenance of personnel standards on a merit  
19 basis, shall undertake such certifications and  
20 shall—

21 “(i) represent the State agency in any  
22 official communications with a prospective  
23 applicant, applicant, or recipient household  
24 regarding their application or participa-  
25 tion, except that a nonprofit organization  
26 may assist a household under paragraph

1 (1) through activities allowable under sec-  
2 tion 16(a)(4);

3 “(ii) participate in making any deter-  
4 minations relating to a household’s sub-  
5 stantive or procedural compliance with the  
6 requirements of this Act or implementing  
7 regulations, including the adequacy of the  
8 household’s application or of verification or  
9 other information the household has sub-  
10 mitted in support of that application; or

11 “(iii) participate in making any other  
12 determinations required under this sub-  
13 section;

14 except that nothing in this subparagraph shall  
15 prevent a State agency from contracting for  
16 automated systems, issuance services or pro-  
17 gram information activities reimbursed under  
18 paragraph (2), (3), (4), or (6) of section 16(a)  
19 or under section 16(g) or for assisting in the  
20 verification of an applicant’s identity; and

21 “(C) the State agency shall not use any  
22 Federal funds—

23 “(i) to implement, to perform, or to  
24 carry out any contract that does not com-



1                   ply with the requirements in effect under  
2                   subparagraph (B); or

3                   “(ii) to pay any cost associated with  
4                   the termination, breach, or full or partial  
5                   abrogation, of any contract that does not  
6                   comply with the requirements in effect  
7                   under such subparagraph;”.

8           (b) WAIVERS.—Section 17(b)(1)(B)(iv)(III)(ff) of the  
9 Food Stamp Act of 1977 (7 U.S.C.  
10 2026(b)(1)(B)(iv)(III)(ff)) is amended by inserting “or  
11 11(e)(6)(B)” before the semicolon at the end.

12           (c) PROJECTS.—Section 26(f)(3)(E) of the Food  
13 Stamp Act of 1977 (7 U.S.C. 2035(f)(3)(E)) is amended  
14 by inserting “(6)(B),” after “paragraphs”.

15           (d) DISASTERS.—Section 5(h) of the Food Stamp  
16 Act of 1977 (7 U.S.C. 2014(h)) is amended by inserting  
17 at the end:

18                   “(4) The Secretary may authorize a state agen-  
19                   cy, on a temporary basis, to use employees or indi-  
20                   viduals that do not meet the standards prescribed  
21                   under section 11(e)(6)(B) in order to determine eli-  
22                   gibility for a disaster food stamp program under this  
23                   subsection.”.

24           (e) DISALLOWANCE OF FUNDS.—No funds shall be  
25 available under any appropriations act for implementing

1 or continuing any contract that does not comply with sec-  
2 tion 11(e)(6)(B) of the Food Stamp Act of 1977 (7 U.S.C.  
3 2020(e)(6)(B)) as amended by subsection (a) nor for any  
4 costs associated with the termination or full or partial ab-  
5 rogation of such contract.

6 (f) TRANSITION PERIOD.—Subsection (e) shall not  
7 apply to the costs of implementing, continuing, or renego-  
8 tiating any contract concluded before January 1, 2007,  
9 (but shall apply to any costs associated with the termi-  
10 nation or full or partial abrogation of such contract) until  
11 the first day of the first month beginning at least 120  
12 days after the date of enactment of this Act.

13 **SEC. 4016. GRANTS FOR SIMPLE APPLICATION AND ELIGI-**  
14 **BILITY DETERMINATION SYSTEMS AND IM-**  
15 **PROVED ACCESS TO BENEFITS.**

16 Section 11(t)(1) of the Food Stamp Act of 1977 (7  
17 U.S.C. 2020(t)(1)) is amended by striking “2007” and in-  
18 serting “2012”.

19 **SEC. 4017. CIVIL MONEY PENALTIES AND DISQUALIFICA-**  
20 **TION OF RETAIL FOOD STORES AND WHOLE-**  
21 **SALE FOOD CONCERNS.**

22 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.  
23 2021) is amended—

1 (1) by striking the section heading and all that  
2 follows through “(a) Any approved”, and inserting  
3 the following:

4 **“SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION**  
5 **OF RETAIL FOOD STORES AND WHOLESALE**  
6 **FOOD CONCERNS.**

7 “(a) DISQUALIFICATION.—

8 “(1) IN GENERAL.—An approved”;

9 (2) in subsection (a)—

10 (A) in the 1st sentence by striking  
11 “\$10,000 for each violation” and all that fol-  
12 lows through the period at the end, and insert-  
13 ing “\$100,000 for each violation.”; and

14 (B) in the 2d sentence—

15 (i) by striking “Regulations” and in-  
16 serting the following:

17 “(2) REGULATIONS.—Regulations”;

18 (ii) by striking “finding of a violation  
19 and the” and inserting “finding of a viola-  
20 tion,”;

21 (iii) by inserting a comma after “dis-  
22 qualification of”; and

23 (iv) by striking “a retail store” and  
24 inserting “and the assessment of a civil  
25 money penalty against, a retail store”;

1 (3) in subsection (b)—

2 (A) by striking “(b) Disqualification” and  
3 all that follows through “shall be—”, and in-  
4 serting the following:

5 “(b) PERIOD OF DISQUALIFICATION.—Subject to  
6 subsection (c), a disqualification shall be—”;

7 (B) in paragraph (1) by striking “of no  
8 less than six months nor more than five years”  
9 and inserting “not to exceed 5 years”;

10 (C) in paragraph (2) by striking “of no  
11 less than twelve months nor more than ten  
12 years” and inserting “not to exceed 10 years”;

13 (D) in paragraph (3)—

14 (i) in subparagraph (B)—

15 (I) by striking “coupons or traf-  
16 ficking in coupons or authorization  
17 cards” each place it appears, and in-  
18 serting “program access devices or  
19 benefit instruments or trafficking in  
20 program access devices or benefit in-  
21 struments”; and

22 (II) by inserting “or a finding of  
23 the unauthorized redemption, use,  
24 transfer, acquisition, alteration, or  
25 possession of benefits or access de-

1                   vices” after “concern” the 1st place it  
2                   appears;

3           (4) in paragraph (3)(C) by striking “and” at  
4   the end;

5           (5) in subsection (c)—

6                   (A) by striking “(c) The action” and in-  
7           serting the following:

8           “(c) TREATMENT OF DISQUALIFICATION AND PEN-  
9   ALTY DETERMINATIONS.—The action”; and

10                   (B) by striking “coupons” and inserting  
11           “benefits”;

12           (6) in subsection (d) by striking “coupons” in  
13   each place it appears and inserting “benefits”;

14           (7) in subsection (f) by striking “food coupons”  
15   and inserting “benefits”;

16           (8) by redesignating subsections (c) through (g)  
17   as subsections (d) through (h), respectively;

18           (9) inserting after subsection (b) the following:

19           “(c) In addition to a disqualification under subsection  
20   (b), the Secretary may assess a civil monetary penalty of  
21   up to \$100,000;”; and

22           (10) by adding at the end:

23           “(i) The Secretary shall, in consultation with the In-  
24   specter General of the Department of Agriculture, provide  
25   for procedures by which the processing of benefit redemp-

1 tions for certain retail food stores and wholesale food con-  
 2 cerns may be immediately suspended pending administra-  
 3 tive action to disqualify such a store or concern. Under  
 4 the procedures prescribed pursuant to this subsection, if  
 5 the Secretary, in consultation with the Inspector General,  
 6 determines that a retail food store or wholesale food con-  
 7 cern is engaged in flagrant violations of this Act or the  
 8 regulations issued pursuant to this Act, unsettled benefits  
 9 that have been redeemed by the retail food store or whole-  
 10 sale food concern may be suspended and, if the suspension  
 11 is upheld, subject to forfeiture pursuant to section 12(g).  
 12 If the disqualification action is not upheld, suspended  
 13 funds held by the Secretary shall be released to such store  
 14 or such concern. The Secretary shall not be liable for the  
 15 value of any interest on funds suspended under this sub-  
 16 section.”.

17 **SEC. 4018. MAJOR SYSTEMS FAILURES.**

18 Section 13(b) of the Food Stamp Act of 1977 (7  
 19 U.S.C. 2022(b)) is amended by adding at the end the fol-  
 20 lowing:

21 “(5) OVER ISSUANCES CAUSED BY SYSTEMIC  
 22 STATE ERRORS.—

23 “(A) IN GENERAL.—If the Secretary deter-  
 24 mines that a State agency over issued benefits  
 25 to a substantial number of households in a fis-

1 cal year as a result of a major systemic error  
2 by the State agency, as determined by the Sec-  
3 retary, the Secretary may prohibit the State  
4 agency from collecting these over issuances  
5 from some or all households.

6 “(B) PROCEDURES.—

7 “(i) INFORMATION REPORTING BY  
8 STATES.—Every State agency shall provide  
9 to the Secretary all information requested  
10 by the Secretary concerning the issuance of  
11 benefits to households by the State agency  
12 in the applicable fiscal year.

13 “(ii) FINAL DETERMINATION.—After  
14 reviewing relevant information provided by  
15 a State agency, the Secretary shall make a  
16 final determination—

17 “(I) whether the State agency  
18 over issued benefits to a substantial  
19 number of households as a result of a  
20 systemic error in the applicable fiscal  
21 year; and

22 “(II) as to the amount of the  
23 over issuance in the applicable fiscal  
24 year for which the State agency is lia-  
25 ble.

1           “(iii) ESTABLISHING A CLAIM.—Upon  
2           determining under clause (ii) that a State  
3           agency has over issued benefits to house-  
4           holds due to a major systemic error deter-  
5           mined under subparagraph (A), the Sec-  
6           retary shall establish a claim against the  
7           State agency equal to the value of the over  
8           issuance caused by the systemic error.

9           “(iv) ADMINISTRATIVE AND JUDICIAL  
10          REVIEW.—Administrative and judicial re-  
11          view, as provided in section 14, shall apply  
12          to the final determinations by the Sec-  
13          retary under clause (ii).

14          “(v) REMISSION TO THE SEC-  
15          RETARY.—

16               “(I) DETERMINATION NOT AP-  
17               PEALED.—If the determination of the  
18               Secretary under clause (ii) is not ap-  
19               pealed, the State agency shall, as soon  
20               as practicable, remit to the Secretary  
21               the dollar amount specified in the  
22               claim under clause (iii).

23               “(II) DETERMINATION AP-  
24               PEALED.—If the determination of the  
25               Secretary under clause (ii) is ap-



1           pealed, upon completion of adminis-  
2           trative and judicial review under  
3           clause (iv), and a finding of liability  
4           on the part of the State, the appealing  
5           State agency shall, as soon as prac-  
6           ticable, remit to the Secretary a dollar  
7           amount subject to the finding of the  
8           administrative and judicial review.

9           “(vi) ALTERNATIVE METHOD OF COL-  
10          LECTION.—

11           “(I) IN GENERAL.—If a State  
12           agency fails to make a payment under  
13           clause (v) within a reasonable period  
14           of time, as determined by the Sec-  
15           retary, the Secretary may reduce any  
16           amount due to the State agency under  
17           any other provision of this Act by the  
18           amount due.

19           “(II) ACCRUAL OF INTEREST.—  
20           During the period of time determined  
21           by the Secretary to be reasonable  
22           under subclause (I), interest in the  
23           amount owed shall not accrue.

24           “(vii) LIMITATION.—Any liability  
25          amount established under section

1                   16(c)(1)(C) shall be reduced by the  
2                   amount of the claim established under this  
3                   subparagraph.”.

4 **SEC. 4019. FUNDING OF EMPLOYMENT AND TRAINING PRO-**  
5 **GRAMS.**

6           Section 16(h)(1) of the Food Stamp Act of 1977 (7  
7 U.S.C. 2025(h)(1)) is amended—

8                   (1) in subparagraph (A)(vii) by striking “fiscal  
9           years 2002 through 2007” and inserting “fiscal  
10          years 2008 through 2012”; and

11                  (2) in subparagraph (E)(i) by striking “fiscal  
12          years 2002 through 2007” and inserting “fiscal  
13          years 2008 through 2012”.

14 **SEC. 4020. REDUCTIONS IN PAYMENTS FOR ADMINISTRA-**  
15 **TIVE COSTS.**

16          Section 16(k)(3) of the Food Stamp Act of 1977 (7  
17 U.S.C. 2025(k)(3)) is amended—

18                  (1) in subparagraph (A) by striking “2007”  
19          and inserting “2012”; and

20                  (2) in subparagraph (B)(ii) by striking “2007”  
21          and inserting “2012”.

22 **SEC. 4021. CASH PAYMENT PILOT PROJECTS.**

23          Section 17(b)(1)(B)(vi) of the Food Stamp Act of  
24 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking  
25 “2007” and inserting “2012”.

1 **SEC. 4022. FINDINGS OF CONGRESS REGARDING SECURE**  
2 **SUPPLEMENTAL NUTRITION ASSISTANCE**  
3 **PROGRAM NUTRITION EDUCATION.**

4 (a) FINDINGS.—The Congress finds the following:

5 (1) Nutrition education under the Food Stamp  
6 Act of 1977 plays an essential role in improving the  
7 dietary and physical activity practices of low-income  
8 Americans, helping to reduce food insecurity, pre-  
9 vent obesity, and reduce the risks of chronic disease.

10 (2) Expert bodies, such as the Institute of Med-  
11 icine, indicate that dietary and physical activity be-  
12 havior change is more likely to result from the com-  
13 bined application of public health approaches and  
14 education than from individual education alone.

15 (3) State programs are currently implementing  
16 such nutrition education using effective strategies,  
17 including direct education, group activities, and so-  
18 cial marketing.

19 (b) SUPPORT NUTRITION EDUCATION.—The Sec-  
20 retary of Agriculture should support and encourage the  
21 most effective interventions for nutrition education under  
22 the Food Stamp Act of 1977, including public health ap-  
23 proaches as well as traditional education, to increase the  
24 likelihood that recipients of Secure Supplemental Nutri-  
25 tion Assistance benefits and those who are potentially eli-  
26 gible for such benefits will choose diets and physical activ-

1 ity practices consistent with the Dietary Guidelines for  
2 Americans. To promote the most effective implementation  
3 of publicly funded programs, State nutrition education ac-  
4 tivities under the Food Stamp Act of 1977 should be co-  
5 ordinated with other federally funded food assistance and  
6 public health programs and should leverage public/private  
7 partnerships to maximize resources and impact.

8 **SEC. 4023. NUTRITION EDUCATION AND PROMOTION INI-**  
9 **TIATIVE TO ADDRESS OBESITY.**

10 Section 17 of the Food Stamp Act of 1977 (7 U.S.C.  
11 2026) is amended by adding at the end the following:

12 “(k) NUTRITION EDUCATION AND PROMOTION INI-  
13 TIATIVE TO ADDRESS OBESITY.—

14 “(1) IN GENERAL.—The Secretary shall estab-  
15 lish a demonstration program, to be known as the  
16 ‘Initiative to Address Obesity Among Low-Income  
17 Americans’ (referred to in this subsection as the  
18 ‘Initiative’), to develop and implement solutions to  
19 reduce obesity in the United States.

20 “(A) SELECTION.—The Secretary shall so-  
21 licit and competitively select demonstration pro-  
22 posals for strategies to address obesity among  
23 low-income Americans.

24 “(B) EVALUATION.—The effectiveness of  
25 these strategies shall be rigorously evaluated to

1           assess the impact on overweight and obesity  
2           among low-income persons and particularly chil-  
3           dren, as well as the feasibility of replicating  
4           these programs in other locations.

5           “(C) DISSEMINATION.—Evaluation results  
6           shall be shared broadly to inform policy makers,  
7           service providers, other partners, and the public  
8           in order to promote wide use of successful  
9           strategies.

10          “(2) GRANTS.—

11           “(A) IN GENERAL.—In carrying out the  
12           Initiative, the Secretary may enter into com-  
13           petitively awarded contracts or cooperative  
14           agreements with, or grants to, public or private  
15           organizations or agencies as defined by the Sec-  
16           retary, for use in accordance with projects that  
17           meet the strategy goals of the Initiative.

18           “(B) APPLICATION.—To be eligible to re-  
19           ceive a contract, cooperative agreement, or  
20           grant under this paragraph, an organization  
21           shall submit to the Secretary an application at  
22           such time, in such manner, and containing such  
23           information as the Secretary may require.

1           “(C) SELECTION CRITERIA.—Demonstra-  
2           tion proposals shall be evaluated against pub-  
3           licly disseminated criteria that include—

4                   “(i) identification of a low-income tar-  
5                   get audience that corresponds to individ-  
6                   uals living in households with incomes at  
7                   or below 185 percent of the poverty level;

8                   “(ii) incorporation of a scientifically-  
9                   based strategy that is designed to improve  
10                  diet quality through more healthful food  
11                  purchases, preparation, or consumption;

12                  “(iii) a commitment to a demonstra-  
13                  tion plan that allows for a rigorous out-  
14                  come evaluation, including data collection;

15                  “(iv) strategies to improve the nutri-  
16                  tional value of food served during school  
17                  hours and during after-school hours;

18                  “(v) innovative ways to provide sig-  
19                  nificant improvement to the health and  
20                  wellness of children;

21                  “(vi) other criteria, as determined by  
22                  the Secretary.

23           “(D) USE OF FUNDS.—

1                   “(i) PROHIBITION.—Funds shall not  
2                   be used for projects that limit the use of  
3                   benefits.

4                   “(ii) MONITORING AND EVALUA-  
5                   TION.—The Secretary may use funds pro-  
6                   vided for the Initiative to pay costs associ-  
7                   ated with monitoring, evaluation, and dis-  
8                   semination of the Initiative’s findings.

9                   “(3) AUTHORIZATION OF APPROPRIATIONS.—  
10                  There is authorized to be appropriated to carry out  
11                  this subsection \$10,000,000 for each of the fiscal  
12                  years 2008 through 2012, except that no new grants  
13                  may be made under this subsection after September  
14                  30, 2012.”.

15   **SEC. 4024. AUTHORIZATION OF APPROPRIATIONS.**

16                  Section 18(a)(1) of the Food Stamp Act of 1977 (7  
17   U.S.C. 2027(a)(1)) is amended by striking “2003 through  
18   2007” and inserting “2008 through 2012”.

19   **SEC. 4025. CONSOLIDATED BLOCK GRANTS FOR PUERTO**  
20                   **RICO AND AMERICAN SAMOA.**

21                  Section 19(a)(2)(A)(ii) of the Food Stamp Act of  
22   1977 (7 U.S.C. 2028(a)(2)(A)(ii)) is amended in subpara-  
23   graph (A)(ii) by striking “2007” and inserting “2012”.

1 **SEC. 4026. STUDY ON COMPARABLE ACCESS TO SECURE**  
2 **SUPPLEMENTAL NUTRITION ASSISTANCE**  
3 **PROGRAM BENEFITS FOR PUERTO RICO.**

4 Section 19 of the Food Stamp Act of 1977 (7 U.S.C.  
5 2028) is amended by adding at the end the following:

6 “(e) STUDY.—The Secretary shall conduct a study of  
7 the feasibility and effects of including the Commonwealth  
8 of Puerto Rico under section 3(m), in lieu of providing  
9 the block grant under this section. The study shall in-  
10 clude—

11 “(1) an assessment of the administrative, finan-  
12 cial management, and other changes that would be  
13 required by the Commonwealth to establish a com-  
14 parable Secure Supplemental Nutrition Assistance  
15 Program;

16 “(2) a discussion of the appropriate program  
17 rules under the other sections of the Act, such as  
18 benefit levels under section 3(o), income eligibility  
19 standards under sections 5 and 6, and deduction lev-  
20 els under section 5(e), for the Commonwealth to es-  
21 tablish a comparable Secure Supplemental Nutrition  
22 Assistance Program;

23 “(3) an estimate of the impact on Federal and  
24 Commonwealth benefit and administrative costs;

25 “(4) an estimate of the impact of the Secure  
26 Supplemental Nutrition Assistance Program on hun-



1       ger and food insecurity among low-income Puerto  
2       Ricans, and

3               “(5) such other findings as the Secretary deems  
4       appropriate.”.

5   **SEC. 4027. REAUTHORIZATION OF COMMUNITY FOOD**  
6               **PROJECT COMPETITIVE GRANTS.**

7       (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
8   25 of the Food Stamp Act of 1977 (U.S.C. 2034) is  
9   amended—

10           (1) in subsections (c), (d), (e)(1), and (f)(1) by  
11       striking “subsection (b)” each place it appears and  
12       inserting “subsection (g)”;

13           (2) by striking subsection (b);

14           (3) by redesignating subsections (c) through (g)  
15       as subsections (b) through (f), respectively; and

16           (4) by inserting after subsection (f) the fol-  
17       lowing:

18       “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
19   is authorized to be appropriated to the Secretary to make  
20   grants available to assist eligible private nonprofit entities  
21   to establish and carry out community food projects  
22   \$30,000,000 for each of the fiscal years 2008 through  
23   2012.”.

24       (b) PREFERENCES FOR CERTAIN PROJECTS.—Sub-  
25   section (c) of section 25 of the Food Stamp Act of 1977

1 (7 U.S.C. 2034), as so redesignated by subsection (a) of  
2 this section, is amended—

3 (1) in paragraph (3) by striking “or” at the  
4 end;

5 (2) in paragraph (4) by striking the period at  
6 the end and inserting “; or”; and

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

8 “(5) serve special needs in areas of—

9 “(A) transportation and processing for ex-  
10 panding institutional and emergency food serv-  
11 ice demand for local food;

12 “(B) retail access to healthy foods in un-  
13 derserved markets;

14 “(C) integration of urban and metro-area  
15 food production in food projects; and

16 “(D) technical assistance for youth, so-  
17 cially disadvantaged individuals, and limited re-  
18 source groups.”.

19 (c) MATCHING FUND REQUIREMENTS.—Subsection  
20 (d)(1) of section 25 of the Food Stamp Act of 1977 (7  
21 U.S.C. 2034), as so redesignated by subsection (a) of this  
22 section, is amended by striking “50” and inserting “75”.

23 (d) TERM OF GRANT.—Subsection (e)(2) of section  
24 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034(e)(2)),

1 as so redesignated by subsection (a) of this section, is  
 2 amended by striking “3” and inserting “5”.

3 (e) FUNDING FOR INNOVATIVE PROGRAMS.—Sub-  
 4 section (h)(4) of section 25 of the Food Stamp Act of  
 5 1977 (7 U.S.C. 2034), as so redesignated by subsection  
 6 (a) of this section, is amended—

7 (1) by striking “fiscal years 2003 though 2007”  
 8 and inserting “fiscal years 2008 through 2012”; and

9 (2) by striking “200,000” and inserting  
 10 “\$500,000”.

11 **SEC. 4028. EMERGENCY FOOD ASSISTANCE PROGRAM.**

12 Section 27(a) of the Food Stamp Act of 1977 (7  
 13 U.S.C. 2036(a)) is amended by—

14 (1) by striking “(a) PURCHASE OF COMMOD-  
 15 ITIES” and all that follows through 2007’ and in-  
 16 serting the following:

17 “(a) PURCHASE OF COMMODITIES.—

18 “(1) IN GENERAL.—As provided in paragraph  
 19 (2), for each of the fiscal years 2008 through 2012”;

20 (2) by striking “\$140,000,000 of”; and

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

22 “(2) AMOUNTS.—The following amounts are  
 23 made available to carry out this subsection:

24 “(A) for fiscal year 2008, \$250,000,000;

25 and

“(B) for each of the fiscal years 2009 through 2012, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2007 and June 30 of the immediately preceding fiscal year.”.

## **Subtitle B—Commodity Distribution**

### **SEC. 4201. AUTHORIZATION OF APPROPRIATIONS.**

Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended by striking “\$60,000,000 for each of the fiscal years 2003 through 2007” and inserting “ \$100,000,000 for each of the fiscal years 2008 through 2012”.

### **SEC. 4202. DISTRIBUTION OF SURPLUS COMMODITIES; SPECIAL NUTRITION PROJECTS.**

Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(a)(2)(A)) is amended by striking “2007” and inserting “2012”.

### **SEC. 4203. COMMODITY DISTRIBUTION PROGRAM.**

(a) COMMODITY DISTRIBUTION PROGRAM.—Section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking “2007” and inserting “2012”.

1 (b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—  
2 Section 5 of the Agriculture and Consumer Protection Act  
3 (7 U.S.C. 612c note) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1) by striking “fiscal  
6 years 2003 through 2007” and inserting “for  
7 fiscal year 2008 and each fiscal year there-  
8 after”; and

9 (B) in paragraph (2)(B)—

10 (i) in the heading by striking in  
11 “2007” and inserting “2012”; and

12 (ii) by striking “2007” and inserting  
13 “2012”;

14 (2) in subsection (d)(2) by inserting “, and for  
15 each fiscal year thereafter,” after “2007”;

16 (3) by amending subsection (g) to read as fol-  
17 lows:

18 “(g) USE OF RESOURCES.—Each local agency shall  
19 use funds made available to the agency to provide assist-  
20 ance under the program to low-income elderly individuals,  
21 women, infants, and children in need for food assistance  
22 in accordance with such regulations as the Secretary may  
23 prescribe.”;

1 (4) in paragraphs (2) and (3) of subsection (h)  
 2 by inserting “elderly individuals,” before “preg-  
 3 nant”; and

4 (5) by adding at the end the following:

5 “(m) INCOME ELIGIBILITY STANDARDS.—The Sec-  
 6 retary shall establish maximum income eligibility stand-  
 7 ards to be used in conjunction with such other risk criteria  
 8 as may be appropriate in determining eligibility for the  
 9 program. Such income standards shall be the same for all  
 10 pregnant, postpartum, and breastfeeding women, for in-  
 11 fants, for children, and for elderly individuals qualifying  
 12 for the program, and shall not exceed the maximum in-  
 13 come limit prescribed under section 17(d)(2)(A)(i) of the  
 14 Child Nutrition Act of 1966 (42 U.S.C.  
 15 1786(d)(2)(A)(i)).”.

## 16 **Subtitle C—Child Nutrition and** 17 **Related Programs**

### 18 **SEC. 4301. PURCHASE OF FRESH FRUITS AND VEGETABLES** 19 **FOR DISTRIBUTION TO SCHOOLS AND SERV-** 20 **ICE INSTITUTIONS.**

21 Section 10603 of the Farm Security and Rural In-  
 22 vestment Act of 2002 (7 U.S.C. 612c–4) is amended by  
 23 striking subsection (b) and inserting the following new  
 24 subsection:

1       “(b) PURCHASE OF FRESH FRUITS AND VEGETA-  
2 BLES FOR DISTRIBUTION TO SCHOOLS AND SERVICE IN-  
3 STITUTIONS.—

4               “(1) PURCHASE AUTHORITY.—The Secretary of  
5 Agriculture shall purchase fresh fruits and vegeta-  
6 bles for distribution to schools and service institu-  
7 tions in accordance with section 6(a) of the Richard  
8 B. Russell National School Lunch Act (42 U.S.C.  
9 1755(a)), using, of the amount specified in sub-  
10 section (a)—

11               “(A) not less than \$50,000,000 for each of  
12 fiscal years 2008 and 2009; and

13               “(B) not less than \$75,000,000 for each of  
14 fiscal years 2010 through 2012.

15               “(2) SERVICING AGENCY.—The Secretary of  
16 Agriculture may provide for the Secretary of De-  
17 fense to serve as the servicing agency for the pro-  
18 curement of the fresh fruits and vegetables under  
19 this subsection on the same terms and conditions as  
20 provided in the memorandum of agreement entered  
21 into between the Agricultural Marketing Service, the  
22 Food and Consumer Service, and the Defense Per-  
23 sonnel Support Center during August 1995 (or any  
24 successor memorandum of agreement).”.

1 **SEC. 4302. BUY AMERICAN REQUIREMENTS.**

2 (a) FINDINGS.—The Congress finds the following:

3 (1) Federal law requires that commodities and  
4 products purchased with Federal funds be, to the ex-  
5 tent practicable, of domestic origin.

6 (2) Federal Buy American statutory require-  
7 ments seek to ensure that purchases made with Fed-  
8 eral funds benefit domestic producers.

9 (3) The Richard B. Russell National School  
10 Lunch Act requires the use of domestic food prod-  
11 ucts for all meals served under the program, includ-  
12 ing foods products purchased with local funds.

13 (b) BUY AMERICAN STATUTORY REQUIREMENTS.—  
14 The Department of Agriculture should undertake training,  
15 guidance, and enforcement of the various current Buy  
16 American statutory requirements and regulations, includ-  
17 ing those of the National School Lunch Act and the DOD  
18 Fresh program.

19 **SEC. 4303. EXPANSION OF FRESH FRUIT AND VEGETABLE**  
20 **PROGRAM.**

21 Section 18 of the Richard B. Russell National School  
22 Lunch Act (42 U.S.C. 1769) is amended in subsection  
23 (g)—

24 (1) in paragraph (1)—



1 (A) in the matter preceding subparagraph  
2 (A), by striking “July 2004” and inserting  
3 “July 2007”; and

4 (B) in paragraph (1) by amending sub-  
5 paragraphs (A) and (B) to read as follows:

6 “(A) 35 elementary or secondary schools in  
7 each State;

8 “(B) additional elementary or secondary  
9 schools in each State in proportion to the stu-  
10 dent population of the State; and”;

11 (2) in paragraph (3)(A)—

12 (A) in the matter preceding clause (i) by  
13 striking “paragraph (1)(B)” and inserting  
14 “paragraph (1)”;

15 (B) in clause (iii) by striking “and” at the  
16 end;

17 (C) in clause (iv) by striking the period at  
18 the end and inserting “; and”; and

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

20 “(v) encourage plans for implementa-  
21 tion that include locally grown foods, where  
22 geographically available, in accordance  
23 with section 9(j).”.

1           (3) in paragraph (5) in each of subparagraphs  
2       (A) and (B), by striking “2008” and inserting  
3       “2012”; and

4           (4) in paragraph (6)(B)—

5               (A) in clause (i)—

6                   (i) by striking “October 1, 2004, and  
7                   on each October 1 thereafter,” and insert-  
8                   ing “October 1, 2007, and on each October  
9                   1 thereafter,”; and

10                  (ii) by striking “\$9,000,000” and in-  
11                  serting “\$70,000,000”; and

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

13                   “(iii) ADMINISTRATIVE EXPENSES.—  
14                   For fiscal year 2009 and each fiscal year  
15                   thereafter, of the amount available to carry  
16                   out this subsection, the Secretary may re-  
17                   serve not more than 1 percent of that  
18                   amount for administrative expenses in car-  
19                   rying out this subsection.

20                   “(iv) STATE ADMINISTRATIVE  
21                   COSTS.—For fiscal year 2009 and each fis-  
22                   cal year thereafter, of the amount received  
23                   by a State to carry out this subsection, the  
24                   State may use not more than 5 percent of  
25                   that amount for administrative expenses in

1 carrying out this subsection. To be eligible  
2 to use such funds for such expenses, the  
3 State must submit to the Secretary a plan  
4 indicating how the State intends to use  
5 such funds.

6 “(v) FEDERAL REQUIREMENTS.—The  
7 Secretary shall establish requirements to  
8 be followed by States in administering this  
9 subsection. The initial set of requirements  
10 shall be established not later than 1 year  
11 after the date of the enactment of this  
12 clause.”.

13 **SEC. 4304. PURCHASES OF LOCALLY PRODUCED FOODS.**

14 Section 9(j) of the Richard B. Russell National  
15 School Lunch Act (42 U.S.C. 1758(j)) is amended to read  
16 as follows:

17 “(j) PURCHASES OF LOCALLY PRODUCED FOODS.—  
18 The Secretary shall—

19 “(1) encourage institutions receiving funds  
20 under this Act and the Child Nutrition Act of 1966  
21 (42 U.S.C. 1771 et seq.) to purchase locally pro-  
22 duced foods, to the maximum extent practicable and  
23 appropriate;

24 “(2) advise institutions participating in a pro-  
25 gram described in paragraph (1) of the policy de-

scribed in that paragraph and post information concerning the policy on the website maintained by the Secretary; and

“(3) allow institutions receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), including the Department of Defense Fresh Fruit and Vegetable Program, to use a geographic preference for the procurement of locally produced foods.”.

## **Subtitle D—Miscellaneous**

### **SEC. 4401. SENIORS FARMERS’ MARKET NUTRITION PROGRAM.**

Section 4402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007) is amended—

(1) by amending subsection (a) to read as follows:

“(a) AUTHORIZATION.—

“(1) The Secretary of Agriculture shall use \$15,000,000 for each of fiscal years 2008 through 2012 of the funds available to the Commodity Credit Corporation to carry out and expand the seniors farmers’ market nutrition program.

“(2) There are authorized to be appropriated \$20,000,000 for fiscal year 2008, \$30,000,000 for fiscal year 2009, \$45,000,000 for fiscal year 2010,

1       \$60,000,000 for fiscal year 2011, and \$75,000,000  
2       for fiscal year 2012 to carry out and expand the  
3       seniors farmers’ market nutrition program.”;

4               (2) in subsection (b)(1) by inserting “honey,”  
5       after “vegetables,”;

6               (3) by amending subsection (c) to read as fol-  
7       lows:

8       “(c) EXCLUSION OF BENEFITS IN DETERMINING  
9       ELIGIBILITY FOR OTHER PROGRAMS.—The value of any  
10      benefit provided to any eligible seniors farmers’ market  
11      nutrition program recipient under this section shall not  
12      be considered to be income or resources for any purposes  
13      under any Federal, State, or local law.”; and

14              (4) by adding at the end the following:

15      “(d) PROHIBITION ON COLLECTION OF SALES  
16      TAX.—The State shall ensure that no State or local taxes  
17      are collected within the State on purchases of food with  
18      coupons distributed under the seniors farmers’ market nu-  
19      trition program.

20      “(e) REGULATIONS.—The Secretary may issue such  
21      regulations as the Secretary considers necessary to carry  
22      out the seniors farmers’ market nutrition program.”.

1 **SEC. 4402. CONGRESSIONAL HUNGER CENTER.**

2 Section 4404 of the Farm Security and Rural Invest-  
3 ment Act of 2002 (7 U.S.C. 1621 note) is amended to  
4 read as follows:

5 **“SEC. 4404. BILL EMERSON NATIONAL HUNGER FELLOWS**  
6 **AND MICKEY LELAND INTERNATIONAL HUN-**  
7 **GER FELLOWS.**

8 “(a) SHORT TITLE.—This section may be cited as the  
9 ‘Bill Emerson National Hunger Fellows and Mickey Le-  
10 land International Hunger Fellows Program Act of 2007’.

11 “(b) FINDINGS.—The Congress finds as follows:

12 “(1) There is a critical need for compassionate  
13 individuals who are committed to assisting people  
14 who suffer from hunger to initiate and administer  
15 solutions to the hunger problem.

16 “(2) Bill Emerson, the distinguished late Rep-  
17 resentative from the 8th District of Missouri, dem-  
18 onstrated his commitment to solving the problem of  
19 hunger in a bipartisan manner, his commitment to  
20 public service, and his great affection for the institu-  
21 tion and ideals of the Congress of the United States.

22 “(3) George T. (Mickey) Leland, the distin-  
23 guished late Representative from the 18th District  
24 of Texas, demonstrated his compassion for those in  
25 need, his high regard for public service, and his live-  
26 ly exercise of political talents.

1           “(4) The special concern that Mr. Emerson and  
2           Mr. Leland demonstrated during their lives for the  
3           hungry and poor was an inspiration for others to  
4           work toward the goals of equality and justice for all.

5           “(5) These two outstanding leaders maintained  
6           a special bond of friendship regardless of political af-  
7           filiation and worked together to encourage future  
8           leaders to recognize and provide service to others,  
9           and therefore it is especially appropriate to honor  
10          the memory of Mr. Emerson and Mr. Leland by cre-  
11          ating a fellowship program to develop and train the  
12          future leaders of the United States to pursue careers  
13          in humanitarian service.

14          “(c) DEFINITIONS.—In this section:

15                 “(1) ADMINISTRATOR.—The term ‘Adminis-  
16                 trator’ means—

17                         “(A) if the Secretary of Agriculture enters  
18                         into a contract described in subsection (d)(3),  
19                         the head of the Congressional Hunger Center;  
20                         or

21                         “(B) if the Secretary does not enter into  
22                         such a contract, the Secretary.

23                 “(2) FELLOW.—The term ‘fellow’ means—

24                         “(A) a Bill Emerson Hunger Fellow; or

25                         “(B) a Mickey Leland Hunger Fellow

1           “(3) FELLOWSHIP PROGRAMS.—The term ‘Fel-  
2       lowship Programs’ means the Bill Emerson National  
3       Hunger Fellowship Program and the Mickey Leland  
4       International Hunger Fellowship Program estab-  
5       lished by subsection (d).

6           “(d) FELLOWSHIP PROGRAM.—There is established  
7       in the Department of Agriculture the Bill Emerson Na-  
8       tional Hunger Fellowship Program and the Mickey Leland  
9       International Hunger Fellowship Program.

10          “(1) PURPOSES.—The purposes of the Fellow-  
11       ship Programs are—

12               “(A) to encourage future leaders of the  
13       United States to pursue careers in humani-  
14       tarian and public service, to recognize the needs  
15       of low-income people and hungry people, and to  
16       provide assistance to people in need; and

17               “(B) to seek public policy solutions to the  
18       challenges of hunger and poverty, to provide  
19       training and development opportunities for such  
20       leaders through placement in programs oper-  
21       ated by appropriate organizations or entities.

22          “(2) FOCUS OF PROGRAMS.—

23               “(A) FOCUS OF BILL EMERSON HUNGER  
24       FELLOWSHIP PROGRAM.—The Bill Emerson



1           Hunger Fellowship Program shall address hun-  
2           ger and poverty in the United States.

3           “(B) FOCUS OF MICKEY LELAND HUNGER  
4           FELLOWSHIP PROGRAM.—The Mickey Leland  
5           Hunger Fellowship Program shall address  
6           international hunger and other humanitarian  
7           needs.

8           “(3) ADMINISTRATION.—

9           “(A) IN GENERAL.—Subject to subpara-  
10          graph (B), the Secretary shall offer to enter  
11          into a contract with the Congressional Hunger  
12          Center to administer the Fellowship Programs.

13          “(B) REQUIREMENT.—As a condition of a  
14          contract described in subparagraph (A), the  
15          Congressional Hunger Center shall agree to  
16          submit to Congress each year the results of an  
17          independent financial audit that demonstrates  
18          that the Congressional Hunger Center uses ac-  
19          counting procedures that conform to generally  
20          accepted accounting principles and auditing  
21          procedures that conform to chapter 75 of title  
22          31, United States Code (commonly known as  
23          the ‘Single Audit Act of 1984’).

24          “(e) FELLOWSHIPS.—

1           “(1) IN GENERAL.—The Administrator shall  
2           make available Bill Emerson Hunger Fellowships  
3           and Mickey Leland Hunger Fellowships in accord-  
4           ance with this subsection.

5           “(2) CURRICULUM.—

6                   “(A) IN GENERAL.—The fellowship pro-  
7                   grams shall provide experience and training to  
8                   develop the skills necessary to train fellows to  
9                   carry out the purposes described in subsection  
10                  (d)(1), including—

11                           “(i) training in direct service pro-  
12                           grams for the hungry and other anti-hun-  
13                           ger programs in conjunction with commu-  
14                           nity-based organizations through a pro-  
15                           gram of field placement; and

16                           “(ii) providing experience in policy de-  
17                           velopment through placement in a govern-  
18                           mental entity or nongovernmental, non-  
19                           profit, or private sector organization.

20                  “(B) WORK PLAN.—To carry out subpara-  
21                  graph (A) and assist in the evaluation of the  
22                  fellowships under paragraph (6), the Adminis-  
23                  trator shall, for each fellow, approve a work  
24                  plan that identifies the target objectives for the

1 fellow in the fellowship, including specific duties  
2 and responsibilities relating to those objectives.

3 “(3) PERIOD OF FELLOWSHIP.—

4 “(A) EMERSON FELLOW.—A Bill Emerson  
5 Hunger Fellowship awarded under this sub-  
6 section shall be for not more than 15 months.

7 “(B) LELAND FELLOW.—A Mickey Leland  
8 Hunger Fellowship awarded under this sub-  
9 section shall be for not more than 2 years.

10 “(4) SELECTION OF FELLOWS.—

11 “(A) IN GENERAL.—Fellowships shall be  
12 awarded pursuant to a nationwide competition  
13 established by the Administrator.

14 “(B) QUALIFICATIONS.—A successful pro-  
15 gram applicant shall be an individual who has  
16 demonstrated—

17 “(i) an intent to pursue a career in  
18 humanitarian service and outstanding po-  
19 tential for such a career;

20 “(ii) leadership potential or actual  
21 leadership experience;

22 “(iii) diverse life experience;

23 “(iv) proficient writing and speaking  
24 skills;

1 “(v) an ability to live in poor or di-  
2 verse communities; and

3 “(vi) such other attributes as are con-  
4 sidered to be appropriate by the Adminis-  
5 trator.

6 “(5) AMOUNT OF AWARD.—

7 “(A) IN GENERAL.—A fellow shall receive  
8 a living allowance during the term of the Fel-  
9 lowship and, subject to subparagraph (B), an  
10 end-of-service award.

11 “(B) REQUIREMENT FOR SUCCESSFUL  
12 COMPLETION OF FELLOWSHIP.—Each fellow  
13 shall be entitled to receive an end-of-service  
14 award at an appropriate rate for each month of  
15 satisfactory service completed, as determined by  
16 the Administrator.

17 “(C) TERMS OF FELLOWSHIP.—A fellow  
18 shall not be considered an employee of—

19 “(i) the Department of Agriculture;

20 “(ii) the Congressional Hunger Cen-  
21 ter; or

22 “(iii) a host agency in the field or pol-  
23 icy placement of the fellow.

24 “(D) RECOGNITION OF FELLOWSHIP  
25 AWARD.—

1                   “(i) EMERSON FELLOW.—An indi-  
2                   vidual awarded a fellowship from the Bill  
3                   Emerson Hunger Fellowship shall be  
4                   known as an ‘Emerson Fellow’.

5                   “(ii) LELAND FELLOW.—An indi-  
6                   vidual awarded a fellowship from the Mick-  
7                   ey Leland Hunger Fellowship shall be  
8                   known as a ‘Leland Fellow’.

9                   “(6) EVALUATION.—The Administrator shall  
10                  conduct periodic evaluations of the Fellowship Pro-  
11                  grams.

12               “(f) AUTHORITY.—

13               “(1) IN GENERAL.—Subject to paragraph (2),  
14               in carrying out this section, the Administrator may  
15               solicit, accept, use, and dispose of gifts, bequests, or  
16               devises of services or property, both real and per-  
17               sonal, for the purpose of facilitating the work of the  
18               Fellowship Programs.

19               “(2) LIMITATION.—Gifts, bequests, or devises  
20               of money and proceeds from sales of other property  
21               received as gifts, bequests, or devises shall be used  
22               exclusively for the purposes of the Fellowship Pro-  
23               grams.

24               “(g) REPORT.—Each year, the Administrator shall  
25               submit to the Committee on Agriculture of the House of

1 Representatives and the Committee on Agriculture, Nutri-  
2 tion, and Forestry of the Senate a report that describes  
3 the activities and expenditures of the Fellowship Programs  
4 during the preceding fiscal year.

5 “(h) FUNDING.—There is authorized to be appro-  
6 priated to the Secretary to carry out this section  
7 \$3,000,000 for each of the fiscal years 2008 through  
8 2012.”.

9 **SEC. 4403. JOINT NUTRITION MONITORING AND RELATED**  
10 **RESEARCH ACTIVITIES.**

11 Subtitle D of title IV of the Farm Security and Rural  
12 Investment Act of 2002 (Public Law 107–171; 116 Stat.  
13 333) is amended—

14 (1) by redesignating section 4405 (2 U.S.C.  
15 1161 note; Public Law 107–171) as section 4406;  
16 and

17 (2) by inserting after section 4404 the fol-  
18 lowing:

19 **“SEC. 4405. JOINT NUTRITION MONITORING AND RELATED**  
20 **RESEARCH ACTIVITIES.**

21 “The Secretary of Agriculture and the Secretary of  
22 Health and Human Services shall continue to provide  
23 jointly for national nutrition monitoring and related re-  
24 search activities carried out as of the date of enactment  
25 of this section—

1           “(1) to collect continuous dietary, health, phys-  
2           ical activity, and diet and health knowledge data on  
3           a nationally representative sample;

4           “(2) to periodically collect data on special at-  
5           risk populations, as identified by the Secretaries;

6           “(3) to distribute information on health, nutri-  
7           tion, the environment, and physical activity to the  
8           public in a timely fashion;

9           “(4) to analyze new data that becomes avail-  
10          able;

11          “(5) to continuously update food composition  
12          tables; and

13          “(6) to research and develop data collection  
14          methods and standards.”.

15 **SEC. 4404 SENSE OF THE CONGRESS.**

16          It is the sense of the Congress that food items pro-  
17          vided pursuant to the Federal school breakfast and school  
18          lunch program should be selected so as to reduce the inci-  
19          dence of juvenile obesity and to maximize nutritional  
20          value.

21 **TITLE V—CREDIT**

Subtitle A—Farm Ownership Loans

Sec. 5001. Conservation loan guarantee program.

Sec. 5002. Limitations on amount of ownership loans.

Sec. 5003. Down payment loan program.

Sec. 5004. Beginning farmer and rancher contract land sales program.

Sec. 5005. Loans to purchasers of highly fractioned lands.

Subtitle B—Operating Loans

Sec. 5011. Limitations on amount of operating loans.

Sec. 5012. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.

#### Subtitle C—Administrative Provisions

Sec. 5021. Inventory sales preferences.

Sec. 5022. Loan fund set-asides.

Sec. 5023. Transition to private commercial or other sources of credit.

Sec. 5024. Extension of the right of first refusal to reacquire homestead property to immediate family members of borrower-owner.

Sec. 5025. Rural development and farm loan program activities.

#### Subtitle D—Farm Credit

Sec. 5031. Bank for cooperatives voting stock.

Sec. 5032. Rural utility loans.

Sec. 5033. Farm Credit System Insurance Corporation.

Sec. 5034. Risk-based capital levels.

## 1 **Subtitle A—Farm Ownership Loans**

### 2 **SEC. 5001. CONSERVATION LOAN GUARANTEE PROGRAM.**

3       Section 304 of the Consolidated Farm and Rural De-  
4 velopment Act (7 U.S.C. 1924) is amended to read as fol-  
5 lows:

#### 6 **“SEC. 304. CONSERVATION LOAN GUARANTEE PROGRAM.**

7       “(a) IN GENERAL.—The Secretary may provide a  
8 loan guarantee, an interest subsidy, or both, to enable an  
9 eligible borrower to obtain a qualified conservation loan.

10       “(b) PRIORITY.—In providing loan guarantees under  
11 this section, the Secretary shall give priority to—

12               “(1) qualified beginning farmers or ranchers;

13               “(2) socially disadvantaged farmers or ranchers  
14 (as defined in section 355(e)(2));

15               “(3) owners or tenants who use the loans to  
16 covert to sustainable or organic agricultural produc-  
17 tion systems; and



1           “(4) producers who use the loans to build con-  
2           servation structures or establish conservation prac-  
3           tices to comply with section 1212 of the Food Secu-  
4           rity Act of 1985.

5           “(c) DEFINITIONS.—In this section:

6           “(1) ELIGIBLE BORROWER.—The term ‘eligible  
7           borrower’ means a farmer, rancher, farm coopera-  
8           tive, private domestic corporation, partnership, joint  
9           operation, trust, or limited liability company, that is  
10          engaged primarily and directly in agricultural pro-  
11          duction in the United States.

12          “(2) QUALIFIED CONSERVATION LOAN.—The  
13          term ‘qualified conservation loan’ means a loan that  
14          meets the following requirements:

15               “(A) PURPOSE.—The loan proceeds are re-  
16               quired to be used to cover the costs to the bor-  
17               rower of carrying out a qualified conservation  
18               project.

19               “(B) PRINCIPAL AMOUNT.—The principal  
20               amount of the loan is not more than  
21               \$1,000,000,000.

22               “(C) REPAYMENT PERIOD.—The loan re-  
23               payment period shall not exceed 10 years.

24               “(D) LIMITED PROCESSING FEE.—The  
25               total of all processing fees charged with respect

1 to the loan does not exceed such amount as  
2 shall be prescribed by the Secretary.

3 “(3) QUALIFIED CONSERVATION PROJECT.—

4 The term ‘qualified conservation project’ means,  
5 with respect to an eligible borrower, conservation  
6 measures that address provisions of a conservation  
7 plan of the borrower.

8 “(4) CONSERVATION PLAN.—The term ‘con-  
9 servation plan’ means a plan, approved by the Sec-  
10 retary, that, for a farming or ranching operation,  
11 identifies the conservation activities that will be ad-  
12 dressed with guaranteed loan funds provided under  
13 this section, including—

14 “(A) the installation of conservation struc-  
15 tures;

16 “(B) the establishment of forest cover for  
17 sustained yield timber management, erosion  
18 control, or shelter belt purposes;

19 “(C) the installation of water conservation  
20 measures;

21 “(D) the installation of waste management  
22 systems;

23 “(E) the establishment or improvement of  
24 permanent pasture;

1                   “(F) compliance with section 1212 of the  
2                   Food Security Act of 1985;

3                   “(G) other purposes consistent with the  
4                   plan; and

5                   “(H) any other emerging or existing con-  
6                   servation practices, techniques, or technologies  
7                   approved by the Secretary.

8                   “(d) LIMITATIONS APPLICABLE TO LOAN GUARAN-  
9                   TEES.—

10                   “(1) LIMITATION ON AMOUNT OF GUAR-  
11                   ANTEE.—The portion of a loan that the Secretary  
12                   may guarantee under this section shall be not less  
13                   than 80 percent and not more than 90 percent of  
14                   the principal amount of the loan.

15                   “(2) LIMITATION ON TOTAL AMOUNT OUT-  
16                   STANDING.—The aggregate principal amount of out-  
17                   standing loans guaranteed by the Secretary under  
18                   this section shall not exceed \$1,000,000.

19                   “(e) LIMITATION ON AMOUNT OF INTEREST SUB-  
20                   SIDY.—The interest subsidy which the Secretary may pro-  
21                   vide under this section with respect to a loan shall result  
22                   in a reduction of the interest rate agreed upon by the bor-  
23                   rower and the lender (but to not less than zero) by—

24                   “(1) 500 basis points, if the principal amount  
25                   of the loan is less than \$100,000;

1           “(2) 400 basis points, if the principal amount  
2           of the loan is not less than \$100,000 and is less  
3           than \$500,000; and

4           “(3) 300 basis points, in any other case.

5           “(f) ADMINISTRATIVE PROVISIONS.—

6           “(1) AUTHORITY TO COLLECT PROCESSING  
7           FEE.—The Secretary may assess a fee to cover the  
8           cost of processing an application under this section  
9           equal to not more than 1 percent of the principal  
10          amount of the loan sought by the applicant, as de-  
11          scribed in the application.

12          “(2) APPROVAL OF APPLICATION.—The Sec-  
13          retary shall not approve an application submitted  
14          pursuant to this section, unless the Secretary has  
15          determined that—

16                 “(A) the loan sought by the applicant, as  
17                 described in the application, would be a quali-  
18                 fied conservation loan; and

19                 “(B) the project for which the loan is  
20                 sought is likely to result in a net benefit to the  
21                 environment.

22          “(3) EQUITABLE DISTRIBUTION OF LOAN  
23          GUARANTEES AND INTEREST SUBSIDIES.—The Sec-  
24          retary shall ensure that loan guarantees and interest  
25          subsidies under this section are equitably distributed

1 among agricultural producers according to the scale  
2 of the operations.

3 “(g) RELATIONSHIP WITH OTHER CONSERVATION  
4 PROGRAMS.—Neither the application for, nor the receipt  
5 of, a loan guarantee or an interest subsidy under this sec-  
6 tion shall affect the eligibility of the recipient for assist-  
7 ance under title XII of the Food Security Act of 1985  
8 or the Watershed Protection and Flood Prevention Act.

9 “(h) AUTHORIZATION OF APPROPRIATIONS.—For  
10 each of fiscal years 2008 through 2012, there are author-  
11 ized to be appropriated to the Secretary such funds as are  
12 necessary to carry out this section.”.

13 **SEC. 5002. LIMITATIONS ON AMOUNT OF OWNERSHIP**  
14 **LOANS.**

15 Section 305 of the Consolidated Farm and Rural De-  
16 velopment Act (7 U.S.C. 1925) is amended—

17 (1) in subsection (a)(2), by striking “\$200,000”  
18 and inserting “\$300,000”; and

19 (2) by redesignating subsections (b) and (c) as  
20 subsections (c) and (d), respectively, and inserting  
21 after subsection (a) the following:

22 “(b) GRADUATION PLAN.—The Secretary shall estab-  
23 lish a plan, in coordination with activities under sections  
24 359, 360, 361, and 362, to encourage each borrower with

1 an outstanding loan under this subtitle to graduate to pri-  
2 vate commercial or other sources of credit.”.

3 **SEC. 5003. DOWN PAYMENT LOAN PROGRAM.**

4 Section 310E of the Consolidated Farm and Rural  
5 Development Act (7 U.S.C. 1935) is amended—

6 (1) in subsection (a)(1), by striking “and  
7 ranchers” and inserting “or ranchers and socially  
8 disadvantaged farmers or ranchers”;

9 (2) in subsection (b)—

10 (A) by striking paragraph (1) and insert-  
11 ing the following;

12 “(1) PRINCIPAL.—Each loan made under this  
13 section shall be in an amount that does not exceed  
14 45 percent of the least of—

15 “(A) the purchase price of the farm or  
16 ranch to be acquired;

17 “(B) the appraised value of the farm or  
18 ranch to be acquired; or

19 “(C) \$500,000.

20 “(2) INTEREST RATE.—The interest rate on  
21 any loan made by the Secretary under this section  
22 shall be a rate equal to the greater of—

23 “(A) the difference obtained by subtracting  
24 4 percent from the interest rate for farm own-  
25 ership loans under this subtitle; or

1 “(B) 1 percent.”; and

2 (B) in paragraph (3), by striking “15” and  
3 inserting “20”;

4 (3) in subsection (c)—

5 (A) in paragraph (1), by striking “10” and  
6 inserting “5”;

7 (B) by striking paragraph (2) and redesignig-  
8 nating paragraph (3) as paragraph (2); and

9 (C) in paragraph (2)(B) (as so redesignig-  
10 nated), by striking “15-year” and inserting  
11 “20-year”; and

12 (4) in subsection (d)—

13 (A) in paragraph (3)—

14 (i) by inserting “and socially dis-  
15 advantaged farmers and ranchers (as de-  
16 fined in section 355(e)(2))” after “ranch-  
17 ers”; and

18 (ii) by striking “and” at the end;

19 (B) in paragraph (4), by striking “ranch-  
20 ers.” and inserting “ranchers and socially dis-  
21 advantaged farmers and ranchers (as defined in  
22 section 355(e)(2)); and”; and

23 (C) by adding at the end the following:

24 “(5) establish annual performance goals to pro-  
25 mote the use of the down payment loan program and

1       other joint financing participation loans as the pre-  
 2       ferred choice for direct real estate loans made by  
 3       any lender to a qualified beginning farmer or ranch-  
 4       er or socially disadvantaged farmer or rancher (as so  
 5       defined).”.

6   **SEC. 5004. BEGINNING FARMER AND RANCHER CONTRACT**  
 7                   **LAND SALES PROGRAM.**

8       Section 310F of the Consolidated Farm and Rural  
 9   Development Act (7 U.S.C. 1936) is amended to read as  
 10 follows:

11   **“SEC. 310F. BEGINNING FARMER AND RANCHER AND SO-**  
 12                   **CIALY   DISADVANTAGED   FARMER   AND**  
 13                   **RANCHER CONTRACT LAND SALES PROGRAM.**

14       “(a) IN GENERAL.—The Secretary shall, in accord-  
 15   ance with this section, guarantee a loan made by a private  
 16   seller of a farm or ranch to a qualified beginning farmer  
 17   or rancher or socially disadvantaged farmer or rancher (as  
 18   defined in section 355(e)(2)) on a contract land sales  
 19   basis.

20       “(b) ELIGIBILITY.—In order to be eligible for a loan  
 21   guarantee under subsection (a)—

22               “(1) the qualified beginning farmer or rancher  
 23       or socially disadvantaged farmer or rancher shall—

24                   “(A) on the date the contract land sale  
 25       that is subject of the loan is complete, own or



1 operate the farm or ranch that is the subject of  
2 the contract land sale;

3 “(B) have a credit history that—

4 “(i) includes a record of satisfactory  
5 debt repayment, as determined by the Sec-  
6 retary; and

7 “(ii) is acceptable to the Secretary;  
8 and

9 “(C) demonstrate to the Secretary that the  
10 farmer or rancher, as the case may be, is un-  
11 able to obtain sufficient credit without a guar-  
12 antee to finance any actual need of the farmer  
13 or rancher, as the case may be, at a reasonable  
14 rate or term;

15 “(2) the loan shall meet applicable underwriting  
16 criteria, as determined by the Secretary; and

17 “(3) to carry out the loan—

18 “(A) a commercial lending institution shall  
19 agree to serve as an escrow agent; or

20 “(B) the private seller, in cooperation with  
21 the farmer or rancher, shall use an appropriate  
22 alternate arrangement, as determined by the  
23 Secretary.

24 “(c) LIMITATIONS.—

1           “(1) DOWN PAYMENT.—The Secretary shall not  
2       provide a loan guarantee under subsection (a) if the  
3       contribution of the qualified beginning farmer or  
4       rancher or socially disadvantaged farmer or rancher  
5       to the down payment for the farm or ranch that is  
6       the subject of the contract land sale would be less  
7       than 5 percent of the purchase price of the farm or  
8       ranch.

9           “(2) MAXIMUM PURCHASE PRICE.—The Sec-  
10      retary shall not provide a loan guarantee under sub-  
11      section (a) if the purchase price or the appraisal  
12      value of the farm or ranch that is the subject of the  
13      contract land sale is greater than \$500,000.

14      “(d) PERIOD OF GUARANTEE.—The period during  
15      which a loan guarantee under this section is in effect shall  
16      be the 10-year period beginning with the date the guar-  
17      antee is provided.

18      “(e) GUARANTEE PLAN.—A private seller of a farm  
19      or ranch who makes a loan that is guaranteed by the Sec-  
20      retary under subsection (a) may select—

21           “(1) a prompt payment guarantee plan, which  
22      shall cover—

23                   “(A) 3 amortized annual installments; or

24                   “(B) an amount equal to 3 annual install-  
25      ments (including an amount equal to the total

1 cost of any tax and insurance incurred during  
 2 the period covered by the annual installments);  
 3 or  
 4 “(2) a standard guarantee plan, which shall  
 5 cover an amount equal to 90 percent of the out-  
 6 standing principal of the loan.”.

7 **SEC. 5005. LOANS TO PURCHASERS OF HIGHLY**  
 8 **FRACTIONED LANDS.**

9 Section 1 of Public Law 91–229 (25 U.S.C. 488) is  
 10 amended by adding at the end the following: “The Sec-  
 11 retary of Agriculture may make and insure loans as pro-  
 12 vided in section 309 of the Consolidated Farm and Rural  
 13 Development Act to eligible purchasers of highly  
 14 fractionated land pursuant to section 204(c) of the Indian  
 15 Land Consolidation Act. Section 4 of this Act shall not  
 16 apply to trust or restricted tribal or tribal corporation  
 17 property mortgaged pursuant to the preceding sentence.”.

18 **Subtitle B—Operating Loans**

19 **SEC. 5011. LIMITATIONS ON AMOUNT OF OPERATING**  
 20 **LOANS.**

21 Section 313(a)(1) of the Consolidated Farm and  
 22 Rural Development Act (7 U.S.C. 1943(a)(1)) is amended  
 23 by striking “\$200,000” and inserting “\$300,000”.

1 **SEC. 5012. SUSPENSION OF LIMITATION ON PERIOD FOR**  
 2 **WHICH BORROWERS ARE ELIGIBLE FOR**  
 3 **GUARANTEED ASSISTANCE.**

4 Section 5102 of the Farm Security And Rural Invest-  
 5 ment Act of 2002 (7 U.S.C. 1949 note; Public Law 107–  
 6 171) is amended by striking “September 30, 2007” and  
 7 inserting “January 1, 2008”.

8 **Subtitle C—Administrative**  
 9 **Provisions**

10 **SEC. 5021. INVENTORY SALES PREFERENCES.**

11 Section 335(c) of the Consolidated Farm and Rural  
 12 Development Act (7 U.S.C. 1985(c)) is amended—

13 (1) in paragraph (1)—

14 (A) in subparagraph (B)—

15 (i) in the subparagraph heading, by  
 16 inserting “; SOCIALLY DISADVANTAGED  
 17 FARMER OR RANCHER” after “OR RANCH-  
 18 ER”;

19 (ii) in clause (i), by inserting “or a so-  
 20 cially disadvantaged farmer or rancher”  
 21 after “or rancher”;

22 (iii) by redesignating clauses (ii)  
 23 through (iv) as clauses (iii) through (v), re-  
 24 spectively;

25 (iv) by inserting after clause (i) the  
 26 following:

1                   “(ii) PRIORITY TO BE GIVEN TO SO-  
2                   cially disadvantaged farmers and  
3                   ranchers.—In carrying out this subpara-  
4                   graph, the Secretary shall give priority to  
5                   socially disadvantaged farmers and ranch-  
6                   ers.”;

7                   (v) in clause (iii) (as so redesign-  
8                   ated)—

9                   (I) by inserting “or socially dis-  
10                  advantaged farmer or rancher” after  
11                  “or rancher”; and

12                  (II) by inserting “, subject to  
13                  clause (ii)” before the period;

14                  (vi) in clause (iv) (as so redesignated),  
15                  by inserting “or a socially disadvantaged  
16                  farmer or rancher” after “or rancher”; and

17                  (vii) in clause (v) (as so redesignated),  
18                  by inserting “and socially disadvantaged  
19                  farmers and ranchers” after “and ranch-  
20                  ers”; and

21                  (B) in subparagraph (C), by inserting “or  
22                  a socially disadvantaged farmer or rancher”  
23                  after “or rancher”;

24                  (2) in paragraph (5)(B)—

25                  (A) in clause (i)—

1 (i) in the clause heading, by inserting  
2 “; SOCIALLY DISADVANTAGED FARMER OR  
3 RANCHER” after “OR RANCHER”;

4 (ii) by inserting “or a socially dis-  
5 advantaged farmer or rancher” after “a  
6 beginning farmer or rancher”; and

7 (iii) by inserting “or the socially dis-  
8 advantaged farmer or rancher” after “the  
9 beginning farmer or rancher”;

10 (B) by redesignating clauses (ii) and (iii)  
11 as clauses (iii) and (iv), respectively;

12 (C) by inserting after clause (i) the fol-  
13 lowing:

14 “(ii) PRIORITY TO BE GIVEN TO SO-  
15 CIALY DISADVANTAGED FARMERS AND  
16 RANCHERS.—In carrying out clause (i), the  
17 Secretary shall give priority to socially dis-  
18 advantaged farmers and ranchers.”; and

19 (D) in clause (iii) (as so redesignated)—

20 (i) in the matter preceding subclause  
21 (I), by inserting “or a socially disadvan-  
22 taged farmer or rancher” after “or ranch-  
23 er”; and

1 (ii) in subclause (II), by inserting “or  
2 the socially disadvantaged farmer or ranch-  
3 er” after “or rancher”;

4 (3) in paragraph (6)—

5 (A) in subparagraph (A), by inserting “or  
6 a socially disadvantaged farmer or rancher”  
7 after “or rancher”; and

8 (B) in subparagraph (C)—

9 (i) in clause (i)(I), by inserting “and  
10 socially disadvantaged farmers and ranch-  
11 ers” after “and ranchers”; and

12 (ii) in clause (ii), by inserting “or so-  
13 cially disadvantaged farmers or ranchers”  
14 after “or ranchers”; and

15 (4) by adding at the end the following:

16 “(7) In this subsection, the term ‘socially dis-  
17 advantaged farmer or rancher’ has the meaning  
18 given in section 355(e)(2).”.

19 **SEC. 5022. LOAN FUND SET-ASIDES.**

20 Section 346(b)(2) of the Consolidated Farm and  
21 Rural Development Act (7 U.S.C. 1994(b)(2)) is amend-  
22 ed—

23 (1) in subparagraph (A)—

24 (A) in clause (i)—

1 (i) in subclause (I), by striking “70  
2 percent” and inserting “not less than 75  
3 percent of the total amount made available  
4 under paragraph (1)”; and

5 (ii) in subclause (II)—

6 (I) in the subclause heading, by  
7 inserting “; PARTICIPATION LOANS”  
8 after “PAYMENT LOANS”;

9 (II) by striking “60 percent” and  
10 inserting “not less than  $\frac{2}{3}$  of the  
11 amount reserved under subclause (I)”;  
12 and

13 (III) by inserting “and participa-  
14 tion loans” after “section 310E”; and

15 (B) in clause (ii)(III), by striking “2003  
16 through 2007, 35 percent” and inserting “2008  
17 through 2012, not less than 50 percent of the  
18 total amount made available under paragraph  
19 (1)”; and

20 (2) in subparagraph (B)(i), by striking “25 per-  
21 cent” and inserting “not less than 40 percent of the  
22 total amount made available under paragraph (1)”.



1 **SEC. 5023. TRANSITION TO PRIVATE COMMERCIAL OR**  
2 **OTHER SOURCES OF CREDIT.**

3 Subtitle D of the Consolidated Farm and Rural De-  
4 velopment Act (7 U.S.C. 1981–2008r) is amended by in-  
5 serting after section 344 the following:

6 **“SEC. 345. TRANSITION TO PRIVATE COMMERCIAL OR**  
7 **OTHER SOURCES OF CREDIT.**

8 “(a) IN GENERAL.—In making or insuring a farm  
9 loan under subtitle A or B, the Secretary shall establish  
10 a plan and promulgate regulations (including performance  
11 criteria) that promote the goal of transitioning borrowers  
12 to private commercial credit and other sources of credit  
13 in the shortest practicable period of time.

14 “(b) COORDINATION.—In carrying out this section,  
15 the Secretary shall integrate and coordinate the transition  
16 policy described in subsection (a) with—

17 “(1) the borrower training program established  
18 by section 359;

19 “(2) the loan assessment process established by  
20 section 360;

21 “(3) the supervised credit requirement estab-  
22 lished by section 361;

23 “(4) the market placement program established  
24 by section 362; and

25 “(5) other appropriate programs and authori-  
26 ties, as determined by the Secretary.”.

1 **SEC. 5024. EXTENSION OF THE RIGHT OF FIRST REFUSAL**  
2 **TO REACQUIRE HOMESTEAD PROPERTY TO**  
3 **IMMEDIATE FAMILY MEMBERS OF BOR-**  
4 **ROWER-OWNER.**

5 Section 352(c)(4)(B) of the Consolidated Farm and  
6 Rural Development Act (7 U.S.C. 2000(c)(4)(B)) is  
7 amended—

8 (1) in the 1st sentence, by striking “, the bor-  
9 rower-owner” inserting “of a borrower-owner who is  
10 a socially disadvantaged farmer or rancher (as de-  
11 fined in section 355(e)(2)), the borrower-owner or a  
12 member of the immediate family of the borrower-  
13 owner”; and

14 (2) in the 2nd sentence, by inserting “or imme-  
15 diate family member, as the case may be,” before  
16 “from”.

17 **SEC. 5025. RURAL DEVELOPMENT AND FARM LOAN PRO-**  
18 **GRAM ACTIVITIES.**

19 Subtitle D of the Consolidated Farm and Rural De-  
20 velopment Act (7 U.S.C. 1981–2008r) is amended by in-  
21 serting after section 364 the following:

22 **“SEC. 365. RURAL DEVELOPMENT AND FARM LOAN PRO-**  
23 **GRAM ACTIVITIES.**

24 “The Secretary may not complete a study of, or enter  
25 into a contract with a private party to carry out, without  
26 specific authorization in a subsequent Act of Congress, a

1 competitive sourcing activity of the Secretary, including  
 2 support personnel of the Department of Agriculture, relat-  
 3 ing to rural development or farm loan programs.”.

## 4                   **Subtitle D—Farm Credit**

### 5   **SEC. 5031. BANK FOR COOPERATIVES VOTING STOCK.**

6           (a) IN GENERAL.—Section 3.3(c) of the Farm Credit  
 7 Act of 1971 (12 U.S.C. 2124(c)) is amended by striking  
 8 “and (ii)” and inserting “(ii) other categories of persons  
 9 and entities described in sections 3.7 and 3.8 eligible to  
 10 borrow from the bank, as determined by the bank’s board  
 11 of directors; and (iii)”.

12           (b)           CONFORMING           AMENDMENTS.—Section  
 13 4.3A(c)(1)(D) of such Act (12 U.S.C. 2154a(c)(1)(D)) is  
 14 amended by redesignating clauses (ii) and (iii) as clauses  
 15 (iii) and (iv), respectively, and inserting after clause (i)  
 16 the following:

17                               “(ii) persons and entities eligible to  
 18                               borrow from the banks for cooperatives, as  
 19                               described in section 3.3(c)(ii);”.

### 20   **SEC. 5032. RURAL UTILITY LOANS.**

21           Section 8.0(9) of the Farm Credit Act of 1971 (12  
 22 U.S.C. 2279aa(9)) is amended—

23                   (1) by striking “or” at the end of subparagraph  
 24                   (A)(iii);

1           (2) by striking the period at the end of sub-  
2 paragraph (B) and inserting “; or”; and

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

4           “(C) that is a loan or interest in a loan for  
5 electric or telephone facilities by a cooperative  
6 lender to a borrower who has received or is eli-  
7 gible to receive a loan under the Rural Elec-  
8 trification Act (7 U.S.C. 901 et seq.), except  
9 that—

10           “(i) subsections (c) and (d) of section  
11 8.6, and sections 8.8 and 8.9 shall not  
12 apply to the loan or interest in the loan or  
13 to an obligation backed by a pool of obliga-  
14 tions relating to the loan or interest in the  
15 loan; and

16           “(ii) the loan or interest in the loan  
17 shall be considered to meet all standards  
18 for qualified loans for all purposes under  
19 this Act, subject to reasonable under-  
20 writing, security appraisal, and repayment  
21 standards established by the Corpora-  
22 tion.”.

1 **SEC. 5033. FARM CREDIT SYSTEM INSURANCE CORPORA-**  
2 **TION.**

3 (a) **AUTHORITY TO PASS ALONG COST OF INSUR-**  
4 **ANCE PREMIUMS.**—Section 1.12(b) of the Farm Credit  
5 Act of 1971 (12 U.S.C. 2020(b)) is amended by striking  
6 the last sentence and inserting “The assessment on any  
7 such association or other financing institution for any pe-  
8 riod shall be computed in an equitable manner.”.

9 (b) **PREMIUMS; AMOUNT IN FUND NOT EXCEEDING**  
10 **SECURE BASE AMOUNT.**—Section 5.55(a) of such Act (12  
11 U.S.C. 2277a–4(a)) is amended—

12 (1) in paragraph (1)—

13 (A) in the matter preceding subparagraph  
14 (A), by striking “(2), the annual” and inserting  
15 “(3), the”;

16 (B) by striking subparagraphs (A) through  
17 (D) and inserting the following:

18 “(A) the average outstanding insured obli-  
19 gations issued by the bank for the calendar  
20 year, after deducting therefrom the percentages  
21 of the guaranteed portions of loans and invest-  
22 ments described in paragraph (2), multiplied by  
23 0.0020;

24 “(B) the average principal outstanding for  
25 the calendar year on loans made by the bank

1           that are in nonaccrual status, multiplied by  
2           0.0010; and

3           “(C) the average amount outstanding for  
4           the calendar year of other-than-temporarily im-  
5           paired investments made by the bank, multi-  
6           plied by 0.0010.”;

7           (2) in paragraph (2), by striking “annual”;

8           (3) in paragraph (3), in the matter preceding  
9           subparagraph (A), by striking “As used” and all  
10          that follows through “that” and inserting “As used  
11          in this section, the term ‘government-guaranteed’  
12          when applied to loans or investments, means loans,  
13          credits, or investments, or portions of loans, credits,  
14          or investments, that”;

15          (4) by redesignating paragraphs (2) and (3) as  
16          paragraphs (3) and (4), respectively, and inserting  
17          after paragraph (1) the following:

18          “(2) DEDUCTIONS FROM AVERAGE OUT-  
19          STANDING INSURED OBLIGATIONS.—The average  
20          outstanding insured obligations issued by the bank  
21          for the calendar year referred to in subsection  
22          (a)(1)(A) of this section shall be reduced by deduct-  
23          ing therefrom the sum of—

24                 “(A) 90 percent of the sum of—

1           “(i) the average principal outstanding  
2           for such calendar year on the guaranteed  
3           portions of Federal government-guaranteed  
4           loans made by the bank that are in accrual  
5           status; and

6           “(ii) the average amount outstanding  
7           for the calendar year of the guaranteed  
8           portions of Federal government-guaranteed  
9           investments made by the bank that are not  
10          permanently impaired, as determined by  
11          the Corporation; and

12          “(B) 80 percent of the sum of—

13               “(i) the average principal outstanding  
14               for the calendar year on the guaranteed  
15               portions of State government-guaranteed  
16               loans made by the bank that are in accrual  
17               status; and

18               “(ii) the average amount outstanding  
19               for the calendar year of the guaranteed  
20               portions of State government-guaranteed  
21               investments made by the bank that are not  
22               permanently impaired, as determined by  
23               the Corporation.”.

1       (c) PREMIUMS; AMOUNT IN FUND EXCEEDING SE-  
2 CURE BASE AMOUNT.—Section 5.55(b) of such Act (12  
3 U.S.C. 2277a–4(b)) is amended by striking “annual”.

4       (d) SECURE BASE AMOUNT.—Section 5.55(c) of such  
5 Act (12 U.S.C. 2277a–4(c)) is amended by striking the  
6 parenthetical phrase and inserting “(adjusted downward  
7 to exclude an amount equal to the sum of: (1) 90 percent  
8 of: (A) the guaranteed portions of principal outstanding  
9 on Federal government-guaranteed loans in accrual status  
10 made by the banks; and (B) the guaranteed portions of  
11 the amount of Federal government-guaranteed invest-  
12 ments made by the banks that are not permanently im-  
13 paired; and (2) 80 percent of: (A) the guaranteed portions  
14 of principal outstanding on State government-guaranteed  
15 loans in accrual status made by the banks; and (B) the  
16 guaranteed portions of the amount of State government-  
17 guaranteed investments made by the banks that are not  
18 permanently impaired, as determined by the Corpora-  
19 tion)”.

20       (e) DETERMINATION OF LOAN AND INVESTMENT  
21 AMOUNTS.—Section 5.55(d) of such Act (12 U.S.C.  
22 2277a–4(d)) is amended—

23               (1) in the subsection heading, by striking  
24       “PRINCIPAL OUTSTANDING” and inserting “LOAN  
25       AND INVESTMENT AMOUNTS”;



1           (2) in the matter preceding paragraph (1), by  
2       striking “For” and all that follows through “—”  
3       and inserting “For the purpose of subsections (a)  
4       and (c) of this section, the principal outstanding on  
5       all loans made by an insured System bank or the  
6       amount outstanding on all investments made by an  
7       insured System bank shall be determined based on  
8       all loans or investments made—”; and

9           (3) in each of paragraphs (1) and (2), by in-  
10      serting “or investments” before “because”.

11      (f) ALLOCATION TO SYSTEM INSTITUTIONS OF EX-  
12      CESS RESERVES.—Section 5.55(e) of such Act (12 U.S.C.  
13      2277a–4(e)) is amended—

14           (1) in paragraph (3), by striking “the average  
15      secure base amount for the calendar year (as cal-  
16      culated on an average daily balance basis)” and in-  
17      serting “the secure base amount”;

18           (2) in paragraph (4), by striking subparagraph  
19      (B) and inserting the following:

20           “(B) there shall be credited to the Allo-  
21      cated Insurance Reserves Account of each in-  
22      sured System bank an amount that bears the  
23      same ratio to the total amount (less any  
24      amount credited under subparagraph (A) of  
25      this paragraph) as the average principal out-

1 standing for the calendar year on insured obli-  
2 gations issued by the bank (after deducting  
3 therefrom the percentages of the guaranteed  
4 portions of loans and investments described in  
5 subsection (a)(2) of this section), bears to the  
6 average principal outstanding for the calendar  
7 year on insured obligations issued by all insured  
8 System banks (after deducting therefrom the  
9 percentages of the guaranteed portions of loans  
10 and investments so described).”; and

11 (3) in paragraph (6)—

12 (A) in subparagraph (A)—

13 (i) in the matter preceding clause (i),  
14 by striking “beginning” and all that fol-  
15 lows through “2005”;

16 (ii) by striking clause (i) and inserting  
17 the following:

18 “(i) subject to subparagraph (D), pay  
19 to each insured System bank, in a manner  
20 determined by the Corporation, an amount  
21 equal to the balance in its Allocated Insur-  
22 ance Reserves Account; and”; and

23 (iii) in clause (ii)—

1 (I) by striking “(C), (E), and  
2 (F)” and inserting “(C) and (E”;  
3 and

4 (II) by striking “outstanding,”  
5 and all that follows and inserting “at  
6 the time of the termination of the Fi-  
7 nancial Assistance Corporation, of the  
8 balance in the Allocated Insurance  
9 Reserves Account established under  
10 subparagraph (1)(B).”;

11 (B) in subparagraph (C)—

12 (i) in clause (i), by striking “(in addi-  
13 tion to the amounts described in subpara-  
14 graph (F)(ii))”; and

15 (ii) by striking clause (ii) and insert-  
16 ing the following:

17 “(ii) TERMINATION OF ACCOUNT.—  
18 On disbursement of \$56,000,000, the Cor-  
19 poration shall close the Account established  
20 under paragraph (1)(B) and transfer any  
21 remaining funds in the Account to the re-  
22 maining Allocated Insurance Reserves Ac-  
23 counts in accordance with paragraph  
24 (4)(B) for the calendar year in which the  
25 transfer occurs.”; and

1 (C) by striking subparagraph (F).

2 (g) CERTIFICATION OF PREMIUMS.—

3 (1) FILING CERTIFIED STATEMENT.—Section  
4 5.56(a) of such Act (12 U.S.C. 2277a–5(a)) is  
5 amended to read as follows:

6 “(a) FILING CERTIFIED STATEMENT.—On a date to  
7 be determined in the sole discretion of the Corporation’s  
8 Board of Directors, each insured System bank that be-  
9 came insured before the beginning of the period for which  
10 premiums are being assessed (in this section referred to  
11 as the ‘period’) shall file with the Corporation a certified  
12 statement showing—

13 “(1) the average outstanding insured obliga-  
14 tions for the period issued by the bank;

15 “(2) the average principal outstanding for the  
16 period on the guaranteed portion of Federal govern-  
17 ment-guaranteed loans that are in accrual status  
18 and the average amount outstanding for the period  
19 of Federal government-guaranteed investments that  
20 are not permanently impaired (as defined in section  
21 5.55(a)(4));

22 “(3) the average principal outstanding for the  
23 period on State government-guaranteed loans that  
24 are in accrual status and the average amount out-  
25 standing for the period of State government-guaran-

1        teed investments that are not permanently impaired  
2        (as defined in section 5.55(a)(4));

3            “(4) the average principal outstanding for the  
4        period on loans that are in nonaccrual status and  
5        the average amount outstanding for the period of  
6        other-than-temporarily impaired investments; and

7            “(5) the amount of the premium due the Cor-  
8        poration from the bank for the period.”.

9            (2) PREMIUM PAYMENTS.—Section 5.56(c) of  
10        such Act (12 U.S.C. 2277a–5(c)) is amended to read  
11        as follows:

12        “(c) PREMIUM PAYMENTS.—Each insured System  
13        bank shall pay to the Corporation the premium payments  
14        required under subsection (a), not more frequently than  
15        once in each calendar quarter, in such manner and at such  
16        time or times as the Board of Directors shall prescribe,  
17        except that the amount of the premium shall be estab-  
18        lished not later than 60 days after filing the certified  
19        statement setting forth the amount of the premium.”.

20            (3) CONFORMING AMENDMENTS.—Section 5.56  
21        of such Act (12 U.S.C. 2277a–5) is amended by  
22        striking subsection (d) and redesignating subsection  
23        (e) as subsection (d).

1 (h) RULES AND REGULATIONS.—Section 5.58(10) of  
 2 such Act (12 U.S.C. 2277a–7(10)) is amended by insert-  
 3 ing “and section 1.12(b)” after “part”.

4 **SEC. 5034. RISK-BASED CAPITAL LEVELS.**

5 Section 8.32(a)(1) of the Farm Credit Act of 1971  
 6 (12 U.S.C. 2279bb–1(a)(1)) is amended by striking all  
 7 through “a pool of” and inserting the following:

8 “(1) CREDIT RISK.—

9 “(A) With respect to securities rep-  
 10 resenting an interest in, or obligations backed  
 11 by, a pool of qualified loans (as defined in sec-  
 12 tion 8.0(9)(C)), owned or guaranteed by the  
 13 Corporation, losses occur at a rate of default  
 14 and severity reasonably related to risks in elec-  
 15 tric and telephone facility loans, respectively, as  
 16 determined by the Director.

17 “(B) With respect to securities rep-  
 18 resenting an interest in, or obligations backed  
 19 by, a pool of other”.

20 **TITLE VI—RURAL**  
 21 **DEVELOPMENT**

Sec. 6001. Definition of rural.

Sec. 6002. Water, waste disposal, and wastewater facility grants.

Sec. 6003. Rural business opportunity grants.

Sec. 6004. Rural water and wastewater circuit rider program.

Sec. 6005. Tribal college and university essential community facilities.

Sec. 6006. Emergency and imminent community water assistance grant pro-  
 gram.

Sec. 6007. Water systems for rural and native villages in Alaska.

- Sec. 6008. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
- Sec. 6009. Rural cooperative development grants.
- Sec. 6010. Criteria to be applied in providing loans and loan guarantees under the business and industry loan program.
- Sec. 6011. Appropriate technology transfer for rural areas program.
- Sec. 6012. Grants to improve technical infrastructure and improve quality of rural health care facilities.
- Sec. 6013. Rural entrepreneur and microenterprise assistance program.
- Sec. 6014. Criteria to be applied in considering applications for rural development projects.
- Sec. 6015. National sheep industry improvement center.
- Sec. 6016. National rural development partnership.
- Sec. 6017. Historic barn preservation.
- Sec. 6018. Grants for NOAA weather radio transmitters.
- Sec. 6019. Delta regional authority.
- Sec. 6020. Northern great plains regional authority.
- Sec. 6021. Rural strategic investment program.
- Sec. 6022. Expansion of 911 access.
- Sec. 6023. Access to broadband telecommunications services in rural areas.
- Sec. 6024. Community connect grant program.
- Sec. 6025. Agriculture innovation center demonstration program.
- Sec. 6026. Rural firefighters and emergency medical service assistance program.
- Sec. 6027. Value-added agricultural market development program.
- Sec. 6028. Assistance for rural public television stations.
- Sec. 6029. Telemedicine and distance learning services in rural areas.
- Sec. 6030. Guarantees for bonds and notes issued for electrification or telephone purposes.
- Sec. 6031. Comprehensive rural broadband strategy.
- Sec. 6032. Study of railroad issues.

**1 SEC. 6001. DEFINITION OF RURAL.**

2       Not later than 60 days after the date of the enact-  
 3       ment of this Act, the Secretary of Agriculture shall pre-  
 4       pare and submit to the Committee on Agriculture of the  
 5       House of Representatives and the Committee on Agri-  
 6       culture, Nutrition, and Forestry of the Senate a report  
 7       that—

- 8               (1) assesses the varying definitions of “rural”
- 9               used by the Department of Agriculture;

1           (2) describes the effects those varying defini-  
2           tions have on the programs administered by the De-  
3           partment of Agriculture; and

4           (3) makes recommendations for ways to better  
5           target funds provided through rural development  
6           programs.

7   **SEC. 6002. WATER, WASTE DISPOSAL, AND WASTEWATER**  
8                   **FACILITY GRANTS.**

9           Section 306(a)(2)(B)(vii) of the Consolidated Farm  
10          and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii))  
11          is amended by striking “2002 through 2007” and insert-  
12          ing “2008 through 2012”.

13   **SEC. 6003. RURAL BUSINESS OPPORTUNITY GRANTS.**

14          Section 306(a)(11)(D) of the Consolidated Farm and  
15          Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is  
16          amended by striking “2007” and inserting “2012”.

17   **SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT**  
18                   **RIDER PROGRAM.**

19          Section 306(a)(22)(C) of the Consolidated Farm and  
20          Rural Development Act (7 U.S.C. 1926(a)(22)(C)) is  
21          amended by striking “\$15,000,000 for fiscal year 2003”  
22          and inserting “\$25,000,000 for fiscal year 2008”.



1 **SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL**  
2 **COMMUNITY FACILITIES.**

3 Section 306(a)(25) of the Consolidated Farm and  
4 Rural Development Act (7 U.S.C. 1926(a)(25)) is amend-  
5 ed—

6 (1) by striking subparagraph (B) and inserting  
7 the following:

8 “(B) FEDERAL SHARE.—The Secretary  
9 shall establish the maximum percentage of the  
10 cost of the facility that may be covered by a  
11 grant under this paragraph, except that the  
12 Secretary may not require non-Federal financial  
13 support in an amount that is greater than 5  
14 percent of the total cost.”; and

15 (2) in subparagraph (C), by striking “2003  
16 through 2007” and inserting “2008 through 2012”.

17 **SEC. 6006. EMERGENCY AND IMMINENT COMMUNITY**  
18 **WATER ASSISTANCE GRANT PROGRAM.**

19 Section 306A(i)(2) of the Consolidated Farm and  
20 Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended  
21 by striking “2003 through 2007” and inserting “2008  
22 through 2012”.

23 **SEC. 6007. WATER SYSTEMS FOR RURAL AND NATIVE VIL-**  
24 **LAGES IN ALASKA.**

25 Section 306D(d)(1) of the Consolidated Farm and  
26 Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-

1 ed by striking “2001 through 2007” and inserting “2008  
2 through 2012”.

3 **SEC. 6008. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**  
4 **NANCE THE CONSTRUCTION, REFURBISHING,**  
5 **AND SERVICING OF INDIVIDUALLY-OWNED**  
6 **HOUSEHOLD WATER WELL SYSTEMS IN**  
7 **RURAL AREAS FOR INDIVIDUALS WITH LOW**  
8 **OR MODERATE INCOMES.**

9 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
10 306E(d) of the Consolidated Farm and Rural Develop-  
11 ment Act (7 U.S.C. 1926e(d)) is amended by striking  
12 “2003 through 2007” and inserting “2008 through  
13 2012”.

14 (b) ADDITIONAL PRIORITY IN AWARDING GRANTS.—  
15 Section 306E(c) of such Act (7 U.S.C. 1926e(c)) is  
16 amended by inserting “, and to an applicant that has sub-  
17 stantial expertise and experience in promoting the safe  
18 and productive use of individually-owned household water  
19 well systems and ground water. The ability of an applicant  
20 to provide matching funds shall not be taken into account  
21 in determining any priority in awarding grants under this  
22 section. The payment by a grantee of audit fees, business  
23 insurance, salary, wages, employee benefits, printing costs,  
24 postage costs, and legal fees associated with providing the  
25 assistance described in paragraph (1) shall be considered

1 the provision of matching funds by the grantee for pur-  
 2 poses of this section” before the period.

3 **SEC. 6009. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

4 (a) **ELIGIBILITY.**—Section 310B(e)(5) of the Consoli-  
 5 dated Farm and Rural Development Act (7 U.S.C.  
 6 1932(e)(5)) is amended—

7 (1) in subparagraph (A), by striking “a nation-  
 8 ally coordinated, regionally or State-wide operated  
 9 project” and inserting “activities to promote and as-  
 10 sist the development of cooperatively and mutually  
 11 owned businesses”;

12 (2) in subparagraph (B), by inserting “to pro-  
 13 mote and assist the development of cooperatively  
 14 and mutually owned businesses” before the semi-  
 15 colon;

16 (3) by striking subparagraph (D) and redesign-  
 17 ating subparagraph (E) as subparagraph (D);

18 (4) inserting after subparagraph (D) (as so re-  
 19 designated):

20 “(E) demonstrate a commitment to—

21 “(i) networking with and sharing the  
 22 results of its efforts with other cooperative  
 23 development centers and other organiza-  
 24 tions involved in rural economic develop-  
 25 ment efforts; and

1                   “(ii) developing multi-organization  
2                   and multi-State approaches to addressing  
3                   the cooperative and economic development  
4                   needs of rural areas.”; and

5                   (5) in subparagraph (F), by striking “greater  
6                   than” the 1st place it appears.

7                   (b) AUTHORITY TO AWARD MULTI-YEAR GRANTS.—  
8                   Section 310(B)(e)(6) of such Act (7 U.S.C. 1932(e)(6))  
9                   is amended to read as follows:

10                   “(6) Grants awarded to centers that have re-  
11                   ceived no prior funding under this subsection shall  
12                   be made for a period of 1 year. The Secretary shall  
13                   evaluate programs receiving assistance under this  
14                   subsection. The Secretary may award grants for a  
15                   period of more than 1 year, but not more than 3  
16                   years, to centers that have successfully met the cri-  
17                   teria under paragraph (5).”.

18                   (c) AUTHORITY TO EXTEND GRANT PERIOD FOR 1  
19                   YEAR.—Section 310B(e) of such Act (7 U.S.C. 1932(e))  
20                   is amended by redesignating paragraphs (7) through (9)  
21                   as paragraphs (8) through (10), respectively, and insert-  
22                   ing after paragraph (6) the following:

23                   “(7) The Secretary may extend for only 1 addi-  
24                   tional 12-month period the period in which a grantee  
25                   may use a grant made under this subsection.”.

1       (d) COOPERATIVE RESEARCH PROGRAM.—Section  
2 310B(e) of such Act (7 U.S.C. 1932(e)), as amended by  
3 subsection (c) of this section, is amended by redesignating  
4 paragraphs (9) and (10) as paragraphs (10) and (11), re-  
5 spectively, and inserting after paragraph (9) the following:

6           “(10) The Secretary shall enter into a coopera-  
7 tive research agreement with 1 or more qualified  
8 academic institutions in each fiscal year to conduct  
9 research on the national economic effects of all types  
10 of cooperatives.”.

11       (e) ADDRESSING NEEDS OF MINORITY COMMU-  
12 NITIES.—Section 310B(e) of such Act (7 U.S.C. 1932(e)),  
13 as amended by subsections (c) and (d) of this section, is  
14 amended by redesignating paragraph (11) as paragraph  
15 (12) and inserting after paragraph (10) the following:

16           “(11)(A) If the total amount appropriated  
17 under paragraph (12) of this subsection for a fiscal  
18 year exceeds \$7,500,000, the Secretary shall reserve  
19 an amount equal to 20 percent of the amount so ap-  
20 propriated for grants for cooperative development  
21 centers, individual cooperatives, or groups of co-  
22 operatives, serving socially disadvantaged (within the  
23 meaning of section 355(e)) communities, a majority  
24 of the boards of directors or governing boards of

1       which are comprised of socially disadvantaged  
2       (within such meaning) individuals.

3               “(B) To the extent that the Secretary deter-  
4       mines that funds reserved under subparagraph (A)  
5       will not be used for grants described in subpara-  
6       graph (A) because of insufficient applications for the  
7       grants, the Secretary shall use the funds as other-  
8       wise authorized by this subsection.”.

9       (f) AUTHORIZATION OF APPROPRIATIONS.—Section  
10   310B(e)(12) of such Act (7 U.S.C. 1932(e)(12)), as so  
11   redesignated by subsections (c) through (e) of this section,  
12   is amended by striking “2007” and inserting “2012”.

13   **SEC. 6010. CRITERIA TO BE APPLIED IN PROVIDING**  
14               **LOANS AND LOAN GUARANTEES UNDER THE**  
15               **BUSINESS AND INDUSTRY LOAN PROGRAM.**

16       Section 310B(g) of the Consolidated Farm and Rural  
17   Development Act (7 U.S.C. 1932(g)) is amended by add-  
18   ing at the end the following:

19       “(9)(A) In providing loans and loan guarantees under  
20   this section, the Secretary shall consider an application  
21   more favorably when compared to other applications to the  
22   extent that the project described in the application sup-  
23   ports community development and farm and ranch income  
24   by marketing, distributing, storing, aggregating, or proc-

1   essing a locally or regionally produced agricultural prod-  
 2   uct.

3       “(B) In subparagraph (A), the term ‘locally or re-  
 4   gionally produced agricultural product’ means an agricul-  
 5   tural product—

6           “(I) which is produced and distributed in the  
 7       locality or region where the finished product is mar-  
 8       keted;

9           “(ii) which has been shipped a total distance of  
 10      400 or fewer miles, as determined by the Secretary;  
 11      and

12          “(iii) about which the distributor has conveyed  
 13      to the end-use consumers information regarding the  
 14      origin of the product or production practices, or  
 15      other valuable information.”.

16 **SEC. 6011. APPROPRIATE TECHNOLOGY TRANSFER FOR**  
 17 **RURAL AREAS PROGRAM.**

18      Section 310B of the Consolidated Farm and Rural  
 19   Development Act (7 U.S.C. 1932) is amended by adding  
 20   at the end the following:

21      “(i) APPROPRIATE TECHNOLOGY TRANSFER FOR  
 22   RURAL AREAS PROGRAM.—

23          “(1) DEFINITION OF NATIONAL NONPROFIT AG-  
 24      RICULTURAL ASSISTANCE INSTITUTION.—In this

1 subsection, the term ‘national nonprofit agricultural  
2 assistance institution’ means an organization that—

3 “(A) is described in section 501(c)(3) of  
4 the Internal Revenue Code of 1986 and exempt  
5 from taxation under 501(a) of that Code;

6 “(B) has staff and offices in multiple re-  
7 gions;

8 “(C) operates national sustainable agri-  
9 culture technical assistance programs; and

10 “(D) provides the technical assistance  
11 through toll-free hotlines, a website, publica-  
12 tions, and work shops.

13 “(2) ESTABLISHMENT.—The Secretary shall es-  
14 tablish a national appropriate technology transfer  
15 for rural areas program to assist agricultural pro-  
16 ducers that are seeking information to help agricul-  
17 tural producers—

18 “(A) reduce input costs;

19 “(B) conserve energy resources;

20 “(C) diversify operations through new en-  
21 ergy crops and energy generation facilities; and

22 “(D) expand markets for the agricultural  
23 commodities produced by the producers through  
24 use of sustainable farming practices.

25 “(3) IMPLEMENTATION.—



1           “(A) IN GENERAL.—The Secretary shall  
2           carry out the program under this subsection by  
3           making a grant to, or offering to enter into a  
4           cooperative agreement with, a national non-  
5           profit agricultural assistance organization.

6           “(B) COST SHARE.—A grant made, or co-  
7           operative agreement entered into, under sub-  
8           paragraph (A) shall provide 100 percent of the  
9           cost of providing information pursuant to para-  
10          graph (2).

11          “(4) AUTHORIZATION OF APPROPRIATIONS.—  
12          There are authorized to be appropriated to the Sec-  
13          retary to carry out this subsection \$5,000,000 for  
14          each fiscal year.”.

15   **SEC. 6012. GRANTS TO IMPROVE TECHNICAL INFRASTRUC-**  
16                   **TURE AND IMPROVE QUALITY OF RURAL**  
17                   **HEALTH CARE FACILITIES.**

18          Subtitle D of the Consolidated Farm and Rural De-  
19          velopment Act (7 U.S.C. 1981–2008r), as amended by  
20          section 5025 of this Act, is amended by inserting after  
21          section 365 the following:

1 **“SEC. 366. GRANTS TO IMPROVE TECHNICAL INFRASTRUC-**  
2 **TURE AND IMPROVE QUALITY OF RURAL**  
3 **HEALTH CARE FACILITIES.**

4 “(a) IN GENERAL.—The Secretary shall establish a  
5 program to award grants to rural health facilities for the  
6 purpose of assisting the facilities in—

7 “(1) purchasing health information technology  
8 to improve quality in health care and patient safety;  
9 or

10 “(2) improving health care quality and patient  
11 safety, including the development of—

12 “(A) quality improvement support struc-  
13 tures to assist rural health systems and profes-  
14 sionals—

15 “(i) achieve greater integration of per-  
16 sonal and population health services; and

17 “(ii) address safety, effectiveness,  
18 patient- or community-centeredness, timeli-  
19 ness, efficiency, and equity; and

20 “(B) innovative approaches to the financ-  
21 ing and delivery of health services to achieve  
22 rural health quality goals.

23 “(b) DEFINITIONS.—In this section:

24 “(1) HEALTH INFORMATION TECHNOLOGY.—  
25 The term ‘health information technology’ includes  
26 total expenditures incurred for—

1           “(A) purchasing, leasing, and installing  
2           computer software and hardware, including  
3           handheld computer technologies, and related  
4           services;

5           “(B) making improvements to computer  
6           software and hardware;

7           “(C) purchasing or leasing communications  
8           capabilities necessary for clinical data access,  
9           storage, and exchange;

10          “(D) services associated with acquiring,  
11          implementing, operating, or optimizing the use  
12          of computer software and hardware and clinical  
13          health care informatics systems;

14          “(E) providing education and training to  
15          eligible entity staff on information systems and  
16          technology designed to improve patient safety  
17          and quality of care; and

18          “(F) purchasing, leasing, subscribing, or  
19          servicing support to establish interoperability  
20          that—

21                 “(i) integrates patient-specific clinical  
22                 data with well-established national treat-  
23                 ment guidelines;

24                 “(ii) provides ongoing, continuous  
25                 quality improvement functions that allow

1 providers to assess improvement rates over  
2 time and against averages for similar pro-  
3 viders; and

4 “(iii) integrates with larger health  
5 networks.

6 “(2) RURAL AREA.—The term ‘rural area’  
7 means any area of the United States that is not—

8 “(A) included within the boundaries of any  
9 city, town, borough, or village, whether incor-  
10 porated or unincorporated, with a population of  
11 more than 20,000 inhabitants; or

12 “(B) the urbanized area contiguous and  
13 adjacent to such a city or town.

14 “(3) RURAL HEALTH FACILITY.—The term  
15 ‘rural health facility’ means any of the following:

16 “(A) SOLE COMMUNITY HOSPITAL.—A  
17 hospital (as defined in section 1886(a)(2) of the  
18 Social Security Act (42 U.S.C. 1395ww(a)(2))).

19 “(B) CRITICAL ACCESS HOSPITAL.—A crit-  
20 ical access hospital (as defined in section  
21 1861(mm)(1) of the Social Security Act (42  
22 U.S.C. 1395x(mm)(1))).

23 “(C) FEDERALLY QUALIFIED HEALTH  
24 CENTER IN RURAL AREAS.—A federally quali-  
25 fied health center (as defined in section

1           1861(aa)(4) of the Social Security Act (42  
2           U.S.C. 1395x(aa)(4)) that is located in a rural  
3           area.

4           “(D) RURAL PHYSICIAN OR RURAL PHYSI-  
5           CIAN GROUP PRACTICE.—A physician or physi-  
6           cian group practice that is located in a rural  
7           area.

8           “(E) RURAL HEALTH CLINIC.—A rural  
9           health clinic (as defined in section 1861(aa)(2)  
10          of the Social Security Act (42 U.S.C.  
11          1395x(aa)(2))).

12          “(F) MEDICARE DEPENDENT HOSPITAL.—  
13          A medicare-dependent, small rural hospital (as  
14          defined in section 1886(d)(5)(G)(iv) of the So-  
15          cial Security Act (42 U.S.C.  
16          1395ww(d)(5)(G)(iv))).

17          “(c) AMOUNT OF GRANT.—The Secretary shall deter-  
18          mine the amount of a grant awarded under this section.

19          “(d) FURNISHING THE SECRETARY WITH INFORMA-  
20          TION.—An eligible entity receiving a grant under this sec-  
21          tion shall furnish the Secretary with such information as  
22          the Secretary may require to—

23                 “(1) evaluate the project for which the grant is  
24                 made; and

1           “(2) ensure that assistance provided under the  
2           grant is expended for the purposes for which the  
3           grant is made.

4           “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
5           are authorized to be appropriated to the Secretary to carry  
6           out this section not more than \$30,000,000 for each of  
7           the fiscal years 2008 through 2012.”.

8           **SEC. 6013. RURAL ENTREPRENEUR AND MICROENTER-**  
9                                   **PRISE ASSISTANCE PROGRAM.**

10          Subtitle D of the Consolidated Farm and Rural De-  
11          velopment Act (7 U.S.C. 1981–2008r), as amended by  
12          sections 5025 and 6012 of this Act, is amended by insert-  
13          ing after section 366 the following:

14          **“SEC. 367. RURAL ENTREPRENEUR AND MICROENTER-**  
15                                   **PRISE ASSISTANCE PROGRAM.**

16          “(a) DEFINITIONS.—In this section:

17               “(1) ECONOMICALLY DISADVANTAGED MICRO-  
18               ENTREPRENEUR.—The term ‘economically disadvan-  
19               taged microentrepreneur’ means an owner, majority  
20               owner, or developer of a microenterprise that has the  
21               ability to compete in the private sector but has been  
22               impaired because of diminished capital and credit  
23               opportunities, as compared to other microentre-  
24               preneurs in the industry.

1           “(2) INDIAN TRIBE.—The term ‘Indian tribe’  
2       has the meaning given the term in section 4 of the  
3       Indian Self-Determination and Education Assistance  
4       Act (25 U.S.C. 450b).

5           “(3) INTERMEDIARY.—The term ‘intermediary’  
6       means a nonprofit entity that provides assistance—

7               “(A) to a microenterprise development or-  
8       ganization; or

9               “(B) for a microenterprise development  
10      program.

11          “(4) LOW-INCOME INDIVIDUAL.—The term  
12      ‘low-income individual’ means an individual with an  
13      income (adjusted for family size) of not more than  
14      80 percent of the national median income.

15          “(5) MICROCREDIT.—The term ‘microcredit’  
16      means a business loan or loan guarantee of not more  
17      than \$50,000 that is provided to a rural entre-  
18      preneur.

19          “(6) MICROENTERPRISE.—The term ‘micro-  
20      enterprise’ means—

21               “(A) a sole proprietorship; or

22               “(B) a business entity with not more than  
23      10 full-time-equivalent employees.

24          “(7) MICROENTERPRISE DEVELOPMENT ORGA-  
25      NIZATION.—

1           “(A) IN GENERAL.—The term ‘microenter-  
2           prise development organization’ means a non-  
3           profit entity that—

4                   “(i) provides training and technical  
5                   assistance to rural entrepreneurs; and

6                   “(ii) facilitates access to capital or an-  
7                   other service described in subsection (b)  
8                   for rural entrepreneurs.

9           “(B) INCLUSIONS.—The term ‘microenter-  
10          prise development organization’ includes an or-  
11          ganization described in subparagraph (A) with  
12          a demonstrated record of delivering services to  
13          economically disadvantaged microentrepreneurs,  
14          or an effective plan to develop a program to de-  
15          liver microenterprise services to rural entre-  
16          preneurs effectively, as determined by the Sec-  
17          retary.

18          “(8) MICROENTERPRISE DEVELOPMENT PRO-  
19          GRAM.—The term ‘microenterprise development pro-  
20          gram’ means a program administered by a qualified  
21          organization serving a rural area.

22          “(9) MICROENTREPRENEUR.—The term ‘micro-  
23          entrepreneur means’ the owner, operator, or devel-  
24          oper of a microenterprise.



1           “(10) PROGRAM.—The term ‘program’ means  
2           the rural entrepreneur and microenterprise program  
3           established under subsection (b)(1).

4           “(11) QUALIFIED ORGANIZATION.—The term  
5           ‘qualified organization’ means—

6                   “(A) a microenterprise development orga-  
7                   nization or microenterprise development pro-  
8                   gram that has a demonstrated record of deliv-  
9                   ering microenterprise services to rural entre-  
10                  preneurs, or an effective plan to develop a pro-  
11                  gram to deliver microenterprise services to rural  
12                  entrepreneurs effectively, as determined by the  
13                  Secretary;

14                  “(B) an intermediary that has a dem-  
15                  onstrated record of delivering assistance to  
16                  microenterprise development organizations or  
17                  microenterprise development programs;

18                  “(C) an Indian tribe, the tribal government  
19                  of which certifies to the Secretary that there is  
20                  no microenterprise development organization or  
21                  microenterprise development program under the  
22                  jurisdiction of the Indian tribe;

23                  “(D) a group of 2 or more organizations or  
24                  Indian tribes described in any of subparagraphs

1 (A) through (C) that agree to act jointly as a  
2 qualified organization under this section; or

3 “(E) for purposes of subsection (b), a pub-  
4 lic college or university that has a demonstrated  
5 record of delivering assistance to microenter-  
6 prise development organizations or microenter-  
7 prise development programs.

8 “(12) RURAL AREA.—The term ‘rural area’  
9 means any area of the United States that is not—

10 “(A) included within the boundaries of any  
11 city, town, borough, or village, whether incor-  
12 porated or unincorporated, with a population of  
13 more than 20,000 inhabitants; or

14 “(B) the urbanized area contiguous and  
15 adjacent to such a city or town.

16 “(13) RURAL CAPACITY-BUILDING SERVICE.—  
17 The term ‘rural capacity-building service’ means a  
18 service provided to an organization that—

19 “(A) is, or is in the process of becoming,  
20 a microenterprise development organization or  
21 microenterprise development program; and

22 “(B) serves rural areas for the purpose of  
23 enhancing the ability of the organization to pro-  
24 vide training, technical assistance, and other re-  
25 lated services to rural entrepreneurs.

1           “(14) RURAL ENTREPRENEUR.—The term  
2           ‘rural entrepreneur’ means a microentrepreneur, or  
3           prospective microentrepreneur—

4                   “(A) the principal place of business of  
5                   which is in a rural area; and

6                   “(B) that is unable to obtain sufficient  
7                   training, technical assistance, or microcredit  
8                   elsewhere, as determined by the Secretary.

9           “(15) TRIBAL GOVERNMENT.—The term ‘tribal  
10           government’ means the governing body of an Indian  
11           tribe.

12           “(b) RURAL ENTREPRENEURSHIP AND MICRO-  
13           ENTERPRISE PROGRAM.—

14                   “(1) ESTABLISHMENT.—The Secretary shall es-  
15                   tablish a rural entrepreneurship and microenterprise  
16                   program.

17                   “(2) PURPOSE.—The purpose of the program  
18                   shall be to provide low-income individuals and mod-  
19                   erate-income individuals with—

20                   “(A) the skills necessary to establish new  
21                   small businesses in rural areas; and

22                   “(B) continuing technical and financial as-  
23                   sistance as individuals and business starting or  
24                   operating small businesses.

25           “(3) GRANTS.—

1           “(A) IN GENERAL.—The Secretary may  
2           make a grant under the program to a qualified  
3           organization—

4                   “(i) to provide training, operational  
5                   support, or a rural capacity-building serv-  
6                   ice to a qualified organization to assist the  
7                   qualified organization in developing micro-  
8                   enterprise training, technical assistance,  
9                   market development assistance, and other  
10                  related services, primarily for business with  
11                  10 or fewer full-time-equivalent employees;

12                  “(ii) to assist in researching and de-  
13                  veloping the best practices in delivering  
14                  training, technical assistance, and micro-  
15                  credit to rural entrepreneurs; and

16                  “(iii) to carry out such other projects  
17                  and activities as the Secretary determines  
18                  to be consistent with the purposes of this  
19                  section.

20           “(B) DIVERSITY.—In making grants under  
21           this paragraph, the Secretary shall ensure, to  
22           the maximum extent practicable, that grant re-  
23           cipients include qualified organizations—

24                   “(i) of varying sizes; and

1                   “(ii) that serve racially and ethnically  
2                   diverse populations.

3                   “(C) MATCHING REQUIREMENT.—

4                   “(i) IN GENERAL.—As a condition of  
5                   any grant made to a qualified organization  
6                   under this paragraph, the Secretary shall  
7                   require the qualified organization to match  
8                   not less than 25 percent of the total  
9                   amount of the grant.

10                  “(ii) SOURCES.—In addition to cash  
11                  from non-Federal sources, a matching  
12                  share provided by the qualified organiza-  
13                  tion may include indirect costs or in-kind  
14                  contributions funded under non-Federal  
15                  programs.

16                  “(4) RURAL MICROLOAN AND TECHNICAL AS-  
17                  SISTANCE PROGRAM.—

18                  “(A) ESTABLISHMENT.—In carrying out  
19                  the program, the Secretary may carry out a  
20                  rural microloan program.

21                  “(B) PURPOSE.—The purpose of the rural  
22                  microloan program shall be to provide technical  
23                  and financial assistance through qualified orga-  
24                  nizations to sole proprietorships and small busi-  
25                  nesses located in rural areas with a particular

1 focus on businesses with 10 or fewer full-time  
2 equivalent employees.

3 “(C) AUTHORITY OF SECRETARY.—In car-  
4 rying out the rural microloan program, the Sec-  
5 retary may—

6 “(i) make loans to qualified organiza-  
7 tions for the purpose of making short-  
8 term, fixed interest rate microloans to  
9 startup, newly established, and growing  
10 rural microbusiness concerns; and

11 “(ii) in conjunction with the loans,  
12 provide grants in accordance with subpara-  
13 graph (E) to the organizations for the pur-  
14 pose of providing intensive marketing,  
15 management, and technical assistance to  
16 small business concerns that are borrowers  
17 under this paragraph.

18 “(D) LOAN DURATION; INTEREST RATES;  
19 CONDITIONS.—

20 “(i) LOAN DURATION.—A loan made  
21 by the Secretary under this paragraph  
22 shall be for a term of 20 years.

23 “(ii) APPLICABLE INTEREST RATES.—  
24 A loan made by the Secretary under this  
25 paragraph to a qualified organization shall

1 bear an annual interest rate of at least 1  
2 percent.

3 “(iii) DEFERRAL OF INTEREST AND  
4 PRINCIPAL.—The Secretary may permit  
5 the deferral of payments, for principal and  
6 interest, on a loan made under this para-  
7 graph for a period of not more than 2  
8 years, beginning on the date the loan is  
9 made.

10 “(E) GRANT AMOUNTS.—

11 “(i) IN GENERAL.—Except as other-  
12 wise provided in this section, each qualified  
13 organization that receives a loan under this  
14 paragraph shall be eligible to receive a  
15 grant to provide marketing, management,  
16 and technical assistance to small business  
17 concerns that are borrowers or potential  
18 borrowers under this subsection.

19 “(ii) MAXIMUM AMOUNT FOR MICRO-  
20 ENTERPRISE DEVELOPMENT ORGANIZA-  
21 TIONS.—Each microenterprise development  
22 organization that receives a loan under this  
23 paragraph shall receive an annual grant in  
24 an amount equal to not more than 25 per-  
25 cent of the total outstanding balance of

1 loans made to the microenterprise develop-  
2 ment organization under this paragraph,  
3 as of the date the grant is made.

4 “(iii) MATCHING REQUIREMENT.—

5 “(I) IN GENERAL.—As a condi-  
6 tion of any grant made to a qualified  
7 organization under this subparagraph,  
8 the Secretary shall require the quali-  
9 fied organization to match not less  
10 than 15 percent of the total amount  
11 of the grant.

12 “(II) SOURCES.—In addition to  
13 cash from non-Federal sources, a  
14 matching share provided by the quali-  
15 fied organization may include indirect  
16 costs or in-kind contributions funded  
17 under non-Federal programs.

18 “(c) ADMINISTRATIVE EXPENSES.—Not more than  
19 10 percent of assistance received by a qualified organiza-  
20 tion for a fiscal year under this section may be used to  
21 pay administrative expenses.

22 “(d) FURNISHING THE SECRETARY WITH INFORMA-  
23 TION.—A qualified organization that receives a grant  
24 under subsection (b)(3) or loan under subsection (b)(4)  
25 shall furnish the Secretary by December 1 such informa-



1 tion as the Secretary may require to ensure that assistance  
 2 provided under the grant or loan is expended for the pur-  
 3 poses for which the grant or loan is made.

4 “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
 5 are authorized to be appropriated to the Secretary to carry  
 6 out this section not more than \$20,000,000 for each of  
 7 the fiscal years 2008 through 2012.”.

8 **SEC. 6014. CRITERIA TO BE APPLIED IN CONSIDERING AP-**  
 9 **PLICATIONS FOR RURAL DEVELOPMENT**  
 10 **PROJECTS.**

11 Subtitle D of the Consolidated Farm and Rural De-  
 12 velopment Act (7 U.S.C. 1981–2008r), as amended by  
 13 sections 5025, 6012, and 6013 of this Act, is amended  
 14 by inserting after section 367 the following:

15 **“SEC. 368. CRITERIA TO BE APPLIED IN CONSIDERING AP-**  
 16 **PLICATIONS FOR RURAL DEVELOPMENT**  
 17 **PROJECTS.**

18 “(a) IN GENERAL.—The Secretary shall review the  
 19 income demographics, population, seasonal increases, and  
 20 other factors as determined by the Secretary, of eligible  
 21 communities for each program authorized or modified by,  
 22 or funded pursuant to, an amendment made by title VI  
 23 of the Farm, Nutrition, and Bioenergy Act of 2007 or sec-  
 24 tion 306, 306A, 306C, 306D, 306E, 310(c), 310(e),  
 25 310B(b), 310B(c), 310B(e), or 379B, or subtitle F, G,

1 H, or I of this Act, and which proposes to serve a rural  
 2 area (as defined by the applicable law).

3 “(b) REGULATIONS.—The Secretary shall issue regu-  
 4 lations to establish the applicable limitations that a rural  
 5 area cannot exceed in order to remain eligible for a pro-  
 6 gram referred to in subsection (a).”.

7 **SEC. 6015. NATIONAL SHEEP INDUSTRY IMPROVEMENT**  
 8 **CENTER.**

9 (a) FUNDING.—Section 375(e)(6) of the Consolidated  
 10 Farm and Rural Development Act (7 U.S.C. 2008j(e)(6))  
 11 is amended by striking paragraphs (B) and (C) and insert-  
 12 ing the following:

13 “(B) AUTHORIZATION OF APPROPRIA-  
 14 TIONS.—There are authorized to be appro-  
 15 priated to the Secretary to carry out this sec-  
 16 tion \$10,000,000 for each of the fiscal years  
 17 2008 through 2012.”.

18 (b) ELIMINATION OF REQUIREMENT TO PRIVATIZE  
 19 REVOLVING FUND.—Section 375 of such Act (7 U.S.C.  
 20 2008j) is amended by striking subsection (j).

21 **SEC. 6016. NATIONAL RURAL DEVELOPMENT PARTNER-**  
 22 **SHIP.**

23 Section 378(g)(1) of the Consolidated Farm and  
 24 Rural Development Act (7 U.S.C. 2008m(g)(1)) is amend-

1 ed by striking “2003 through 2007” and inserting “2008  
2 through 2012”.

3 **SEC. 6017. HISTORIC BARN PRESERVATION.**

4 (a) GRANT PRIORITY.—Section 379A(c) of the Con-  
5 solidated Farm and Rural Development Act (7 U.S.C.  
6 2008o(c)) is amended by redesignating paragraphs (3)  
7 and (4) as paragraphs (4) and (5) and inserting after  
8 paragraph (2) the following:

9 “(3) PRIORITY.—In making grants under this  
10 subsection, the Secretary shall give the highest pri-  
11 ority to funding projects described in paragraph  
12 (2)(C).”.

13 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-  
14 PRIATIONS.—Section 379A(c)(5) of such Act (7 U.S.C.  
15 2008o(c)(5)), as so redesignated by subsection (a) of this  
16 section, is amended by striking “2002 through 2007” and  
17 inserting “2008 through 2012”.

18 **SEC. 6018. GRANTS FOR NOAA WEATHER RADIO TRANSMIT-**  
19 **TERS.**

20 Section 379B(d) of the Consolidated Farm and Rural  
21 Development Act (7 U.S.C. 2008p(d)) is amended by  
22 striking “2002 through 2007” and inserting “2008  
23 through 2012”.

1   **SEC. 6019. DELTA REGIONAL AUTHORITY.**

2           (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
3   382M(a) of the Consolidated Farm and Rural Develop-  
4   ment Act (7 U.S.C. 2009aa–12(a)) is amended by striking  
5   “2001 through 2007” and inserting “2008 through  
6   2012”.

7           (b) TERMINATION OF AUTHORITY.—Section 382N of  
8   such Act (7 U.S.C. 2009aa–13) is amended by striking  
9   “2007” and inserting “2012”.

10   **SEC. 6020. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**  
11                                   **ITY.**

12           (a) FEDERAL SHARE OF ADMINISTRATIVE EX-  
13   PENSES.—Section 383B(g)(1) of the Consolidated Farm  
14   and Rural Development Act (7 U.S.C. 2009bb–1(g)(1))  
15   is amended—

16               (1) in subparagraph (A), by striking “2002”  
17               and inserting “2007”;

18               (2) in subparagraph (B), by striking “2003”  
19               and inserting “2008”; and

20               (3) in subparagraph (C), by striking “2004”  
21               and inserting “2009”.

22           (b)           TECHNICAL           AMENDMENT.—Section  
23   383B(d)(6)(A) of such Act (7 U.S.C. 2009bb–1(d)(6)(A))  
24   is amended by inserting “and resource conservation” after  
25   “development”.

1 (c) ELIMINATION OF PRIORITIZATION RANKING OF  
2 ACTIVITIES TO BE FUNDED.—Section 383C(b)(2) of such  
3 Act (7 U.S.C. 2009bb–2(b)(2)) is amended by striking  
4 “activities in the following order of priority” and inserting  
5 “following activities”.

6 (d) ELIMINATION OF ISOLATED AREA OF DISTRESS  
7 DESIGNATION.—

8 (1) IN GENERAL.—Section 383F(a) of such Act  
9 (7 U.S.C. 2009bb–5(a)) is amended—

10 (A) by adding “and” at the end of para-  
11 graph (1);

12 (B) by striking “; and” at the end of para-  
13 graph (2) and inserting a period; and

14 (C) by striking paragraph (3).

15 (2) CONFORMING AMENDMENTS.—Section  
16 383F(b) of such Act (7 U.S.C. 2009bb–5(b)) is  
17 amended—

18 (A) in paragraph (1), by striking “and iso-  
19 lated areas of distress”; and

20 (B) in paragraph (2), by striking “or iso-  
21 lated areas of distress”.

22 (e) REDUCTION OF MINIMUM FUNDS ALLOCATION  
23 FOR DISTRESSED COUNTIES.—Section 383F(b)(1) of  
24 such Act (7 U.S.C. 2009bb–5(b)(1)) is amended by strik-  
25 ing “75” and inserting “50”.

1       (f) ELIMINATION OF PROHIBITION ON PROVIDING  
2 FUNDS TO NONDISTRESSED COUNTIES.—Section 383F of  
3 such Act (7 U.S.C. 2009bb–5) is amended by striking sub-  
4 section (c) and redesignating subsection (d) as subsection  
5 (c).

6       (g) INCLUSION OF RENEWABLE ENERGY AMONG OB-  
7 JECTS OF MINIMUM FUNDS ALLOCATION.—Section  
8 383F(c) of such Act (7 U.S.C. 2009bb–5(c)), as so redes-  
9 ignated by subsection (a) of this section, is amended—  
10       (1) in the subsection heading, by inserting “RE-  
11 NEWABLE ENERGY,” after “TELECOMMUNI-  
12 CATION,”; and

13       (2) by inserting “renewable energy,” after  
14 “telecommunication”.

15       (h) AUTHORIZATION OF APPROPRIATIONS.—Section  
16 383M(a) of such Act (7 U.S.C. 2009bb–12(a)) is amended  
17 by striking “2002 through 2007” and inserting “2008  
18 through 2012”.

19       (i) TERMINATION OF AUTHORITY.—Section 383N of  
20 such Act (7 U.S.C. 2009bb–13) is amended by striking  
21 “2007” and inserting “2012”.

22 **SEC. 6021. RURAL STRATEGIC INVESTMENT PROGRAM.**

23       (a) LIMITATIONS ON AUTHORIZATION OF APPRO-  
24 PRIATIONS.—Section 385E of the Consolidated Farm and

1 Rural Development Act (7 U.S.C. 2009dd–4) is amended  
2 to read as follows:

3 **“SEC. 385E. LIMITATIONS ON AUTHORIZATION OF APPRO-**  
4 **PRIATIONS.**

5 “There are authorized to be appropriated to the Sec-  
6 retary to carry out this subtitle not more than  
7 \$25,000,000 for each of the fiscal years 2008 through  
8 2012.”.

9 (b) PRESERVATION AND PROMOTION OF RURAL  
10 HERITAGE.—

11 (1) DEFINITION.—Section 385B of such Act (7  
12 U.S.C. 2009dd–1) is amended by adding at the end  
13 the following:

14 “(12) RURAL HERITAGE.—The term ‘rural her-  
15 itage’ means historic sites, structures, and districts  
16 which may include rural downtown areas and main  
17 streets, neighborhoods, farmsteads, scenic and his-  
18 toric trails, and heritage areas and historic land-  
19 scapes.”.

20 (2) RURAL STRATEGIC INVESTMENT PLANNING  
21 GRANTS.—Section 385F(b) of such Act (7 U.S.C.  
22 2009dd–5(b)) is amended—

23 (A) by striking “and” at the end of para-  
24 graph (6); and

1 (B) by redesignating paragraph (7) as  
2 paragraph (8) and inserting after paragraph  
3 (6) the following:

4 “(7) preservation and promotion of rural herit-  
5 age; and”.

6 (3) INNOVATION GRANTS.—Section 385G(d) of  
7 such Act (7 U.S.C. 2009dd–66–(d)) is amended—

8 (A) by striking “and” at the end of para-  
9 graph (6); and

10 (B) by redesignating paragraph (7) as  
11 paragraph (8) and inserting after paragraph  
12 (6) the following:

13 “(7) demonstrate a plan to protect and promote  
14 rural heritage; and”.

15 **SEC. 6022. EXPANSION OF 911 ACCESS.**

16 Section 315(b) of the Rural Electrification Act of  
17 1936 (7 U.S.C. 904e(b)) is amended by striking “2002  
18 through 2007” and inserting “2008 through 2012”.

19 **SEC. 6023. ACCESS TO BROADBAND TELECOMMUNICATIONS**  
20 **SERVICES IN RURAL AREAS.**

21 (a) DEFINITIONS.—Section 601(b) of the Rural Elec-  
22 trification Act of 1936 (7 U.S.C. 950bb(b)) is amended  
23 by striking paragraph (2) and inserting the following:



1           “(2) ELIGIBLE RURAL COMMUNITY.—The term  
2           ‘eligible rural community’ means any area of the  
3           United States that is not—

4                   “(A) included within the boundaries of any  
5                   city, town, borough, or village, whether incor-  
6                   porated or unincorporated, with a population of  
7                   more than 20,000 inhabitants; or

8                   “(B) the urbanized area contiguous and  
9                   adjacent to such a city or town.”.

10          (b) PRIORITIZATION OF APPLICATIONS.—

11               (1) DEFINITION.—Section 601(b) of such Act  
12               (7 U.S.C. 950bb(b)), as amended by subsection (a)  
13               of this section, is amended by adding at the end the  
14               following:

15                   “(3) INCUMBENT SERVICE PROVIDER.—The  
16                   term ‘incumbent service provider’ means, with re-  
17                   spect to an application submitted pursuant to this  
18                   section, an entity that is providing broadband service  
19                   to at least 5 percent of the households in the service  
20                   area proposed in the application.”.

21               (2) PRIORITY BASED ON NUMBER OF INCUM-  
22               BENT SERVICE PROVIDERS.—Section 601(c) of such  
23               Act (7 U.S.C. 950bb(c)) is amended by adding at  
24               the end the following:

1           “(3) APPLICATIONS PRIORITIZED BASED ON  
2           NUMBER OF INCUMBENT SERVICE PROVIDERS.—

3           “(A) IN GENERAL.—In making or guaran-  
4           teeing loans under paragraph (1), the Secretary  
5           shall give priority, in the following order, to ap-  
6           plications from eligible rural communities that  
7           have—

8                   “(i) no incumbent service provider;

9                   “(ii) 1 incumbent service provider; or

10                  “(iii) 2 incumbent service providers  
11                  who, together, serve not more than 25 per-  
12                  cent of the households in the service area  
13                  proposed in the application.

14           “(B) PROHIBITIONS.—In carrying out this  
15           section, the Secretary may not—

16                   “(i) make a loan to an eligible com-  
17                   munity in which there are 3 or more in-  
18                   cumbent service providers, unless—

19                           “(I) the loan is to an incumbent  
20                           service provider of the community;

21                           “(II) the other providers in that  
22                           community are notified of the applica-  
23                           tion before approval by the Secretary,  
24                           and have sufficient time to comment  
25                           on the application; and

1 “(III) the application includes  
2 substantially increasing—

3 “(aa) the quality of  
4 broadband service in the commu-  
5 nity; and

6 “(bb) the provision of  
7 broadband service to unserved  
8 households inside and outside the  
9 community; or

10 “(ii) make a loan for new construction  
11 to any community in which more than 75  
12 percent of the households may obtain af-  
13 fordable broadband service, on request,  
14 from at least 1 incumbent service pro-  
15 vider.”.

16 (c) PAPERWORK REDUCTION.—Section 601(c) of  
17 such Act (7 U.S.C. 950bb(c)), as amended by subsection  
18 (b)(2) of this section, is amended by adding at the end  
19 the following:

20 “(4) PAPERWORK REDUCTION.—The Secretary  
21 shall take steps to reduce the cost and paperwork  
22 associated with applying for a loan or loan guar-  
23 antee under this section by first-time applicants,  
24 particularly those who are smaller and start-up  
25 Internet providers, including by providing for a new

1 application which shall maintain the ability of the  
2 Secretary to make an analysis of the risk associated  
3 with the loan involved.”.

4 (d) INCREASE IN MAXIMUM NUMBER OF SUB-  
5 SCRIBER LINES THAT MAY BE SERVED BY AN ELIGIBLE  
6 ENTITY.—Section 601(d)(3) of such Act (7 U.S.C.  
7 950bb(d)(3)) is amended by striking “2” and inserting  
8 “10”.

9 (e) LIMITATION ON FUNDS TO ENTITIES WITH  
10 MORE THAN 2 PERCENT OF SUBSCRIBER LINES.—Sec-  
11 tion 601(d) of such Act (7 U.S.C. 950bb(d)) is amended  
12 by adding at the end the following:

13 “(4) LIMITATION ON FUNDS TO ENTITIES WITH  
14 MORE THAN 2 PERCENT OF SUBSCRIBER LINES.—  
15 Not more than 25 percent of the loans made under  
16 this section in a single fiscal year may be approved  
17 for entities that serve more than 2 percent of the  
18 telephone subscriber lines in the United States.”.

19 (f) LOAN TERM NOT TO EXCEED 35 YEARS.—Sec-  
20 tion 601(g)(2) of such Act (7 U.S.C. 950bb(g)(2)) is  
21 amended by striking “not to exceed the useful life of the  
22 assets constructed, improved, or acquired with the pro-  
23 ceeds of the loan or extension of credit.” and inserting  
24 “of such length, not exceeding 35 years, as the borrower  
25 may request, so long as the Secretary determines that the

1 loan is adequately secured. In determining the term of a  
2 loan or loan guarantee, the Secretary shall consider wheth-  
3 er the recipient is or would be serving an area that is not  
4 receiving broadband services.”

5 (g) ADEQUACY OF SECURITY.—Section 601 of such  
6 Act (7 U.S.C. 950bb) is amended by redesignating sub-  
7 sections (h) through (k) as subsections (i) through (l), re-  
8 spectively, and inserting after subsection (g) the following:

9 “(h) ADEQUACY OF SECURITY.—The Secretary shall  
10 ensure that the type, amount, and method of security used  
11 to secure any loan or loan guarantee provided under this  
12 section is commensurate to the risk involved with the loan  
13 or loan guarantee, particularly when the loan or loan guar-  
14 antee is issued to a financially healthy, strong, and stable  
15 entity. In determining the amount and method of security,  
16 the Secretary shall consider reducing the security in areas  
17 that do not have broadband service.”.

18 (h) GENERAL REPORT ON PROGRAM.—Section 601  
19 of such Act (7 U.S.C. 950bb), as amended by subsection  
20 (g) of this section, is amended by redesignating sub-  
21 sections (k) and (l) as subsections (l) and (m), respec-  
22 tively, and inserting after subsection (j) the following:

23 “(k) GENERAL PROGRAM REPORT.—Not later than  
24 December 1 of each year, the Secretary shall prepare and  
25 submit to the Committee on Agriculture of the House of

1 Representatives and the Committee on Agriculture, Nutri-  
2 tion, and Forestry of the Senate a report that details for  
3 the preceding fiscal year—

4 “(1) the loans made under this section;

5 “(2) the communities served under this section;

6 “(3) the speed of the broadband service offered  
7 by applicants for, and recipients of, loans or loan  
8 guarantees under this section;

9 “(4) the type of services offered by the appli-  
10 cants and recipients;

11 “(5) the length of time to approve applications  
12 submitted pursuant to this section; and

13 “(6) the outreach efforts undertaken by the De-  
14 partment of Agriculture to encourage persons in  
15 areas without broadband service to submit applica-  
16 tions pursuant to this section.”.

17 (i) NATIONAL CENTER FOR RURAL TELECOMMUNI-  
18 CATIONS ASSESSMENT.—Section 601 of such Act (7  
19 U.S.C. 950bb), as amended by subsections (g) and (h) of  
20 this section, is amended by redesignating subsections (l)  
21 and (m) as subsections (m) and (n), respectively, and in-  
22 serting after subsection (k) the following:

23 “(l) NATIONAL CENTER FOR RURAL TELECOMMUNI-  
24 CATIONS ASSESSMENT.—

1           “(1) ESTABLISHMENT OF CENTER.—The Sec-  
2       retary shall designate a National Center for Rural  
3       Telecommunications Assessment (in this subsection  
4       referred to as the ‘Center’).

5           “(2) CRITERIA.—The Secretary shall use the  
6       following criteria in making the designation:

7           “(A) The Center must be an entity with a  
8       focus on rural policy research and a minimum  
9       of 5 years experience in rural telecommuni-  
10      cations research and assessment.

11          “(B) The Center must be capable of as-  
12      sessing broadband services in rural areas.

13          “(C) The Center must have significant ex-  
14      perience with other rural economic development  
15      centers and organizations in the assessment of  
16      rural policies and formulation of policy solu-  
17      tions at the local, State, and Federal level.

18          “(3) BOARD.—The management of the Center  
19      shall be vested in a board of directors that is capable  
20      of oversight of the duties set forth in paragraph (4).

21          “(4) DUTIES.—The Center shall—

22           “(A) assess the effectiveness of programs  
23      provided under subsection (d) in increasing  
24      broadband penetration and purchase in rural  
25      areas, especially in those rural communities

1 identified by the Secretary as having no service  
2 before award of a broadband loan or loan guar-  
3 antee under subsection (d);

4 “(B) develop assessments of broadband  
5 availability in rural areas, working with existing  
6 rural development centers selected by the Cen-  
7 ter;

8 “(C) identify policies and initiatives at the  
9 local, State and Federal level that have in-  
10 creased broadband penetration and purchase in  
11 rural areas;

12 “(D) conduct a national study of rural  
13 households and businesses focusing on the  
14 adoption of, barriers to, and utilization of  
15 broadband services; and

16 “(E) provide reports to the public on the  
17 activities undertaken under this section.

18 “(5) REPORTING REQUIREMENTS.—The Center  
19 shall report by December 1 of each year to the Sec-  
20 retary its activities, the results of its research, and  
21 any such information the Secretary may request re-  
22 garding the prior fiscal year. In reporting to the  
23 Secretary the Center shall include the following:

24 “(A) Assessments of the programs pro-  
25 vided under subsection (b).



1           “(B) Annual assessments on broadband  
2           availability in rural areas under consideration  
3           by the Center.

4           “(C) Annual assessments on the effects of  
5           the policy initiatives identified in paragraph  
6           (2)(C).

7           “(D) Results from the national study of  
8           rural households and businesses conducted  
9           under paragraph (4)(D).

10          “(6) AUTHORIZATION OF APPROPRIATIONS.—  
11          There are authorized to be appropriated to the Sec-  
12          retary to carry out this subsection not more than  
13          \$1,000,000 for each of the fiscal years 2008 through  
14          2012.”.

15          (j) FUNDING.—Section 601(m) of such Act (7 U.S.C.  
16          950bb(l)) as so redesignated by subsections (g) through  
17          (i) of this section, is amended—

18                 (1) by striking paragraph (1);

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

21                 (3) in paragraph (1)(B) (as so redesignated),  
22                 by striking “2007” and inserting “2012”;

23                 (4) in paragraph (2) (as so redesignated), by  
24                 striking “2003 through 2007” and inserting “2008  
25                 through 2012”; and

1           (5) in paragraph (3) (as so redesignated), by  
2       adding at the end the following:

3           “(D) ELIGIBLE TRIBAL COMMUNITIES.—

4           Of the amounts made available under subpara-  
5           graph (A) for a fiscal year, 10 percent shall be  
6           reserved for entities serving eligible tribal com-  
7           munities.

8           “(E) UNOBLIGATED AMOUNTS.—Any  
9           amounts in the reserve established for eligible  
10          tribal communities for a fiscal year under sub-  
11          paragraph (D) that are not obligated by June  
12          30 of the fiscal year shall be available to the  
13          Secretary to make loans and loan guarantees  
14          under this section to eligible entities in any  
15          State, as determined by the Secretary.”.

16       (k) EXTENSION OF AUTHORITY TO ISSUE LOANS.—  
17       Section 601(n) of such Act (7 U.S.C. 950bb(m)), as so  
18       redesignated by subsections (f) through (h) of this section,  
19       is amended by striking “2007” and inserting “2012”.

20       **SEC. 6024. COMMUNITY CONNECT GRANT PROGRAM.**

21       Title VI of the Rural Electrification Act of 1936 (7  
22       U.S.C. 950bb) is amended by adding at the end the fol-  
23       lowing:

1   **“SEC. 602. COMMUNITY CONNECT GRANT PROGRAM.**

2       “(a) ESTABLISHMENT.—The Secretary shall estab-  
3   lish a grant program to be known as the ‘Community Con-  
4   nect Grant Program’ to provide financial assistance to eli-  
5   gible applicants to provide broadband transmission service  
6   that fosters economic growth and delivers enhanced edu-  
7   cational, health care, and public safety services.

8       “(b) ELIGIBILITY.—To be eligible for a grant under  
9   this section, the applicant must—

10           “(1) be legally organized as an incorporated  
11       tribal organization, an Indian tribe, or tribal organi-  
12       zation, as defined in subsections (b) and (c) of sec-  
13       tion 4 of the Indian Self-Determination and Edu-  
14       cation Assistance Act (25 U.S.C. 450b(b) and (c)),  
15       a State or local unit of government, or other legal  
16       entity, including a cooperative, private corporation,  
17       or limited liability company organized on a for-profit  
18       or not-for-profit basis;

19           “(2) have the legal capacity and authority to  
20       own and operate broadband facilities as proposed in  
21       its application, to enter into contracts, and to other-  
22       wise comply with applicable Federal statutes and  
23       regulations; or

24           “(3) be in an eligible rural community (as de-  
25       fined in section 601(b)(2) of the Rural Electrifica-  
26       tion Act of 1936).

1       “(c) INELIGIBLE GRANT PURPOSES.—A grant made  
2 under this section may not be used—

3               “(1) to finance the duplication of any  
4 broadband transmission service provided by another  
5 entity; or

6               “(2) with respect to facilities, to provide local  
7 exchange telecommunications service to any person  
8 or entity receiving the service.

9       “(d) PRIORITY.—In making grants under this sec-  
10 tion, the Secretary shall give priority to grants that will  
11 enhance community access to telemedicine and distance  
12 learning resources.

13       “(e) MATCHING CONTRIBUTIONS.—

14               “(1) IN GENERAL.—To be eligible to receive a  
15 grant under subsection (a), a grant applicant shall  
16 provide a matching contribution of at least 15 per-  
17 cent of the grant amount requested, in funds and in-  
18 kind contributions in a proportion to be determined  
19 by the Secretary.

20               “(2) LIMITATIONS.—

21                       “(A) Costs incurred by or on behalf of an  
22 applicant, for facilities, installed equipment, or  
23 other services rendered before submission of a  
24 completed application shall not be considered to

1 be for an eligible grant purpose or a matching  
2 contribution.

3 “(B) Any financial assistance from Federal  
4 sources shall not be considered to be a match-  
5 ing contribution for purposes of this section,  
6 unless there is a Federal statutory exception  
7 specifically authorizing the Federal financial as-  
8 sistance to be so considered.

9 “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
10 are authorized to be appropriated to the Secretary to carry  
11 out this section not more than \$25,000,000 for each of  
12 the fiscal years 2008 through 2012.”.

13 **SEC. 6025. AGRICULTURE INNOVATION CENTER DEM-**  
14 **ONSTRATION PROGRAM.**

15 Section 6402(i) of the Farm Security and Rural In-  
16 vestment Act of 2002 (7 U.S.C. 1621 note; Public Law  
17 107–171) is amended to read as follows:

18 “(i) AUTHORIZATION OF APPROPRIATIONS.—There  
19 are authorized to be appropriated to the Secretary to carry  
20 out this section \$6,000,000 for each of the fiscal years  
21 2008 through 2012.”.

1 **SEC. 6026. RURAL FIREFIGHTERS AND EMERGENCY MED-**  
2 **ICAL SERVICE ASSISTANCE PROGRAM.**

3 Section 6405 of the Farm Security and Rural Invest-  
4 ment Act of 2002 (7 U.S.C. 1621 note) is amended to  
5 read as follows:

6 **“SEC. 6405. RURAL FIREFIGHTERS AND EMERGENCY MED-**  
7 **ICAL SERVICE ASSISTANCE PROGRAM.**

8 “(a) GRANTS.—The Secretary shall award grants to  
9 eligible entities to—

10 “(1) enable the entities to provide for improved  
11 emergency medical services in rural areas; and

12 “(2) pay the cost of training firefighters and  
13 emergency medical personnel in firefighting, emer-  
14 gency medical practices, and responding to haz-  
15 ardous materials and bioagents in rural areas.

16 “(b) ELIGIBILITY.—To be eligible to receive a grant  
17 under this section, an entity shall—

18 “(1) be—

19 “(A) a State emergency medical services  
20 office;

21 “(B) a State emergency medical services  
22 association;

23 “(C) a State office of rural health;

24 “(D) a local government entity;

1           “(E) an Indian tribe (as defined in section  
2           4 of the Indian Self-Determination and Edu-  
3           cation Assistance Act (25 U.S.C. 450b));

4           “(F) a State or local ambulance provider;  
5           or

6           “(G) any other entity determined appro-  
7           priate by the Secretary; and

8           “(2) prepare and submit to the Secretary an  
9           application at such time, in such manner, and con-  
10          taining such information as the Secretary may re-  
11          quire, that includes—

12           “(A) a description of the activities to be  
13           carried out under the grant; and

14           “(B) an assurance that the applicant will  
15           comply with the matching requirement of sub-  
16           section (e).

17          “(c) USE OF FUNDS.—An entity shall use amounts  
18          received under a grant made under subsection (a) only in  
19          rural areas to—

20           “(1) hire or recruit emergency medical service  
21           personnel;

22           “(2) recruit or retain volunteer emergency med-  
23           ical service personnel;

24           “(3) train emergency medical service personnel  
25           in emergency response, injury prevention, safety

1 awareness, and other topics relevant to the delivery  
2 of emergency medical services;

3 “(4) fund training to meet State or Federal  
4 certification requirements;

5 “(5) provide training for firefighters and emer-  
6 gency medical personnel for improvements to the  
7 training facility, equipment, curricula, and per-  
8 sonnel;

9 “(6) develop new ways to educate emergency  
10 health care providers through the use of technology-  
11 enhanced educational methods (such as distance  
12 learning);

13 “(7) acquire emergency medical services vehi-  
14 cles, including ambulances;

15 “(8) acquire emergency medical services equip-  
16 ment, including cardiac defibrillators;

17 “(9) acquire personal protective equipment for  
18 emergency medical services personnel as required by  
19 the Occupational Safety and Health Administration;  
20 and

21 “(10) educate the public concerning  
22 cardiopulmonary resuscitation (CPR), first aid, in-  
23 jury prevention, safety awareness, illness prevention,  
24 and other related emergency preparedness topics.



1       “(d) PREFERENCE.—In awarding grants under this  
2 section, the Secretary shall give preference to—

3               “(1) applications that reflect a collaborative ef-  
4 fort by 2 or more of the entities described in sub-  
5 paragraphs (A) through (G) of subsection (b)(1);  
6 and

7               “(2) applications submitted by entities that in-  
8 tend to use amounts provided under the grant to  
9 fund activities described in any of paragraphs (1)  
10 through (5) of subsection (c).

11       “(e) MATCHING REQUIREMENT.—The Secretary may  
12 not make a grant under this section to an entity unless  
13 the entity agrees that the entity will make available (di-  
14 rectly or through contributions from other public or pri-  
15 vate entities) non-Federal contributions toward the activi-  
16 ties to be carried out under the grant in an amount equal  
17 to 5 percent of the amount received under the grant.

18       “(f) EMERGENCY MEDICAL SERVICES.—In this sec-  
19 tion, the term ‘emergency medical services’—

20               “(1) means resources used by a qualified public  
21 or private nonprofit entity, or by any other entity  
22 recognized as qualified by the State involved, to de-  
23 liver medical care outside of a medical facility under  
24 emergency conditions that occur as a result of—

25               “(A) the condition of the patient; or

1           “(B) a natural disaster or similar situa-  
2           tion; and

3           “(2) includes (compensated or volunteer) serv-  
4           ices delivered by an emergency medical services pro-  
5           vider or other provider recognized by the State in-  
6           volved that is licensed or certified by the State as an  
7           emergency medical technician or the equivalent (as  
8           determined by the State), a registered nurse, a phy-  
9           sician assistant, or a physician that provides services  
10          similar to services provided by such an emergency  
11          medical services provider.

12          “(g) AUTHORIZATION OF APPROPRIATIONS.—

13           “(1) IN GENERAL.—There are authorized to be  
14           appropriated to the Secretary to carry out this sec-  
15           tion not more than \$30,000,000 for each of fiscal  
16           years 2008 through 2012.

17           “(2) ADMINISTRATIVE COSTS.—Not more than  
18           10 percent of the amount appropriated under para-  
19           graph (1) for a fiscal year may be used for adminis-  
20           trative expenses.”.

21   **SEC. 6027. VALUE-ADDED AGRICULTURAL MARKET DEVEL-**  
22                           **OPMENT PROGRAM.**

23           (a) DEFINITION OF MID-TIER VALUE CHAIN.—Sec-  
24          tion 231(a) of the Agricultural Risk Protection Act of

1 2000 (7 U.S.C. 1621 note; Public Law 106–224) is  
2 amended by adding at the end the following:

3 “(3) MID-TIER VALUE CHAIN.—The term ‘mid-  
4 tier value chain’ means local and regional supply  
5 networks that link independent producers with busi-  
6 nesses and cooperatives that market value-added ag-  
7 ricultural products in a manner that—

8 “(A) targets and strengthens the profit-  
9 ability and competitiveness of small and me-  
10 dium-sized family farms, as defined in regula-  
11 tions pursuant to Section 302 of the Consoli-  
12 dated Farm and Rural Development Act; and

13 “(B) obtains agreement from the eligible  
14 agricultural producer group, farmer or rancher  
15 cooperative, or majority-controlled producer-  
16 based business venture engaged in the value  
17 chain in the method for price determination.”.

18 (b) FUNDING; RESERVATION OF FUNDS; GRANT  
19 AWARD CRITERIA.—Section 231(b) of such Act (7 U.S.C.  
20 1621 note; Public Law 106–224) is amended—

21 (1) by striking paragraph (4) and inserting the  
22 following:

23 “(4) FUNDING.—Not later than 30 days after  
24 the date of the enactment of this paragraph, on Oc-  
25 tober 1, 2008, and on each October 1 thereafter

1 through October 1, 2012, of the funds of the Com-  
2 modity Credit Corporation, the Secretary shall make  
3 available to carry out this subsection \$30,000,000,  
4 to remain available until expended.

5 “(5) RESERVATION OF FUNDS FOR PROJECTS  
6 TO BENEFIT BEGINNING FARMERS AND RANCHERS  
7 OR SOCIALLY DISADVANTAGED FARMERS AND  
8 RANCHERS AND MID-TIER VALUE CHAINS.—

9 “(A) IN GENERAL.—The Secretary shall  
10 reserve 10 percent of the amounts made avail-  
11 able under paragraph (4) to fund projects that  
12 benefit beginning farmers and ranchers (as de-  
13 fined in section 343(a)(11) of the Consolidated  
14 Farm and Rural Development Act) or socially  
15 disadvantaged farmers and ranchers (as defined  
16 in section 355(e) of such Act).

17 “(B) MID-TIER VALUE CHAINS.—The Sec-  
18 retary shall reserve 10 percent of the amounts  
19 made available under paragraph (4) to fund ap-  
20 plications of eligible entities described in para-  
21 graph (1) that propose to develop mid-tier value  
22 chains.

23 “(C) UNOBLIGATED AMOUNTS.—Any  
24 amounts in the reserves established under sub-  
25 paragraphs (A) and (B) that are not obligated

1 by June 30 of the fiscal year shall be available  
2 to the Secretary to make grants under this sec-  
3 tion to eligible entities in any State, as deter-  
4 mined by the Secretary.”; and

5 (2) by adding at the end the following:

6 “(6) CRITERIA TO BE APPLIED IN AWARDING  
7 GRANTS.—In awarding grants under this section,  
8 the Secretary shall consider an application more fa-  
9 vorably when compared to other applications to the  
10 extent that the project contributes to increasing op-  
11 portunities for operators of small and medium-size  
12 farms and ranches structured as family farms (as  
13 defined in regulations prescribed under section 302  
14 of the Consolidated Farm and Rural Development  
15 Act).”.

16 **SEC. 6028. ASSISTANCE FOR RURAL PUBLIC TELEVISION**  
17 **STATIONS.**

18 Section 2333 of the Food, Agriculture, Conservation  
19 and Trade Act of 1990 (7 U.S.C. Sec. 950aaa–2) is  
20 amended by adding at the end the following:

21 “(j) DIGITAL SERVICE TRANSITION ASSISTANCE FOR  
22 PUBLIC TELEVISION STATIONS.—The Secretary may pro-  
23 vide grants under this section to noncommercial education  
24 television broadcast stations that serve rural areas for the

1 purposes of developing digital facilities, equipment, and in-  
2 frastructure to enhance digital services to rural areas.”.

3 **SEC. 6029. TELEMEDICINE AND DISTANCE LEARNING SERV-**  
4 **ICES IN RURAL AREAS.**

5 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
6 2335A of the Food, Agriculture, Conservation and Trade  
7 Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking  
8 “2007” and inserting “2012”.

9 (b) CONFORMING AMENDMENT.—Section 1(b) of  
10 Public Law 102–551 (7 U.S.C. 950aaa note) is amended  
11 by striking “2007” and inserting “2012”.

12 **SEC. 6030. GUARANTEES FOR BONDS AND NOTES ISSUED**  
13 **FOR ELECTRIFICATION OR TELEPHONE PUR-**  
14 **POSES.**

15 Section 313A(f) of the Rural Electrification Act of  
16 1936 (7 U.S.C. 940c–1(f)) is amended by striking “2007”  
17 and inserting “2012”.

18 **SEC. 6031. COMPREHENSIVE RURAL BROADBAND STRAT-**  
19 **EGY.**

20 Not later than 180 days after the date of the enact-  
21 ment of this Act, the Secretary of Agriculture shall submit  
22 to the President, the Committee on Agriculture of the  
23 House of Representatives, and the Committee on Agri-  
24 culture, Nutrition, and Forestry of the Senate a report

1 describing a comprehensive rural broadband strategy that  
2 includes—

3 (1) recommendations—

4 (A) to promote interagency coordination of  
5 Federal agencies in regards to policies, proce-  
6 dures, and targeted resources, and to improve  
7 and streamline the policies, programs, and serv-  
8 ices;

9 (B) to coordinate among Federal agencies  
10 regarding existing rural broadband or rural ini-  
11 tiatives that could be of value to rural  
12 broadband development;

13 (C) to address both short- and long-term  
14 solutions and needs assessments for a rapid  
15 build-out of rural broadband solutions and ap-  
16 plications for Federal, State, regional, and local  
17 government policy makers;

18 (D) to identify how specific Federal agency  
19 programs and resources can best respond to  
20 rural broadband requirements and overcome ob-  
21 stacles that currently impede rural broadband  
22 deployment; and

23 (E) to promote successful model deploy-  
24 ments and appropriate technologies being used  
25 in rural areas so that State, regional, and local

1 governments can benefit from the cataloging  
2 and successes of other State, regional, and local  
3 governments; and

4 (2) a description of goals and timeframes to  
5 achieve the strategic plans and visions identified in  
6 the report.

7 **SEC. 6032. STUDY OF RAILROAD ISSUES.**

8 (a) IN GENERAL.—The Secretary of Agriculture, in  
9 coordination with the Secretary of Transportation, shall  
10 conduct a study of railroad issues regarding the movement  
11 of agricultural products, domestically produced renewable  
12 fuels and domestically produced resources for the produc-  
13 tion of electricity for rural America, and economic develop-  
14 ment in rural America. The study shall include an exam-  
15 ination of the following:

16 (1) The importance of freight railroads to—

17 (A) the delivery of equipment, seed, fer-  
18 tilizer, and other such products important to  
19 the development of agricultural commodities  
20 and products;

21 (B) the movement of agricultural commod-  
22 ities and products to market;

23 (C) the delivery of ethanol and other re-  
24 newable fuels;



1 (D) the delivery of domestically produced  
2 resources for use in the generation of electricity  
3 for rural America;

4 (E) the location of grain elevators, ethanol  
5 plants, and other facilities;

6 (F) the development of manufacturing fa-  
7 cilities in rural America; and

8 (G) the vitality and economic development  
9 of rural communities.

10 (2) The sufficiency in rural America of railroad  
11 capacity, the sufficiency of competition in the rail-  
12 road system, the reliability of rail service, and the  
13 reasonableness of railroad prices.

14 (3) The accessibility to rail customers in rural  
15 America of Federal processes for the resolution of  
16 rail customer grievances with the railroads.

17 (b) REPORT TO THE CONGRESS.—Within 9 months  
18 after the date of the enactment of this Act, the Secretary  
19 of Agriculture shall submit to the Congress a report that  
20 contains the results of the study required by subsection  
21 (a), and the recommendations of the Secretary for new  
22 Federal policies to address any problems identified by the  
23 study.

## 24 **TITLE VII—RESEARCH**

### Subtitle A—General Provisions

Sec. 7101. Definitions.

- Sec. 7102. Budget submission and funding.
- Sec. 7103. Additional purposes of agricultural research and extension.
- Sec. 7104. National agricultural research program office.
- Sec. 7105. Establishment of competitive grant programs under the National Institute for Food and Agriculture.
- Sec. 7106. Merging of IFAFS and NRL.
- Sec. 7107. Capacity building grants for ASCARR institutions.
- Sec. 7108. Establishment of research laboratories for animal diseases.
- Sec. 7109. Grazinglands research laboratory.
- Sec. 7110. Researcher training.
- Sec. 7111. Fort Reno Science Park research facility.
- Sec. 7112. Assessing the nutritional composition of beef products.
- Sec. 7113. Sense of Congress regarding funding for human nutrition research.

Subtitle B—National Agricultural Research, Extension, and Teaching Policy  
Act of 1977

- Sec. 7201. Advisory board.
- Sec. 7202. Advisory board termination.
- Sec. 7203. Renewable energy committee.
- Sec. 7204. Specialty crop committee report.
- Sec. 7205. Inclusion of UDC in grants and fellowships for food and agricultural sciences education.
- Sec. 7206. Grants and fellowships for food and agricultural sciences education.
- Sec. 7207. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
- Sec. 7208. Policy research centers.
- Sec. 7209. Human nutrition intervention and health promotion research program.
- Sec. 7210. Pilot research program to combine medical and agricultural research.
- Sec. 7211. Nutrition education program.
- Sec. 7212. Continuing animal health and disease research programs.
- Sec. 7213. Cooperation among eligible institutions.
- Sec. 7214. Appropriations for research on national or regional problems.
- Sec. 7215. Authorization level of extension at 1890 land-grant colleges.
- Sec. 7216. Authorization level for agricultural research at 1890 land-grant colleges.
- Sec. 7217. Grants to upgrade agriculture and food sciences facilities at the District of Columbia Land Grant University.
- Sec. 7218. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
- Sec. 7219. National research and training virtual centers.
- Sec. 7220. Matching funds requirement for research and extension activities of 1890 institutions.
- Sec. 7221. Hispanic-serving institutions.
- Sec. 7222. Hispanic-serving agricultural colleges and universities.
- Sec. 7223. International agricultural research, extension, and education.
- Sec. 7224. Competitive grants for international agricultural science and education programs.
- Sec. 7225. Limitation on indirect costs for agricultural research, education, and extension programs.
- Sec. 7226. Research equipment grants.
- Sec. 7227. University research.

- Sec. 7228. Extension service.
- Sec. 7229. Supplemental and alternative crops.
- Sec. 7230. Aquaculture Assistance Programs.
- Sec. 7231. Rangeland research.
- Sec. 7232. Special authorization for biosecurity planning and response.
- Sec. 7233. Resident instruction and distance education grants program for insular area institutions of higher education.
- Sec. 7234. Hispanic Serving Institutions.
- Sec. 7235. Specialty crops policy research institute.
- Sec. 7236. Emphasis of Human Nutrition Initiative.
- Sec. 7237. Grants to upgrade agriculture and food sciences facilities at insular area land-grant institutions.

#### Subtitle C—Food, Agriculture, Conservation, and Trade Act of 1990

- Sec. 7301. National genetics resources program.
- Sec. 7302. National agricultural weather information system.
- Sec. 7303. Partnerships.
- Sec. 7304. Aflatoxin research and extension.
- Sec. 7305. High-priority research and extension areas.
- Sec. 7306. High-priority research and extension initiatives.
- Sec. 7307. Nutrient management research and extension initiative.
- Sec. 7308. Agricultural telecommunications program.
- Sec. 7309. Assistive technology program for farmers with disabilities.
- Sec. 7310. Organic research.
- Sec. 7311. National rural information center clearinghouse.
- Sec. 7312. New era rural technology program.

#### Subtitle D—Agricultural Research, Extension, and Education Reform Act of 1998

- Sec. 7401. Partnerships for high-value agricultural product quality research.
- Sec. 7402. Precision agriculture.
- Sec. 7403. Biobased products.
- Sec. 7404. Thomas Jefferson initiative for crop diversification.
- Sec. 7405. Integrated research, education, and extension competitive grants program.
- Sec. 7406. Fusarium graminearum grants.
- Sec. 7407. Bovine Johne's disease control program.
- Sec. 7408. Grants for youth organizations.
- Sec. 7409. Agricultural biotechnology research and development for developing countries.
- Sec. 7410. Agricultural bioenergy and biobased products research initiative.
- Sec. 7411. Specialty crop research initiative.
- Sec. 7412. Office of pest management policy.

#### Subtitle E—Other Laws

- Sec. 7501. Critical agricultural materials act.
- Sec. 7502. Equity in Educational Land-Grant Status Act of 1994.
- Sec. 7503. Agricultural experiment station Research Facilities Act.
- Sec. 7504. National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985.
- Sec. 7505. Competitive, Special, and Facilities Research Grant Act (national research initiative).
- Sec. 7506. Agricultural Risk Protection Act of 2000 (carbon cycle research).

- Sec. 7507. Renewable Resources Extension Act of 1978.
- Sec. 7508. National Aquaculture Act of 1980.
- Sec. 7509. Construction of a Chinese Garden at the National Arboretum.
- Sec. 7510. Public education regarding use of biotechnology in producing food for human consumption.
- Sec. 7511. Fresh cut produce safety grants.
- Sec. 7512. UDC/EFNEP Eligibility.
- Sec. 7513. Hatch Act of 1987.

#### Subtitle F—Additional Provisions

- Sec. 7601. Merit review of extension and educational grants.
- Sec. 7602. Review of plan of work requirements.
- Sec. 7603. Multistate and integration funding.
- Sec. 7604. Expanded food and nutrition education program.
- Sec. 7605. Grants to 1890 schools to expand extension capacity.
- Sec. 7606. Borlaug international agricultural science and technology fellowship program.
- Sec. 7607. Cost Recovery.
- Sec. 7608. Organic Food and Agricultural Systems Funding.

## 1      **Subtitle A—General Provisions**

### 2      **SEC. 7101. DEFINITIONS.**

3      For purposes of this title:

4            (1) CAPACITY PROGRAM.—The term “capacity  
 5      program” means the capacity program in subpara-  
 6      graph (M) and each of the following agricultural re-  
 7      search, extension, education, and related programs  
 8      for which the Secretary has administrative or other  
 9      authority as of the day before the date of enactment  
 10     of this Act:

11            (A) Each program providing funding to  
 12            any of the 1994 institutions under sections 533,  
 13            534(a), and 535 of the Equity in Educational  
 14            Land-Grant Status Act of 1994 (Public Law  
 15            103–382; 7 U.S.C. 301 note) (commonly known  
 16            as financial assistance, technical assistance, and

1           endowments to tribal colleges and the Navajo  
2           Community College).

3           (B) The program established under section  
4           536 of the Equity in Educational Land-Grant  
5           Status Act of 1994 (Public Law 103–382; 7  
6           U.S.C. 301 note) providing research grants for  
7           1994 institutions.

8           (C) Each program established under sub-  
9           sections (b), (c), and (d) of section 3 of the  
10          Smith-Lever Act (7 U.S.C. 343).

11          (D) Each program established under the  
12          Hatch Act of 1887 (7 U.S.C. 361a et seq.).

13          (E) Each program established under sec-  
14          tion 1417(b)(4) of the National Agricultural  
15          Research, Extension, and Teaching Policy Act  
16          of 1977 (7 U.S.C. 3152(b)(4)), including grant  
17          programs under that section (commonly known  
18          as the 1890 Institution Teaching and Research  
19          Capacity Building Grants Program).

20          (F) The animal health and disease re-  
21          search program established under subtitle E of  
22          the National Agricultural Research, Extension,  
23          and Teaching Policy Act of 1977 (7 U.S.C.  
24          3191 et seq.).

1           (G) The program established under section  
2           1445 of the National Agricultural Research,  
3           Extension, and Teaching Policy Act of 1977 (7  
4           U.S.C. 3222) (commonly known as the Evans-  
5           Allen Program).

6           (H) The program providing grants to up-  
7           grade agricultural and food sciences facilities at  
8           1890 Institutions established under section  
9           1447 of the National Agricultural Research,  
10          Extension, and Teaching Policy Act of 1977 (7  
11          U.S.C. 3222b).

12          (I) The program providing distance edu-  
13          cation grants for insular areas established  
14          under section 1490 of the National Agricultural  
15          Research, Extension, and Teaching Policy Act  
16          of 1977 (7 U.S.C. 3362).

17          (J) The program providing resident in-  
18          struction grants for insular areas established  
19          under section 1491 of the National Agricultural  
20          Research, Extension, and Teaching Policy Act  
21          of 1977 (7 U.S.C. 3363).

22          (K) Each research and development and  
23          related program established under Public Law  
24          87-788 (commonly known as the McIntire-

1           Stennis Cooperative Forestry Act; 16 U.S.C.  
2           582a et seq.).

3           (L) Each program established under the  
4           Renewable Resources Extension Act of 1978  
5           (16 U.S.C. 1671 et seq.).

6           (M) The capacity building grant program  
7           for ASCARR Institutions established under this  
8           Act.

9           (N) Such other programs or parts of pro-  
10          grams as determined appropriate by the Sec-  
11          retary.

12          (O) The program providing competitive ex-  
13          tension grants to eligible 1994 institutions  
14          under section 3(b)(3) of the Smith-Lever Act (7  
15          U.S.C. 343(b)(3)).

16          (2) COMPETITIVE PROGRAMS.—The term “com-  
17          petitive programs” means the competitive program  
18          in subparagraph (N) and each of the following agri-  
19          cultural research, extension, education, and related  
20          programs for which the Secretary has administrative  
21          or other authority as of the day before the date of  
22          enactment of this Act:

23                 (A) Competitive grant programs authorized  
24                 or otherwise administered by the Department of  
25                 Agriculture under the terms of section 2(b) of

1 the Competitive, Special and Facilities Research  
2 Grant (7 U.S.C. 450i).

3 (B) Institution Challenge Grants, adminis-  
4 tered under 1417(j) of the National Agricul-  
5 tural Research, Extension, and Teaching Policy  
6 Act of 1977, as amended (7 U.S.C. 3152(j)).

7 (C) Grants and related authorities author-  
8 ized or otherwise administered by the Secretary  
9 of Agriculture under section 1417(b)(5) of the  
10 National Agricultural Research, Extension, and  
11 Teaching Policy Act of 1977, as amended (7  
12 U.S.C. 3152(b)(5)) (commonly known as the  
13 Higher Education Multicultural Scholars Pro-  
14 gram).

15 (D) Programs authorized or otherwise ad-  
16 ministered under section 1455 of the National  
17 Agricultural Research, Extension, and Teaching  
18 Policy Act of 1977 (7 U.S.C. 3241(e)) (com-  
19 monly known as educational grant programs for  
20 Hispanic-serving institutions).

21 (E) Integrated research, education, or ex-  
22 tension programs authorized under section 406  
23 of the Agricultural Research, Extension, and  
24 Education Reform Act of 1998 (7 U.S.C.  
25 7626).



1 (F) Sustainable Agriculture Research and  
2 Education (7 U.S.C. 5811).

3 (G) Organic Research and Extension Ini-  
4 tiative (7 U.S.C. 5925b).

5 (H) Higher Education Challenge Grants (7  
6 U.S.C. 3152(b)(1)).

7 (I) Food and Agriculture Sciences National  
8 Needs Graduate and Postgraduate Fellowship  
9 Grants (7 U.S.C. 3152(b)(6)).

10 (J) International Science and Education  
11 Competitive Grants (7 U.S.C. 3292b).

12 (K) Community Food Projects Competitive  
13 Grants (7 U.S.C. 2034).

14 (L) Risk Management Education (7 U.S.C.  
15 1524).

16 (M) High Priority Research and Extension  
17 Areas (7 U.S.C. 5925).

18 (N) Such other programs or parts of pro-  
19 grams as determined appropriate by the Sec-  
20 retary.

21 (3) CAPACITY PROGRAM CRITICAL BASE FUND-  
22 ING.—The term “capacity program critical base  
23 funding” means the aggregate amount of Federal  
24 funds made available for all or individual capacity  
25 programs for fiscal year 2007, as appropriate.

1           (4) COMPETITIVE PROGRAM CRITICAL BASE  
2       FUNDING.—The term “competitive program critical  
3       base funding” means the aggregate amount of Fed-  
4       eral funds made available for all or individual com-  
5       petitive programs for fiscal year 2007, as appro-  
6       priate.

7           (5) ASCARR INSTITUTION.—

8           (A) IN GENERAL.—The term “ASCARR  
9       Institution” means a public college or university  
10      offering a baccalaureate or higher degree in the  
11      study of agriculture.

12          (B) EXCLUSIONS.—The term “ASCARR  
13      Institution” does not include Hispanic-serving  
14      agricultural colleges and universities or any in-  
15      stitution designated under—

16           (i) the Act of July 2, 1862 (commonly  
17          known as the “First Morrill Act”; 7 U.S.C.  
18          301 et seq.);

19           (ii) the Act of August 30, 1890 (com-  
20          monly known as the “Second Morrill Act”;  
21          7 U.S.C. 321 et seq.); or

22           (iii) the Equity in Educational Land-  
23          Grant Status Act of 1994 (Public Law  
24          103–382; 7 U.S.C. 301 note).

1           (6) SECRETARY.—The term “Secretary” means  
2       the Secretary of Agriculture.

3           (7) DIRECTORS.—The term “Directors” refers  
4       to those directors appointed under section 7104.

5           (8) UNDER SECRETARY.—The term “Under  
6       Secretary” means the Under Secretary of Agri-  
7       culture for Research, Education, and Economics.

8           (9) HISPANIC-SERVING AGRICULTURAL COL-  
9       LEGE AND UNIVERSITY.—The term “Hispanic-serv-  
10      ing agricultural college and university” means a col-  
11      lege or university that—

12                   (A) qualifies as an “Hispanic-serving insti-  
13                   tution”; and

14                   (B) offers associate, bachelor’s, or other  
15                   accredited degree programs in agricultural re-  
16                   lated fields, as determined by the Secretary.

17 **SEC. 7102. BUDGET SUBMISSION AND FUNDING.**

18       (a) BUDGET REQUEST.—The President shall submit  
19      to Congress, together with the annual budget submission  
20      of the President, a single budget line item reflecting the  
21      total amount requested by the President for funding for  
22      capacity programs, and a single budget line item reflecting  
23      the total amount requested by the President for funding  
24      for competitive programs for that fiscal year and for the  
25      previous 5 fiscal years.

1 (b) CAPACITY PROGRAM REQUEST.—

2 (1) CRITICAL BASE FUNDING.—Up to the  
3 amount of the capacity program critical base fund-  
4 ing level, any funds requested for capacity programs  
5 in the budget submission single line item shall be  
6 apportioned among the capacity programs based on  
7 priorities established by the Under Secretary in con-  
8 junction with the Directors.

9 (2) ADDITIONAL FUNDING.—Of the funds re-  
10 quested for capacity programs in excess of the ca-  
11 pacity program critical base funding level, budgetary  
12 emphasis should be placed on enhancing funding for  
13 the 1890, 1994, ASCARR Institutions, Hispanic-  
14 serving agricultural colleges, and small 1862 institu-  
15 tions.

16 (c) COMPETITIVE PROGRAM REQUEST.—

17 (1) CRITICAL BASE FUNDING.—Up to the  
18 amount of the competitive program critical base  
19 funding level, any funds requested for competitive  
20 programs in the budget submission single line item  
21 shall be apportioned among the competitive pro-  
22 grams based on priorities established by the Under  
23 Secretary in conjunction with the Directors.

24 (2) ADDITIONAL FUNDING.—Of the funds re-  
25 quested for competitive programs in excess of the

1 competitive program critical base funding level,  
2 budgetary emphasis shall be placed on enhancing  
3 funding for emerging problems and their solutions.

4 (d) FUNDING.—

5 (1) CRITICAL BASE FUNDING.—Up to the total  
6 aggregate amount of the capacity program critical  
7 base funding level and the competitive program crit-  
8 ical base funding level, funds appropriated or other-  
9 wise made available shall be apportioned among each  
10 of the capacity programs and the competitive pro-  
11 grams based on priorities established by the Under  
12 Secretary in conjunction with the Directors.

13 (2) ADDITIONAL FUNDING.—

14 (A) CAPACITY FUNDING.—Of the funds  
15 appropriated or otherwise made available for  
16 capacity programs in excess of the capacity pro-  
17 gram critical base funding level, funding em-  
18 phasis should be placed on enhancing funding  
19 for the 1890, 1994, ASCARR Institutions, His-  
20 panic-serving agricultural colleges, and small  
21 1862 institutions.

22 (B) COMPETITIVE FUNDING.—Of the  
23 funds appropriated or otherwise made available  
24 for competitive programs in excess of the com-  
25 petitive program critical base funding level,

1           budgetary emphasis shall be placed on enhanc-  
2           ing funding for emerging problems and solu-  
3           tions.

4           (e) AUTHORIZATION OF APPROPRIATIONS.—There  
5   are authorized to be appropriated such sums as necessary  
6   to carry out this section.

7           (f) COMPETITIVE PROGRAMS.—For the purposes of  
8   this section, the term “competitive programs” includes  
9   only those programs for which annual appropriations are  
10  requested in the President’s budget.

11 **SEC. 7103. ADDITIONAL PURPOSES OF AGRICULTURAL RE-**  
12 **SEARCH AND EXTENSION.**

13       Section 1403 of the National Agricultural Research,  
14   Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
15   3102) is amended—

16           (1) in paragraph (6), by striking “and” at the  
17       end;

18           (2) in paragraph (7), by striking the period and  
19       inserting a semicolon; and

20           (3) by adding after paragraph (7) the following:

21           “(8) to integrate and organize the administra-  
22       tion of the agricultural research, extension, edu-  
23       cation, and related programs administered by the  
24       Secretary of Agriculture to respond to 21st century  
25       challenges and continue to meet the needs of society

1 from a local, tribal, State, national, and inter-  
2 national perspective;

3 “(9) to minimize duplication, and maximize co-  
4 ordination and integration, among all of the pro-  
5 grams at all levels through a solution-based ap-  
6 proach; and

7 “(10) to position the agricultural research, ex-  
8 tension, education, and related programs system to  
9 increase the contribution of the system to society  
10 through the expansion of the portfolio of the sys-  
11 tem.”.

12 **SEC. 7104. NATIONAL AGRICULTURAL RESEARCH PRO-**  
13 **GRAM OFFICE.**

14 (a) ESTABLISHMENT.—The Under Secretary shall  
15 organize within the office of the Under Secretary 6 re-  
16 search Program Offices to be known collectively as the Na-  
17 tional Agricultural Research Program Office, which shall  
18 coordinate the programs and activities of the research  
19 agencies within the mission area in an integrated, multi-  
20 disciplinary, interdisciplinary, interagency, and inter-  
21 institutional manner, to the maximum extent practicable.  
22 The Program Offices within the National Agricultural Re-  
23 search Program Office are as follows:

24 (1) Renewable energy, natural resources, and  
25 environment.

1 (2) Food safety, nutrition, and health.

2 (3) Plant health and production.

3 (4) Animal health and production and animal  
4 products.

5 (5) Agriculture systems and technology.

6 (6) Agriculture economics and rural commu-  
7 nities.

8 (b) QUALIFICATIONS OF DIRECTORS.—

9 (1) APPOINTMENT AND CLASSIFICATION.—The  
10 Under Secretary shall appoint a Director for each  
11 Program Office as a senior level position in the com-  
12 petitive service.

13 (2) QUALIFICATIONS.—To be eligible for ap-  
14 pointment as a Director, an individual shall have—

15 (A) conducted outstanding research, edu-  
16 cation, or extension in the field of agriculture or  
17 forestry;

18 (B) earned a doctoral level degree at an in-  
19 stitution of higher education (as defined in sec-  
20 tion 101 of Public Law 89–329 (20 U.S.C.  
21 1001)); and

22 (C) met qualification standards prescribed  
23 by the Director of the Office of Personnel Man-  
24 agement for appointment to a senior level posi-  
25 tion of the competitive service.



1       (c) DUTIES OF DIRECTORS.—Except as otherwise  
2 provided in this Act, each Director as appointed by the  
3 Secretary shall—

4           (1) formulate programs in consultation with the  
5 National Agricultural Research, Extension, Edu-  
6 cation, and Economics Advisory Board (7 U.S.C.  
7 3123) (hereinafter referred to as the “Board”);

8           (2) assess strategic workforce needs of research,  
9 education, extension, and other fields;

10          (3) cooperate with the Board to plan programs  
11 that assist in meeting the future personnel needs of  
12 disciplines and programs;

13          (4) develop strategic planning for department-  
14 wide research, education, extension, and related ac-  
15 tivities;

16          (5) establish department-wide priorities for re-  
17 search, education, extension, and related programs;

18          (6) communicate with research, education, and  
19 extension beneficiaries to identify their needs; and

20          (7) perform such other duties deemed necessary  
21 by the Secretary.

22       (d) ADMINISTRATION.—The Under Secretary, in con-  
23 junction with the Directors and in consultation with the  
24 Board, shall direct and coordinate research, education,  
25 and extension programs within the relevant agencies of the

1 Department of Agriculture to focus those programs, and  
2 the participants, grantees, and other beneficiaries of those  
3 programs, on—

4 (1) understanding important problem areas and  
5 opportunities relating to a program;

6 (2) discovering and implementing solutions to  
7 address those problem areas;

8 (3) exploring other opportunities provided  
9 under the programs; and

10 (4) national, regional and local priorities.

11 (e) PROGRAM INTEGRATION AND COORDINATION.—

12 (1) IN GENERAL.—In accordance with applica-  
13 ble law (including regulations), the Under Secretary,  
14 in coordination with the Director of each Program  
15 Office and taking into consideration the advice of  
16 the Board, shall ensure, to the maximum extent  
17 practicable, that the research, education, and exten-  
18 sion programs are administered, funded, and carried  
19 out—

20 (A) in an integrated, multidisciplinary,  
21 interdisciplinary, interagency, and interinstitu-  
22 tional manner that ensures—

23 (i) the most efficient collaborative use  
24 of resources; and

1                   (ii) the focus of all resources and ac-  
2                   tivities on strategic, priority, problem, op-  
3                   portunity, and solution areas identified by  
4                   the Under Secretary and the Directors,  
5                   taking into consideration the advice of the  
6                   Board; and

7                   (B) among applicable participants, grant-  
8                   ees, and beneficiaries, in a coordinated manner  
9                   that encourages and ensures—

10                   (i) the most efficient collaborative ap-  
11                   plication of resources; and

12                   (ii) the focus of all resources and ac-  
13                   tivities on strategic, priority, problem, op-  
14                   portunity, and solution areas on a local,  
15                   State, tribal, regional, national, and inter-  
16                   national basis, as the Under Secretary and  
17                   each Director, taking into consideration  
18                   the advice of the Board, determine to be  
19                   appropriate.

20                   (2) SCOPE.—Each Director, in consultation  
21                   with the Under Secretary and the Board, shall en-  
22                   sure, through the integration and coordination under  
23                   paragraph (1), that opportunities are maximized  
24                   with respect to—

1                   (A) the use of appropriate authorities,  
2                   agencies, institutions, disciplines, and activities;  
3                   and

4                   (B) the inclusion of appropriate partici-  
5                   pants and other beneficiaries in those activities,  
6                   including intramural, extramural, Government,  
7                   university, extension, and international, as de-  
8                   termined by the Under Secretary.

9           (f) FUNDING.—The Under Secretary shall fund each  
10 Program Office through the appropriations available to  
11 the various agencies within the mission area. The aggre-  
12 gate staff for all Program Offices shall not exceed 30 full-  
13 time equivalent positions and shall be filled by current full-  
14 time equivalent positions.

15           (g) ORGANIZATION.—The Under Secretary shall inte-  
16 grate leadership functions of the national program staff  
17 of the research agencies into the National Agricultural Re-  
18 search Program Office in such form as required to ensure  
19 that the Directors of the Program Offices are the primary  
20 program leaders for the mission areas of the integrated  
21 agencies and that administrative duplication does not  
22 occur.

23           (h) PRIORITIZING FEDERAL RESEARCH ACTIVITIES  
24 FOR SPECIALTY CROPS.—The Under Secretary, in coordi-

1 nation with the Directors of relevant Program Offices,  
2 shall—

3 (1) coordinate with and assist producers and  
4 organizations comprised of program beneficiaries  
5 working together to develop and implement applied  
6 research and extension related to the United States  
7 specialty crop industry;

8 (2) facilitate in the delivery of information to  
9 beneficiaries in a user-friendly form, in addition to  
10 a standard research publication, and reward pro-  
11 viders for their abilities to deliver information to  
12 both the scientific community and the end-user; and

13 (3) ensure coordination among research initia-  
14 tives funded and sponsored by the Department of  
15 Agriculture.

16 **SEC. 7105. ESTABLISHMENT OF COMPETITIVE GRANT PRO-**  
17 **GRAMS UNDER THE NATIONAL INSTITUTE**  
18 **FOR FOOD AND AGRICULTURE.**

19 Any office established to administer competitive pro-  
20 grams under section 7101(b)(2), including the Agricul-  
21 tural Bioenergy and Biobased Products Research Initia-  
22 tive, the Specialty Crop Research Initiative, and Fresh  
23 Cut Produce Safety Grants created by this Act, shall be  
24 referred to as the National Institute of Food and Agri-  
25 culture.

1 **SEC. 7106. MERGING OF IFAFS AND NRI.**

2 (a) AMENDMENT.—Subsection (b) of the Competi-  
3 tive, Special, and Facilities Research Grant Act (7 U.S.C.  
4 450i(b)) is amended to read as follows:

5 “(b) COMPETITIVE GRANT PROGRAMS.—

6 “(1) COMPETITIVE BASIS.—The Secretary of  
7 Agriculture is authorized to make competitive grants  
8 for the purposes and priorities established under this  
9 subsection.

10 “(2) TERM.—The term of a competitive grant  
11 made under this subsection may not exceed 10  
12 years.

13 “(3) GENERAL ADMINISTRATION.—In making  
14 grants under this subsection, the Secretary shall—

15 “(A) seek and accept proposals for grants;

16 “(B) determine the relevance and merit of  
17 proposals through a system of peer and merit  
18 review in accordance with section 103 of the  
19 Agricultural Research, Extension, and Edu-  
20 cation Reform Act of 1998 (7 U.S.C. 7613);

21 “(C) award grants on the basis of merit,  
22 quality, and relevance to advancing the pur-  
23 poses and priorities established under para-  
24 graphs (7) and (11) of this subsection;

25 “(D) solicit and consider input from per-  
26 sons who conduct or use agricultural research,

1 extension, or education in accordance with sec-  
2 tion 102(b) of the Agricultural Research, Ex-  
3 tension, and Education Reform Act of 1998 (7  
4 U.S.C. 7612(b)); and

5 “(E) in seeking proposals for grants under  
6 this subsection and in performing peer review  
7 evaluations of such proposals, seek the widest  
8 participation of qualified scientists in the Fed-  
9 eral Government, colleges and universities,  
10 State agricultural experiment stations, and the  
11 private sector.

12 “(4) ELIGIBLE ENTITIES.—The Secretary may  
13 make a grant under this subsection to State agricul-  
14 tural experiment stations, all colleges and univer-  
15 sities, university research foundations, other re-  
16 search institutions and organizations, Federal agen-  
17 cies, national laboratories, private organizations or  
18 corporations, and individuals, for research to further  
19 the programs of the Department of Agriculture.

20 “(5) ADMINISTRATIVE COSTS.—Not more than  
21 4 percent of funds made available pursuant to this  
22 subsection may be retained by the Secretary to pay  
23 administrative costs incurred by the Secretary in  
24 carrying out this subsection.

1           “(6) CONSTRUCTION PROHIBITED.—Funds  
2       made available for grants under this subsection shall  
3       not be used for the construction of a new building  
4       or facility or the acquisition, expansion, remodeling,  
5       or alteration of an existing building or facility (in-  
6       cluding site grading and improvement and architect  
7       fees).

8           “(7) PURPOSES.—The purposes of the pro-  
9       grams established under paragraph (8) shall reflect  
10      the purposes and additional purposes of agricultural  
11      research, extension, and education reflected in sec-  
12      tions 1402 and 1403 of the National Agricultural  
13      Research, Extension, and Teaching Policy Act of  
14      1977 (7 U.S.C. 3101 and 3102).

15          “(8) BASIC AND APPLIED RESEARCH PRO-  
16      GRAMS.—The Secretary shall establish 2 distinct  
17      programs of agricultural research, one to fund fun-  
18      damental, basic research pursuant to paragraph (9)  
19      to be known as the National Research Initiative and  
20      one to fund applied, integrated research, education,  
21      and extension pursuant to paragraph (10) to be  
22      known as the Initiative for Future Agricultural and  
23      Food Systems.

24          “(9) NATIONAL RESEARCH INITIATIVE.—



1           “(A) ALLOCATION.—The allocation of  
2 funds to the National Research Initiative shall  
3 be as follows:

4           “(i) Not less than 30 percent shall be  
5 available to make grants for research to be  
6 conducted by multidisciplinary teams.

7           “(ii) Not less than 20 percent shall be  
8 available to make grants for research to be  
9 conducted by persons conducting mission-  
10 linked systems research.

11           “(iii) Not less than 10 percent shall  
12 be available to make grants under subpara-  
13 graphs (D), (F), and (G) of paragraph  
14 (13) for research and education strength-  
15 ening and research opportunity.

16           “(iv) Not more than 2 percent may be  
17 used for equipment grants under para-  
18 graph (13)(D).

19           “(B) MATCHING FUNDS.—Except as pro-  
20 vided in this subparagraph, the Secretary may  
21 not take the offer or availability of matching  
22 funds into consideration in making a grant  
23 under this subsection. In the case of grants  
24 under paragraph (13)(D), the amount provided  
25 under this subsection may not exceed 50 per-

cent of the cost of the special research equipment or other equipment acquired. The Secretary may waive all or part of the matching requirement under this subparagraph in the case of a college, university, or research foundation maintained by a college or university that ranks in the lowest one-third of such colleges, universities, and research foundations on the basis of Federal research funds received if the equipment to be acquired costs not more than \$25,000 and has multiple uses within a single research project or is usable in more than 1 research project.

“(10) INITIATIVE FOR FUTURE AGRICULTURAL AND FOOD SYSTEMS MATCHING FUNDS.—As a condition of making a grant under this paragraph, the Secretary shall require the funding of the grant be matched with equal matching funds from a non-Federal source if the grant is—

“(A) for applied research that is commodity-specific; and

“(B) not of national scope.

“(11) RESEARCH PRIORITIES.—The research priorities for the programs established in paragraph (8) shall be consistent with the priorities in effect

1 for the National Research Initiative (7 U.S.C.  
2 450i(b)) and Initiative for Future Agricultural and  
3 Food Systems (7 U.S.C. 7621) on the day before the  
4 date of enactment of this subsection. Priorities  
5 under the Initiative for Future Agricultural and  
6 Food Systems shall include classical plant and ani-  
7 mal breeding.

8 “(12) PROGRAM ADMINISTRATION.—To the  
9 greatest extent possible, the Under Secretary for Re-  
10 search, Education, and Economics, in conjunction  
11 with the Directors of the National Agricultural Re-  
12 search Program Offices established in section 7104  
13 of the Farm, Nutrition, and Bioenergy Act of 2007,  
14 shall allocate these grants to high priority research  
15 taking into consideration, when available, the deter-  
16 minations made by the National Agricultural Re-  
17 search, Extension, Education, and Economics Advi-  
18 sory Board (as established under section 1408 of the  
19 National Agricultural Research, Extension, and  
20 Teaching Policy Act of 1977 (7 U.S.C. 3123).

21 “(13) SPECIAL CONSIDERATIONS.—In addition  
22 to making research grants under paragraph (9), the  
23 Secretary may conduct a program to improve re-  
24 search capabilities in the agricultural, food, and en-  
25 vironmental sciences and award the following cat-

egories of competitive grants. Grants may be awarded—

“(A) to a single investigator or coinvestigators within the same discipline;

“(B) to teams of researchers from different areas of agricultural research and scientific disciplines;

“(C) to multidisciplinary teams that are proposing research on long-term applied research problems, with technology transfer a major component of all such grant proposals;

“(D) to an institution to allow for the improvement of the research, development, technology transfer, and education capacity of the institution through the acquisition of special research equipment and the improvement of agricultural education and teaching; however the Secretary shall use not less than 25 percent of the funds made available for grants under this subparagraph to provide fellowships to outstanding pre- and post-doctoral students for research in the agricultural sciences;

“(E) to a single investigator or coinvestigators who are beginning their research careers and do not have an extensive research publica-

tion record; however, to be eligible for a grant under this subparagraph, an individual shall be within 5 years of the individual's initial career track position;

“(F) to ensure that the faculty of small and mid-sized institutions who have not previously been successful in obtaining competitive grants under this subsection receive a portion of the grants; and

“(G) to improve research capabilities in States (as defined in the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.)) in which institutions have been less successful in receiving funding under this subsection, based on a 3-year rolling average of funding levels.

“(14) DIVISION OF FUNDS.—Of the funds made available to carry out this subsection, 60 percent shall be used to fund programs under paragraph (9) and 40 percent shall be used to fund programs under paragraph (10).

“(15) TRANSFER OF FUNDS FROM THE INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Funds made available pursuant to section 401(b)(3)(D) of the Agricultural Research, Exten-

1 sion, and Education Reform Act of 1998 (7 U.S.C.  
2 7621 (b)(3)(D)) shall be transferred to the program  
3 established under this subsection.

4 “(16) AUTHORIZATION OF APPROPRIATIONS.—

5 “(A) There is authorized to be appro-  
6 priated to carry out this subsection  
7 \$500,000,000 for each of fiscal years 2008  
8 through 2012.

9 “(B) Funds made available in each fiscal  
10 year shall remain available until expended to  
11 pay for obligations incurred in that fiscal  
12 year.”.

13 (b) REPEALS.—The following provisions are hereby  
14 repealed:

15 (1) Section 401 of the Agricultural Research,  
16 Extension, and Education Reform Act of 1998 (7  
17 U.S.C. 7621), except that section 401(b)(3) of such  
18 Act shall not be repealed and shall remain in effect.

19 (2) Subsection (2)(d) of the Competitive, Spe-  
20 cial, and Facilities Research Grant Act of 1965 (7  
21 U.S.C. 450i(d)).

22 **SEC. 7107. CAPACITY BUILDING GRANTS FOR ASCARR IN-**  
23 **STITUTIONS.**

24 (a) GRANT PROGRAM.—

1           (1) IN GENERAL.—The Secretary shall make  
2           competitive grants to ASCARR Institutions to assist  
3           the ASCARR Institutions in maintaining and ex-  
4           panding the capacity of the ASCARR Institutions to  
5           conduct education, research, and outreach activities  
6           relating to—

7                     (A) agriculture;

8                     (B) renewable resources; and

9                     (C) other similar disciplines.

10          (2) USE OF FUNDS.—An ASCARR Institution  
11          that receives a grant under subsection (a)(1) may  
12          use the funds made available through the grant to  
13          maintain and expand the capacity of the ASCARR  
14          Institution—

15                    (A) to successfully compete for funds from  
16                    Federal grants and other sources to carry out  
17                    educational, research, and outreach activities  
18                    that address priority concerns of national, re-  
19                    gional, State, and local interest;

20                    (B) to disseminate information relating to  
21                    priority concerns to—

22                           (i) interested members of the agri-  
23                           culture, renewable resources, and other rel-  
24                           evant communities;

25                           (ii) the public; and

1 (iii) any other interested entity;

2 (C) to encourage members of the agri-  
3 culture, renewable resources, and other relevant  
4 communities to participate in priority edu-  
5 cation, research, and outreach activities by pro-  
6 viding matching funding to leverage grant  
7 funds; and

8 (D) through—

9 (i) the purchase or other acquisition  
10 of equipment and other infrastructure (not  
11 including alteration, repair, renovation, or  
12 construction of buildings);

13 (ii) the professional growth and devel-  
14 opment of the faculty of the ASCARR In-  
15 stitution; and

16 (iii) the development of graduate  
17 assistantships.

18 (b) AUTHORIZATION OF APPROPRIATIONS.—There  
19 are authorized to be appropriated to carry out this section  
20 such sums as are necessary for each fiscal year 2008  
21 through 2012.

22 **SEC. 7108. ESTABLISHMENT OF RESEARCH LABORATORIES**  
23 **FOR ANIMAL DISEASES.**

24 (a) DEFINITIONS.—In this section—



1           (1) ANIMAL DISEASE.—The term “animal dis-  
2           ease” has the meaning given the term by the Sec-  
3           retary.

4           (2) IMPORT.—The term “import” means to  
5           move from a place outside the territorial limits of  
6           the United States to a place within the territorial  
7           limits of the United States.

8           (3) LIVE VIRUS.—The term “live virus” means  
9           a live virus of foot-and-mouth disease or a live virus  
10          of any other animal disease that is a threat to the  
11          health of livestock, as determined by the Secretary.

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

14          (5) STATE.—The term “State” means any of  
15          the States, the District of Columbia, the Common-  
16          wealth of Puerto Rico, Guam, the Commonwealth of  
17          the Northern Mariana Islands, the Virgin Islands of  
18          the United States, or any territory or possession of  
19          the United States.

20          (6) UNITED STATES.—The term “United  
21          States” means all of the States.

22          (b) ANIMAL DISEASE RESEARCH.—

23                (1) ESTABLISHMENT OF RESEARCH FACILI-  
24                TIES.—The Secretary is authorized to establish re-  
25                search laboratories, including the acquisition of nec-

1        essary land, buildings, or facilities, for research on  
2        animal diseases in the United States.

3            (2) ACTIVITIES AUTHORIZED WHEN DISEASE  
4        THREATENS LIVESTOCK.—To the extent the Sec-  
5        retary determines that an animal disease constitutes  
6        a threat to the livestock industry, the Secretary is  
7        authorized to conduct research, diagnostics, and  
8        other activities related to the animal disease.

9        (c) RESTRICTIONS REGARDING LIVE VIRUS.—

10           (1) IN GENERAL.—Except as provided in para-  
11        graphs (2), (3), and (4), a person or State or Fed-  
12        eral agency may not—

13                (A) import a live virus into the United  
14        States;

15                (B) transport a live virus within the  
16        United States; and

17                (C) store and maintain a live virus at a re-  
18        search facility.

19            (2) AUTHORITY OF THE SECRETARY.—The Sec-  
20        retary of Agriculture may—

21                (A) import a live virus into the United  
22        States;

23                (B) transport a live virus within the  
24        United States; and

1 (C) store and maintain a live virus at a re-  
2 search facility.

3 (3) PERMITS.—

4 (A) IN GENERAL.—If the Secretary deter-  
5 mines that it is in the public interest to do so,  
6 the Secretary may issue a permit to allow a pri-  
7 vate person or a State or Federal agency to—

8 (i) import a live virus into the United  
9 States;

10 (ii) transport a live virus within the  
11 United States; and

12 (iii) store and maintain a live virus at  
13 a research facility.

14 (B) PERMIT TERMS.—A permit issued  
15 under this paragraph shall be subject to terms  
16 and conditions prescribed by the Secretary.

17 (4) LIMITATION.—Nothing in this section shall  
18 apply to the importation, transportation, storage,  
19 and maintenance of any live virus governed by regu-  
20 lations promulgated pursuant to section 351A of the  
21 Public Health Service Act (42 U.S.C. 262a) or the  
22 Agricultural Bioterrorism Protection Act of 2002 (7  
23 U.S.C. 8401).

24 (d) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
25 tion to funds otherwise available for the control or eradi-

1 cation of animal diseases, there are authorized to be ap-  
2 propriated such sums as necessary to carry out this sec-  
3 tion.

4 **SEC. 7109. GRAZINGLANDS RESEARCH LABORATORY.**

5       Notwithstanding any other provision of law, without  
6 specific authorization by an Act of Congress, the Federal  
7 land and facilities at El Reno, Oklahoma, currently admin-  
8 istered by the Secretary of Agriculture as the  
9 Grazinglands Research Laboratory, shall not at any time,  
10 in whole or part, be declared to be excess or surplus Fed-  
11 eral property under chapter 5 of subtitle I of title 40,  
12 United States Code, or otherwise be conveyed or trans-  
13 ferred in whole or in part.

14 **SEC. 7110. RESEARCHER TRAINING.**

15       (a) REQUIREMENT.—The Secretary shall require that  
16 persons receiving funds under section 1668(g)(2) of the  
17 Food, Agriculture, Conservation, and Trade Act of 1990  
18 (7 U.S.C. 5921(g)(2)) to conduct research concerning ge-  
19 netically engineered plants, including seed and other prop-  
20 agative materials, complete a training program approved  
21 by the Secretary.

22       (b) CERTIFICATION OF THIRD-PARTY PROVIDERS.—  
23 Not later than 180 days after the date of the enactment  
24 of this Act, the Secretary shall establish a system for ap-  
25 proving individuals and entities to provide training under

1 subsection (a), including criteria for the evaluation of  
2 trainers or potential trainers.

3 (c) EXPERTISE.—In establishing criteria for the eval-  
4 uation of potential trainers, the Secretary shall ensure  
5 that individuals and entities with expertise in quality man-  
6 agement systems, plant breeding and genetics, and the  
7 technical aspects of the Federal regulatory process for ag-  
8 ricultural biotechnology, are eligible to become approved  
9 trainers under subsection (b).

10 **SEC. 7111. FORT RENO SCIENCE PARK RESEARCH FACIL-**  
11 **ITY.**

12 The Secretary of Agriculture may lease land to the  
13 University of Oklahoma at the Grazinglands Research  
14 Laboratory at El Reno, Oklahoma, on such terms and con-  
15 ditions as the University and the Secretary may agree in  
16 furtherance of cooperative research and existing easement  
17 arrangements.

18 **SEC. 7112. ASSESSING THE NUTRITIONAL COMPOSITION OF**  
19 **BEEF PRODUCTS.**

20 (a) STUDY.—Not later than 1 year after the date of  
21 the enactment of this Act, the Secretary shall award a  
22 grant, contract, or other agreement with an appropriate  
23 land-grant university to update the Department of Agri-  
24 culture's Nutrient Composition Handbook for Beef, also  
25 known as Handbook #8–13. The Handbook shall incor-

1 porate accurate and current data collected by the univer-  
2 sity to be used by Federal agencies, private industries,  
3 health organizations, and consumers to determine impor-  
4 tant diet and health-related issues associated with the con-  
5 sumption of beef and beef products.

6 (b) AUTHORIZATION OF APPROPRIATIONS.—There  
7 are authorized to be appropriated such sums as are nec-  
8 essary to carry out this section to be available until ex-  
9 pended.

10 **SEC. 7113. SENSE OF CONGRESS REGARDING FUNDING FOR**  
11 **HUMAN NUTRITION RESEARCH.**

12 It is the sense of the Congress that—

13 (1) human nutrition research has the potential  
14 for improving the health status of the American  
15 public through studies that help determine—

16 (A) the food and beverage intakes of  
17 Americans and the nutrient composition of the  
18 food supply;

19 (B) the relationship between diet and obe-  
20 sity, particularly to prevent childhood obesity;

21 (C) the authoritative, peer-reviewed,  
22 science-based evidence that forms the basis for  
23 Federal nutrition policy, dietary guidelines and  
24 programs; and

1                   (D) the nutrient requirements for individ-  
2                   uals at various stages in the lifespan and for  
3                   vulnerable populations, particularly children  
4                   and the elderly;

5                   (2) human nutrition research holds the poten-  
6                   tial for identifying factors in crops and livestock that  
7                   provide nutrition benefits to humans and add value  
8                   for producers;

9                   (3) the potential cost savings to Federal health  
10                  programs, combined with the boost in revenues for  
11                  farmers who produce nutritionally enhanced foods,  
12                  justifies an increase in funding to a level sufficient  
13                  to conduct this essential research; and

14                  (4) the USDA regional human nutritional re-  
15                  search centers have unique value in linking producer  
16                  and consumer interests into investigations of food  
17                  and human nutrition issues and conducting long-  
18                  term nutrition studies; and activities at these centers  
19                  should be preserved and coordinated with other  
20                  human nutrition research activities.

1 **Subtitle B—National Agricultural**  
2 **Research, Extension, and Teach-**  
3 **ing Policy Act of 1977**

4 **SEC. 7201. ADVISORY BOARD.**

5 Section 1408(g)(1) of the National Agricultural Re-  
6 search, Extension, and Teaching Policy Act of 1977 (7  
7 U.S.C. 3123(g)(1)) is amended by striking “\$350,000”  
8 and inserting “\$500,000”.

9 **SEC. 7202. ADVISORY BOARD TERMINATION.**

10 Section 1408(h) of the National Agricultural Re-  
11 search, Extension, and Teaching Policy Act of 1977 (7  
12 U.S.C. 3123(h)) is amended by striking “2007” and in-  
13 serting “2012”.

14 **SEC. 7203. RENEWABLE ENERGY COMMITTEE.**

15 The National Agricultural Research, Extension, and  
16 Teaching Policy Act of 1977 is amended by inserting after  
17 section 1408A the following:

18 **“SEC. 1408B. RENEWABLE ENERGY COMMITTEE.**

19 “(a) INITIAL MEMBERS.—Not later than 90 days  
20 after the date of the enactment of this section, the execu-  
21 tive committee of the Advisory Board shall establish and  
22 appoint the initial members of a permanent renewable en-  
23 ergy committee that shall be responsible for studying the  
24 scope and effectiveness of research, extension, and eco-  
25 nomics programs affecting the renewable energy industry.



1       “(b) NON-ADVISORY BOARD MEMBERS.—Individuals  
2 who are not members of the Advisory Board may be ap-  
3 pointed as members of the renewable energy committee.  
4 Members of the renewable energy committee shall serve  
5 at the discretion of the executive committee.

6       “(c) REPORT BY RENEWABLE ENERGY COM-  
7 MITTEE.—Not later than 180 days after the establishment  
8 of the renewable energy committee, and annually there-  
9 after, the renewable energy committee shall submit to the  
10 Advisory Board a report containing the findings of its  
11 study under subsection (a). The renewable energy com-  
12 mittee shall include in each report its recommendations.

13       “(d) COORDINATION OF FUNCTIONS.—In carrying  
14 out its functions, the Renewable Energy Committee shall  
15 coordinate with the Biomass Research and Development  
16 Act Committee.

17       “(e) MATTERS TO BE CONSIDERED IN BUDGET REC-  
18 OMMENDATION.—In preparing the annual budget rec-  
19 ommendations for the Department, the Secretary shall  
20 take into consideration those findings and recommenda-  
21 tions contained in the most recent report of the renewable  
22 energy committee that are adopted by the Advisory Com-  
23 mittee.

24       “(f) REPORT BY THE SECRETARY.—In the budget  
25 material submitted to Congress by the Secretary in con-

1 nection with the budget submitted pursuant to section  
2 1105 of title 31, United States Code, for a fiscal year,  
3 the Secretary shall include a report describing how the  
4 Secretary addressed each recommendation of the renew-  
5 able energy committee described in subsection (e) of this  
6 section.”.

7 **SEC. 7204. SPECIALTY CROP COMMITTEE REPORT.**

8 Section 1408A(c) of the National Agricultural Re-  
9 search, Extension, and Teaching Policy Act of 1977 (7  
10 U.S.C. 3123a(c)) is amended by adding at the end the  
11 following:

12 “(4) Analyses of the specialty crop sector, in-  
13 cluding the impact of changes in domestic and inter-  
14 national markets, production and new product tech-  
15 nologies, alternative policies and macroeconomic con-  
16 ditions on specialty crop production, use, farm and  
17 retail prices, and farm income and financial stability  
18 from a national, regional, and farm-level perspective.

19 “(5) Review of the economic state of the spe-  
20 cialty crop industry from a regional perspective.

21 “(6) Development of data that provides applied  
22 information useful to specialty crop growers, their  
23 associations, and other interested beneficiaries in  
24 evaluating that industry from a regional and na-  
25 tional perspective.”.

1 **SEC. 7205. INCLUSION OF UDC IN GRANTS AND FELLOW-**  
2 **SHIPS FOR FOOD AND AGRICULTURAL**  
3 **SCIENCES EDUCATION.**

4 Section 1417 of the National Agricultural Research,  
5 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
6 3152) is amended—

7 (1) in subsection (b), by inserting “including  
8 the University of the District of Columbia,” after  
9 “universities,”; and

10 (2) in subsection (d)(2), by inserting “, includ-  
11 ing the University of the District of Columbia,”  
12 after “universities”.

13 **SEC. 7206. GRANTS AND FELLOWSHIPS FOR FOOD AND AG-**  
14 **RICULTURAL SCIENCES EDUCATION.**

15 (a) **EDUCATION TEACHING PROGRAMS.**—Section  
16 1417(j) of the National Agricultural Research, Extension  
17 and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)) is  
18 amended—

19 (1) in the subsection heading, by striking “SEC-  
20 ONDARY EDUCATION AND 2-YEAR POSTSECONDARY  
21 EDUCATION TEACHING PROGRAMS” and inserting  
22 “SECONDARY EDUCATION, 2-YEAR POSTSECONDARY  
23 EDUCATION, AND AGRICULTURE IN THE K–12  
24 CLASSROOM”; and

25 (2) in paragraph (3)—

1 (A) by striking “secondary schools, and in-  
2 stitutions of higher education that award an as-  
3 sociate’s degree” and inserting “secondary  
4 schools, institutions of higher education that  
5 award an associate’s degree, other institutions  
6 of higher education, and nonprofit organiza-  
7 tions”;

8 (B) in subparagraph (E), by striking  
9 “and” at the end;

10 (C) in subparagraph (F), by striking the  
11 period at the end and inserting “; and”; and

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

13 “(G) to support current agriculture in the  
14 classroom programs for grades K–12.”.

15 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
16 1417(l) of the National Agricultural Research, Extension,  
17 and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is  
18 amended by striking “2007” and inserting “2012”.

19 (c) REPORT.—Section 1417 of the National Agricul-  
20 tural Research, Extension and Teaching Policy Act of  
21 1977 is amended by adding at the end the following:

22 “(m) REPORT.—The Secretary shall submit an an-  
23 nual report to the Committee on Agriculture of the House  
24 of Representatives and the Committee on Agriculture, Nu-  
25 trition and Forestry of the Senate detailing the distribu-

1 tion of funds used to implement the teaching programs  
2 under subsection (j).”.

3 **SEC. 7207. GRANTS FOR RESEARCH ON PRODUCTION AND**  
4 **MARKETING OF ALCOHOLS AND INDUSTRIAL**  
5 **HYDROCARBONS FROM AGRICULTURAL COM-**  
6 **MODITIES AND FOREST PRODUCTS.**

7 Section 1419(d) of the National Agricultural Re-  
8 search, Extension, and Teaching Policy Act of 1977 (7  
9 U.S.C. 3154(d)) is amended by striking “2007” and in-  
10 serting “2012”.

11 **SEC. 7208. POLICY RESEARCH CENTERS.**

12 Section 1419A of the National Agricultural Research,  
13 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
14 3155) is amended—

15 (1) in subsection (b), by inserting “, including  
16 the Food Agricultural Policy Research Institute and  
17 the Agricultural and Food Policy Center” after “re-  
18 search institutions and organizations”; and

19 (2) in subsection (d), by striking “2007” and  
20 inserting “2012”.

21 **SEC. 7209. HUMAN NUTRITION INTERVENTION AND**  
22 **HEALTH PROMOTION RESEARCH PROGRAM.**

23 Section 1424(d) of the National Agricultural Re-  
24 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3174(d)) is amended by striking “2007” and in-  
 2 serting “2012”.

3 **SEC. 7210. PILOT RESEARCH PROGRAM TO COMBINE MED-**  
 4 **ICAL AND AGRICULTURAL RESEARCH.**

5 Section 1424A(d) of the National Agricultural Re-  
 6 search, Extension, and Teaching Policy Act of 1977 (7  
 7 U.S.C. 3174a(d)) is amended by striking “2007” and in-  
 8 serting “2012”.

9 **SEC. 7211. NUTRITION EDUCATION PROGRAM.**

10 Section 1425(c)(3) of the National Agricultural Re-  
 11 search, Extension, and Teaching Policy Act of 1977 (7  
 12 U.S.C. 3175(c)(3)) is amended by striking “2007” and  
 13 inserting “2012”.

14 **SEC. 7212. CONTINUING ANIMAL HEALTH AND DISEASE RE-**  
 15 **SEARCH PROGRAMS.**

16 Section 1433(a) of the National Agricultural Re-  
 17 search, Extension, and Teaching Policy Act of 1977 (7  
 18 U.S.C. 3195(a)) is amended in the first sentence by strik-  
 19 ing “2007” and inserting “2012”.

20 **SEC. 7213. COOPERATION AMONG ELIGIBLE INSTITUTIONS.**

21 Section 1433 of the National Agricultural Research,  
 22 Extension, and Teaching Policy Act of 1977 is amended  
 23 by adding at the end the following new subsection:

24 “(g) COOPERATION AMONG ELIGIBLE INSTITU-  
 25 TIONS.—The Secretary, to the maximum extent prac-

1 ticable, shall encourage eligible institutions to cooperate  
2 in setting research priorities under this section through  
3 the conduct of regular regional and national meetings.”.

4 **SEC. 7214. APPROPRIATIONS FOR RESEARCH ON NATIONAL**  
5 **OR REGIONAL PROBLEMS.**

6 Section 1434(a) of the National Agricultural Re-  
7 search, Extension, and Teaching Policy Act of 1977 (7  
8 U.S.C. 3196(a)) is amended by striking “2007” and in-  
9 serting “2012”.

10 **SEC. 7215. AUTHORIZATION LEVEL OF EXTENSION AT 1890**  
11 **LAND-GRANT COLLEGES.**

12 Section 1444(a)(2) of the National Agricultural Re-  
13 search, Extension, and Teaching Policy Act of 1977 (7  
14 U.S.C. 3221(a)(2)) is amended by striking “15 percent”  
15 and inserting “20 percent”.

16 **SEC. 7216. AUTHORIZATION LEVEL FOR AGRICULTURAL RE-**  
17 **SEARCH AT 1890 LAND-GRANT COLLEGES.**

18 Section 1445(a)(2) of the National Agricultural Re-  
19 search, Extension, and Teaching Policy Act of 1977 (7  
20 U.S.C. 3222(a)(2)) is amended by striking “25 percent”  
21 and inserting “30 percent”.

1 **SEC. 7217. GRANTS TO UPGRADE AGRICULTURE AND FOOD**  
2 **SCIENCES FACILITIES AT THE DISTRICT OF**  
3 **COLUMBIA LAND GRANT UNIVERSITY.**

4 The National Agricultural Research, Extension, and  
5 Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is  
6 amended by inserting after section 1447 the following:

7 **“SEC. 1447A. GRANTS TO UPGRADE AGRICULTURE AND**  
8 **FOOD SCIENCES FACILITIES AT THE DIS-**  
9 **TRICT OF COLUMBIA LAND GRANT UNIVER-**  
10 **SITY.**

11 “(a) PURPOSE.—It is declared to be the intent of  
12 Congress to assist the land grant university in the District  
13 of Columbia, as established under section 208 of the Dis-  
14 trict of Columbia Public Postsecondary Education Reorga-  
15 nization Act of October 26, 1974 (Public Law 93–471)  
16 in efforts to acquire, alter, or repair facilities or relevant  
17 equipment necessary for conducting agricultural research.

18 “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
19 are authorized to be appropriated for the purposes of car-  
20 rying out the provisions of this section \$750,000 for each  
21 of fiscal years 2008 through 2012.”.



1 **SEC. 7218. GRANTS TO UPGRADE AGRICULTURAL AND**  
2 **FOOD SCIENCES FACILITIES AT 1890 LAND-**  
3 **GRANT COLLEGES, INCLUDING TUSKEGEE**  
4 **UNIVERSITY.**

5 Section 1447(b) of the National Agricultural Re-  
6 search, Extension, and Teaching Policy Act of 1977 (7  
7 U.S.C. 3222b(b)) is amended by striking “2007” and in-  
8 serting “2012”.

9 **SEC. 7219. NATIONAL RESEARCH AND TRAINING VIRTUAL**  
10 **CENTERS.**

11 Section 1448 of the National Agricultural Research,  
12 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
13 3222c) is amended by striking “2007” each place it ap-  
14 pears in subsections (a)(1) and (f) and inserting “2012”.

15 **SEC. 7220. MATCHING FUNDS REQUIREMENT FOR RE-**  
16 **SEARCH AND EXTENSION ACTIVITIES OF 1890**  
17 **INSTITUTIONS.**

18 Section 1449(c) of the National Agricultural Re-  
19 search, Extension, and Teaching Policy Act of 1977 (7  
20 U.S.C. 3222d(c)) is amended in the first sentence by strik-  
21 ing “for each of fiscal years 2003 through 2007,”.

22 **SEC. 7221. HISPANIC-SERVING INSTITUTIONS.**

23 Section 1455(c) of the National Agricultural Re-  
24 search, Extension, and Teaching Policy Act of 1977 (7  
25 U.S.C. 3241(c)) is amended by striking “2007” and in-  
26 serting “2012”.

1 **SEC. 7222. HISPANIC-SERVING AGRICULTURAL COLLEGES**  
2 **AND UNIVERSITIES.**

3 (a) IN GENERAL.—The National Agricultural Re-  
4 search, Extension and Teaching Policy Act of 1977 is  
5 amended by inserting after section 1455 the following:

6 **“SEC. 1456. HISPANIC-SERVING AGRICULTURAL COLLEGES**  
7 **AND UNIVERSITIES.**

8 “(a) DEFINITIONS.—As used in this section:

9 “(1) ENDOWMENT FUND.—The term ‘endow-  
10 ment fund’ means the Hispanic-Serving Agricultural  
11 Colleges and Universities Fund established under  
12 subsection (b).

13 “(2) HISPANIC-SERVING AGRICULTURAL COL-  
14 LEGE AND UNIVERSITIES.—The term ‘Hispanic-serv-  
15 ing agricultural colleges and universities’ means a  
16 college or university that—

17 “(A) qualifies as a ‘Hispanic-serving insti-  
18 tution’; and

19 “(B) offers associate, bachelor’s, or other  
20 accredited degree programs in agriculture-re-  
21 lated fields, as determined by the Secretary.

22 “(b) ENDOWMENT.—

23 “(1) IN GENERAL.—In accordance with this  
24 subsection, the Secretary of the Treasury shall es-  
25 tablish a Hispanic-Serving Agricultural Colleges and  
26 Universities Fund. The Secretary of the Treasury

1       may enter into such agreements as are necessary to  
2       carry out this subsection.

3               “(2) DEPOSIT TO THE ENDOWMENT FUND.—  
4       The Secretary of the Treasury shall deposit in the  
5       endowment fund any—

6                       “(A) amounts made available through Acts  
7                       of appropriations, which shall be the endow-  
8                       ment fund corpus; and

9                       “(B) interest earned on the endowment  
10                      fund corpus.

11               “(3) INVESTMENTS.—The Secretary of the  
12       Treasury shall invest the endowment fund corpus  
13       and income in interest-bearing obligations of the  
14       United States.

15               “(4) WITHDRAWALS AND EXPENDITURES.—The  
16       Secretary of the Treasury may not make a with-  
17       drawal or expenditure from the endowment fund cor-  
18       pus. On September 30, 2008, and each September  
19       30 thereafter, the Secretary of the Treasury shall  
20       withdraw the amount of the income from the endow-  
21       ment fund for the fiscal year and warrant the funds  
22       to the Secretary who, after making adjustments for  
23       the cost of administering the endowment fund, shall  
24       distribute the adjusted income as follows:

1           “(A) 60 percent distributed among the  
2           Hispanic-serving agricultural colleges and uni-  
3           versities on a pro rata basis based on each in-  
4           stitution’s Hispanic enrollment count.

5           “(B) 40 percent distributed in equal shares  
6           to the Hispanic-serving agricultural colleges  
7           and universities.

8           “(5) AUTHORIZATION OF APPROPRIATIONS.—

9           “(A) IN GENERAL.—For fiscal year 2008,  
10          and for each fiscal year thereafter, there is au-  
11          thorized to be appropriated to the Department  
12          of Agriculture an amount equal to—

13               “(i) \$80,000; multiplied by

14               “(ii) the number of Hispanic-serving  
15               agricultural colleges and universities.

16          “(B) PAYMENTS.—For fiscal year 2008,  
17          and for each fiscal year thereafter, the Sec-  
18          retary shall pay to the treasurer of each His-  
19          panic-Serving agricultural college and university  
20          an amount equal to—

21               “(i) the total amount made available  
22               by appropriations pursuant to paragraph  
23               (1); divided by

24               “(ii) the number of Hispanic-serving  
25               agricultural colleges and universities.

1           “(C) USE OF FUNDS.—Amounts author-  
2           ized to be appropriated under this subsection  
3           shall be used in the same manner as is pre-  
4           scribed for colleges under the Act of August 30,  
5           1890 (commonly known as the Second Morrill  
6           Act), and except as otherwise provided in this  
7           subsection, the requirements of such Act shall  
8           apply to the Hispanic-serving agricultural col-  
9           leges and universities.

10           “(D) Amounts appropriated pursuant to  
11           this paragraph shall be held and considered to  
12           have been granted to Hispanic-serving agricul-  
13           tural colleges and universities to establish an  
14           endowment pursuant to subsection (b).

15           “(e) INSTITUTIONAL CAPACITY BUILDING  
16 GRANTS.—

17           “(1) PURPOSE AND ALLOWABLE USES.—For  
18           fiscal year 2008, and for each fiscal year thereafter,  
19           the Secretary shall make institutional capacity build-  
20           ing grants to assist Hispanic-serving agricultural  
21           colleges and universities not including alteration, re-  
22           pair, renovation, or construction of buildings.

23           “(2) CRITERIA FOR INSTITUTIONAL CAPACITY  
24 BUILDING GRANTS.—

1           “(A) REQUIREMENTS FOR GRANTS.—The  
2           Secretary shall make grants under this sub-  
3           section on the basis of a competitive application  
4           process under which Hispanic-serving agricul-  
5           tural colleges and universities may submit ap-  
6           plications to the Secretary in such form and  
7           manner as the Secretary may prescribe.

8           “(B) BROADER PARTICIPATION AND GEO-  
9           GRAPHIC DIVERSITY.—All Hispanic-serving ag-  
10          ricultural colleges and universities shall be eligi-  
11          ble to compete for grants under this subsection.

12          “(C) DEMONSTRATION OF NEED.—The  
13          Secretary shall require as part of an application  
14          for a grant under this subsection, a demonstra-  
15          tion of need based on criteria stated in sub-  
16          section (b)(5). The Secretary may award a  
17          grant under this subsection only to an applicant  
18          that demonstrates a failure to obtain funding  
19          for a project after making a reasonable effort to  
20          otherwise obtain the funding.

21          “(D) PAYMENT OF NON-FEDERAL  
22          SHARE.—A grant awarded under this sub-  
23          section shall be made only if the recipient of the  
24          grant pays a non-Federal share in an amount

1 specified by the Secretary and based upon as-  
2 sessed institutional needs.

3 “(3) AUTHORIZATION OF APPROPRIATIONS.—

4 There are authorized to be appropriated to the Sec-  
5 retary to carry out this subsection, such sums as are  
6 necessary for fiscal year 2008, and for each fiscal  
7 year thereafter.

8 “(d) COMPETITIVE GRANTS PROGRAM.—The Sec-  
9 retary shall establish a competitive grants program to  
10 fund basic and applied research at Hispanic-serving agri-  
11 cultural colleges and universities in agriculture, human  
12 nutrition, food science, bioenergy, and environmental  
13 science. There are authorized to be appropriated to the  
14 Secretary such sums as are necessary to carry out this  
15 subsection for fiscal year 2008 and for each fiscal year  
16 thereafter.”.

17 (b) EXTENSION FUNDING.—Section 3 of the Act of  
18 May 8, 1914, (commonly known as the Smith-Lever Act),  
19 is amended—

20 (1) in subsection (b), by adding at the end the  
21 following new paragraph:

22 “(4) There are authorized to be appropriated for fis-  
23 cal year 2008, and for each fiscal year thereafter, such  
24 sums as are necessary for the purposes set forth in sub-  
25 paragraph (D). Such sums shall be in addition to the sums

1 appropriated for the several States and Puerto Rico, the  
 2 Virgin Islands, and Guam under the provisions of this sec-  
 3 tion. Such sums shall be distributed on the basis on a com-  
 4 petitive application process to be developed and imple-  
 5 mented by the Secretary and paid by the Secretary to the  
 6 State institutions established in accordance with the provi-  
 7 sions of the Act of July 2, 1862 (commonly known as the  
 8 First Morrill Act) and administered by such institutions  
 9 through cooperative agreements with the Hispanic-serving  
 10 agricultural colleges and universities in the States of the  
 11 institutions in accordance with regulations that the Sec-  
 12 retary shall adopt.”; and

13           (2) in subsection (f), by inserting “or Hispanic-  
 14       serving agricultural colleges and universities” after  
 15       “Institution”.

16 **SEC. 7223. INTERNATIONAL AGRICULTURAL RESEARCH, EX-**  
 17 **TENSION, AND EDUCATION.**

18       Section 1458(a) of the National Agricultural Re-  
 19 search, Extension, and Teaching Policy Act of 1977 (7  
 20 U.S.C. 3291(a)) is amended—

21           (1) in paragraph (1)—

22                   (A) in subparagraph (A), by striking  
 23           “and” after the semicolon;

24                   (B) in subparagraph (B), by adding “and”  
 25           at the end; and



1 (C) by adding at the end the following:

2 “(C) giving priority to those institutions  
3 with existing memorandums of understanding,  
4 agreements, or other formal ties to United  
5 States institutions, or State or Federal agen-  
6 cies;”;

7 (2) in paragraph (3), by inserting “Hispanic-  
8 serving agricultural colleges and universities,” after  
9 “universities, as defined in section 1456 of the Na-  
10 tional Agricultural Research, Extension, and Teach-  
11 ing Policy Act of 1977 (7 U.S.C. 3289),”;

12 (3) in paragraph (7)(A), by striking “and land-  
13 grant colleges and universities” and inserting “,  
14 land-grant colleges and universities, and Hispanic-  
15 serving agricultural colleges and universities, as de-  
16 fined in section 1456 of the National Agricultural  
17 Research, Extension, and Teaching Policy Act of  
18 1977 (7 U.S.C. 3289)”;

19 (4) in paragraph (9)(A), by striking “or other  
20 colleges and universities” and inserting “, or other  
21 colleges and universities, or Hispanic-serving agricul-  
22 tural colleges and universities, as defined in section  
23 1456 of the National Agricultural Research, Exten-  
24 sion, and Teaching Policy Act of 1977 (7 U.S.C.  
25 3289)”;

1 (5) by adding at the end the following:

2 “(11) establish a program for the purpose of  
3 providing fellowships to United States or foreign  
4 students to study at foreign agricultural colleges and  
5 universities working under agreements provided for  
6 under paragraph (3).”.

7 **SEC. 7224. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**  
8 **RICULTURAL SCIENCE AND EDUCATION PRO-**  
9 **GRAMS.**

10 Section 1459A(c) of the National Agricultural Re-  
11 search, Extension, and Teaching Policy Act of 1977 (7  
12 U.S.C. 3292b(c)) is amended by striking “2007” and in-  
13 serting “2012”.

14 **SEC. 7225. LIMITATION ON INDIRECT COSTS FOR AGRICUL-**  
15 **TURAL RESEARCH, EDUCATION, AND EXTEN-**  
16 **SION PROGRAMS.**

17 Section 1462(a) of the National Agriculture Re-  
18 search, Extension, and Teaching Policy Act of 1977 (7  
19 U.S.C. 3310(a)) is amended by striking “a competitive”  
20 and inserting “any”.

21 **SEC. 7226. RESEARCH EQUIPMENT GRANTS.**

22 Section 1462A(e) of the National Agricultural Re-  
23 search, Extension, and Teaching Policy Act of 1977 (7  
24 U.S.C. 3310a(e)) is amended by striking “2007” and in-  
25 serting “2012”.

1 **SEC. 7227. UNIVERSITY RESEARCH.**

2 Section 1463 of the National Agricultural Research,  
3 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
4 3311) is amended by striking “2007” each place it ap-  
5 pears in subsections (a) and (b) and inserting “2012”.

6 **SEC. 7228. EXTENSION SERVICE.**

7 Section 1464 of the National Agricultural Research,  
8 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
9 3312) is amended by striking “2007” and inserting  
10 “2012”.

11 **SEC. 7229. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

12 Section 1473D(a) of the National Agricultural Re-  
13 search, Extension, and Teaching Policy Act of 1977 (7  
14 U.S.C. 3319d(a)) is amended by striking “2007” and in-  
15 serting “2012”.

16 **SEC. 7230. AQUACULTURE ASSISTANCE PROGRAMS.**

17 Section 1477 of the National Agricultural Research,  
18 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
19 3324) is amended by striking “2007” and inserting  
20 “2012”.

21 **SEC. 7231. RANGELAND RESEARCH.**

22 Section 1483(a) of the National Agricultural Re-  
23 search, Extension, and Teaching Policy Act of 1977 (7  
24 U.S.C. 3336(a)) is amended by striking “2007” and in-  
25 serting “2012”.

1 **SEC. 7232. SPECIAL AUTHORIZATION FOR BIOSECURITY**  
2 **PLANNING AND RESPONSE.**

3 Section 1484(a) of the National Agricultural Re-  
4 search, Extension, and Teaching Policy Act of 1977 (7  
5 U.S.C. 3351(a)) is amended by striking “2007” and in-  
6 serting “2012”.

7 **SEC. 7233. RESIDENT INSTRUCTION AND DISTANCE EDU-**  
8 **CATION GRANTS PROGRAM FOR INSULAR**  
9 **AREA INSTITUTIONS OF HIGHER EDUCATION.**

10 (a) DISTANCE EDUCATION GRANTS FOR INSULAR  
11 AREAS.—Section 1490(f) of the National Agricultural Re-  
12 search, Extension, and Teaching Policy Act of 1977 (7  
13 U.S.C. 3362(f)) is amended by striking “2007” and in-  
14 serting “2012”.

15 (b) RESIDENT INSTRUCTION GRANTS FOR INSULAR  
16 AREAS.—Section 1491 of the National Agricultural Re-  
17 search, Extension, and Teaching Policy Act of 1977 (7  
18 U.S.C. 3363) is amended—

19 (1) by redesignating subsection (e) as sub-  
20 section (c); and

21 (2) in subsection (c) (as so redesignated), by  
22 striking “2007” and inserting “2012”.

23 **SEC. 7234. HISPANIC SERVING INSTITUTIONS.**

24 The text of section 1404 of the Research Act of 1977  
25 is amended to read as follows: “The term ‘Hispanic Serv-  
26 ing Institution’ has the meaning given that term in section

1 502(a)(5) of the Higher Education Act of 1965 (20 U.S.C.  
2 1101a(a)(5)).”.

3 **SEC. 7235. SPECIALTY CROPS POLICY RESEARCH INSTI-**  
4 **TUTE.**

5 Section 1419A of the National Agricultural Research,  
6 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
7 3155) is amended by adding at the end the following:

8 “(e) SPECIALTY CROPS POLICY RESEARCH INSTI-  
9 TUTE.—

10 “(1) ESTABLISHMENT.—The Food Agricultural  
11 Policy Research Institute shall establish a satellite  
12 institute, called the Specialty Crops Policy Research  
13 Institute, hereinafter referred to as the Institute, at  
14 accredited research universities within States with  
15 significant specialty crop industries to fulfill the ob-  
16 jectives described in subsection (e)(3) of this section.

17 “(2) MANAGEMENT.—The Institute shall be co-  
18 ordinated and managed by an appointed university  
19 and will have the discretion to coordinate and facili-  
20 tate the Institute’s economic and policy research ac-  
21 tivities and those of additional member universities  
22 and institutions.

23 “(3) INSTITUTE OBJECTIVES.—Consistent with  
24 the provisions of subsections (a) and (c) of this sec-  
25 tion, the Institute shall—

1           “(A) produce and disseminate analysis of  
2           the specialty crop sector, including the impact  
3           of changes in domestic and international mar-  
4           kets, production, new product technologies,  
5           web-based risk management tools, alternative  
6           policies and macroeconomic conditions on spe-  
7           cialty crop production, use, farm and retail  
8           prices, and farm income and financial stability  
9           from a national, regional, and farm-level per-  
10          spective; and

11          “(B) produce and disseminate an annual  
12          review of the economic state of the specialty  
13          crop industry nationally, regionally, and by-  
14          state.

15          “(4) AUTHORIZATION OF APPROPRIATION.—  
16          There are authorized to be appropriated such sums  
17          as are necessary in each fiscal year through 2012 to  
18          carry out this section.”.

19 **SEC. 7236. EMPHASIS OF HUMAN NUTRITION INITIATIVE.**

20          Section 1424(b) of the National Agricultural Re-  
21          search, Extension, and Teaching Policy Act of 1977 (7  
22          U.S.C. 3174(b)) is amended—

23                 (1) in paragraph (1), by striking “and,”;

24                 (2) in paragraph (2), by striking the comma  
25          and inserting “; and”; and

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

2 “(3) proposals that examine the efficacy of cur-  
3 rent agriculture policies in promoting the health and  
4 welfare of economically disadvantaged populations,”.

5 **SEC. 7237. GRANTS TO UPGRADE AGRICULTURE AND FOOD**  
6 **SCIENCES FACILITIES AT INSULAR AREA**  
7 **LAND-GRANT INSTITUTIONS.**

8 The National Agricultural Research, Extension, and  
9 Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is  
10 amended by inserting after section 1447A the following:

11 **“SEC. 1447B. GRANTS TO UPGRADE AGRICULTURE AND**  
12 **FOOD SCIENCES FACILITIES AND EQUIP-**  
13 **MENT AT INSULAR AREA LAND-GRANT INSTI-**  
14 **TUTIONS.**

15 “(a) PURPOSE.—It is declared to be the intent of  
16 Congress to assist the land grant institutions in the insu-  
17 lar areas in efforts to acquire, alter, or repair facilities  
18 or relevant equipment necessary for conducting agricul-  
19 tural research.

20 “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
21 are authorized to be appropriated for the purposes of car-  
22 rying out the provisions of this section \$8,000,000 for  
23 each of fiscal years 2008 through 2012.

24 “(c) METHOD OF AWARDING GRANTS.—Grants  
25 awarded pursuant to this section shall be made in such

1 amounts and under such terms and conditions as the Sec-  
2 retary shall determine necessary for carrying out the pur-  
3 poses of this section.

4 “(d) REGULATIONS.—The Secretary may promulgate  
5 such rules and regulations as the Secretary may consider  
6 necessary to carry out the provisions of this section.”.

7 **Subtitle C—Food, Agriculture, Con-**  
8 **servation, and Trade Act of 1990**

9 **SEC. 7301. NATIONAL GENETICS RESOURCES PROGRAM.**

10 Section 1635(b) of the Food, Agriculture, Conserva-  
11 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-  
12 ed by striking “2007” and inserting “2012”.

13 **SEC. 7302. NATIONAL AGRICULTURAL WEATHER INFORMA-**  
14 **TION SYSTEM.**

15 Section 1641(c) of the Food, Agriculture, Conserva-  
16 tion, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amend-  
17 ed by striking “1991 through 1997” and inserting “2008  
18 through 2012”.

19 **SEC. 7303. PARTNERSHIPS.**

20 Section 1672(d) of the Food, Agriculture, Conserva-  
21 tion, and Trade Act of 1990 (7 U.S.C. 5925(d)) is amend-  
22 ed by striking “may” and inserting “shall”.

23 **SEC. 7304. AFLATOXIN RESEARCH AND EXTENSION.**

24 Section 1672(e)(3) of the Food, Agriculture, Con-  
25 servation, and Trade Act of 1990 (7 U.S.C. 5925(e)(3))



1 is amended by striking “and controlling aflatoxin in the  
2 food and feed chains.” and inserting “improving, and  
3 eventually commercializing aflatoxin controls in corn and  
4 other affected agricultural products and crops.”.

5 **SEC. 7305. HIGH-PRIORITY RESEARCH AND EXTENSION**  
6 **AREAS.**

7 Section 1672(e) of the Food, Agriculture, Conserva-  
8 tion, and Trade Act of 1990 (7 U.S.C. 5925(e)) is amend-  
9 ed by adding the following:

10 “(46) FARMED AND WILD CERVID DISEASE AND  
11 APPLIED GENETICS RESEARCH.—Research grants  
12 may be made under this section for the purpose of  
13 investigating the major infectious, parasitic and  
14 toxic diseases of importance to farmed and wild  
15 cervids.

16 “(47) AIR EMISSIONS FROM LIVESTOCK OPER-  
17 ATIONS.—Research and extension grants may be  
18 made under this section for the purpose of con-  
19 ducting field verification tests and developing mitiga-  
20 tion options for air emissions from animal feeding  
21 operations.

22 “(48) SWINE GENOME PROJECT.—Research  
23 grants may be made under this section to conduct  
24 swine genome research and to map the swine ge-  
25 nome.

1           “(49) CATTLE FEVER TICK PROGRAM.—Re-  
2       search and extension grants may be made to study  
3       cattle fever ticks to facilitate understanding of the  
4       role of wildlife in the persistence and spread of cattle  
5       fever ticks; to develop advanced methods for eradi-  
6       cation of cattle fever ticks; and to improve manage-  
7       ment of diseases related to cattle fever ticks that are  
8       associated with wildlife, livestock, and human health.

9           “(50) COLONY COLLAPSE DISORDER PRO-  
10      GRAM.—Research and extension grants may be made  
11      to survey and collect data of honey bee colony pro-  
12      duction and health; research various factors possibly  
13      contributing to or associated with colony collapse  
14      disorder; and develop mitigative and preventative  
15      measures to improve bee health.

16          “(51) SYNTHETIC GYPSUM FROM ELECTRIC  
17      POWER PLANTS RESEARCH.—Research and exten-  
18      sion grants may be made to study the uses of syn-  
19      thetic gypsum from electric power plants to reme-  
20      diate soil and nutrient losses.

21          “(52) CRANBERRY RESEARCH PROGRAM.—Re-  
22      search and extension grants may be made to study  
23      new technologies to assist cranberry growers in com-  
24      plying with Federal and State environmental regula-  
25      tions, increase production, develop new growing

1 techniques, establish more efficient growing meth-  
2 odologies, and educate farmers about sustainable  
3 growth practices.

4 “(53) SORGHUM RESEARCH INITIATIVE.—Re-  
5 search and extension grants may be made to study  
6 the use of sorghum as a bioenergy feedstock, pro-  
7 mote diversification in, and the environmental sus-  
8 tainability of sorghum production, and promote  
9 water conservation through the use of sorghum.

10 “(54) BEAN HEALTH RESEARCH PROGRAM.—  
11 Research and extension grants may be made to  
12 study bean-based solutions to chronic health and nu-  
13 tritional concerns in both developed and developing  
14 countries, and to increase bean consumption.”.

15 **SEC. 7306. 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 “2007” and inserting “2012”.

20 **SEC. 7307. NUTRIENT MANAGEMENT RESEARCH AND EX-**  
21 **TENSION INITIATIVE.**

22 Section 1672A of the Food, Agriculture, Conserva-  
23 tion, and Trade Act of 1990 (7 U.S.C. 5925a) is amend-  
24 ed—

1           (1) by redesignating subsection (g) as sub-  
2       section (f);

3           (2) in subsection (d), by inserting “or address  
4       unique regional concerns” after “entities”;

5           (3) in subsection (e)(1)(B), by inserting “and  
6       dairy cattle waste” after “swine waste”; and

7           (4) in subsection (f) (as so redesignated in  
8       paragraph (1)), by striking “2007” and inserting  
9       “2012”.

10 **SEC. 7308. AGRICULTURAL TELECOMMUNICATIONS PRO-**  
11 **GRAM.**

12       Section 1673(h) of the Food, Agriculture, Conserva-  
13       tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-  
14       ed by striking “2007” and inserting “2012”.

15 **SEC. 7309. 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 “2007” and inserting “2012”.

20 **SEC. 7310. ORGANIC RESEARCH.**

21       (a) IN GENERAL.—The Organic Agriculture Re-  
22       search and Extension Initiative (section 1672B of the  
23       Food, Agriculture, Conservation, and Trade Act of 1990  
24       (7 U.S.C. 5925b)) is amended—

25           (1) in subsection (a)—

1 (A) in paragraph (5), by striking “and”  
2 after the semicolon;

3 (B) in paragraph (6), at the end by strik-  
4 ing the period and inserting a semicolon; and

5 (C) by adding at the end the following:

6 “(7) examining optimal conservation and envi-  
7 ronmental outcomes relating to organically produced  
8 agricultural products; and

9 “(8) developing new and improved seed vari-  
10 eties that are particularly suited for organic agri-  
11 culture.”; and

12 (2) by adding at the end the following—

13 “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
14 is authorized to be appropriated \$25,000,000 for each of  
15 fiscal years 2009 through 2012.

16 “(g) ADDITIONAL FUNDING.—In addition to funds  
17 made available under subsection (f), of the funds of the  
18 Commodity Credit Corporation, the Secretary shall make  
19 available to carry out this section a total of \$25,000,000  
20 for fiscal years 2008 through 2012.”.

21 (b) COORDINATION.—In carrying out this section, the  
22 Secretary shall ensure that the Director of the applicable  
23 Program Office established under section 7104(a) coordi-  
24 nates projects and activities carried out under this section

1 to ensure, to the maximum extent practicable, that dupli-  
2 cation of effort is eliminated or minimized.

3 **SEC. 7311. NATIONAL RURAL INFORMATION CENTER**  
4 **CLEARINGHOUSE.**

5 Section 2381(e) of the Food, Agriculture, Conserva-  
6 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is  
7 amended by striking “2007” and inserting “2012”.

8 **SEC. 7312. NEW ERA RURAL TECHNOLOGY PROGRAM.**

9 (a) FUNCTIONS.—

10 (1) The Secretary shall establish the “New Era  
11 Rural Technology Program”, to make grants avail-  
12 able for technology development, applied research,  
13 and training to aid in the development of an agri-  
14 culture-based renewable energy workforce. This ini-  
15 tiative shall support the fields of bioenergy, pulp and  
16 paper manufacturing, and for agriculture-based re-  
17 newable energy resources.

18 (2) To receive funding under this section an en-  
19 tity—

20 (A) shall be a rural community college or  
21 advanced technological center, in existence on  
22 the date of the enactment of this Act, that par-  
23 ticipates in agricultural or bioenergy research  
24 and applied research;

1 (B) shall have a proven record of develop-  
2 ment and implementation of programs to meet  
3 the needs of students, educators, and business  
4 and industry to supply the agriculture-based,  
5 renewable energy or pulp and paper manufac-  
6 turing fields with certified technicians as deter-  
7 mined by the Secretary of Agriculture; and

8 (C) shall have the ability to leverage exist-  
9 ing partnerships and occupational outreach and  
10 training programs for secondary schools, 4-year  
11 institutions and relevant non-profit organiza-  
12 tions.

13 (b) LIMITATION ON AUTHORIZATION OF APPROPRIA-  
14 TIONS.—To carry out this section, there are authorized  
15 to be appropriated such sums as necessary for each of the  
16 fiscal years 2008 through 2012.

17 (c) COMMUNITY COLLEGES.—In this section, the  
18 term “community college” means an institution of higher  
19 education—

20 (1) that admits as regular students persons who  
21 are beyond the age of compulsory school attendance  
22 in the State in which the institution is located and  
23 who have the ability to benefit from the training of-  
24 fered by the institution;

1           (2) that does not provide an educational pro-  
2           gram for which it awards a bachelor's degree, or an  
3           equivalent degree; and

4           (3) that—

5                 (A) provides an educational program of not  
6                 less than two years that is acceptable for full  
7                 credit toward such a degree; or

8                 (B) offers a two-year program in engineer-  
9                 ing, technology, mathematics, or the physical,  
10                chemical or biological sciences, designed to pre-  
11                pare a student to work as a technician or at the  
12                semiprofessional level in engineering, scientific,  
13                or other technological fields requiring the un-  
14                derstanding and application of basic engineer-  
15                ing, scientific, or mathematical principles of  
16                knowledge.

17       (d) GRANT PRIORITY.—Preference shall be given to  
18       rural community colleges working in partnership to im-  
19       prove information sharing capacity and to maximize the  
20       ability to meet the requirements of this section.



1 **Subtitle D—Agricultural Research,**  
2 **Extension, and Education Re-**  
3 **form Act of 1998**

4 **SEC. 7401. PARTNERSHIPS FOR HIGH-VALUE AGRICUL-**  
5 **TURAL PRODUCT QUALITY RESEARCH.**

6 Section 402(g) of the Agricultural Research, Exten-  
7 sion, and Education Reform Act of 1998 (7 U.S.C.  
8 7622(g)) is amended by striking “2007” and inserting  
9 “2012”.

10 **SEC. 7402. PRECISION AGRICULTURE.**

11 Section 403(i)(1) of the Agricultural Research, Ex-  
12 tension, and Education Reform Act of 1998 (7 U.S.C.  
13 7623(i)(1)) is amended by striking “2007” and inserting  
14 “2012”.

15 **SEC. 7403. BIOBASED PRODUCTS.**

16 (a) **PILOT PROJECT.**—Section 404(e)(2) of the Agri-  
17 cultural Research, Extension, and Education Reform Act  
18 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking  
19 “2007” and inserting “2012”.

20 (b) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
21 404(h) of the Agricultural Research, Extension, and Edu-  
22 cation Reform Act of 1998 (7 U.S.C. 7624(h)) is amended  
23 by striking “2007” and inserting “2012”.

1 **SEC. 7404. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**  
2 **VERSIFICATION.**

3 Section 405(h) of the Agricultural Research, Exten-  
4 sion, and Education Reform Act of 1998 (7 U.S.C.  
5 7625(h)) is amended by striking “2007” and inserting  
6 “2012”.

7 **SEC. 7405. INTEGRATED RESEARCH, EDUCATION, AND EX-**  
8 **TENSION COMPETITIVE GRANTS PROGRAM.**

9 Section 406(f) of the Agricultural Research, Exten-  
10 sion, and Education Reform Act of 1998 (7 U.S.C.  
11 7626(f)) is amended by striking “2007” and inserting  
12 “2012”.

13 **SEC. 7406. FUSARIUM GRAMINEARUM GRANTS.**

14 Section 408 of the Agricultural Research, Extension,  
15 and Education Reform Act of 1998 (7 U.S.C. 7628(e))  
16 is amended—

17 (1) in the heading for such section, by striking  
18 “**GRANT**” and inserting “**GRANTS**”; and

19 (2) in subsection (e), by striking “2007” and  
20 inserting “2012”.

21 **SEC. 7407. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.**

22 Section 409(b) of the Agricultural Research, Exten-  
23 sion, and Education Reform Act of 1998 (7 U.S.C.  
24 7629(b)) is amended by striking “2007” and inserting  
25 “2012”.

1 **SEC. 7408. GRANTS FOR YOUTH ORGANIZATIONS.**

2 Section 410 of the Agricultural Research, Extension,  
3 and Education Reform Act of 1998 (7 U.S.C. 7630) is  
4 amended by striking subsections (b) and (c) and inserting  
5 the following:

6 “(b) FLEXIBILITY.—The Secretary shall provide  
7 maximum flexibility in content delivery to each organiza-  
8 tion receiving funds under this section so as to ensure that  
9 the unique goals of each organization, as well as the local  
10 community needs are fully met.

11 “(c) REDISTRIBUTION OF FUNDING WITHIN ORGA-  
12 NIZATIONS AUTHORIZED.—Recipients of funds under this  
13 section are authorized to redistribute all or part of the  
14 funds received to individual councils or local chapters  
15 within such organization without further need of approval  
16 from the Secretary.

17 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
18 are authorized to be appropriated to carry out this section  
19 such sums as are necessary for each of fiscal years 2008  
20 through 2012.”.

21 **SEC. 7409. AGRICULTURAL BIOTECHNOLOGY RESEARCH**  
22 **AND DEVELOPMENT FOR DEVELOPING COUN-**  
23 **TRIES.**

24 Section 411(c) of the Agricultural Research, Exten-  
25 sion, and Education Reform Act of 1998 (7 U.S.C.

1 7631(c)) is amended by striking “2007” and inserting  
2 “2012”.

3 **SEC. 7410. AGRICULTURAL BIOENERGY AND BIOBASED**  
4 **PRODUCTS RESEARCH INITIATIVE.**

5 Title IV of the Agricultural Research, Extension, and  
6 Education Reform Act of 1998 (7 U.S.C. 7621 et seq.)  
7 is amended by adding at the end the following:

8 **“SEC. 412. AGRICULTURAL BIOENERGY AND BIOBASED**  
9 **PRODUCTS RESEARCH INITIATIVE.**

10 “(a) DEFINITION.—For the purposes of this section,  
11 the term ‘Initiative’ means the agricultural bioenergy and  
12 biobased products research initiative established by sub-  
13 section (b).

14 “(b) ESTABLISHMENT.—There is established within  
15 the Department a bioenergy and biobased products re-  
16 search initiative to enhance the production, sustainability,  
17 and conversion of biomass to renewable fuels and related  
18 products.

19 “(c) LABORATORY NETWORK.—

20 “(1) IN GENERAL.—The Secretary shall carry  
21 out the Initiative through a bioenergy and biobased  
22 product laboratory network that may consist of—

23 “(A) Federal agencies;

24 “(B) national laboratories;

25 “(C) colleges and universities;

1           “(D) research institutions and organiza-  
2           tions;

3           “(E) private organizations or corporations;

4           “(F) State agricultural experiment sta-  
5           tions; and

6           “(G) individuals.

7           “(2) RESEARCH AND DEVELOPMENT OBJEC-  
8           TIVES.—The laboratory network shall focus on im-  
9           proving biomass production and sustainability, and  
10          improving biomass conversion in biorefineries, by—

11          “(A) leveraging the broad scientific capa-  
12          bilities of the Department in—

13               “(i) plant genetics and breeding;

14               “(ii) crop production;

15               “(iii) soil and water science;

16               “(iv) use of agricultural waste;

17               “(v) carbohydrate, lipid, protein, and  
18          lignin chemistry and biochemistry;

19               “(vi) enzyme development;

20               “(vii) fermentation;

21               “(viii) microbiology;

22               “(ix) cellulosic gasification; and

23               “(x) ethanol by-product utilization.

24          “(B) supporting bioenergy and biobased  
25          product research that will enhance the produc-

1           tion, sustainability, and conversion of biomass  
2           to renewable fuels and related products; and

3           “(C) supporting bioenergy and biobased  
4           product research, and the dissemination of that  
5           research, that will assist in achieving the goals  
6           of this section.

7           “(d) COORDINATION.—In carrying out the Initiative,  
8           the Secretary shall ensure that the Director of the applica-  
9           ble Program office established under section 7104(a)(1)  
10          shall coordinate projects and activities carried out under  
11          the Initiative with projects and activities under the Bio-  
12          mass Research and Development Act of 2000 (7 U.S.C.  
13          8601 et seq) to ensure, to the maximum extent prac-  
14          ticable, that—

15               “(1) duplication of effort is eliminated or mini-  
16               mized; and

17               “(2) the respective strengths of the Department  
18               and the Department of Energy are maximized.

19           “(e) RESEARCH PROJECTS.—In carrying out this  
20          section, the Secretary shall award grants on a competitive  
21          basis.

22           “(f) ADMINISTRATION.—

23               “(1) IN GENERAL.—For grants awarded under  
24               subsection (e)(2), the Secretary shall—

25               “(A) seek and accept proposals for grants;

1           “(B) determine the relevance and merit of  
2           proposals through a system of peer review in  
3           accordance with section 103 of the Agricultural  
4           Research, Extension, and Education Reform  
5           Act of 1998 (7 U.S.C. 7613); and

6           “(C) award grants on the basis of merit,  
7           quality, and relevance.

8           “(2) TERM.—A grant under this section shall  
9           have a term that does not exceed 5 years.

10          “(3) OTHER CONDITIONS.—The Secretary may  
11          set such other conditions on the award of a grant  
12          under this section as the Secretary determines ap-  
13          propriate.

14          “(g) BUILDINGS AND FACILITIES.—Funds made  
15          available under this section shall not be used for the con-  
16          struction of a new building or facility or the acquisition,  
17          expansion, remodeling, or alteration of an existing build-  
18          ing or facility (including site grading and improvement  
19          and architect fees).

20          “(h) FUNDING.—There is authorized to be appro-  
21          priated \$50,000,000 for each of fiscal years 2008 through  
22          2012 to carry out this section.”.

23   **SEC. 7411. SPECIALTY CROP RESEARCH INITIATIVE.**

24          (a) IN GENERAL.—Title IV of the Agricultural Re-  
25          search, Extension, and Education Reform Act of 1998 (7

1 U.S.C. 7621 et seq.), as amended by section 7410, is fur-  
2 ther amended by adding at the end the following:

3 **“SEC. 413. SPECIALTY CROP RESEARCH INITIATIVE.**

4 “(a) DEFINITIONS.—In this section:

5 “(1) INITIATIVE.—The term ‘Initiative’ means  
6 the specialty crop research initiative established by  
7 subsection (b).

8 “(2) SPECIALTY CROP.—The term ‘specialty  
9 crop’ shall have the meaning given that term in sec-  
10 tion 3(1) of the Specialty Crops Competitiveness Act  
11 of 2004 (7 U.S.C. 1621 note).

12 “(b) ESTABLISHMENT.—There is established within  
13 the Department a specialty crop research initiative to ad-  
14 dress the critical needs of the specialty crop industry by  
15 developing and disseminating science-based tools to ad-  
16 dress needs of specific crops and their regions, including—

17 “(1) research in—

18 “(A) plant breeding, genetics, and  
19 genomics to improve crop characteristics, such  
20 as—

21 “(i) product appearance;

22 “(ii) environmental responses and tol-  
23 erances;

24 “(iii) nutrient management;



1                   “(iv) pest and disease management;  
2                   and  
3                   “(v) enhanced phytonutrient content;  
4                   “(B) safety;  
5                   “(C) quality;  
6                   “(D) yield;  
7                   “(E) taste;  
8                   “(F) shelf life;  
9                   “(G) policy and marketing; and  
10                  “(H) specialty crop pollination;  
11                  “(2) efforts to identify and address threats  
12                  from invasive species;  
13                  “(3) efforts to improve agricultural production  
14                  by developing more technologically efficient and ef-  
15                  fective applications of water, nutrients, and pes-  
16                  ticides;  
17                  “(4) new innovations and technology, such as  
18                  enhancing mechanization and reducing reliance on  
19                  labor; and  
20                  “(5) production efficiency, productivity, profit-  
21                  ability and marketing.  
22                  “(c) ELIGIBLE ENTITIES.—The Secretary may carry  
23                  out the Initiative through—  
24                  “(1) Federal agencies;  
25                  “(2) national laboratories;

1 “(3) colleges and universities;

2 “(4) research institutions and organizations;

3 “(5) private organizations or corporations;

4 “(6) State agricultural experiment stations; and

5 “(7) individuals.

6 “(d) RESEARCH PROJECTS.—In carrying out this  
7 section, the Secretary shall award grants on a competitive  
8 basis.

9 “(e) ADMINISTRATION.—

10 “(1) IN GENERAL.—For grants awarded under  
11 subsection (d) the Secretary shall—

12 “(A) seek and accept proposals for grants;

13 “(B) determine the relevance and merit of  
14 proposals through a system of peer review in  
15 accordance with section 103; and

16 “(C) award grants on the basis of merit,  
17 quality, and relevance.

18 “(2) TERM.—A grant under this section shall  
19 have a term that does not exceed 5 years.

20 “(3) OTHER CONDITIONS.—The Secretary may  
21 set such other conditions on the award of a grant  
22 under this section as the Secretary determines ap-  
23 propriate.

24 “(f) BUILDINGS AND FACILITIES.—Funds made  
25 available under this section shall not be used for the con-

1 struction of a new building or facility or the acquisition,  
2 expansion remodeling, or alteration of an existing building  
3 or facility (including site grading and improvement and  
4 architect fees).

5 “(g) FUNDING.—There is authorized to be appro-  
6 priated \$100,000,000 for each of fiscal years 2008  
7 through 2012 to carry out this section.

8 “(h) ADDITIONAL FUNDING.—In addition to funds  
9 made available under subsection (g), of the funds of the  
10 Commodity Credit Corporation, the Secretary shall make  
11 available to carry out this section a total of \$215,000,000  
12 for fiscal years 2008 through 2012.”.

13 (b) COORDINATION.—In carrying out this section, the  
14 Secretary shall ensure that the Director of the applicable  
15 Program Office established under section 7104(a) coordi-  
16 nates projects and activities carried out under this section  
17 to ensure, to the maximum extent practicable, that dupli-  
18 cation of effort is eliminated or minimized.

19 **SEC. 7412. OFFICE OF PEST MANAGEMENT POLICY.**

20 Section 614(f) of the Agricultural Research, Exten-  
21 sion, and Education Reform Act of 1998 (7 U.S.C.  
22 7653(f)) is amended by striking “2007” and inserting  
23 “2012”.

1                   **Subtitle E—Other Laws**

2   **SEC. 7501. CRITICAL AGRICULTURAL MATERIALS ACT.**

3           Section 16(a) of the Critical Agricultural Materials  
4 Act (7 U.S.C. 178n(a)) is amended by striking “2007”  
5 and inserting “2012”.

6   **SEC. 7502. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**  
7                   **ACT OF 1994.**

8           (a) ENDOWMENT FOR 1994 INSTITUTIONS.—Section  
9 533(b) of the Equity in Educational Land-Grant Status  
10 Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)  
11 is amended in the first sentence by striking “2007” and  
12 inserting “2012”.

13          (b) INSTITUTIONAL CAPACITY BUILDING GRANTS.—  
14 Section 535 of the Equity in Educational Land-Grant Sta-  
15 tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–  
16 382) is amended by striking “2007” each place it appears  
17 and inserting “2012”.

18          (c) RESEARCH GRANTS.—Section 536(c) of the Eq-  
19 uity in Educational Land-Grant Status Act of 1994 (7  
20 U.S.C. 301 note; Public Law 103–382) is amended in the  
21 first sentence by striking “2007” and inserting “2012”.

1 **SEC. 7503. AGRICULTURAL EXPERIMENT STATION RE-**  
2 **SEARCH FACILITIES ACT.**

3 Section 6(a) of the Research Facilities Act (7 U.S.C.  
4 390d(a)) is amended by striking “2007” and inserting  
5 “2012”.

6 **SEC. 7504. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
7 **SION, AND TEACHING POLICY ACT AMEND-**  
8 **MENTS OF 1985.**

9 Section 1431 of the National Agricultural Research,  
10 Extension, and Teaching Policy Act Amendments of 1985  
11 (Public Law 99–198; 99 Stat. 1556) is amended by strik-  
12 ing “2007” and inserting “2012”.

13 **SEC. 7505. COMPETITIVE, SPECIAL, AND FACILITIES RE-**  
14 **SEARCH GRANT ACT (NATIONAL RESEARCH**  
15 **INITIATIVE).**

16 Section 2 of the Competitive, Special, and Facilities  
17 Research Grant Act (7 U.S.C. 450i) is amended—

18 (1) in subsection (b)(10), by striking “2007”  
19 and inserting “2012”; and

20 (2) by striking subsection (g).

21 **SEC. 7506. AGRICULTURAL RISK PROTECTION ACT OF 2000**  
22 **(CARBON CYCLE RESEARCH).**

23 Section 221(g) of the Agricultural Risk Protection  
24 Act of 2000 (7 U.S.C. 6711(g)) is amended by striking  
25 “2007” and inserting “2012”.

1 **SEC. 7507. RENEWABLE RESOURCES EXTENSION ACT OF**  
2 **1978.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
4 6 of the Renewable Resources Extension Act of 1978 (16  
5 U.S.C. 1675) is amended by striking “2007” and insert-  
6 ing “2012”.

7 (b) TERMINATION DATE.—Section 8 of the Renew-  
8 able Resources Extension Act of 1978 (16 U.S.C. 1671  
9 note; Public Law 95–306) is amended by striking “2007”  
10 and inserting “2012”.

11 **SEC. 7508. NATIONAL AQUACULTURE ACT OF 1980.**

12 Section 10 of the National Aquaculture Act of 1980  
13 (16 U.S.C. 2809) is amended by striking “2007” each  
14 place it appears and inserting “2012”.

15 **SEC. 7509. CONSTRUCTION OF A CHINESE GARDEN AT THE**  
16 **NATIONAL ARBORETUM.**

17 The Act of March 4, 1927 (20 U.S.C. 191 et seq.),  
18 is amended by adding at the end the following:

19 **“SEC. 197. CONSTRUCTION OF A CHINESE GARDEN AT THE**  
20 **NATIONAL ARBORETUM.**

21 “A Chinese Garden may be constructed at the Na-  
22 tional Arboretum established under this Act with—

23 “(1) funds accepted under the provisions of sec-  
24 tion 195 (20 U.S.C. 195);

25 “(2) authorities provided to the Secretary of  
26 Agriculture under section 196 (20 U.S.C. 196); and

1 “(3) appropriations provided for this purpose.”.

2 **SEC. 7510. PUBLIC EDUCATION REGARDING USE OF BIO-**  
3 **TECHNOLOGY IN PRODUCING FOOD FOR**  
4 **HUMAN CONSUMPTION.**

5 Section 10802(b) of the Farm Security and Rural In-  
6 vestment Act of 2002 (7 U.S.C. 5921a(b)) is amended by  
7 striking “2007” and inserting “2012”.

8 **SEC. 7511. FRESH CUT PRODUCE SAFETY GRANTS.**

9 (a) IN GENERAL.—The Secretary may award com-  
10 petitive research and extension grants to eligible entities  
11 to enable such entities to design, implement, and evaluate  
12 innovative, cost-effective programs to improve and en-  
13 hance the safety of fresh cut produce.

14 (b) ELIGIBLE ENTITIES.—To be eligible to receive a  
15 grant under subsection (a) an entity shall—

16 (1) be a university, college, or other entity des-  
17 ignated by the Secretary; and

18 (2) have developed partnerships with producers  
19 of fresh cut produce.

20 (c) USE OF FUNDS.—An entity shall use funds re-  
21 ceived under a grant under this section to—

22 (1) improve sanitation and food safety practices  
23 in the processing of fresh cut produce;

24 (2) develop improved techniques to monitor and  
25 inspect fresh cut produce;

1           (3) develop efficient, rapid and sensitive meth-  
2           ods to detect contaminants in fresh cut produce;

3           (4) determine the sources of contamination in  
4           fresh cut produce;

5           (5) develop methods to reduce or destroy harm-  
6           ful pathogens before, during, and after processing of  
7           fresh cut produce; and

8           (6) conduct other research as determined ap-  
9           propriate by the Secretary.

10          (d) MATCHING FUNDS REQUIRED.—The Secretary  
11 shall require the recipient of a grant under this section  
12 to provide funds or in-kind support from non-Federal  
13 sources in an amount at least equal to the amount pro-  
14 vided by the Federal Government.

15          (e) COORDINATION.—In carrying out this section, the  
16 Secretary shall ensure that the Director of the applicable  
17 Program Office established under section 7104(a) coordi-  
18 nates projects and activities carried out under this section  
19 to ensure, to the maximum extent practicable, that dupli-  
20 cation of effort is eliminated or minimized.

21          (f) AUTHORIZATION OF APPROPRIATIONS.—There  
22 are authorized to be appropriated such sums as are nec-  
23 essary to carry out this section for each of fiscal years  
24 2008 through 2012.



1 (g) ADDITIONAL FUNDING.—In addition to funds  
2 made available under subsection (f), of the funds of the  
3 Commodity Credit Corporation, the Secretary shall make  
4 available to carry out this section a total of \$25,000,000  
5 for fiscal years 2008 through 2012.

6 **SEC. 7512. UDC/EFNEP ELIGIBILITY.**

7 Section 208 of the District of Columbia Public Post-  
8 secondary Education Reorganization Act (Public Law 93–  
9 471) is amended—

10 (1) in subsection (b)(2), by striking “, except”  
11 and all that follows through the period and inserting  
12 a period;

13 (2) in subsection (c), by striking “section 3”  
14 each place it appears and inserting “section 3(e)”;  
15 and

16 (3) in subsection (c), by striking “such sums  
17 may be used to pay” and all that follows through  
18 “work.”.

19 **SEC. 7513. HATCH ACT OF 1987.**

20 Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C.  
21 351c(d)(4)) is amended—

22 (1) in the paragraph heading, by inserting  
23 “AND THE DISTRICT OF COLUMBIA” after “AREAS”;

24 (2) in subparagraph (A), by inserting “ and the  
25 District of Columbia” after “United States”;

1 (3) in subparagraph (A), by inserting “and the  
2 District of Columbia” after “respectively,”; and  
3 (4) in subparagraph (B), by inserting “or the  
4 District of Columbia” after “area”.

## 5 **Subtitle F—Additional Provisions**

### 6 **SEC. 7601. MERIT REVIEW OF EXTENSION AND EDU-** 7 **CATIONAL GRANTS.**

8 Section 103 of the Agricultural Research, Extension,  
9 and Education Reform Act of 1998 (7 U.S.C. 7613) is  
10 amended in subsection (a)(2)(A), by striking “Cooperative  
11 State Research, Education, and Extension Service of the  
12 Department” and inserting “the National Institute for  
13 Food and Agriculture.”.

### 14 **SEC. 7602. REVIEW OF PLAN OF WORK REQUIREMENTS.**

15 (a) REVIEW.—The Secretary shall work with univer-  
16 sity partners in extension and research to review and iden-  
17 tify measures to streamline the submission, reporting  
18 under, and implementation of plan of work requirements  
19 including those under—

20 (1) section 1444(d) and 1445(c) of the National  
21 Agricultural Research, Extension, and Teaching Pol-  
22 icy Act of 1977 (7 U.S.C. 3221(d) and 3222(c), re-  
23 spectively);

24 (2) section 7 of the Hatch Act of 1887 (7  
25 U.S.C. 361g); and

1           (3) section 4 of the Smith-Lever Act (7 U.S.C.  
2       344).

3       (b) REPORT.—Not later than 180 days after the date  
4 of the enactment of this Act, the Secretary shall provide  
5 to the Committee on Agriculture of the House of Rep-  
6 resentatives and the Committee on Agriculture, Nutrition,  
7 and Forestry of the Senate a report regarding the review  
8 carried out under subsection (a). The report shall include  
9 recommendations—

10           (1) to reduce the administrative burden and  
11       workload upon institutions associated with plan of  
12       work compliance while meeting Department report-  
13       ing needs for inputs, outputs, and outcome indica-  
14       tors;

15           (2) to streamline the submission and reporting  
16       requirements of the plan of work such that it is of  
17       practical utility to both the department and the in-  
18       stitution; and

19           (3) for any legislative changes necessary to  
20       carry out the plan of work improvements.

21       (c) CONSULTATION.—In carrying out the review and  
22       formulating and compiling the recommendations, the Sec-  
23       retary shall consult with the land grant institutions.

1 **SEC. 7603. MULTISTATE AND INTEGRATION FUNDING.**

2 (a) FUNDS EXPENDED ON INTEGRATION OF RE-  
3 SEARCH AND EXTENSION.—Section 3 of the Hatch Act  
4 of 1887 (7 U.S.C. 361c) is amended—

5 (1) in subsection (i)(2)(B), by striking “the  
6 lesser of” and inserting “25 percent”; and

7 (2) by striking clauses (i) and (ii).

8 (b) FUNDS EXPENDED ON MULTISTATE COOPERA-  
9 TIVE EXTENSION ACTIVITIES.—Section 3 of the Smith  
10 Lever Act (7 U.S.C. 343) is amended—

11 (1) in subsection (h)(2)(B), by striking “the  
12 lesser of” and inserting “25 percent”; and

13 (2) by striking clauses (i) and (ii).

14 **SEC. 7604. EXPANDED FOOD AND NUTRITION EDUCATION**  
15 **PROGRAM.**

16 (a) FUNDING TO 1862, 1890, AND INSULAR AREA  
17 INSTITUTIONS.—Section 1425(c)(2)(B) of the National  
18 Agriculture Research, Extension, and Teaching Policy Act  
19 of 1977 (7 U.S.C. 3175(c)(2)(B)) is amended—

20 (1) in the prefatory material, by striking  
21 “among the States”;

22 (2) by striking clause (i) and inserting the fol-  
23 lowing:

24 “(i) \$100,000 shall be distributed to  
25 each of the land grant colleges and univer-  
26 sities;”;

1 (3) by redesignating clause (ii) as clause (iii);

2 (4) by inserting after clause (i) the following:

3 “(ii) subject to subsection (d), of the  
4 remainder, 10 percent in fiscal year 2008,  
5 11 percent in fiscal year 2009, 12 percent  
6 in fiscal year 2010, 13 percent in fiscal  
7 year 2011, 14 percent in fiscal year 2012,  
8 and 15 percent in fiscal year 2013 and  
9 each fiscal year thereafter, shall be allo-  
10 cated to each 1890 Institution (as defined  
11 in section 2 of the Agricultural Research,  
12 Extension, and Education Reform Act of  
13 1998) in an amount that bears the same  
14 ratio to the total amount to be allocated  
15 under this clause as the population of the  
16 State living at or below 125 percent of the  
17 income poverty guidelines prescribed by the  
18 Office of Management and Budget (ad-  
19 justed pursuant to section 673(2) of the  
20 Omnibus Budget Reconciliation Act of  
21 1981 (42 U.S.C. 9902)), bears to the total  
22 population of all the States that have 1890  
23 Institutions living at or below 125 percent  
24 of the income poverty guidelines, as deter-  
25 mined by the last preceding decennial cen-

1           sus at the time each such additional  
2           amount is first appropriated: *Provided*,  
3           That the total allocated under this clause  
4           shall not exceed: (I) the amount of the  
5           funds appropriated for the conduct of the  
6           expanded food and nutrition education pro-  
7           gram for the fiscal year that are in excess  
8           of the amount appropriated for the con-  
9           duct of the program for the fiscal year  
10          ending September 30, 2007, reduced by  
11          (II) any amounts expended pursuant to  
12          any adjustment under subsection (d);  
13          and”; and

14       (5) by amending clause (iii), as redesignated—

15           (A) by striking “allocated to each State”  
16          and inserting “allocated to the institution eligi-  
17          ble to receive funds under the Act of July 2,  
18          1862 (and including the appropriate insular  
19          area institution) in each State (and the Univer-  
20          sity of the District of Columbia, notwith-  
21          standing section 208(c) of Public Law 93–  
22          471)”; and

23           (B) by striking “subparagraph.” and in-  
24          serting “subparagraph: *Provided*, That the total  
25          allocated under this clause to the University of

1 the District of Columbia shall not exceed: (I)  
2 the amount described in the proviso to clause  
3 (ii), reduced further by (II) the amount allo-  
4 cated under clause (ii).”.

5 (b) AUTHORIZATION.—Section 1425(c)(3) of the Na-  
6 tional Agriculture Research, Extension, and Teaching Pol-  
7 icy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by  
8 striking “\$83,000,000 for each of fiscal years 1996  
9 through 2007” and inserting “\$90,000,000 for each of fis-  
10 cal years 2008 through 2014”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section take effect on October 1, 2007.

13 **SEC. 7605. GRANTS TO 1890 SCHOOLS TO EXPAND EXTEN-**  
14 **SION CAPACITY.**

15 Section 1417(b)(4) of the National Agricultural Re-  
16 search, Extension, and Teaching Policy Act of 1977 (7  
17 U.S.C. 3152(b)(4)) is amended by striking “teaching and  
18 research” and inserting “teaching, research, and exten-  
19 sion”.

20 **SEC. 7606. BORLAUG INTERNATIONAL AGRICULTURAL**  
21 **SCIENCE AND TECHNOLOGY FELLOWSHIP**  
22 **PROGRAM.**

23 (a) ESTABLISHMENT.—

24 (1) IN GENERAL.—The Secretary of Agriculture  
25 shall establish a fellowship program to be known as

1 the “Borlaug International Agricultural Science and  
2 Technology Fellowship Program,” to provide fellow-  
3 ships for scientific training to individuals from eligi-  
4 ble countries (as described under subsection (b))  
5 who specialize in agricultural education, research,  
6 and extension for study in the United States.

7 (2) PROGRAMS.—The Secretary shall carry out  
8 the program established under paragraph (1)  
9 through 3 programs designed to assist individual fel-  
10 lowship recipients as follows:

11 (A) A Graduate Studies Program in Agri-  
12 culture to assist individuals who participate in  
13 graduate agricultural degree training at a  
14 United States institution.

15 (B) An Individual Career Improvement  
16 Program to assist agricultural scientists from  
17 developing countries to upgrade skills and un-  
18 derstanding in agricultural science and tech-  
19 nology.

20 (C) The Borlaug Agricultural Policy Exec-  
21 utive Leadership Course to assist senior agri-  
22 cultural policy makers from eligible countries  
23 with an initial focus on sub-Saharan Africa and  
24 from the newly independent states of the former  
25 Soviet Union.



1 (b) ELIGIBLE COUNTRIES.—Developing countries, as  
2 determined by the Secretary using a gross national income  
3 per capita test, shall be eligible to participate in the pro-  
4 gram established under this section.

5 (c) PURPOSE OF FELLOWSHIPS.—Fellowships under  
6 this section shall promote food security and economic  
7 growth in eligible countries by educating a new generation  
8 of agricultural scientists, increasing scientific knowledge  
9 and collaborative research to improve agricultural produc-  
10 tivity, and extending this knowledge to users and their  
11 intermediaries in the market place. Fellowships shall sup-  
12 port—

13 (1) training and collaborative research opportu-  
14 nities through exchanges for entry-level international  
15 agricultural research scientists, faculty, and policy-  
16 makers from eligible countries;

17 (2) collaborative research to improve agricul-  
18 tural productivity;

19 (3) the transfer of new science and agricultural  
20 technologies to strengthen agricultural practice; and

21 (4) the reduction of barriers to technology  
22 adoption.

23 (d) FELLOWSHIP RECIPIENTS.—

24 (1) ELIGIBLE CANDIDATES.—The Secretary  
25 may provide fellowships under the program author-

1        ized by this section to individuals from eligible coun-  
2        tries who specialize in or have experience in agricul-  
3        tural education, research, extension, or related fields,  
4        including individuals from the public and private  
5        sectors, and private agricultural producers.

6            (2) CANDIDATE IDENTIFICATION.—The Sec-  
7        retary shall utilize the expertise of United States  
8        land-grant and similar universities, international or-  
9        ganizations working in agricultural research and  
10       outreach, and national agricultural research organi-  
11       zations to help identify program candidates for fel-  
12       lowships under this section from both the public and  
13       private sectors of eligible countries.

14       (e) USE OF FELLOWSHIPS.—Fellowships shall pro-  
15       mote collaborative programs between agricultural profes-  
16       sionals of eligible countries with those of the United States  
17       and the international agricultural research system and, as  
18       appropriate, with United States entities conducting re-  
19       search. They will be used to support fellowship recipients  
20       through the Graduate Studies Program in Agriculture es-  
21       tablished under subsection (a)(2)(A).

22       (f) PROGRAM IMPLEMENTATION.—The Secretary  
23       shall provide for the management, coordination, evaluation  
24       and monitoring of the overall Borlaug International Agri-  
25       cultural Science and Technology Fellowship Program and

1 for the individual programs described in subsection (a)(2),  
2 except that the Secretary may contract out to one or more  
3 collaborating universities the management of one or more  
4 of the fellowship programs.

5 (g) AUTHORIZATION OF APPROPRIATIONS.—There  
6 are authorized to be appropriated without fiscal year limi-  
7 tation such sums as may be necessary to carry out the  
8 program established under this section.

9 **SEC. 7607. COST RECOVERY.**

10 Section 1473A of the National Agricultural Research,  
11 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
12 3319a) is amended by striking “not exceeding 10 percent  
13 of the direct cost” and inserting “not exceeding 19 percent  
14 of the direct cost”.

15 **SEC. 7608. ORGANIC FOOD AND AGRICULTURAL SYSTEMS**  
16 **FUNDING.**

17 It is the sense of Congress that the Secretary of Agri-  
18 culture should use a share of Agricultural Research Serv-  
19 ice’s total annual funding for research specific to organic  
20 food and agricultural systems that is at least commensu-  
21 rate with the organic sector’s market, in order to facilitate  
22 the development of this growing sector. A portion of  
23 these funds should be used to disseminate research results  
24 through the National Agriculture Library’s Alternative  
25 Farming Systems Information Center.

# 1                   **TITLE VIII—FORESTRY**

## Subtitle A—Cooperative Forestry Assistance Act of 1978

Sec. 8001. National priorities for private forest conservation.

Sec. 8002. Long-term, State-wide assessments and strategies for forest resources.

Sec. 8003. Assistance to the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

Sec. 8004. Changes to Forest Resource Coordinating Committee.

Sec. 8005. Changes to State Forest Stewardship Coordinating Committees.

Sec. 8006. Competition in programs under Cooperative Forestry Assistance Act of 1978.

Sec. 8007. Cooperative forest innovation partnership projects.

## Subtitle B—Amendments to Other Laws

Sec. 8101. Healthy forest reserve program.

Sec. 8102. Emergency forest restoration program.

Sec. 8103. Office of International Forestry.

Sec. 8104. Rural revitalization technologies.

## Subtitle C—Miscellaneous Provisions

Sec. 8201. Hispanic-serving institution agricultural land national resources leadership program.

# 2                   **Subtitle A—Cooperative Forestry** 3                   **Assistance Act of 1978**

## 4                   **SEC. 8001. NATIONAL PRIORITIES FOR PRIVATE FOREST** 5                   **CONSERVATION.**

6                   Section 2 of the Cooperative Forestry Assistance Act  
7 of 1978 (16 U.S.C. 2101) is amended—

8                   (1) by redesignating subsections (c) and (d) as  
9                   subsections (e) and (f), respectively; and

10                  (2) by inserting after subsection (b) the fol-  
11                  lowing new subsections:

12                  “(c) PRIORITIES.—In allocating funds appropriated  
13 or otherwise made available under this Act, the Secretary  
14 shall focus on the following national private forest con-

1   servation priorities, notwithstanding other priorities speci-  
2   fied elsewhere in this Act:

3           “(1) Conserving and managing working forest  
4       landscapes for multiple values and uses.

5           “(2) Protecting forests from threats, including  
6       wildfire, hurricane, tornado, windstorm, snow or ice  
7       storm, flooding, drought, invasive species, or insect  
8       or disease outbreak, and restoring appropriate forest  
9       types in response to such threats.

10          “(3) Enhancing public benefits from private  
11       forests, including air and water quality, soil con-  
12       servation, biological diversity, carbon storage, forest  
13       products, forestry-related jobs, production of renew-  
14       able energy, wildlife and wildlife habitat, and recre-  
15       ation.

16          “(d) REPORTING REQUIREMENT.—Not later than  
17       September 30, 2011, the Secretary shall submit to Con-  
18       gress a report describing how funding was used under this  
19       Act and through other programs administered by the Sec-  
20       retary to address the national priorities specified in sub-  
21       section (c) and the outcomes achieved in meeting the na-  
22       tional priorities.”.

1 **SEC. 8002. LONG-TERM, STATE-WIDE ASSESSMENTS AND**  
2 **STRATEGIES FOR FOREST RESOURCES.**

3 The Cooperative Forestry Assistance Act of 1978 is  
4 amended by inserting after section 2 (16 U.S.C. 2101)  
5 the following new section:

6 **“SEC. 2A. STATE-WIDE ASSESSMENT AND STRATEGIES FOR**  
7 **FOREST RESOURCES.**

8 “(a) ASSESSMENT AND STRATEGIES FOR FOREST  
9 RESOURCES.—For a State to be eligible to receive funds  
10 under the authorities of this Act, the State forester of the  
11 State or equivalent State official shall develop and submit  
12 to the Secretary, not later than two years after the date  
13 of the enactment of the Farm, Nutrition, and Bioenergy  
14 Act of 2007, the following:

15 “(1) A State-wide assessment of forest resource  
16 conditions, including—

17 “(A) the conditions and trends of forest re-  
18 sources in that State;

19 “(B) the threats to forest lands and re-  
20 sources in that State consistent with the na-  
21 tional priorities specified in section 2(c);

22 “(C) any areas or regions of that State  
23 that are of priority; and

24 “(D) any areas, known as multi-State  
25 areas, that are of priority to more than just  
26 that State.

1           “(2) A State-wide forest resource strategy, in-  
2       cluding—

3           “(A) strategies for addressing threats to  
4       forest resources in the State outlined in the as-  
5       sessment required by paragraph (1); and

6           “(B) a description of the resources avail-  
7       able to the State forester or equivalent State of-  
8       ficial from all sources to address the State-wide  
9       strategy required by subparagraph (A).

10       “(b) UPDATING.—The State forester or equivalent  
11   State official shall submit the State-wide strategy required  
12   by subsection (a)(2) on an annual basis. The State-wide  
13   assessment of forest resource conditions required by sub-  
14   section (a)(1) shall be updated as the Secretary or State  
15   Forester or equivalent State official determines to be nec-  
16   essary.

17       “(c) COORDINATION.—In developing the State-wide  
18   assessment and annual strategy under subsection (a), the  
19   State forester or equivalent State official shall coordinate  
20   with—

21           “(1) the State Forest Stewardship Coordinating  
22   Committee established for the State under section  
23   19(b);

1           “(2) the State wildlife agency to incorporate  
2           any overlapping priorities included in State wildlife  
3           action plans; and

4           “(3) the State Technical Committee.

5           “(d) FUNDING.—Of the funds available under this  
6 Act for a fiscal year, the Secretary may not use more than  
7 \$10,000,000 to implement this section for that fiscal year.  
8 Use of funds for implementing this section shall be con-  
9 sistent with the original authorities for such funds.”.

10 **SEC. 8003. ASSISTANCE TO THE FEDERATED STATES OF MI-**  
11 **CRONESIA, THE REPUBLIC OF THE MAR-**  
12 **SHALL ISLANDS, AND THE REPUBLIC OF**  
13 **PALAU.**

14           Section 13(d)(1) of the Cooperative Forestry Act of  
15 1978 (16 U.S.C. 2109(d)(1)) is amended by striking “the  
16 Trust Territory of the Pacific Islands,” and inserting “the  
17 Federated States of Micronesia, the Republic of the Mar-  
18 shall Islands, the Republic of Palau,”.

19 **SEC. 8004. CHANGES TO FOREST RESOURCE COORDI-**  
20 **NATING COMMITTEE.**

21           Section 19 of the Cooperative Forestry Assistance  
22 Act of 1978 (16 U.S.C. 2113) is amended by striking sub-  
23 section (a) and inserting the following new subsection:

24           “(a) FOREST RESOURCE COORDINATING COM-  
25 MITTEE.—



1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2       tablish a committee, to be known as the ‘Forest Re-  
3       source Coordinating Committee’ (in this section re-  
4       ferred to as the ‘Coordinating Committee’), to co-  
5       ordinate private non-industrial forestry activities  
6       within the Department of Agriculture and with the  
7       private sector.

8           “(2) COMPOSITION.—The Coordinating Com-  
9       mittee shall be composed of the following:

10           “(A) The Chief of the Forest Service.

11           “(B) The Chief of the Natural Resources  
12       Conservation Service.

13           “(C) The Director of the Farm Service  
14       Agency.

15           “(D) The Administrator of the Cooperative  
16       State Research, Education, and Extension Serv-  
17       ice.

18           “(E) Non-Federal representatives ap-  
19       pointed by the Secretary to 3 year terms, al-  
20       though initial appointees shall have staggered  
21       terms, including the following persons:

22           “(i) At least three State foresters or  
23       equivalent State officials from geographi-  
24       cally diverse regions of the United States.

1                   “(ii) A representative of a State fish  
2                   and wildlife agency.

3                   “(iii) A private non-industrial forest  
4                   landowner.

5                   “(iv) A forest industry representative.

6                   “(v) A conservation organization rep-  
7                   resentative.

8                   “(vi) A land-grant university or col-  
9                   lege representative.

10                  “(vii) A private forestry consultant.

11                  “(viii) A representative from a State  
12                  Technical Committee established under  
13                  section 1261 of the Food Security Act of  
14                  1985 (16 U.S.C. 3861).

15                  “(ix) Such other persons as deter-  
16                  mined by the Secretary to be appropriate.

17                  “(3) CHAIRPERSON.—The Chief of the Forest  
18                  Service shall serve as chairperson of the Coordi-  
19                  nating Committee.

20                  “(4) DUTIES.—The Coordinating Committee  
21                  shall—

22                         “(A) provide direction and coordination of  
23                         actions within the Department of Agriculture,  
24                         and coordination with State agencies and the  
25                         private sector, to effectively address the na-

1           tional priorities specified in section 2(c), with  
2           specific focus on private non-industrial forest  
3           landowners;

4           “(B) clarify individual agency responsibil-  
5           ities of each agency represented on the Coordi-  
6           nating Committee concerning the national pri-  
7           orities specified in section 2(c), with specific  
8           focus on private non-industrial forested land;

9           “(C) provide advice on the allocation of  
10          funds, including the competitive funds set-aside  
11          by sections 8006 and 8007 of the Farm, Nutri-  
12          tion, and Bioenergy Act of 2007; and

13          “(D) assist the Secretary in developing and  
14          reviewing the report required by section 2(d).

15          “(5) MEETING.—The Coordinating Committee  
16          shall meet biannually to discuss progress in address-  
17          ing the national priorities specified in section 2(c)  
18          and issues regarding non-industrial private forest  
19          land.

20          “(6) COMPENSATION.—

21          “(A) FEDERAL MEMBERS.—Members of  
22          the Coordinating Committee who are full-time  
23          officers or employees of the United States shall  
24          receive no additional pay, allowances, or bene-  
25          fits by reason of their service on the Committee.

1                   “(B) NON-FEDERAL MEMBERS.—Non-fed-  
2                   eral members of the Coordinating Committee  
3                   shall serve without pay, but may be reimbursed  
4                   for reasonable costs incurred while performing  
5                   their duties on behalf of the Committee.”.

6 **SEC. 8005. CHANGES TO STATE FOREST STEWARDSHIP CO-**  
7 **ORDINATING COMMITTEES.**

8                   Section 19(b) of the Cooperative Forestry Assistance  
9 Act of 1978 (16 U.S.C. 2113(b)) is amended—

10                   (1) in paragraph (1)(B)(ii)—

11                               (A) by striking “and” at the end of sub-  
12                   clause (VII); and

13                               (B) by adding at the end the following new  
14                   subclause:

15   “(IX) the State Technical Com-  
16   mittee.”.

17                   (2) in paragraph (2)(C), by striking “a Forest  
18                   Stewardship Plan under paragraph (3)” and insert-  
19                   ing “the State-wide assessment and strategy regard-  
20                   ing forest resource conditions under section 2A”;

21                   (3) by striking paragraphs (3) and (4); and

22                   (4) by redesignating paragraphs (5) and (6) as  
23                   paragraphs (3) and (4), respectively.

1 **SEC. 8006. COMPETITION IN PROGRAMS UNDER COOPERA-**  
2 **TIVE FORESTRY ASSISTANCE ACT OF 1978.**

3 (a) COMPETITION.—Beginning not later than 3 years  
4 after the date of the enactment of this Act, the Secretary  
5 of Agriculture shall competitively allocate a portion, to be  
6 determined by the Secretary, of the funds available under  
7 the Cooperative Forestry Assistance Act of 1978 (16  
8 U.S.C. 2101 et seq.) to State foresters or equivalent State  
9 officials.

10 (b) DETERMINATION.—In determining the competi-  
11 tive allocation of funds under subsection (a), the Secretary  
12 shall consult with the Forest Resource Coordinating Com-  
13 mittee established by section 19(a) of the Cooperative For-  
14 estry Assistance Act of 1978 (16 U.S.C. 2113(a)).

15 (c) PRIORITY.—The Secretary shall give priority for  
16 funding to States for which the strategies submitted under  
17 section 2A(a)(2) of the Cooperative Forestry Assistance  
18 Act of 1978 will best promote the national priorities speci-  
19 fied in section 2(c) of such Act.

20 **SEC. 8007. COOPERATIVE FOREST INNOVATION PARTNER-**  
21 **SHIP PROJECTS.**

22 (a) COOPERATIVE FOREST INNOVATION PARTNER-  
23 SHIP PROJECTS.—The Secretary of Agriculture may com-  
24 petitively allocate not more than 5 percent of funding  
25 available under the Cooperative Forestry Assistance Act  
26 of 1978 (16 U.S.C. 2101 et seq.) to support innovative

1 national, regional, or local education, outreach, or tech-  
2 nology transfer projects that the Secretary determines  
3 would substantially increase the ability of the Department  
4 of Agriculture to address the national priorities specified  
5 in section 2(c) of such Act.

6 (b) ELIGIBILITY.—Notwithstanding the eligibility  
7 limitations contained within the Cooperative Forestry As-  
8 sistance Act of 1978, any State or local government, In-  
9 dian tribe, land-grant college or university, or private enti-  
10 ty shall be eligible for funds under subsection (a).

11 (c) COST-SHARE REQUIREMENT.—In carrying out  
12 subsection (a), the Secretary shall not cover more than  
13 50 percent of the total cost of a project under such sub-  
14 section. In calculating the total cost of a project and con-  
15 tributions made with regard to the project, the Secretary  
16 shall include in-kind contributions.

## 17 **Subtitle B—Amendments to Other** 18 **Laws**

### 19 **SEC. 8101. HEALTHY FOREST RESERVE PROGRAM.**

20 Section 508 of the Healthy Forests Restoration Act  
21 of 2003 (16 U.S.C. 6578) is amended to read as follows:

#### 22 **“SEC. 508. FUNDING.**

23 “Notwithstanding any other provision of law, of the  
24 funds of the Commodity Credit Corporation, the Secretary  
25 shall make available to carry out this title \$10,000,000

1 for each of fiscal years 2008 through 2012. Such funds  
2 shall remain available until expended.”.

3 **SEC. 8102. EMERGENCY FOREST RESTORATION PROGRAM.**

4 (a) ESTABLISHMENT.—Title IV of the Agricultural  
5 Credit Act of 1978 (16 U.S.C. 2201–2205) is amended—

6 (1) by redesignating sections 404, 405, and 406  
7 as sections 405, 406, and 407, respectively; and

8 (2) by inserting after section 403 the following  
9 new section:

10 **“SEC. 404. EMERGENCY FOREST RESTORATION PROGRAM.**

11 “(a) AVAILABILITY OF ASSISTANCE.—The Secretary  
12 of Agriculture is authorized to provide financial and tech-  
13 nical assistance to an owner of non-industrial private for-  
14 est lands to assist with developing and implementing an  
15 approved plan in accordance with subsection (c)(2).

16 “(b) AMOUNT OF ASSISTANCE.—

17 “(1) COST SHARE.—Payments under subsection  
18 (a) may not cover more than 75 percent of the total  
19 cost of measures implemented pursuant to an ap-  
20 proved plan in accordance with subsection (c)(2).

21 “(2) ANNUAL LIMIT.—An owner of non-indus-  
22 trial private forest lands may not receive more than  
23 \$50,000 per year under this section.

24 “(c) ELIGIBILITY.—To be eligible for assistance  
25 under this section, a landowner must—

1           “(1) have suffered a loss of, or damage to, non-  
2       industrial private forest land due to events, including  
3       wildfires, hurricanes, drought, windstorms, insect  
4       and disease, ice storms, or invasive species, as deter-  
5       mined by the Secretary; and

6           “(2) develop a plan, in cooperation with the  
7       Secretary, and agree to implement the plan during  
8       the 10-year period beginning on the date of the loss,  
9       that—

10           “(A) provides for reforestation, rehabilita-  
11       tion, and related measures for the non-indus-  
12       trial private forest land;

13           “(B) restores the land and related natural  
14       resources;

15           “(C) uses best management practices on  
16       the forest land, in accordance with the best  
17       management practices as determined by the  
18       Secretary; and

19           “(D) incorporates good stewardship and  
20       conservation practices on the land, while main-  
21       taining the land in a forested state.

22       “(d) INSECT AND DISEASE THREATS.—Notwith-  
23       standing subsection (c)(1), non-industrial private forest  
24       lands are eligible under this section if the Secretary deter-  
25       mines that the lands are under an imminent threat of loss



1 or damage by insect or disease and immediate action  
2 would help to avoid the loss or damage.

3 “(e) NON-INDUSTRIAL PRIVATE FOREST LAND DE-  
4 FINED.—In this section, the term ‘non-industrial private  
5 forest land’ means rural lands, as determined by the Sec-  
6 retary, that—

7 “(1) have existing tree cover or had tree cover  
8 within the preceding 10 years; and

9 “(2) are owned by any non-industrial private  
10 individual, group, association, corporation, Indian  
11 tribe, or other private legal entity so long as the in-  
12 dividual, group, association, corporation, tribe, or  
13 entity has definitive decision-making authority over  
14 the lands.”.

15 (b) REGULATIONS.—Not later than one year after the  
16 date of the enactment of this Act, the Secretary of Agri-  
17 culture shall issue regulations to carry out section 404 of  
18 the Agricultural Credit Act of 1978, as added by sub-  
19 section (a).

20 **SEC. 8103. OFFICE OF INTERNATIONAL FORESTRY.**

21 Section 2405(d) of the Global Climate Change Pre-  
22 vention Act of 1990 (7 U.S.C. 6704(d)) is amended by  
23 striking “2007” and inserting “2012”.

1 **SEC. 8104. RURAL REVITALIZATION TECHNOLOGIES.**

2 Section 2371(d)(2) of the Food, Agriculture, Con-  
3 servation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2))  
4 is amended by striking “2004 through 2008” and insert-  
5 ing “2008 through 2012”.

6 **Subtitle C—Miscellaneous**  
7 **Provisions**

8 **SEC. 8201. HISPANIC-SERVING INSTITUTION AGRICUL-**  
9 **TURAL LAND NATIONAL RESOURCES LEAD-**  
10 **ERSHIP PROGRAM.**

11 (a) GRANT AUTHORITY.—The Secretary of Agri-  
12 culture may make grants, on a competitive basis, to His-  
13 panic-serving institutions for the purpose of establishing  
14 an undergraduate scholarship program to assist in the re-  
15 cruitment, retention, and training of Hispanics and other  
16 under-represented groups in forestry and related fields.

17 (b) USE OF GRANT FUNDS.—Grants made under this  
18 section shall be used to recruit, retain, train, and develop  
19 professionals to work in forestry and related fields with  
20 Federal agencies, such as the Forest Service, State agen-  
21 cies, and private-sector entities.

22 (c) DEFINITION OF HISPANIC-SERVING INSTITU-  
23 TION.—In this section, the term “Hispanic-serving institu-  
24 tion” has the meaning given that term in section  
25 502(a)(5) of the Higher Education Act of 1965 (20 U.S.C.  
26 1101a(a)(5)).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for each of fiscal years 2008 through 2012 such sums as may be necessary to carry out this section.

## **TITLE IX—ENERGY**

- Sec. 9001. Table of contents.
- Sec. 9002. Federal procurement of biobased products.
- Sec. 9003. Loan guarantees for biorefineries and biofuel production plants.
- Sec. 9004. Energy audit and renewable energy development program.
- Sec. 9005. Renewable energy systems and energy efficiency improvements.
- Sec. 9006. Biomass Research and Development Act of 2000.
- Sec. 9007. Adjustments to the bioenergy program.
- Sec. 9008. Research, extension, and educational programs on biobased energy technologies and products.
- Sec. 9009. Energy Council of the Department of Agriculture.
- Sec. 9010. Farm energy production pilot program.
- Sec. 9011. Rural energy self-sufficiency initiative.
- Sec. 9012. Agricultural biofuels from biomass internship pilot program.
- Sec. 9013. Feedstock flexibility program for bioenergy producers.
- Sec. 9014. Biomass inventory report.
- Sec. 9015. Future farmsteads program.
- Sec. 9016. Sense of Congress on renewable energy.

### **6 SEC. 9001. TABLE OF CONTENTS.**

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is amended by inserting before section 9001 the following new section:

### **10 “SEC. 9000. TABLE OF CONTENTS.**

11 “The table of contents of this title is as follows:

#### **“TITLE IX—ENERGY**

- “Sec. 9000. Short title; table of contents.
- “Sec. 9001. Definitions.
- “Sec. 9002. Federal procurement of biobased products.
- “Sec. 9003. Biorefinery development grants.
- “Sec. 9004. Biodiesel fuel education program.
- “Sec. 9005. Energy audit and renewable energy development program.
- “Sec. 9006. Rural energy for America program.
- “Sec. 9007. Hydrogen and fuel cell technologies.
- “Sec. 9008. Biomass Research and Development Act of 2000.
- “Sec. 9009. Cooperative research and extension projects.
- “Sec. 9010. Continuation of bioenergy program.

“Sec. 9011. Research, extension, and educational programs on biobased energy technologies and products.

“Sec. 9012. Energy Council of the Department of Agriculture.

“Sec. 9013. Farm energy production pilot program.

“Sec. 9014. Rural energy self-sufficiency initiative.

“Sec. 9015. Agricultural Biofuels from Biomass Internship Pilot Program.

“Sec. 9016. Feedstock flexibility program for bioenergy producers.”.

1   **SEC. 9002. FEDERAL PROCUREMENT OF BIOBASED PROD-**  
 2                                   **UCTS.**

3           (a) COMPOSITION OF BIOBASED PRODUCTS.—Sec-  
 4   tion 9002(c)(1) of the Farm Security and Rural Invest-  
 5   ment Act of 2002 (7 U.S.C. 8102(c)(1)) is amended by  
 6   inserting “, composed of at least five percent of inter-  
 7   mediate ingredients and feedstocks (such as biopolymers,  
 8   methyl soyate, and soy polyols) as designated by the Sec-  
 9   retary,” after “highest percentage of biobased products  
 10   practicable”.

11          (b) PROCUREMENT GUIDELINE CONSIDERATIONS.—  
 12   Section 9002(e)(2)(B) of the Farm Security and Rural In-  
 13   vestment Act of 2002 (7 U.S.C. 8102(e)(2)(B)) is amend-  
 14   ed by striking “life cycle costs” and inserting “information  
 15   on life cycle costs if such information is appropriate and  
 16   available”.

17          (c) LABELING REQUIREMENTS AND REVISED DEAD-  
 18   LINE.—Section 9002(h) of the Farm Security and Rural  
 19   Investment Act of 2002 (7 U.S.C. 8102(h)) is amended—

20                   (1) in paragraph (2)—

21                           (A) by striking “Within one year after the  
 22                   date of enactment of this Act” and inserting

1 “Not later than 90 days after the date of enact-  
2 ment of the (Farm, Nutrition, and Bioenergy  
3 Act of 2007),”; and

4 (B) by adding at the end the following:  
5 “Criteria shall be issued for finished products  
6 and intermediate ingredients and feedstocks.”;

7 (2) by redesignating paragraphs (3) and (4) as  
8 paragraphs (4) and (5), respectively, and inserting  
9 after paragraph (2) the following:

10 “(3) CONSULTATION.—In developing the eligi-  
11 bility criteria for the labeling program under this  
12 section, the Secretary shall consult with other Fed-  
13 eral agencies and with non-governmental groups  
14 with an interest in biobased products including small  
15 and large producers of biobased materials and prod-  
16 ucts, industry, trade organizations, academia, con-  
17 sumer organizations, and environmental organiza-  
18 tions.”.

19 (d) AUTHORIZATION OF APPROPRIATIONS.—Para-  
20 graph (1) of section 9002(k) of the Farm Security and  
21 Rural Investment Act of 2002 (7 U.S.C. 8102(k)) is  
22 amended to read as follows:

23 “(1) AUTHORIZATION OF APPROPRIATIONS.—

24 “(A) FEDERAL PROCUREMENT.—There  
25 are authorized to be appropriated \$1,000,000

1           for each of fiscal years 2008 through 2013 to  
2           implement the provisions of this section other  
3           than subsection (h).

4                   “(B) LABELING.—There are authorized to  
5           be appropriated \$1,000,000 for each of fiscal  
6           years 2008 through 2013 to implement sub-  
7           section (h) of this section.”.

8           (e) REPORT REQUIREMENTS.—

9                   (1) REPORT BY AGENCIES TO ADMINISTRATOR  
10          FOR FEDERAL PROCUREMENT POLICY.—Subsection  
11          (f) of section 9002 of the Farm Security and Rural  
12          Investment Act of 2002 (7 U.S.C. 8102) is amend-  
13          ed—

14                   (A) by striking “The Office of” and insert-  
15                   ing “(1) The Administrator for”; and

16                   (B) by adding at the end the following new  
17                   paragraph:

18          “(2) To assist the Administrator for Federal Pro-  
19          curement Policy in preparing the report to Congress re-  
20          quired under paragraph (1), each procuring agency each  
21          year shall submit to the Administrator a report covering  
22          the following:

23                   “(A) Actions taken to implement subsections  
24                   (c), (d), and (g) of this section.

1           “(B) The results of the annual review and mon-  
2           itoring program established under subsection  
3           (g)(2)(C).

4           “(C) The number of contracts entered into by  
5           the agency during the year covered by the report  
6           that include the procurement of biobased products.

7           “(D) A list of the biobased products procured  
8           by the agency during the year covered by the re-  
9           port.”.

10           (2) REPORT BY SECRETARY TO CONGRESS ON  
11           IMPLEMENTATION OF SECTION.—Section 9002 of  
12           the Farm Security and Rural Investment Act of  
13           2002 (7 U.S.C. 8102) is amended by adding at the  
14           end the following new subsection:

15           “(1) REPORT BY SECRETARY TO CONGRESS ON IM-  
16           PLEMENTATION OF SECTION.—Not later than six months  
17           after the date of the enactment of the Farm, Nutrition,  
18           and Bioenergy Act of 2007, and each year thereafter, the  
19           Secretary shall submit to Congress a report on the imple-  
20           mentation of this section. The report shall include the fol-  
21           lowing:

22           “(1) A comprehensive management plan defin-  
23           ing tasks, milestones, and funding allocations for  
24           fully implementing this section.

(f) REPEAL OF SUBSECTION.—Subsection (b) of section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(b)) is hereby repealed.

15       Section 9003 of the Farm Security and Rural Invest-  
16   ment Act of 2002 (7 U.S.C. 8103) is amended—

21 (2) in subsection (b)(2)(A), by striking “and”  
22 the 1st place it appears and inserting “or”;

(3) in subsection (c), by redesignating subsection (h) as subsection (j) and subsections (d) through (g) as subsections (e) through (h), respec-



1       tively, and inserting after subsection (c) the fol-  
2       lowing:

3       “(d) LOAN GUARANTEES.—

4               “(1) IN GENERAL.—The Secretary shall make  
5       loan guarantees to eligible entities to assist in pay-  
6       ing the cost of development and construction of bio-  
7       refineries and biofuel production plants (including  
8       retrofitting) to carry out projects to demonstrate the  
9       commercial viability of 1 or more processes for con-  
10      verting biomass to fuels or chemicals.

11             “(2) LIMITATIONS.—

12               “(A) MAXIMUM PERCENTAGE OF LOAN  
13       GUARANTEED.—A loan guarantee under para-  
14       graph (1) shall be for not more than 90 percent  
15       of the principal and interest due on the loan.

16               “(B) TOTAL AMOUNTS GUARANTEED.—  
17       The total amount of principal and interest  
18       guaranteed under paragraph (1) shall not ex-  
19       ceed—

20               “(i) \$1,000,000,000, in the case of  
21       loans valued at not more than  
22       \$100,000,000; or

23               “(ii) \$1,000,000,000, in the case of  
24       loans valued at more than \$100,000,000  
25       but not more than \$250,000,000.

1           “(C) MAXIMUM TERM OF LOAN GUARAN-  
 2           TEED.—The Secretary shall determine the max-  
 3           imum term of a loan guarantee provided under  
 4           paragraph (1).”;

5           (4) in subsection (f) (as so redesignated)—

6           (A) in paragraph (2)(B)—

7           (i) by striking “and” at the end of  
 8           clause (viii);

9           (ii) by striking the period at the end  
 10          of clause (ix) and inserting “; and”; and

11          (iii) by adding at the end the fol-  
 12          lowing:

13               “(x) The level of local ownership.”;

14          and

15          (B) by adding at the end the following:

16          “(3) PRIORITY IN AWARDING LOAN GUARAN-  
 17          TEES.—In selecting projects to receive loan guaran-  
 18          tees under subsection (d), the Secretary shall give  
 19          priority to projects based on the criteria set forth in  
 20          paragraph (2)(B) of this subsection.”; and

21          (5) by inserting after subsection (h) the fol-  
 22          lowing new subsection:

23          “(i) CONDITION OF PROVISION OF ASSISTANCE.—As  
 24          a condition of receiving a grant or loan guarantee under  
 25          this section, the eligible entity shall ensure that all labor-

1 ers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with the grant or loan guarantee, as the case may be, shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with sections 3141 through 3144, 3146, and 3147 of title 40, United States Code. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 Fed. Reg. 3176; 64 Stat. 1267) and section 3145 of such title.”;

13 (6) in subsection (j) (as so redesignated), by  
14 striking “2007” and inserting “2012”; and

15 (7) by adding at the end the following new sub-  
16 section:

17 “(k) ADDITIONAL FUNDING FOR LOAN GUARAN-  
18 TEES.—Of the funds of the Commodity Credit Corpora-  
19 tion, the Secretary shall use to carry out this section—

20 “(1) \$75,000,000 for fiscal year 2008;

21 “(2) \$100,000,000 for fiscal year 2009;

22 “(3) \$125,000,000 for fiscal year 2010;

23 “(4) \$200,000,000 for fiscal year 2011; and

24 “(5) \$300,000,000 for fiscal year 2012.”.

1 (8) in paragraph (2)(B) of subsection (f) (as so  
2 redesignated)—

3 (A) in clause (viii), by striking “and” at  
4 the end;

5 (B) in clause ix, by striking “approaches.”  
6 and inserting “approaches; and”; and

7 (C) by adding at the end the following new  
8 clause:

9 “(x) whether the impact the distribu-  
10 tion of funds would have on existing manu-  
11 facturing and other facilities that utilize  
12 similar feedstocks would be minimal.”.

13 **SEC. 9004. ENERGY AUDIT AND RENEWABLE ENERGY DE-**  
14 **VELOPMENT PROGRAM.**

15 Section 9005(i) of the Farm Security and Rural In-  
16 vestment Act of 2002 (7 U.S.C. 8105) is amended by  
17 striking “2007” and inserting “2012”.

18 **SEC. 9005. RENEWABLE ENERGY SYSTEMS AND ENERGY EF-**  
19 **FICIENCY IMPROVEMENTS.**

20 Section 9006 of the Farm Security and Rural Invest-  
21 ment Act of 2002 (7 U.S.C. 8106) is amended—

22 (1) by striking the section heading and insert-  
23 ing the following:

24 **“SEC. 9006. RURAL ENERGY FOR AMERICA PROGRAM.”;**

25 (2) in subsection (a)—

1 (A) in the matter preceding paragraph (1),  
2 by inserting “, other agricultural producer”  
3 after “rancher”;

4 (B) in paragraph (1), by striking “and” at  
5 the end;

6 (C) in paragraph (2), by striking the pe-  
7 riod and inserting “; and”; and

8 (D) by adding at the end the following new  
9 paragraph:

10 “(3) produce and sell electricity generated by  
11 new renewable energy systems.”;

12 (3) in subsection (b), by inserting “, other agri-  
13 cultural producer” after “rancher”;

14 (4) in subsection (c)—

15 (A) in paragraph (1)—

16 (i) in subparagraph (B), by striking  
17 “50 percent” and inserting “75 percent”;  
18 and

19 (ii) by redesignating subparagraph  
20 (B) as subparagraph (C) and inserting  
21 after subparagraph (A) the following:

22 “(B) LOAN GUARANTEES.—

23 “(i) MAXIMUM AMOUNT.—The  
24 amount of a loan guaranteed under this  
25 section shall not exceed \$25,000,000.

1                   “(ii) MAXIMUM PERCENTAGE.—A loan  
2                   guaranteed under this section shall not ex-  
3                   ceed 75 percent of the cost of the activity  
4                   funded under subsection (a).”; and

5                   (B) by adding at the end the following new  
6                   paragraph:

7                   “(3) PRIORITIZATION.—The Secretary shall  
8                   give the greatest priority for grants under subsection  
9                   (a) to activities for which the least percentage of the  
10                  total cost of such activities is requested by the farm-  
11                  er, rancher, other agricultural producer, or rural  
12                  small business.”.

13                  (5) by redesignating subsection (e) as sub-  
14                  section (g) and striking subsection (f); and

15                  (6) by inserting after subsection (d) the fol-  
16                  lowing new subsections:

17                  “(e) FEASIBILITY STUDIES.—

18                         “(1) IN GENERAL.—The Secretary may provide  
19                         assistance to a farmer, rancher, other agricultural  
20                         producer, or rural small business to conduct a feasi-  
21                         bility study of a project for which assistance may be  
22                         provided under this section.

23                         “(2) LIMITATION.—The Secretary shall use not  
24                         more than 10 percent of the funds made available to

1 carry out this section to provide assistance described  
2 in paragraph (1).

3 “(3) CRITERIA.—The Secretary shall issue reg-  
4 ulations establishing criteria for the receipt of assist-  
5 ance under this subsection.

6 “(4) AVOIDANCE OF DUPLICATIVE ASSIST-  
7 ANCE.—An farmer, rancher, other agricultural pro-  
8 ducer, or rural small business that receives assist-  
9 ance to carry out a feasibility study for a project  
10 under this subsection shall not be eligible for assist-  
11 ance to carry out a feasibility study for the project  
12 under any other provision of law.

13 “(f) SMALL ACTIVITIES.—

14 “(1) LIMITATION ON USE OF FUNDS.—The Sec-  
15 retary shall use not less than 15 percent of the  
16 funds made available under subsection (h) to provide  
17 grants for activities that have a cost of \$50,000 or  
18 less.

19 “(2) EXCEPTION.—Beginning on the first day  
20 of the third quarter of a fiscal year, the limitation  
21 on the use of funds under paragraph (1) shall not  
22 apply to funds made available under subsection (h)  
23 for such fiscal year.”.

24 (7) by adding at the end the following new sub-  
25 section:

1       “(h) FUNDING.—Of the funds of the Commodity  
2 Credit Corporation, the Secretary of Agriculture shall  
3 make available to carry out this section—

4               “(1) \$50,000,000 for fiscal year 2008;

5               “(2) \$75,000,000 for fiscal year 2009;

6               “(3) \$100,000,000 for fiscal year 2010;

7               “(4) \$125,000,000 for fiscal year 2011; and

8               “(5) \$150,000,000 for fiscal year 2012.”.

9   **SEC. 9006. BIOMASS RESEARCH AND DEVELOPMENT ACT**  
10                   **OF 2000.**

11       (a) RESTATEMENT OF ACT.—Section 9008 of the  
12 Farm Security and Rural Investment Act of 2002 (116  
13 Stat. 486) is amended to read as follows:

14   **“SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT ACT**  
15                   **OF 2000.**

16       “(a) SHORT TITLE.—This section may be cited as the  
17 ‘Biomass Research and Development Act of 2000’.

18       “(b) FINDINGS.—Congress finds that—

19               “(1) conversion of biomass into biobased indus-  
20 trial products offers outstanding potential for benefit  
21 to the national interest through—

22                   “(A) improved strategic security and bal-  
23 ance of payments;

24                   “(B) healthier rural economies;

25                   “(C) improved environmental quality;



1                   “(D) near-zero net greenhouse gas emis-  
2                   sions;

3                   “(E) technology export; and

4                   “(F) sustainable resource supply;

5                   “(2) the key technical challenges to be overcome  
6                   in order for biobased industrial products to be cost-  
7                   competitive are finding new technology and reducing  
8                   the cost of technology for converting biomass into  
9                   desired biobased industrial products;

10                  “(3) biobased fuels have the clear potential to  
11                  be sustainable, low cost, and high performance fuels  
12                  that are compatible with both current and future  
13                  transportation systems and provide near-zero net  
14                  greenhouse gas emissions;

15                  “(4) biobased chemicals have the clear potential  
16                  for environmentally benign product life cycles;

17                  “(5) biobased power can—

18                         “(A) provide environmental benefits;

19                         “(B) promote rural economic development;

20                         and

21                         “(C) diversify energy resource options;

22                  “(6) many biomass feedstocks suitable for in-  
23                  dustrial processing show the clear potential for sus-  
24                  tainable production, in some cases resulting in im-  
25                  proved soil fertility and carbon sequestration;

1           “(7)(A) grain processing mills are biorefineries  
2           that produce a diversity of useful food, chemical,  
3           feed, and fuel products; and

4           “(B) technologies that result in further diver-  
5           sification of the range of value-added biobased in-  
6           dustrial products can meet a key need for the grain  
7           processing industry;

8           “(8)(A) cellulosic feedstocks are attractive be-  
9           cause of their low cost and widespread availability;  
10          and

11          “(B) research resulting in cost-effective tech-  
12          nology to overcome the recalcitrance of cellulosic bio-  
13          mass would allow biorefineries to produce fuels and  
14          bulk chemicals on a very large scale, with a commen-  
15          surately large realization of the benefit described in  
16          paragraph (1);

17          “(9) research into the fundamentals to under-  
18          stand important mechanisms of biomass conversion  
19          can be expected to accelerate the application and ad-  
20          vancement of biomass processing technology by—

21                 “(A) increasing the confidence and speed  
22                 with which new technologies can be scaled up;  
23                 and

24                 “(B) giving rise to processing innovations  
25                 based on new knowledge;

1           “(10) the added utility of biobased industrial  
2           products developed through improvements in proc-  
3           essing technology would encourage the design of  
4           feedstocks that would meet future needs more effec-  
5           tively;

6           “(11) the creation of value-added biobased in-  
7           dustrial products would create new jobs in construc-  
8           tion, manufacturing, and distribution, as well as new  
9           higher-valued exports of products and technology;

10          “(12)(A) because of the relatively short-term  
11          time horizon characteristic of private sector invest-  
12          ments, and because many benefits of biomass proc-  
13          essing are in the national interest, it is appropriate  
14          for the Federal Government to provide  
15          precommercial investment in fundamental research  
16          and research-driven innovation in the biomass proc-  
17          essing area; and

18          “(B) such an investment would provide a valu-  
19          able complement to ongoing and past governmental  
20          support in the biomass processing area; and

21          “(13) several prominent studies, including stud-  
22          ies by the President’s Committee of Advisors on  
23          Science and Technology and the National Research  
24          Council—

1           “(A) support the potential for large re-  
2           search-driven advances in technologies for pro-  
3           duction of biobased industrial products as well  
4           as associated benefits; and

5           “(B) document the need for a focused, in-  
6           tegrated, and innovation-driven research effort  
7           to provide the appropriate progress in a timely  
8           manner.

9           “(c) DEFINITIONS.—In this section:

10           “(1) ADVISORY COMMITTEE.—The term ‘Advi-  
11           sory Committee’ means the Biomass Research and  
12           Development Technical Advisory Committee estab-  
13           lished by this section.

14           “(2) BIOBASED FUEL.—The term ‘biobased  
15           fuel’ means any transportation or heating fuel pro-  
16           duced from biomass.

17           “(3) BIOBASED PRODUCT.—The term ‘biobased  
18           product’ means an industrial product (including  
19           chemicals, materials, and polymers) produced from  
20           biomass, or a commercial or industrial product (in-  
21           cluding animal feed and electric power) derived in  
22           connection with the conversion of biomass to fuel.

23           “(4) BIOMASS.—The term ‘biomass’ means any  
24           organic matter that is available on a renewable or  
25           recurring basis, including agricultural crops and

1 trees, wood and wood wastes and residues, plants  
2 (including aquatic plants), grasses, residues, fibers,  
3 and animal wastes, municipal wastes, and other  
4 waste materials.

5 “(5) BOARD.—The term ‘Board’ means the  
6 Biomass Research and Development Board estab-  
7 lished by this section.

8 “(6) DEMONSTRATION.—The term ‘demonstra-  
9 tion’ means demonstration of technology in a pilot  
10 plant or semi-works scale facility.

11 “(7) INITIATIVE.—The term ‘Initiative’ means  
12 the Biomass Research and Development Initiative  
13 established under this section.

14 “(8) INSTITUTION OF HIGHER EDUCATION.—  
15 The term ‘institution of higher education’ has the  
16 meaning given the term in section 102(a) of the  
17 Higher Education Act of 1965 (20 U.S.C. 1002(a)).

18 “(9) NATIONAL LABORATORY.—The term ‘Na-  
19 tional Laboratory’ has the meaning given that term  
20 in section 2 of the Energy Policy Act of 2005.

21 “(10) POINT OF CONTACT.—The term ‘point of  
22 contact’ means a point of contact designated under  
23 this section.

24 “(d) COOPERATION AND COORDINATION IN BIOMASS  
25 RESEARCH AND DEVELOPMENT.—

1           “(1) IN GENERAL.—The Secretary of Agri-  
2           culture and the Secretary of Energy shall cooperate  
3           with respect to, and coordinate, policies and proce-  
4           dures that promote research and development lead-  
5           ing to the production of biobased fuels and biobased  
6           products.

7           “(2) POINTS OF CONTACT.—

8                   “(A) IN GENERAL.—To coordinate re-  
9                   search and development programs and activities  
10                  relating to biobased fuels and biobased products  
11                  that are carried out by their respective Depart-  
12                  ments—

13                           “(i) the Secretary of Agriculture shall  
14                           designate, as the point of contact for the  
15                           Department of Agriculture, an officer of  
16                           the Department of Agriculture appointed  
17                           by the President to a position in the De-  
18                           partment before the date of the designa-  
19                           tion, by and with the advice and consent of  
20                           the Senate; and

21                           “(ii) the Secretary of Energy shall  
22                           designate, as the point of contact for the  
23                           Department of Energy, an officer of the  
24                           Department of Energy appointed by the  
25                           President to a position in the Department

1 before the date of the designation, by and  
2 with the advice and consent of the Senate.

3 “(B) DUTIES.—The points of contact shall  
4 jointly—

5 “(i) assist in arranging interlabora-  
6 tory and site-specific supplemental agree-  
7 ments for research and development  
8 projects relating to biobased fuels and  
9 biobased products;

10 “(ii) serve as cochairpersons of the  
11 Board;

12 “(iii) administer the Initiative; and

13 “(iv) respond in writing to each rec-  
14 ommendation of the Advisory Committee  
15 made under subsection (f).

16 “(e) BIOMASS RESEARCH AND DEVELOPMENT  
17 BOARD.—

18 “(1) ESTABLISHMENT.—There is established  
19 the Biomass Research and Development Board,  
20 which shall supersede the Interagency Council on  
21 Biobased Products and Bioenergy established by Ex-  
22 ecutive Order No. 13134, to coordinate programs  
23 within and among departments and agencies of the  
24 Federal Government for the purpose of promoting  
25 the use of biobased fuels and biobased products by—

1           “(A) maximizing the benefits deriving from  
2           Federal grants and assistance; and

3           “(B) bringing coherence to Federal strategic planning.

5           “(2) MEMBERSHIP.—The Board shall consist  
6           of—

7           “(A) the point of contact of the Department of Energy designated under subsection  
8           (d), who shall serve as cochairperson of the  
9           Board;  
10          

11          “(B) the point of contact of the Department of Agriculture designated under subsection (d), who shall serve as cochairperson of the Board;  
12          

13          “(C) a senior officer of each of the Department of the Interior, the Environmental Protection Agency, the National Science Foundation, and the Office of Science and Technology Policy, each of whom shall—  
14          

15               “(i) be appointed by the head of the  
16               respective agency; and  
17               

18               “(ii) have a rank that is equivalent to  
19               the rank of the points of contact; and  
20               

21          “(D) at the option of the Secretary of Agriculture and the Secretary of Energy, other  
22



1 members appointed by the Secretaries (after  
2 consultation with the members described in sub-  
3 paragraphs (A) through (C)).

4 “(3) DUTIES.—The Board shall—

5 “(A) coordinate research and development  
6 activities relating to biobased fuels and biobased  
7 products—

8 “(i) between the Department of Agri-  
9 culture and the Department of Energy;  
10 and

11 “(ii) with other departments and  
12 agencies of the Federal Government;

13 “(B) provide recommendations to the  
14 points of contact concerning administration of  
15 this title;

16 “(C) ensure that—

17 “(i) solicitations are open and com-  
18 petitive with awards made annually; and

19 “(ii) objectives and evaluation criteria  
20 of the solicitations are clearly stated and  
21 minimally prescriptive, with no areas of  
22 special interest; and

23 “(D) ensure that the panel of scientific  
24 and technical peers assembled under subsection  
25 (g) to review proposals is composed predomi-

1 nantly of independent experts selected from out-  
2 side the Departments of Agriculture and En-  
3 ergy.

4 “(4) FUNDING.—Each agency represented on  
5 the Board is encouraged to provide funds for any  
6 purpose under this section.

7 “(5) MEETINGS.—The Board shall meet at  
8 least quarterly to enable the Board to carry out the  
9 duties of the Board under paragraph (3).

10 “(f) BIOMASS RESEARCH AND DEVELOPMENT TECH-  
11 NICAL ADVISORY COMMITTEE.—

12 “(1) ESTABLISHMENT.—There is established  
13 the Biomass Research and Development Technical  
14 Advisory Committee, which shall supersede the Advi-  
15 sory Committee on Biobased Products and Bio-  
16 energy established by Executive Order No. 13134—

17 “(A) to advise the Secretary of Energy, the  
18 Secretary of Agriculture, and the points of con-  
19 tact concerning—

20 “(i) the technical focus and direction  
21 of requests for proposals issued under the  
22 Initiative; and

23 “(ii) procedures for reviewing and  
24 evaluating the proposals;

1           “(B) to facilitate consultations and part-  
2           nerships among Federal and State agencies, ag-  
3           ricultural producers, industry, consumers, the  
4           research community, and other interested  
5           groups to carry out program activities relating  
6           to the Initiative; and

7           “(C) to evaluate and perform strategic  
8           planning on program activities relating to the  
9           Initiative.

10          “(2) MEMBERSHIP.—

11               “(A) IN GENERAL.—The Advisory Com-  
12               mittee shall consist of—

13                       “(i) an individual affiliated with the  
14                       biofuels industry;

15                       “(ii) an individual affiliated with the  
16                       biobased industrial and commercial prod-  
17                       ucts industry;

18                       “(iii) an individual affiliated with an  
19                       institution of higher education who has ex-  
20                       pertise in biobased fuels and biobased  
21                       products;

22                       “(iv) two prominent engineers or sci-  
23                       entists from government or academia who  
24                       have expertise in biobased fuels and  
25                       biobased products;

1 “(v) an individual affiliated with a  
2 commodity trade association;

3 “(vi) 2 individuals affiliated with an  
4 environmental or conservation organiza-  
5 tion;

6 “(vii) an individual associated with  
7 State government who has expertise in  
8 biobased fuels and biobased products;

9 “(viii) an individual with expertise in  
10 energy and environmental analysis;

11 “(ix) an individual with expertise in  
12 the economics of biobased fuels and  
13 biobased products;

14 “(x) an individual with expertise in  
15 agricultural economics;

16 “(xi) an individual with expertise in  
17 agronomy, crop science, or soil science; and

18 “(xii) at the option of the points of  
19 contact, other members.

20 “(B) APPOINTMENT.—The members of the  
21 Advisory Committee shall be appointed by the  
22 points of contact.

23 “(3) DUTIES.—The Advisory Committee  
24 shall—

1           “(A) advise the points of contact with re-  
2           spect to the Initiative; and

3           “(B) evaluate whether, and make rec-  
4           ommendations in writing to the Board to en-  
5           sure that—

6                   “(i) funds authorized for the Initiative  
7                   are distributed and used in a manner that  
8                   is consistent with the objectives, purposes,  
9                   and considerations of the Initiative;

10                   “(ii) solicitations are open and com-  
11                   petitive with awards made annually and  
12                   that objectives and evaluation criteria of  
13                   the solicitations are clearly stated and  
14                   minimally prescriptive, with no areas of  
15                   special interest;

16                   “(iii) the points of contact are funding  
17                   proposals under this title that are selected  
18                   on the basis of merit, as determined by an  
19                   independent panel of scientific and tech-  
20                   nical peers predominantly from outside the  
21                   Departments of Agriculture and Energy;  
22                   and

23                   “(iv) activities under this section are  
24                   carried out in accordance with this section.

1           “(4) COORDINATION.—To avoid duplication of  
2           effort, the Advisory Committee shall coordinate its  
3           activities with those of other Federal advisory com-  
4           mittees working in related areas.

5           “(5) MEETINGS.—The Advisory Committee  
6           shall meet at least quarterly to enable the Advisory  
7           Committee to carry out the duties of the Advisory  
8           Committee.

9           “(6) TERMS.—Members of the Advisory Com-  
10          mittee shall be appointed for a term of 3 years, ex-  
11          cept that—

12                 “(A) one-third of the members initially ap-  
13                 pointed shall be appointed for a term of 1 year;  
14                 and

15                 “(B) one-third of the members initially ap-  
16                 pointed shall be appointed for a term of 2  
17                 years.

18          “(g) BIOMASS RESEARCH AND DEVELOPMENT INI-  
19          TIATIVE.—

20                 “(1) IN GENERAL.—The Secretary of Agri-  
21                 culture and the Secretary of Energy, acting through  
22                 their respective points of contact and in consultation  
23                 with the Board, shall establish and carry out a Bio-  
24                 mass Research and Development Initiative under  
25                 which competitively awarded grants, contracts, and

1 financial assistance are provided to, or entered into  
2 with, eligible entities to carry out research on, and  
3 development and demonstration of, biobased fuels  
4 and biobased products, and the methods, practices  
5 and technologies, for their production.

6 “(2) OBJECTIVES.—The objectives of the Initia-  
7 tive are to develop—

8 “(A) technologies and processes necessary  
9 for abundant commercial production of biobased  
10 fuels at prices competitive with fossil fuels;

11 “(B) high-value biobased products—

12 “(i) to enhance the economic viability  
13 of biobased fuels and power;

14 “(ii) as substitutes for petroleum-  
15 based feedstocks and products; and

16 “(iii) to enhance the value of coprod-  
17 ucts arise from such technologies and proc-  
18 esses; and

19 “(C) a diversity of sustainable domestic  
20 sources of biomass for conversion to biobased  
21 fuels and biobased products.

22 “(3) PURPOSES.—The purposes of the Initiative  
23 are—

24 “(A) to increase the energy security of the  
25 United States;

1           “(B) to create jobs and enhance the eco-  
2           nomic development of the rural economy;

3           “(C) to enhance the environment and pub-  
4           lic health; and

5           “(D) to diversify markets for raw agricul-  
6           tural and forestry products.

7           “(4) TECHNICAL AREAS.—To advance the ob-  
8           jectives and purposes of the Initiative, the Secretary  
9           of Agriculture and the Secretary of Energy, in con-  
10          sultation with the Administrator of the Environ-  
11          mental Protection Agency and heads of other appro-  
12          priate departments and agencies (referred to in this  
13          subsection as the ‘Secretaries’), shall direct research,  
14          development, and commercial applications toward—

15               “(A) feedstocks and feedstock systems rel-  
16               evant to production of raw materials for conver-  
17               sion to biobased fuels and biobased products,  
18               including—

19                       “(i) development of advanced and  
20                       dedicated crops and other biomass sources  
21                       with desired features, including enhanced  
22                       productivity, broader site range, low re-  
23                       quirements for chemical inputs, and en-  
24                       hanced processing;



1                   “(ii) advanced crop production meth-  
2                   ods to achieve the features described in  
3                   clause (i);

4                   “(iii) feedstock harvest, handling,  
5                   transport, and storage;

6                   “(iv) strategies for integrating feed-  
7                   stock production into existing managed  
8                   land; and

9                   “(v) improving the value and quality  
10                  of coproducts, including materials used for  
11                  animal feeding;

12                 “(B) overcoming recalcitrance of cellulosic  
13                 biomass through developing technologies for  
14                 converting cellulosic biomass into intermediates  
15                 that can subsequently be converted into  
16                 biobased fuels and biobased products, includ-  
17                 ing—

18                   “(i) pretreatment in combination with  
19                   enzymatic or microbial hydrolysis;

20                   “(ii) thermochemical approaches, in-  
21                   cluding gasification and pyrolysis; and

22                   “(iii) self-processing crops that ex-  
23                   press enzymes capable of degrading cel-  
24                   lulosic biomass;

1           “(C) product diversification through tech-  
2           nologies relevant to production of a range of  
3           biobased products (including chemicals, animal  
4           feeds, and cogenerated power) that eventually  
5           can increase the feasibility of fuel production in  
6           a biorefinery, including—

7                   “(i) catalytic processing, including  
8                   thermochemical fuel production;

9                   “(ii) metabolic engineering, enzyme  
10                  engineering, and fermentation systems for  
11                  biological production of desired products,  
12                  coproducts, or cogeneration of power;

13                  “(iii) product recovery;

14                  “(iv) power production technologies;

15                  “(v) integration into existing biomass  
16                  processing facilities, including starch eth-  
17                  anol plants, sugar processing or refining  
18                  plants, paper mills, and power plants; and

19                  “(vi) enhancement of products and co-  
20                  products, including dried distillers grains  
21                  (including substantially elevated starch  
22                  content, increased oil content, improved  
23                  fatty acid profiles, and improved resistance  
24                  to mold and mycotoxins; and

1           “(D) analysis that provides strategic guid-  
2           ance for the application of biomass technologies  
3           in accordance with realization of improved sus-  
4           tainability and environmental quality, cost ef-  
5           fectiveness, security, and rural economic devel-  
6           opment, usually featuring system-wide ap-  
7           proaches.

8           “(5) ADDITIONAL CONSIDERATIONS.—Within  
9           the technical areas described in paragraph (4), and  
10          in addition to advancing the purposes described in  
11          paragraph (3) and the objectives described in para-  
12          graph (2), the Secretaries shall support research and  
13          development—

14               “(A) to create continuously expanding op-  
15               portunities for participants in existing biofuels  
16               production by seeking synergies and continuity  
17               with current technologies and practices, such as  
18               improvements in dried distillers grains as a  
19               bridge feedstock;

20               “(B) to maximize the environmental, eco-  
21               nomic, and social benefits of production of  
22               biobased fuels and biobased products on a large  
23               scale through life-cycle economic and environ-  
24               mental analysis and other means; and

1           “(C) to assess the potential of Federal  
2           land and land management programs as feed-  
3           stock resources for biobased fuels and biobased  
4           products, consistent with the integrity of soil  
5           and water resources and with other environ-  
6           mental considerations.

7           “(6) ELIGIBLE ENTITIES.—To be eligible for a  
8           grant, contract, or assistance under this subsection,  
9           an applicant shall be—

10                   “(A) an institution of higher education;

11                   “(B) a National Laboratory;

12                   “(C) a Federal research agency;

13                   “(D) a State research agency;

14                   “(E) a private sector entity;

15                   “(F) a nonprofit organization; or

16                   “(G) a consortium of two or more entities  
17           described in subparagraphs (A) through (F).

18           “(7) ADMINISTRATION.—

19                   “(A) IN GENERAL.—After consultation  
20           with the Board, the points of contact shall—

21                           “(i) publish annually one or more  
22                           joint requests for proposals for grants,  
23                           contracts, and assistance under this sub-  
24                           section;

1           “(ii) require that grants, contracts,  
2           and assistance under this section be  
3           awarded competitively, on the basis of  
4           merit, after the establishment of proce-  
5           dures that provide for scientific peer review  
6           by an independent panel of scientific and  
7           technical peers; and

8           “(iii) give some preference to applica-  
9           tions that—

10           “(I) involve a consortia of experts  
11           from multiple institutions;

12           “(II) encourage the integration  
13           of disciplines and application of the  
14           best technical resources; and

15           “(III) increase the geographic di-  
16           versity of demonstration projects.

17           “(B) DISTRIBUTION OF FUNDING BY  
18           TECHNICAL AREA.—Of the funds authorized to  
19           be appropriated for activities described in this  
20           subsection, funds shall be distributed for each  
21           of fiscal years 2007 through 2012 so as to  
22           achieve an approximate distribution of—

23           “(i) 20 percent of the funds to carry  
24           out activities for feedstock production  
25           under paragraph (4)(A);

1 “(ii) 45 percent of the funds to carry  
2 out activities for overcoming recalcitrance  
3 of cellulosic biomass under paragraph  
4 (4)(B), of which not less than 10 percent  
5 shall be used for activities referred to in  
6 each clause of paragraph (4)(B);

7 “(iii) 30 percent of the funds to carry  
8 out activities for product diversification  
9 under paragraph (4)(C); and

10 “(iv) 5 percent of the funds to carry  
11 out activities for strategic guidance under  
12 paragraph (4)(D).

13 “(C) DISTRIBUTION OF FUNDING WITHIN  
14 EACH TECHNICAL AREA.—Within each technical  
15 area described in subparagraphs (A) through  
16 (C) of paragraph (4), funds shall be distributed  
17 for each of fiscal years 2007 through 2012 so  
18 as to achieve an approximate distribution of—

19 “(i) 15 percent of the funds for ap-  
20 plied fundamentals;

21 “(ii) 35 percent of the funds for inno-  
22 vation; and

23 “(iii) 50 percent of the funds for dem-  
24 onstration and commercial applications.

25 “(D) MATCHING FUNDS.—

1                   “(i) IN GENERAL.—A minimum 20  
2                   percent funding match shall be required  
3                   for demonstration projects under this sec-  
4                   tion.

5                   “(ii) COMMERCIAL APPLICATIONS.—A  
6                   minimum of 50 percent funding match  
7                   shall be required for commercial applica-  
8                   tion projects under this section.

9                   “(E) TECHNOLOGY AND INFORMATION  
10                  TRANSFER TO AGRICULTURAL USERS.—The Ad-  
11                  ministrators of the Cooperative State Research,  
12                  Education, and Extension Service and the Chief  
13                  of the Natural Resources Conservation Service  
14                  shall ensure that applicable research results and  
15                  technologies from the Initiative are adapted,  
16                  made available, and disseminated through those  
17                  services, as appropriate.

18                  “(h) ADMINISTRATIVE SUPPORT AND FUNDS.—

19                  “(1) IN GENERAL.—To the extent administra-  
20                  tive support and funds are not provided by other  
21                  agencies under paragraph (2)(b), the Secretary of  
22                  Energy and the Secretary of Agriculture may pro-  
23                  vide such administrative support and funds of the  
24                  Department of Energy and the Department of Agri-  
25                  culture to the Board and the Advisory Committee as

1 are necessary to enable the Board and the Advisory  
2 Committee to carry out their duties under this sec-  
3 tion.

4 “(2) OTHER AGENCIES.—The heads of the  
5 agencies referred to in subsection (e)(2)(C), and the  
6 other members appointed under subsection  
7 (e)(2)(D), may, and are encouraged to, provide ad-  
8 ministrative support and funds of their respective  
9 agencies to the Board and the Advisory Committee.

10 “(3) LIMITATION.—Not more than 4 percent of  
11 the amount appropriated for each fiscal year under  
12 subsection (g)(6) may be used to pay the adminis-  
13 trative costs of carrying out this section.

14 “(i) REPORTS.—

15 “(1) ANNUAL REPORTS.—For each fiscal year  
16 for which funds are made available to carry out this  
17 section, the Secretary of Energy and the Secretary  
18 of Agriculture shall jointly submit to Congress a de-  
19 tailed report on—

20 “(A) the status and progress of the Initia-  
21 tive, including a report from the Advisory Com-  
22 mittee on whether funds appropriated for the  
23 Initiative have been distributed and used in a  
24 manner that—



1 “(i) is consistent with the objectives,  
2 purposes, and additional considerations de-  
3 scribed in paragraphs (2) through (5) of  
4 subsection (g);

5 “(ii) uses the set of criteria estab-  
6 lished in the initial report submitted under  
7 title III of the Agricultural Risk Protection  
8 Act of 2000;

9 “(iii) achieves the distribution of  
10 funds described in subparagraphs (B) and  
11 (C) of subsection (g)(7); and

12 “(iv) takes into account any rec-  
13 ommendations that have been made by the  
14 Advisory Committee;

15 “(B) the general status of cooperation and  
16 research and development efforts carried out at  
17 each agency with respect to biobased fuels and  
18 biobased products, including a report from the  
19 Advisory Committee on whether the points of  
20 contact are funding proposals that are selected  
21 under subsection (g)(3)(B)(iii); and

22 “(C) the plans of the Secretary of Energy  
23 and the Secretary of Agriculture for addressing  
24 concerns raised in the report, including con-  
25 cerns raised by the Advisory Committee.

1           “(2) UPDATES.—The Secretary and the Sec-  
2       retary of Energy shall update the Vision and Road-  
3       map documents prepared for Federal biomass re-  
4       search and development activities.

5           “(3) MANAGEMENT PLAN.—The Secretary shall  
6       every five years, in consultation with the Secretary  
7       of Energy, submit to Congress a detailed manage-  
8       ment plan for the implementation of this section.  
9       The management plan shall include—

10           “(A) consideration of the contribution of  
11       the section towards achieving the objectives re-  
12       ferred to in paragraphs (2) and (3) of sub-  
13       section (g) and in achieving the goals of the  
14       biomass program of the Department of Energy;

15           “(B) consideration of input solicited from  
16       the Advisory Committee, State, and private  
17       sources; and

18           “(C) specific and quantifiable near and  
19       long-term goals.

20       “(j) FUNDING.—

21           “(1) IN GENERAL.—Of the funds of the Com-  
22       modity Credit Corporation, the Secretary of Agri-  
23       culture shall make available to carry out this sec-  
24       tion—

25           “(A) \$35,000,000 for fiscal year 2008;

1                   “(B) \$60,000,000 for fiscal year 2009;  
2                   “(C) \$75,000,000 for fiscal year 2010;  
3                   “(D) \$100,000,000 for fiscal year 2011;  
4                   and  
5                   “(E) \$150,000,000 for fiscal year 2012.

6                   “(2) ADDITIONAL FUNDING.—In addition to  
7                   amounts transferred under paragraph (1), there are  
8                   authorized to be appropriated to carry out this sec-  
9                   tion \$200,000,000 for each of fiscal years 2006  
10                  through 2015.”.

11                  (b) REPEAL.—Title III of the Agricultural Risk Pro-  
12                  tection Act of 2000 (Public Law 106–224) is hereby re-  
13                  pealed.

14                  (c) MANAGEMENT PLAN SUBMISSION DATE.—The  
15                  first management plan required to be submitted under sec-  
16                  tion 9008(i)(3) of the Biomass Research and Development  
17                  Act of 2000, as added by subsection (a), shall be sub-  
18                  mitted not later than 180 days after the date of the enact-  
19                  ment of this Act.

20       **SEC. 9007. ADJUSTMENTS TO THE BIOENERGY PROGRAM.**

21                  Section 9010 of the Farm Security and Rural Invest-  
22                  ment Act of 2002 (7 U.S.C. 8108) is amended—

23                       (1) in subsection (a)—

24                               (A) in paragraph (1)—

1 (i) in subparagraph (A), by striking  
2 “and”;

3 (ii) in subparagraph (B), by striking  
4 the final period and inserting a semicolon;  
5 and

6 (iii) by adding at the end the fol-  
7 lowing new subparagraphs:

8 “(C) production of heat and power at a  
9 biofuels plant;

10 “(D) biomass gasification;

11 “(E) hydrogen made from cellulosic com-  
12 modities for fuel cells;

13 “(F) renewable diesel;

14 “(G) such other items as the Secretary  
15 considers appropriate.”;

16 (B) by striking paragraph (3) and insert-  
17 ing the following:

18 “(3) ELIGIBLE FEEDSTOCK.—

19 “(A) IN GENERAL.—The term ‘eligible  
20 feedstock’ means—

21 “(i) any plant material grown or col-  
22 lected for the purpose of being converted to  
23 energy (including aquatic plants);

24 “(ii) any organic byproduct or residue  
25 from agriculture and forestry, including

1 mill residues and pulping residues that can  
2 be converted into energy;

3 “(iii) any waste material that can be  
4 converted to energy and is derived from  
5 plant material, including—

6 “(I) wood waste and residue;

7 “(II) specialty crop waste, includ-  
8 ing waste derived from orchard trees,  
9 vineyard crops, and nut crops; or

10 “(III) other fruit and vegetable  
11 byproducts or residues; or

12 “(iv) animal waste and byproducts.

13 “(B) EXCLUSION.—The term ‘eligible feed-  
14 stock’ does not include corn starch.”;

15 (C) in paragraph (4), by striking “an eligi-  
16 ble commodity” and inserting “eligible feed-  
17 stock”; and

18 (D) by adding at the end the following new  
19 paragraph:

20 “(5) RENEWABLE DIESEL.—The term ‘renew-  
21 able diesel’ means any type of biobased renewable  
22 fuel derived from plant or animal matter that may  
23 be used as a substitute for standard diesel fuel and  
24 meets the requirements of an appropriate American  
25 Society for Testing and Material standard. Such

1 term does not include any fuel derived from coproc-  
2 essing an eligible feedstock with a feedstock that is  
3 not biomass.”;

4 (2) in subsection (b)—

5 (A) in paragraph (1)—

6 (i) by striking “The Secretary shall  
7 continue” and all that follows through “the  
8 Secretary makes” and inserting “The Sec-  
9 retary shall make”; and

10 (ii) by striking “eligible commodities”  
11 and inserting “eligible feedstock”;

12 (B) in paragraph (2)(B), by striking “eligi-  
13 ble commodities” and inserting “eligible feed-  
14 stock”;

15 (C) in paragraph (3), by striking subpara-  
16 graphs (B) and (C) and inserting the following:

17 “(B) PRIORITY.—In making payments  
18 under this paragraph, the Secretary shall give  
19 priority to contracts by considering the factors  
20 referred to in section 9003(e)(2)(B).”;

21 (D) by striking paragraph (6) and insert-  
22 ing the following:

23 “(6) LIMITATION.—The Secretary may limit  
24 the amount of payments that may be received by an

1 eligible producer under this section as the Secretary  
2 considers appropriate.”; and

3 (E) by adding at the end the following new  
4 paragraph:

5 “(8) RENEWAL OF CONTRACTS.—When consid-  
6 ering the renewal of a contract under this section,  
7 the Secretary shall review such contract to deter-  
8 mine whether the production of bioenergy at the fa-  
9 cility under contract is economically viable and re-  
10 consider the need for the contract based on that de-  
11 termination.”; and

12 (3) by striking subsection (c) and inserting the  
13 following:

14 “(c) FUNDING.—Of the funds of the Commodity  
15 Credit Corporation, the Secretary of Agriculture shall use  
16 to carry out this section—

17 “(1) \$225,000,000 for fiscal year 2008;

18 “(2) \$250,000,000 for fiscal year 2009;

19 “(3) \$275,000,000 for fiscal year 2010;

20 “(4) \$300,000,000 for fiscal year 2011; and

21 “(5) \$350,000,000 for fiscal year 2012.”.

1 **SEC. 9008. RESEARCH, EXTENSION, AND EDUCATIONAL**  
2 **PROGRAMS ON BIOBASED ENERGY TECH-**  
3 **NOLOGIES AND PRODUCTS.**

4 (a) WESTERN INSULAR PACIFIC CENTER.—Section  
5 9011(d) is amended by adding at the end the following  
6 new paragraph:

7 “(6) WESTERN INSULAR PACIFIC CENTER.—A  
8 western insular pacific center at the University of  
9 Hawaii for the region of Alaska, Hawaii, Guam,  
10 American Samoa, the Commonwealth of the North-  
11 ern Mariana Islands, the Federated States of Micro-  
12 nesia, the Republic of the Marshall Islands, and the  
13 Republic of Palau.”.

14 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
15 9011(j)(1)(C) of the Farm Security and Rural Investment  
16 Act of 2002 (7 U.S.C. 8109(j)(1)(C)) is amended by strik-  
17 ing “2010” and inserting “2012”.

18 **SEC. 9009. ENERGY COUNCIL OF THE DEPARTMENT OF AG-**  
19 **RICULTURE.**

20 Title IX of the Farm Security and Rural Investment  
21 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended  
22 by adding at the end the following new section:

23 **“SEC. 9012. ENERGY COUNCIL OF THE DEPARTMENT OF AG-**  
24 **RICULTURE.**

25 “(a) IN GENERAL.—The Secretary of Agriculture  
26 shall establish an energy council in the Office of the Sec-



1 retary (in this section referred to as the ‘Council’) to co-  
 2 ordinate the energy policy of the Department of Agri-  
 3 culture and consult with other departments and agencies  
 4 of the Federal Government.

5 “(b) MEMBERSHIP.—

6 “(1) IN GENERAL.—The Secretary shall appoint  
 7 the members of the Council from among the staff of  
 8 the agencies and mission areas of the Department of  
 9 Agriculture with responsibilities relating to energy  
 10 programs or policies.

11 “(2) CHAIR.—The chief economist and the  
 12 Under Secretary for Rural Development of the De-  
 13 partment of Agriculture shall serve as the Chairs of  
 14 the Council.

15 “(c) DUTIES OF OFFICE OF ENERGY POLICY AND  
 16 NEW USES.—The Office of Energy Policy and New Uses  
 17 of the Department of Agriculture shall support the activi-  
 18 ties of the Council.”.

19 **SEC. 9010. FARM ENERGY PRODUCTION PILOT PROGRAM.**

20 Title IX of the Farm Security and Rural Investment  
 21 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended  
 22 by adding at the end the following new section:

23 **“SEC. 9013. FARM ENERGY PRODUCTION PILOT PROGRAM.**

24 “(a) PROGRAM.—The Secretary of Agriculture shall  
 25 establish a pilot program to provide grants to farmers for

1 the purpose of demonstrating the feasibility of making a  
2 farm energy neutral using existing technologies.

3 “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
4 is authorized to be appropriated to carry out this section  
5 \$5,000,000 for fiscal years 2008 through 2012.”.

6 **SEC. 9011. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.**

7 Title IX of the Farm Security and Rural Investment  
8 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended  
9 by adding at the end the following new section:

10 **“SEC. 9014. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.**

11 “(a) GRANT AUTHORITY.—

12 “(1) IN GENERAL.—The Secretary of Agri-  
13 culture (in this section referred to as the ‘Secretary’)  
14 may make grants in accordance with this section to  
15 enable eligible rural communities to substantially in-  
16 crease their energy self-sufficiency.

17 “(2) ELIGIBLE RURAL COMMUNITY DEFINED.—

18 In this section, the term ‘eligible rural community’  
19 means a community that has a population of fewer  
20 than 25,000 individuals, and is not located in a met-  
21ropolitan statistical area (as defined by the Bureau  
22 of the Census).

23 “(b) APPLICATIONS.—

24 “(1) IN GENERAL.—A community desiring to  
25 receive a grant under this section shall submit to the

1 Secretary an application for the grant, which con-  
2 tains a description of how the community would use  
3 the grant to develop an integrated renewable energy  
4 system to substantially increase its energy self-suffi-  
5 ciency.

6 “(2) INTEGRATED RENEWABLE ENERGY SYS-  
7 TEM.—In paragraph (1), the term ‘integrated renew-  
8 able energy system’ includes—

9 “(A) the use of biofuels;

10 “(B) the use of biomass to produce elec-  
11 tricity;

12 “(C) the use of animal manure to produce  
13 biogas as a substitute for natural gas;

14 “(D) the use of new technologies to pro-  
15 vide highly energy efficient lighting, buildings,  
16 or vehicles;

17 “(E) the use of wind power to produce  
18 electricity and hydrogen; and

19 “(F) the use of solar energy.

20 “(c) CONSIDERATION OF APPLICATIONS.—

21 “(1) EVALUATION.—In making grants under  
22 this section, the Secretary shall evaluate applications  
23 based on their ability to demonstrate—

24 “(A) integration of different renewable en-  
25 ergy sources at lowest total cost;

1           “(B) integration of different renewable en-  
2           ergy sources with greatest potential for com-  
3           mercialization; and

4           “(C) development of best practices, and  
5           models for viable rural energy self-sufficiency.

6           “(2) PREFERENCE.—In making grants under  
7           this section, the Secretary shall give preference to  
8           those which propose a project developed or carried  
9           out in coordination with—

10           “(A) universities or their non-profit foun-  
11           dations;

12           “(B) Federal, State, or local government  
13           agencies;

14           “(C) public or private power generation en-  
15           tities; or

16           “(D) government entities with responsi-  
17           bility for water or natural resources.

18           “(d) GRANTS.—

19           “(1) COST-SHARING.—The amount of a grant  
20           under this section with respect to an application  
21           shall not exceed 75 percent of the cost of the activi-  
22           ties described in the application.

23           “(2) NUMBER OF GRANTS PER YEAR.—The  
24           Secretary may make not more than 5 grants under  
25           this section in each fiscal year.

1       “(e) USE OF GRANTS.—A community to which a  
2 grant is made under this section shall use the grant to  
3 develop an integrated renewable energy system to improve  
4 the energy efficiency of the community, and shall docu-  
5 ment any energy savings resulting from the use of the  
6 grant.

7       “(f) REPORT TO THE CONGRESS.—The Secretary  
8 shall submit to the Committee on Agriculture of the House  
9 of Representatives and the Committee on Agriculture, Nu-  
10 trition, and Forestry of the Senate a report that document  
11 the best practices and approaches used by grantees receiv-  
12 ing funds under this section.

13       “(g) LIMITATIONS ON AUTHORIZATION OF APPRO-  
14 PRIATIONS.—For grants under this section, there are au-  
15 thorized to be appropriated to the Secretary not more than  
16 \$5,000,000 for fiscal year 2008, and such sums as may  
17 be necessary for fiscal years 2009 through 2012.”.

18 **SEC. 9012. AGRICULTURAL BIOFUELS FROM BIOMASS IN-**  
19 **TERNSHIP PILOT PROGRAM.**

20       Title IX of the Farm Security and Rural Investment  
21 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended  
22 by adding at the end the following new section:

1   **“SEC. 9015. AGRICULTURAL BIOFUELS FROM BIOMASS IN-**  
2                   **TERNSHIP PILOT PROGRAM.**

3           “(a) ESTABLISHMENT.—The Secretary of Agri-  
4 culture shall establish a structured, academically-oriented  
5 internship pilot program (in this section referred to as the  
6 ‘Program’) to provide students from universities in Cali-  
7 fornia, Iowa, Missouri, Georgia, Minnesota, and other  
8 states with substantial farm-based economies or univer-  
9 sities with fields of study capable of developing renewable  
10 energy technology or policy with the opportunity to work  
11 within the Department of Agriculture, Congress and legis-  
12 lative branch agencies, other Federal departments and  
13 agencies, corporations, and nonprofit institutions on mat-  
14 ters pertaining to policies regarding renewable energy, in-  
15 cluding the conversion of biomass and other agricultural  
16 products to produce ethanol and other biofuels.

17           “(b) ELIGIBILITY.—To be eligible for an internship  
18 under subsection (a) a student shall—

19                   “(1) be a third or fourth year undergraduate  
20 student or a graduate student at an accredited col-  
21 lege or university in California, Iowa, Missouri,  
22 Georgia, Minnesota, or another State with a sub-  
23 stantial farm-based economy, or at a university with  
24 fields of study capable of developing renewable en-  
25 ergy technology or policy (including agriculture-re-  
26 lated studies, chemistry, environmental sciences, bio-

1       engineering, biochemistry, natural resources, and  
2       public policy), that commits matching funds in ac-  
3       cordance with subsection (g);

4               “(2) be a United States citizen;

5               “(3) be pursuing an undergraduate or graduate  
6       program in agriculture and related supporting sub-  
7       jects with direct relevance to the subject of bio-  
8       refinery, biofuels, and renewable energy; and

9               “(4) meet any other conditions or requirements  
10      that the Secretary considers necessary.

11      “(c) PRIORITIES OF INTERNSHIP PILOT PROGRAM.—  
12      In administering the Program (including in the selection  
13      of students to participate in the Program), the Secretary  
14      shall prioritize the following activities and placements:

15              “(1) Structured internship experiences that fea-  
16      ture direct, hands-on assistance to policy makers en-  
17      gaged in the development and implementation of ag-  
18      riculture and related supporting policies and legisla-  
19      tion, with direct relevance to the subject of bio-  
20      refinery, biofuels, and renewable energy.

21              “(2) Internship and academic seminar pro-  
22      grams that provide a combination of workforce  
23      training, experiential education, and leadership de-  
24      velopment designed specifically for the Department  
25      of Agriculture and Congress, with regard to agri-

1 culture-based biorefinery, biofuels, and related re-  
2 newable energy policies.

3 “(3) Establishment of regional and state net-  
4 works that partner with the agricultural business,  
5 government and academic communities to enhance  
6 the prospects for providing financial assistance to  
7 students, particularly minority students, from col-  
8 leges and universities in each participating State  
9 who are from economically disadvantaged back-  
10 grounds.

11 “(4) Internship and academic seminar pro-  
12 grams that focus on agriculture-based research, de-  
13 velopment, and policies addressing new technologies  
14 to enhance agriculture production and enhanced eco-  
15 nomic development in the agriculture sector of the  
16 United States.

17 “(d) ADMINISTRATION OF THE PILOT PROGRAM.—  
18 The Secretary, in consultation with other executive and  
19 legislative branch officials, shall administer the Program.  
20 The Secretary may engage the services of an experienced,  
21 nonprofit, nonpartisan professional internship and aca-  
22 demic seminar organization with extensive experience in  
23 developing and carrying out Washington-based or other  
24 State-based internship programs and State-based financial



1 assistance initiatives for interns to assist in carrying out  
2 the Program.

3 “(e) SCHOLARSHIPS AND OTHER ASSISTANCE FOR  
4 INTERNSHIPS.—The Secretary may make available to un-  
5 dergraduate and graduate students participating in the  
6 Program scholarships or other types of financial assist-  
7 ance, including funds to cover the cost of housing, per  
8 diem living expenses, transportation, tuition and other  
9 educational expenses, and related costs, that would allow  
10 participation by eligible undergraduate and graduate stu-  
11 dents from economically-disadvantaged backgrounds with-  
12 in the Program States.

13 “(f) LONGITUDINAL STUDIES AND REPORTING RE-  
14 QUIREMENTS.—

15 “(1) LONGITUDINAL STUDIES AND EVALUATION  
16 OF INTERNSHIP PROGRAM.—In developing and im-  
17 plementing the Program, the Secretary shall carry  
18 out such longitudinal studies and program evalua-  
19 tions as he or she deems appropriate to ensure that  
20 the program is administered in a cost-effective man-  
21 ner and has specific milestones, objectives, and re-  
22 sults quantified with regard to such Program.

23 “(2) REPORTING REQUIREMENTS.—The Sec-  
24 retary shall submit to the Committee on Agriculture  
25 of the House of Representatives and the Committee

1 on Agriculture, Nutrition, and Forestry of the Sen-  
2 ate periodic reports regarding the development and  
3 implementation of the Program, including the longi-  
4 tudinal studies and evaluations required under para-  
5 graph (1).

6 “(g) STATE MATCHING REQUIREMENT.—As a condi-  
7 tion of receiving an internship under the Program, the  
8 State in which the student receiving the internship is pur-  
9 suing an undergraduate or graduate degree shall provide  
10 matching funds in the amount of one dollar for every two  
11 dollars provided by the Secretary under the Program.

12 “(h) FEDERAL CONTRIBUTION LIMIT.—The Sec-  
13 retary may not expend more than \$200,000 in any fiscal  
14 year to provide internships to students pursuing an under-  
15 graduate or graduate degree in any particular State.

16 “(i) APPLICATION OF FUNDS.—The Secretary shall,  
17 to the maximum extent practicable, use funds made avail-  
18 able under subsection (j) to provide scholarships and the  
19 other forms of financial assistance described in subsection  
20 (e) directly attributable to the participation in the Pro-  
21 gram by students from rural, economically-disadvantaged  
22 backgrounds.

23 “(j) AUTHORIZATION OF APPROPRIATIONS.—There  
24 are authorized to be appropriated such sums as may be  
25 necessary to carry out this section.”.

1 **SEC. 9013. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**  
2 **ENERGY PRODUCERS.**

3 Title IX of the Farm Security and Rural Investment  
4 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended  
5 by adding at the end the following new section:

6 **“SEC. 9016. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**  
7 **ENERGY PRODUCERS.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) BIOENERGY.—The term ‘bioenergy’ means  
10 fuel grade ethanol and other biofuel.

11 “(2) BIOENERGY PRODUCER.—The term ‘bio-  
12 energy producer’ means a producer of bioenergy that  
13 uses an eligible commodity to produce bioenergy  
14 under this section.

15 “(3) ELIGIBLE COMMODITY.—The term ‘eligible  
16 commodity’ means a form of raw or refined sugar or  
17 in-process sugar that is eligible to be marketed in  
18 the United States for human consumption or to be  
19 used for the extraction of sugar for human consump-  
20 tion.

21 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-  
22 tity’ means an entity located in the United States  
23 that markets an eligible commodity in the United  
24 States.

25 “(b) FEEDSTOCK FLEXIBILITY PROGRAM.—

26 “(1) IN GENERAL.—

1           “(A) PURCHASES AND SALES.—For each  
2 of fiscal years 2008 through 2012, the Sec-  
3 retary shall purchase eligible commodities from  
4 eligible entities and sell such commodities to  
5 bioenergy producers for the purpose of pro-  
6 ducing bioenergy in a manner that ensures that  
7 156 of the Federal Agricultural Improvement  
8 and Reform Act (7 U.S.C. 7272) is operated at  
9 no cost to the Federal Government by avoiding  
10 forfeitures to the Commodity Credit Corpora-  
11 tion.

12           “(B) COMPETITIVE PROCEDURES.—In car-  
13 rying out the purchases and sales required  
14 under subparagraph (A), the Secretary shall, to  
15 the maximum extent practicable, use competi-  
16 tive procedures, including the receiving, offer-  
17 ing, and accepting of bids, when entering into  
18 contracts with eligible entities and bioenergy  
19 producers, provided that such procedures are  
20 consistent with the purposes of subparagraph  
21 (A).

22           “(C) LIMITATION.—The purchase and sale  
23 of eligible commodities under subparagraph (A)  
24 shall only be made in fiscal years in which such  
25 purchases and sales are necessary to ensure

1           that the program authorized under section 156  
2           of the Federal Agriculture Improvement and  
3           Reform Act (7 U.S.C. 7272) is operated at no  
4           cost to the Federal Government by avoiding for-  
5           feitures to the Commodity Credit Corporation.

6           “(2) NOTICE.—

7                   “(A) IN GENERAL.—Not later than Sep-  
8           tember 1, 2007, and each September 1 there-  
9           after through fiscal year 2011, the Secretary  
10          shall provide notice to eligible entities and bio-  
11          energy producers of the quantity of eligible  
12          commodities that shall be made available for  
13          purchase and sale for the subsequent fiscal year  
14          under this section.

15                  “(B) REESTIMATES.—Not later than the  
16          first day of each of the second through fourth  
17          quarters of each of fiscal years 2008 through  
18          2012, the Secretary shall reestimate the quan-  
19          tity of eligible commodities determined under  
20          subparagraph (A), and provide notice and make  
21          purchases and sales based on such reestimates.

22                  “(3) COMMODITY CREDIT CORPORATION INVEN-  
23          TORY.—To the extent that an eligible commodity is  
24          owned and held in inventory by the Commodity  
25          Credit Corporation (accumulated pursuant to the

1 program authorized under section 156 of the Fed-  
2 eral Agriculture Improvement and Reform Act (7  
3 U.S.C. 7272)), the Secretary shall sell such com-  
4 modity to bioenergy producers under this section.

5 “(4) TRANSFER RULE; STORAGE FEES.—

6 “(A) GENERAL TRANSFER RULE.—Except  
7 as provided in subparagraph (C), the Secretary  
8 shall ensure that bioenergy producers that pur-  
9 chase eligible commodities pursuant to this sub-  
10 section take possession of such commodities  
11 within 30 calendar days of the date of such  
12 purchase from the Commodity Credit Corpora-  
13 tion.

14 “(B) PAYMENT OF STORAGE FEES PRO-  
15 HIBITED.—

16 “(i) IN GENERAL.—The Secretary  
17 shall, to the greatest extent practicable,  
18 carry out this subsection in a manner that  
19 ensures no storage fees are paid by the  
20 Commodity Credit Corporation in the ad-  
21 ministration of this subsection.

22 “(ii) EXCEPTION.—Clause (i) shall  
23 not apply with respect to any commodities  
24 owned and held in inventory by the Com-  
25 modity Credit Corporation (accumulated

1           pursuant to the program authorized under  
2           section 156 of the Federal Agriculture Im-  
3           provement and Reform Act (7 U.S.C.  
4           7272)).

5           “(C) OPTION TO PREVENT STORAGE  
6           FEES.—

7                   “(i) IN GENERAL.—The Secretary  
8           may enter into contracts with bioenergy  
9           producers to sell eligible commodities to  
10          such producers prior in time to entering  
11          into contracts with eligible entities to pur-  
12          chase such commodities to be used to sat-  
13          isfy the contracts entered into with the bio-  
14          energy producers.

15                  “(ii) SPECIAL TRANSFER RULE.—If  
16          the Secretary makes a sale and purchase  
17          referred to in clause (i), the Secretary shall  
18          ensure that the bioenergy producer that  
19          purchased eligible commodities takes pos-  
20          session of such commodities within 30 cal-  
21          endar days of the date the Commodity  
22          Credit Corporation purchases such com-  
23          modities.

24                  “(5) RELATION TO OTHER LAWS.—If sugar  
25          that is subject to a marketing allotment under part

1 VII of subtitle B of title III of the Agricultural Ad-  
2 justment Act of 1938 (7 U.S.C. 1359aa et seq.) is  
3 the subject of a payment under this section, such  
4 sugar shall be considered marketed and shall count  
5 against a processor's allocation of an allotment  
6 under such part, as applicable.

7 “(6) FUNDING.—The Secretary shall use the  
8 funds, facilities, and authorities of the Commodity  
9 Credit Corporation, including the use of such sums  
10 as are necessary, to carry out this section.”.

11 **SEC. 9014. BIOMASS INVENTORY REPORT.**

12 (a) INVENTORY REQUIRED.—The Secretary of Agri-  
13 culture shall conduct an inventory of biomass resources  
14 on a county-by-county basis.

15 (b) REPORT.—Not later than one year after the date  
16 of the enactment of this Act, the Secretary shall submit  
17 to the Committee on Agriculture of the House of Rep-  
18 resentatives and the Committee on Agriculture, Nutrition,  
19 and Forestry of the Senate a report containing—

20 (1) the results of the inventory conducted under  
21 subsection (a); and

22 (2) an estimate of the amount of unused crop  
23 land in the United States that could be used for  
24 dedicated energy crops.



1       (c) BIOMASS RESOURCES DEFINED.—In this section,  
2 the term “biomass resource” has the meaning given the  
3 term “eligible commodity” in section 9010(a)(3) of the  
4 Farm Security and Rural Investment Act of 2002 (7  
5 U.S.C. 8108(a)(3)).

6 **SEC. 9015. FUTURE FARMSTEADS PROGRAM.**

7       (a) ESTABLISHMENT.—The Secretary of Agriculture  
8 shall establish a program to equip, in each of 5 regions  
9 of the country chosen to represent different farming prac-  
10 tices, a farm house and its surrounding fields, facilities,  
11 and forested areas with technologies to—

12           (1) improve farm energy production and energy  
13 use efficiencies;

14           (2) provide working examples to farmers; and

15           (3) serve as an education, demonstration, and  
16 research facility that will teach graduate students  
17 whose focus of research is related to either renew-  
18 able energy or energy conservation technologies.

19       (b) GOALS.—The goals of the program established  
20 under subsection (a) shall be to—

21           (1) advance farm energy use efficiencies and  
22 the on-farm production of renewable energies, along  
23 with advanced communication and control tech-  
24 nologies with the latest in energy capture and con-  
25 version techniques, thereby enhancing rural energy

1 independence and creating new revenues for rural  
2 economies;

3 (2) accelerate private sector and university re-  
4 search into the efficient on-farm production of re-  
5 newable fuels and help educate the farming industry,  
6 students, and the general public; and

7 (3) accelerate energy independence, including  
8 the production and the conservation of renewable en-  
9 ergies on farms.

10 (c) COLLABORATION PARTNERS.—The program  
11 under this section shall be carried out in partnership with  
12 regional land grant institutions, agricultural commodity  
13 commissions, biofuels companies, sensor and controls com-  
14 panies, and internet technology companies.

15 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
16 are authorized to be appropriated such sums as may be  
17 necessary to carry out this section.

18 **SEC. 9016. SENSE OF CONGRESS ON RENEWABLE ENERGY.**

19 It is the sense of Congress that—

20 (1) energy demand in the United States is pro-  
21 jected to increase by more than 30 percent over the  
22 next two decades;

23 (2) increased production of renewable energy  
24 and growth of its infrastructure would assist the

1 United States in meeting the growing energy de-  
2 mand;

3 (3) continued, and even accelerated, develop-  
4 ment of renewable energy inputs and technologies  
5 provide numerous benefits to the United States, in-  
6 cluding improved national security and economic  
7 growth;

8 (4) while it should be a priority of the Federal  
9 Government to continue to promote policies and in-  
10 centives to stimulate growth and development of re-  
11 newable energy infrastructure, it should be recog-  
12 nized that the marketplace is also an important in-  
13 strument to determine which renewable energy  
14 sources and technologies will provide the most effi-  
15 cient and effective energy production;

16 (5) renewable energy inputs and technology  
17 must be available in abundant quantities and provide  
18 energy at competitive prices in a reliable manner for  
19 the American consumer; and

20 (6) it is in the interest of the United States to  
21 diversify its energy portfolio and increase the energy  
22 independence of the United States by further devel-  
23 oping alternative forms of energy.

1   **SEC. 9017. BIODIESEL FUEL EDUCATION PROGRAM.**

2           Section 9004(d) of the Farm Security and Rural In-  
3   vestment Act of 2002 (7 U.S.C. 8104(d)) is amended to  
4   read as follows:

5           “(d) FUNDING.—Of the funds of the Commodity  
6   Credit Corporation, the Secretary shall make available to  
7   carry out this section \$2,000,000 for each of fiscal years  
8   2008 through 2012.”.

9   **SEC. 9018. BIOMASS ENERGY RESERVE.**

10          Title IX of the Farm Security and Rural Investment  
11   Act of 2002 (7 U.S.C. 8101 et seq.) is amended by adding  
12   at the end the following new section:

13   **“SEC. 9017. BIOMASS ENERGY RESERVE.**

14          “(a) PURPOSE.—The purpose of this section is to es-  
15   tablish a biomass energy reserve—

16               “(1) to encourage production of dedicated en-  
17   ergy crops in a sustainable manner that protects the  
18   soil, air, water, and wildlife of the United States;  
19   and

20               “(2) to provide financial and technical assist-  
21   ance to owners and operators of eligible cropland to  
22   produce dedicated energy crops and crop mixes of  
23   suitable quality and in sufficient quantities to sup-  
24   port and induce development and expansion of the  
25   use of the crop for—

26                       “(A) bioenergy;

1           “(B) power or heat generation to supple-  
2           ment or replace nonbiobased energy sources; or

3           “(C) biobased products to supplement or  
4           replace non biobased products;

5           “(3) to establish biomass energy reserve project  
6           areas; and

7           “(4) to provide financial and technical assist-  
8           ance to owners and operators for harvesting, storing,  
9           and transporting cellulosic material.

10          “(b) DEFINITIONS.—In this section:

11           “(1) BEGINNING FARMER OR RANCHER.—The  
12           term ‘beginning farmer or rancher’ has the meaning  
13           given the term in section 343(a) of the Consolidated  
14           Farm and Rural Development Act (7 U.S.C.  
15           1991(a)).

16           “(2) BER.—The term ‘BER’ means the bio-  
17           mass energy reserve established under this section.

18           “(3) BER PROJECT AREA.—The term ‘BER  
19           project area’ means an area that—

20           “(A) has eligible cropland that—

21           “(i) is owned or operated by eligible  
22           participants; and

23           “(ii) has specified boundaries that are  
24           submitted to the Secretary by eligible par-

1                   ticipants and subsequently approved by the  
2                   Secretary; and

3                   “(B) is physically located within a 50-mile  
4                   radius of a bioenergy facility.

5                   “(4) CONSERVATION RESERVE PROGRAM.—The  
6                   term ‘conservation reserve program’ means the con-  
7                   servation reserve program established under sub-  
8                   chapter B of chapter 1 of subtitle D of title XII of  
9                   the Food Security Act of 1985 (16 U.S.C. 3831 et  
10                  seq.).

11                  “(5) CONTRACT ACREAGE.—The term ‘contract  
12                  acreage’ means eligible cropland that is covered by  
13                  a BER contract entered into with the Secretary.

14                  “(6) ELIGIBLE APPLICANT.—The term ‘eligible  
15                  applicant’ means—

16                         “(A) a collective group of owners and oper-  
17                         ators producing or proposing to produce eligible  
18                         dedicated energy crops;

19                         “(B) an energy or agricultural company or  
20                         refinery; and

21                         “(C) an Agricultural Innovation Center es-  
22                         tablished pursuant to section 6402 of the Farm  
23                         Security and Rural Investment Act of 2002  
24                         (Public Law 107–171; 116 Stat. 426; 7 U.S.C.  
25                         1621 note).

1 “(7) ELIGIBLE CROPLAND.—

2 “(A) IN GENERAL.—The term ‘eligible  
3 cropland’ means land that the applicable county  
4 committee of the Farm Service Agency deter-  
5 mines—

6 “(i) is currently being tilled for the  
7 production of a crop for harvest; or

8 “(ii) is not currently being tilled but  
9 has been tilled in a prior crop year and is  
10 suitable for production of an eligible dedi-  
11 cated energy crop.

12 “(B) EXCLUSIONS.—The term ‘eligible  
13 cropland’ does not include—

14 “(i) Federally-owned land;

15 “(ii) land enrolled in—

16 “(I) the conservation reserve pro-  
17 gram;

18 “(II) the grassland reserve pro-  
19 gram; or

20 “(III) the wetlands reserve pro-  
21 gram; and

22 “(iii) land with greater than 50 per-  
23 cent cover of native nonwoody vegetation  
24 or forest land, as of the date of enactment  
25 of this section.

1 “(8) ELIGIBLE DEDICATED ENERGY CROP.—

2 “(A) IN GENERAL.—The term ‘eligible  
3 dedicated energy crop’ means any crop native to  
4 the United States, or another crop, as deter-  
5 mined by the Secretary, grown specifically to  
6 provide raw materials for—

7 “(i) conversion to liquid transpor-  
8 tation fuels or chemicals through bio-  
9 chemical or thermochemical processes; or

10 “(ii) energy generation through com-  
11 bustion, pyrolysis, gasification, cofiring, or  
12 other technologies, as determined by the  
13 Secretary.

14 “(B) EXCLUSIONS.—The term ‘eligible  
15 dedicated energy crop’ does not include—

16 “(i) any crop that is eligible for pay-  
17 ments under title I or a successor title; or

18 “(ii) any plant that is invasive or nox-  
19 ious or has the potential to become  
20 invasive or noxious, as determined by the  
21 Secretary, in consultation with other ap-  
22 propriate Federal or State departments  
23 and agencies.

24 “(9) ELIGIBLE PARTICIPANT.—The term ‘eligi-  
25 ble participant’ means an owner or operator of con-



1 tract acreage that is physically located within a  
2 BER project area.

3 “(10) FEDERALLY-OWNED LAND.—The term  
4 ‘Federally-owned land’ means land owned by—

5 “(A) the Federal Government (including  
6 any department, instrumentality, bureau, or  
7 agency of the Federal Government); or

8 “(B) any corporation whose stock is wholly  
9 owned by the Federal Government.

10 “(11) FOREST LAND.—The term ‘forest land’  
11 means an ecosystem that is at least 1 acre in size  
12 (including timberland and woodland) and that (as  
13 determined by the Secretary)—

14 “(A) is characterized by dense and exten-  
15 sive tree cover;

16 “(B) contains, or once contained, at least  
17 10 percent tree crown cover; and

18 “(C) is not developed and planned for ex-  
19 clusive nonforest resource use.

20 “(12) GRASSLAND RESERVE PROGRAM.—The  
21 term ‘grassland reserve program’ means the grass-  
22 land reserve program established under subchapter  
23 C of chapter 2 of subtitle D of title XII of the Food  
24 Security Act of 1985 (16 U.S.C. 3838n et seq.).

1           “(13) OPERATOR.—The term ‘operator’ means  
2           an individual, entity, or joint operation that is in  
3           control of the farming operations on a farm during  
4           the applicable crop year.

5           “(14) OWNER.—

6                 “(A) IN GENERAL.—The term ‘owner’  
7                 means a person that has legal ownership of eli-  
8                 gible cropland.

9                 “(B) INCLUSION.—The term ‘owner’ in-  
10                cludes—

11                         “(i) a person that is buying eligible  
12                         cropland under a contract for deed; and

13                         “(ii) a person that has a life estate in  
14                         eligible cropland.

15           “(15) QUALIFIED ORGANIZATION.—The term  
16           ‘qualified organization’ means—

17                 “(A) an Agricultural Innovation Center es-  
18                 tablished pursuant to section 6402 of the Farm  
19                 Security and Rural Investment Act of 2002  
20                 (Public Law 107–171; 116 Stat. 426; 7 U.S.C.  
21                 1621 note) with significant experience in the  
22                 field of renewable energy, as determined by the  
23                 Secretary; or

24                 “(B) in a region not served by a center re-  
25                 ferred to in subparagraph (A)—

1 “(i) an entity with significant experi-  
2 ence in the field of renewable energy that  
3 is geographically located in such region, as  
4 determined by the Secretary; or

5 “(ii) an accredited college or univer-  
6 sity with experience providing technical as-  
7 sistance in the field of renewable energy  
8 that is geographically located in such re-  
9 gion, as determined by the Secretary.

10 “(16) SECRETARY.—The term ‘Secretary’  
11 means the Secretary of Agriculture.

12 “(17) SOCIALLY DISADVANTAGED FARMER OR  
13 RANCHER.—The term ‘socially disadvantaged farmer  
14 or rancher’ means a farmer or rancher who is a  
15 member of a socially disadvantaged group (as de-  
16 fined in section 355(e) of the Consolidated Farm  
17 and Rural Development Act (7 U.S.C. 2003(e))).

18 “(18) WETLANDS RESERVE PROGRAM.—The  
19 term ‘wetlands reserve program’ means the wetlands  
20 reserve program established under subchapter C of  
21 chapter 1 of subtitle D of title XII of the Food Se-  
22 curity Act of 1985 (16 U.S.C. 3837 et seq.).

23 “(c) ESTABLISHMENT.—Not later than 90 days after  
24 the date of enactment of this section, the Secretary shall  
25 establish a biomass energy reserve in accordance with this

1 section. The Secretary shall ensure the purposes in sub-  
2 section (a) are met by including in the reserve projects  
3 that include a variety of harvest and post-harvest prac-  
4 tices, including stubble height, unharvested strips (includ-  
5 ing strips for wildlife habitat), and varying harvest dates  
6 and a variety of monoculture and polyculture crop mixes,  
7 as appropriate, by project area.

8 “(d) PROPOSALS FOR BER PROJECT AREAS.—

9 “(1) SELECTION OF QUALIFIED ORGANIZA-  
10 TIONS.—

11 “(A) IN GENERAL.—The Secretary shall  
12 select not more than 10 qualified organizations  
13 to assist—

14 “(i) eligible applicants in submitting  
15 proposals under paragraph (2); and

16 “(ii) the Secretary in selecting BER  
17 project areas.

18 “(B) REGION.—The Secretary shall select  
19 not more than 1 qualified organization to assist  
20 eligible applicants and the Secretary in any par-  
21 ticular region of the United States, as deter-  
22 mined by the Secretary.

23 “(C) FUNDING.—The Secretary shall pro-  
24 vide each qualified organization selected under

1 paragraph (1) not more than \$300,000 to carry  
2 out this paragraph.

3 “(2) CONSULTATION WITH QUALIFIED ORGANI-  
4 ZATION.—An eligible applicant may consult with and  
5 submit to a qualified organization a written proposal  
6 that—

7 “(A) identifies the eligible cropland that  
8 will be a part of the proposed BER project  
9 area; and

10 “(B) indicates a strong likelihood that the  
11 proposed BER project area will generate a suf-  
12 ficient quantity of biomass from eligible dedi-  
13 cated energy crops and acres or other sources  
14 to supply an existing bioenergy facility.

15 “(3) MINIMUM REQUIREMENTS.—The written  
16 proposal for a proposed BER project area shall in-  
17 clude—

18 “(A) a description of the eligible cropland  
19 of each eligible participant that will participate  
20 in the proposed BER project area, including—

21 “(i) the quantity of eligible cropland  
22 of each eligible participant;

23 “(ii) the physical location of the eligi-  
24 ble cropland;

1                   “(iii) the 1 or more eligible dedicated  
2                   energy crops that will be produced on the  
3                   eligible cropland; and

4                   “(iv) the type of land use or crop that  
5                   will be displaced by the eligible dedicated  
6                   energy crop;

7                   “(B)(i) the name, if available, and type, lo-  
8                   cation, and description of the bioenergy facility  
9                   that will use the eligible dedicated energy crops  
10                  to be produced in the proposed BER project  
11                  area; and

12                  “(ii) a letter of commitment from a bio-  
13                  energy facility that the facility will use the eligi-  
14                  ble dedicated energy crops intended to be pro-  
15                  duced in the proposed BER project area;

16                  “(C) a general analysis of the anticipated  
17                  local economic impact of the proposed BER  
18                  project; and

19                  “(D) any additional information needed to  
20                  determine the eligibility for, and ranking of, the  
21                  proposal, as determined by the Secretary.

22                  “(4) INDIVIDUAL OWNERS AND OPERATORS.—A  
23                  project area proposal may not submit an individual  
24                  proposal to participate in the BER.

1           “(5) ELIGIBILITY CRITERIA FOR BER PROJECT  
2 AREAS.—The Secretary shall establish a system for  
3 ranking BER project areas based on the following  
4 criteria:

5           “(A) The probability that the eligible dedi-  
6 cated energy crops proposed to be produced in  
7 the proposed BER project area will be used for  
8 the purposes of the BER.

9           “(B) The inclusion of adequate potential  
10 feedstocks and suitable placement with respect  
11 to the bioenergy facility.

12           “(C) The potential for a positive economic  
13 impact in the proposed BER project area.

14           “(D) The availability of the ownership of  
15 the bioenergy facility in the proposed BER  
16 project area to producers and local investors.

17           “(E) The participation rate by beginning  
18 farmers or ranchers or socially disadvantaged  
19 farmers or ranchers.

20           “(F) The potential to improve soil con-  
21 servation and water quality, and enhance wild-  
22 life habitat, when compared to existing land  
23 uses.

1           “(G) The variety of agronomic conditions  
2           the proposed eligible dedicated energy crops will  
3           be grown within a project area.

4           “(H) The variety of harvest and post har-  
5           vest practices, including stubble height,  
6           unharvested strips (including strips for wildlife  
7           habitat), and varying harvest dates.

8           “(I) The variety of monoculture and  
9           polyculture crop mixes, as appropriate, by  
10          project area.

11         “(6) SELECTION OF PROJECTS.—

12                 “(A) RANKING; SUBMISSION TO SEC-  
13                 RETARY.—Each qualified organization selected  
14                 by the Secretary under paragraph (1) shall  
15                 rank proposals submitted to such qualified or-  
16                 ganization under paragraph (2) using the sys-  
17                 tem for ranking established by the Secretary  
18                 under paragraph (6) and shall submit to the  
19                 Secretary up to five of the highest ranked appli-  
20                 cations.

21                 “(B) SECRETARY SELECTION.—The Sec-  
22                 retary shall authorize not less than one pro-  
23                 posal submitted to the Secretary from each  
24                 qualified organization under subparagraph (A).

25         “(e) FOREST BIOMASS PLANNING GRANTS.—



1           “(1) IN GENERAL.—The Secretary shall provide  
2       forest biomass planning assistance grants to private  
3       landowners to develop forest stewardship plans that  
4       involve sustainable management of biomass from  
5       forest land of the private landowners that will pre-  
6       serve diversity, soil, water, or wildlife values of the  
7       land, while ensuring a steady supply of biomass ma-  
8       terial, through—

9           “(A) State forestry agencies, in consulta-  
10       tion with State wildlife agencies; and

11           “(B) technical service provider arrange-  
12       ments with third-parties.

13           “(2) LIMITATION.—The total amount of funds  
14       used to carry out this subsection shall not exceed  
15       \$5,000,000.

16       “(f) DURATION OF CONTRACT.—

17           “(1) IN GENERAL.—Subject to paragraph (2),  
18       for purposes of carrying out the BER, the Secretary  
19       shall enter into contracts of 5 years.

20           “(2) EARLY TERMINATION.—The Secretary  
21       may terminate a contract early if the Secretary de-  
22       termines that—

23           “(A) contract acreage will not be used to  
24       produce an eligible dedicated energy crop;

1           “(B) a material breach of the contract has  
2           occurred;

3           “(C) the owner or operator has died; or

4           “(D) continuation of the contract will  
5           cause undue economic hardship.

6           “(g) CONTRACT ACREAGE REQUIREMENTS.—

7           “(1) IN GENERAL.—On approval of a BER  
8           project area by the Secretary, each eligible partici-  
9           pant in the BER project area shall enter into a con-  
10          tract with the Secretary that is consistent with the  
11          BER.

12          “(2) ADDITIONAL ELIGIBLE PARTICIPANTS.—  
13          The Secretary may add eligible participants to a  
14          BER project area after approval of the BER project  
15          area.

16          “(3) CONSERVATION PRACTICES.—To ensure  
17          the sustainability of farm operations and the protec-  
18          tion of soil, air, water and wildlife, the Secretary  
19          shall include such terms and conditions in a contract  
20          entered into under paragraph (1) as the Secretary  
21          considers necessary.

22          “(4) PURPOSES.—

23                 “(A) IN GENERAL.—Except as provided in  
24                 subparagraph (B), to be eligible to participate  
25                 in the BER, an eligible participant may use eli-

1           gible dedicated energy crops produced on con-  
2           tract acreage only for the purposes described in  
3           subsection (a).

4           “(B) PERSONAL USE.—During the period  
5           before the commercial viability of a bioenergy  
6           facility, an eligible participant may use eligible  
7           dedicated energy crops produced by the eligible  
8           participant on contract acreage for personal  
9           use.

10          “(C) SEED PRODUCTION.—During the pe-  
11          riod before the commercial viability of a bio-  
12          energy facility, an eligible participant may har-  
13          vest and sell seed produced on contract acreage.

14          “(5) REQUIREMENTS.—To be eligible to partici-  
15          pate in the BER, during the term of the BER con-  
16          tract, an eligible participant shall comply with—

17               “(A) the highly erodible land conservation  
18               requirements of subtitle B of title XII of the  
19               Food Security Act of 1985 (16 U.S.C. 3811 et  
20               seq.); and

21               “(B) the wetland conservation require-  
22               ments of subtitle C of title XII of that Act (16  
23               U.S.C. 3821 et seq.).

24          “(h) ADDITIONAL ELIGIBLE BIOMASS.—

1           “(1) IN GENERAL.—The Secretary may allow  
2           on land that is enrolled in the conservation reserve  
3           program and located within the BER project area  
4           the harvesting of biomass—

5                   “(A) in exchange for a reduction of an ap-  
6                   plicable annual payment in an amount to be de-  
7                   termined by the Secretary;

8                   “(B) in accordance with an approved con-  
9                   servation reserve program plan, including mid-  
10                  contract management and forestry maintenance  
11                  activities; and

12                  “(C) in a manner that ensures that bio-  
13                  mass harvest activities occur outside the official  
14                  nesting and brood rearing season for those  
15                  plans.

16           “(i) DUTIES OF SECRETARY.—The Secretary shall—

17                   “(1) establish and administer the BER;

18                   “(2) authorize establishment of BER project  
19                  areas for the purposes of the BER described in sub-  
20                  section (a);

21                   “(3) develop procedures—

22                           “(A) to monitor the compliance of eligible  
23                           participants that have land enrolled in the BER  
24                           with the requirements of the BER;

1           “(B) to measure the performance of the  
2           BER; and

3           “(C) to demonstrate whether the long-term  
4           eligible dedicated energy crop production goals  
5           are being achieved.

6           “(4) enter into a written contract with each eli-  
7           gible participant that elects to participate in the  
8           BER in a BER project area;

9           “(5) not enter into a contract under the BER  
10          with an individual owner or operator unless the land  
11          of the eligible participant is physically located in an  
12          approved BER project area; and

13          “(6) provide all payments under the contract  
14          directly to the eligible participant.

15          “(j) CONTRACTS.—A contract entered into between  
16          the Secretary and an eligible participant under the BER  
17          shall include, at a minimum, terms that cover—

18               “(1) requirements for the eligible participant in  
19               carrying out the contract, including requirements de-  
20               scribed in subsections (f), (g), and (l);

21               “(2) termination provisions;

22               “(3) payment terms and amounts to be pro-  
23               vided on an annual basis;

24               “(4) the sales or transfer of contract acreage;

25               “(5) the modification of the contract;

1           “(6) the maximum quantity of contract acreage  
2           and an estimated schedule for how much eligible  
3           cropland will be enrolled each contract year; and

4           “(7) any additional terms the Secretary con-  
5           siders appropriate.

6           “(k) PAYMENTS.—

7           “(1) IN GENERAL.—The Secretary shall provide  
8           payments directly to eligible participants who enter  
9           into contracts described in subsection (j) in accord-  
10          ance with such subsection.

11          “(2) ESTABLISHMENT PAYMENTS.—

12           “(A) IN GENERAL.—The Secretary shall  
13           provide to an eligible participant who enters  
14           into a BER contract an establishment payment  
15           in an amount equal to the costs of establishing  
16           an eligible dedicated energy crop on the con-  
17           tract acreage covered by the contract.

18           “(B) ELIGIBLE ESTABLISHMENT PAY-  
19           MENTS.—The costs for which an eligible owner  
20           may receive an establishment payment under  
21           this paragraph include—

22                   “(i) the cost of seeds and stock; and

23                   “(ii) the cost of planting the crop.

24          “(3) RENTAL PAYMENTS.—

1           “(A) IN GENERAL.—The Secretary shall  
2           make annual rental payments to an eligible par-  
3           ticipant who enters into a BER contract.

4           “(B) PERIOD.—An eligible participant  
5           shall receive rental payments for a period of not  
6           more than 5 years after entering into a BER  
7           contract with the Secretary on contract acreage.

8           “(C) REDUCTION.—The Secretary shall re-  
9           duce rental payments under (A) by an amount  
10          determined to be appropriate by the Secretary,  
11          if an eligible dedicated energy crop is harvested  
12          in accordance with subsection (g)(4).

13       “(l) INFORMATION SHARING.—

14           “(1) IN GENERAL.—Owners and operators of a  
15          farm entering into a contract with the Secretary  
16          under this section shall agree to make available to  
17          the Secretary, or to an institution of higher edu-  
18          cation or other entity designated by the Secretary,  
19          such information as the Secretary considers to be  
20          appropriate to promote the production of bioenergy  
21          crops and the development of biorefinery technology;  
22          and

23           “(2) BEST PRACTICES DATABASE.—Subject to  
24          section 1770 of the Food Security Act of 1985 (7  
25          U.S.C. 2276), the Secretary shall make available to

1 the public in a database format the best practices in-  
2 formation developed by the Secretary in providing  
3 bioenergy assistance under this section.

4 “(m) PAYMENTS FOR COLLECTING, HARVESTING,  
5 STORING, AND TRANSPORTING BIOMASS PRODUCED ON  
6 BER CONTRACT ACREAGE, AGRICULTURAL WASTE BIO-  
7 MASS, AND SUSTAINABLY-HARVESTED AGRICULTURAL  
8 AND FOREST RESIDUES.—

9 “(1) IN GENERAL.—Subject to paragraph (2),  
10 the Secretary may provide matching payments at a  
11 rate of \$1 for every \$1 per ton provided by the bio-  
12 energy facility, in an amount equal to not more than  
13 \$45 per ton for a period of two years—

14 “(A) to eligible participants for biomass  
15 produced on BER contract acreage in exchange  
16 for a reduction of the annual payment issued  
17 under subsection (k)(3), as determined by the  
18 Secretary;

19 “(B) to any producer of agricultural waste  
20 biomass or sustainably-harvested agricultural  
21 and forest residues in the United States for the  
22 agricultural waste or residue; and

23 “(C) for residue collected as a result of the  
24 removal of noxious and invasive species, in ac-



1 cordance with methods approved by the Sec-  
2 retary.

3 “(2) FOREST LAND OWNER ELIGIBILITY.—

4 Owners of forest land shall be eligible to receive pay-  
5 ments under this subsection only if such owners are  
6 acting pursuant to a forest stewardship plan.

7 “(n) FUNDING.—Of the funds of the Commodity  
8 Credit Corporation, the Secretary shall use to carry out  
9 this section such sums as are necessary for each of fiscal  
10 years 2008 through 2012.”.

11 **SEC. 9019. FOREST BIOMASS FOR ENERGY.**

12 Title IX of the Farm Security and Rural Investment  
13 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended  
14 by adding at the end the following new section:

15 **“SEC. 9018. FOREST BIOMASS FOR ENERGY.**

16 “(a) IN GENERAL.—The Secretary of Agriculture,  
17 through the Forest Service, shall conduct a competitive  
18 research and development program to encourage use of  
19 forest biomass for energy.

20 “(b) ELIGIBLE ENTITIES.—Entities eligible to com-  
21 pete under this program include the Forest Service  
22 (through Research and Development), other Federal agen-  
23 cies, State and local governments, federally recognized In-  
24 dian tribes, land grant colleges and universities, and pri-  
25 vate entities.

1       “(c) PRIORITY FOR PROJECT SELECTION.—The Sec-  
2 retary shall give priority to projects that—

3               “(1) develop technology and techniques to use  
4 low value forest biomass, such as byproducts of for-  
5 est health treatments and hazardous fuels reduction,  
6 for the production of energy;

7               “(2) develop processes that integrate production  
8 of energy from forest biomass into biorefineries or  
9 other existing manufacturing streams;

10              “(3) develop new transportation fuels from for-  
11 est biomass; and

12              “(4) improve the growth and yield of trees in-  
13 tended for renewable energy production.

14       “(d) FUNDING.—Of the funds of the Commodity  
15 Credit Corporation, the Secretary shall make available to  
16 carry out this section \$15,000,000 for each of fiscal years  
17 2008 through 2012.”.

18 **SEC. 9019. COMMUNITY WOOD ENERGY PROGRAM.**

19       (a) FINDINGS.—Congress finds that—

20              (1) the United States’ over-reliance on fossil  
21 fuel energy has placed undue strain on the nation by  
22 compromising our economy and national security;

23              (2) the United States’ over-reliance on fossil  
24 fuel energy has also created new strains on our nat-

1        ural systems, including carbon emissions that con-  
2        tribute to climate change;

3            (3) transportation of energy, such as heating  
4        oil, adds to carbon emissions associated with meet-  
5        ing our community energy needs and therefore fur-  
6        ther feeds climate change;

7            (4) it is in the national interest to conserve en-  
8        ergy and support adoption of new local, sustainable,  
9        efficient, and carbon neutral energy sources, such as  
10       wood energy, for community energy needs;

11           (5) communities can save as much as 50 per-  
12       cent over natural gas, 80 percent over propane, 80  
13       percent over electric heat, and 50 percent over oil  
14       heat by switching to wood energy for heating schools  
15       and other public buildings;

16           (6) in fast growing communities of all sizes  
17       across the United States, municipal and country-  
18       owned forest land is playing an essential role in  
19       meeting many public needs and could also be used  
20       to help support sustainable forestry and local wood  
21       energy applications; and

22           (7) the rapidly expanding base of private forest  
23       land owners nationwide includes many individuals  
24       with no experience in forest stewardship who could  
25       be given technical assistance to provide locally

1       sourced wood supply through sustainable forest  
2       management for local wood energy applications.

3       (b) PURPOSE.—The purpose of this section is to pro-  
4       vide grants for community wood energy systems that are  
5       intended to—

6               (1) meet community energy needs with reduced  
7       carbon intensity versus fossil fuel systems;

8               (2) promote energy conservation and develop-  
9       ment of new renewable energy sources;

10              (3) aid local budgets by reducing municipal and  
11       county energy costs;

12              (4) increase utilization of low value wood sup-  
13       plies and waste, thereby strengthening the forest  
14       products economy for the benefit of forest workers  
15       and private forest land owners; and

16              (5) increase awareness of energy conservation  
17       and consumption and the multiple-use values of for-  
18       ests among community members, especially young  
19       people.

20       (c) GRANT PROGRAM.—The Secretary of Agriculture,  
21       acting through the Forest Service, shall establish a pro-  
22       gram to be known as the Community Wood Energy Pro-  
23       gram to provide grants to State and local governments to  
24       acquire community wood energy systems for public build-  
25       ings and to implement a community wood energy plan.

1 (d) USE IN PUBLIC BUILDINGS.—A State or local  
2 government receiving a grant under subsection (c) shall  
3 use a community wood energy system acquired in whole  
4 or in part with the use of grant funds for primary use  
5 in a public facility owned by such State or local govern-  
6 ment.

7 (e) LIMITATION.—A community wood energy system  
8 acquired with grant funds provided under subsection (c)  
9 shall not exceed an output of—

10 (1) 50,000,000 BTU per hour for heating; and

11 (2) 2 megawatts for electric power production.

12 (f) COMMUNITY WOOD ENERGY PLAN.—Within 18  
13 months of receiving assistance under this section, commu-  
14 nities shall utilize the technical assistance of the State for-  
15 ester to create a community wood energy plan identifying  
16 how local forests can be accessed in a sustainable manner  
17 to help meet the wood supply needs of systems purchased  
18 under this section.

19 (g) MATCHING FUNDS.—A State or local government  
20 receiving a grant under subsection (c) shall contribute an  
21 amount of non-Federal funds towards the acquisition of  
22 community wood energy systems that is at least equal to  
23 the amount of grant funds received by such State or local  
24 government.

1 (h) COMMUNITY WOOD ENERGY SYSTEM DE-  
2 FINED.—The term “community wood energy system” in-  
3 cludes single facility central heating, district heating, com-  
4 bined heat and energy systems, and other related biomass  
5 energy systems that service schools, town halls, libraries,  
6 and other public buildings.

7 (i) APPROPRIATION.—There are authorized to be ap-  
8 propriated such sums as may be necessary to carry out  
9 this section.

10 **SEC. 9020. SUPPLEMENTING CORN AS AN ETHANOL FEED-**  
11 **STOCK.**

12 (a) RESEARCH AND DEVELOPMENT PROGRAM.—The  
13 Secretary of Agriculture shall establish a program to make  
14 grants of not to exceed \$1,000,000 each to no more than  
15 20 universities for a 3-year program of demonstration of  
16 supplementing corn as an ethanol feedstock with sweet  
17 sorghum and switchgrass.

18 (b) PROGRAM GOALS.—The goals of the program  
19 under this section shall be to—

20 (1) enhance agronomic efficiency of the crop on  
21 marginal lands by—

22 (A) developing best management practices  
23 for maintaining high yields while using less  
24 water and nitrogen than corn;

1 (B) identifying and selecting plants with a  
2 high sugar content; and

3 (C) developing cold-tolerant sweet sorghum  
4 varieties to enable two crops to be grown per  
5 season;

6 (2) enhance ethanol processing potential in the  
7 crop by—

8 (A) developing a robust technology for cen-  
9 tralized ethanol production facilities that pair  
10 high-performing sweet sorghum lines with dif-  
11 ferent yeasts to produce the best process for  
12 converting sweet sorghum juice into ethanol;

13 (B) conducting process and chemical anal-  
14 yses of sweet sorghum sap fermentation;

15 (C) introducing cellulosic hydrolyzing en-  
16 zymes into sweet sorghum to promote biomass  
17 conversion; and

18 (D) performing life-cycle analysis of sweet  
19 sorghum ethanol, including analysis of energy  
20 yield, efficiency, and greenhouse gas reduction;

21 (3) establish a production system optimized for  
22 the region of the university conducting the research;

23 (4) improve sweet sorghum lines with higher  
24 sugar production and performance with minimal ag-  
25 ricultural inputs;

1           (5) optimize sugar fermentation using selected  
2       yeast strains;

3           (6) develop sweet sorghum lines with improved  
4       cold tolerance and cellulosic degradation; and

5           (7) develop agricultural models for predicting  
6       agricultural performance and ethanol yield under  
7       various growing conditions.

8       (c) AWARD CRITERIA.—The Secretary shall award  
9       grants under this section only to universities that—

10           (1) have access to multiple lines of sweet sor-  
11       ghum for research; and

12           (2) are located in a State where sweet sorghum  
13       is anticipated to grow well on marginal lands.

14       (d) AUTHORIZATION OF APPROPRIATIONS.—There  
15       are authorized to be appropriated to the Secretary for car-  
16       rying out this section \$20,000,000.

## 17       **TITLE X—HORTICULTURE AND** 18       **ORGANIC AGRICULTURE**

### Subtitle A—Honey and Bees

Sec. 10001. Annual report on response to honey bee colony collapse disorder.

### Subtitle B—Horticulture Provisions

Sec. 10101. Tree assistance program.

Sec. 10102. Specialty crop block grants.

Sec. 10103. Additional section 32 funds for purchase of fruits, vegetables, and  
          nuts to support domestic nutrition assistance programs.

Sec. 10103A Additional section 32 funds to provide grants for the purchase  
          and operation of urban gardens growing organic fruits and  
          vegetables for the local population.

Sec. 10104. Independent evaluation of Department of Agriculture commodity  
          purchase process.

Sec. 10105. Quality requirements for elementines.



- Sec. 10106. Implementation of food safety programs under marketing orders.
- Sec. 10107. Inclusion of specialty crops in census of agriculture.
- Sec. 10108. Maturity requirements for Hass avocados.
- Sec. 10109. Mushroom promotion, research, and consumer information.
- Sec. 10110. Fresh produce education initiative.

#### Subtitle C—Pest and Disease Management

- Sec. 10201. Pest and disease program.
- Sec. 10202. Multi-species fruit fly research and sterile fly production.

#### Subtitle D—Organic Agriculture

- Sec. 10301. National organic certification cost-share program.
- Sec. 10302. Organic production and market data.
- Sec. 10303. Organic conversion, technical, and educational assistance.

#### Subtitle E—Miscellaneous Provisions

- Sec. 10401. Grant program to improve movement of specialty crops.
- Sec. 10402. Authorization of appropriations for market news activities regarding specialty crops.
- Sec. 10403. Farmer marketing program.
- Sec. 10404. National Clean Plant Network.

## 1           **Subtitle A—Honey and Bees**

### 2   **SEC. 10001. ANNUAL REPORT ON RESPONSE TO HONEY BEE** 3                   **COLONY COLLAPSE DISORDER.**

4           The Secretary of Agriculture shall submit to Con-  
 5 gress an annual report describing the progress made by  
 6 the Department of Agriculture in investigating the cause  
 7 or causes of honey bee colony collapse and in finding ap-  
 8 propriate strategies to reduce colony loss.

## 9           **Subtitle B—Horticulture** 10                   **Provisions**

### 11   **SEC. 10101. TREE ASSISTANCE PROGRAM.**

12           (a) INCLUSION OF NURSERY TREE GROWERS.—

13                   (1) ELIGIBILITY.—Section 10201 of the Farm  
 14 Security and Rural Investment Act of 2002 (7  
 15 U.S.C. 8201) is amended—

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

3 (B) by inserting after paragraph (2) the  
4 following new paragraph:

5 “(3) NURSERY TREE GROWER.—The term  
6 ‘nursery tree grower’ means a person who produces  
7 nursery, ornamental, fruit, nut, or Christmas trees  
8 for commercial sale, as determined by the Sec-  
9 retary.”.

10 (2) CONFORMING AMENDMENTS.—Subtitle C of  
11 title X of the Farm Security and Rural Investment  
12 Act of 2002 is amended—

13 (A) in section 10202 (7 U.S.C. 8202)—

14 (i) in subsection (a), by inserting  
15 “and nursery tree growers” after “eligible  
16 orchardists”; and

17 (ii) in subsection (b), by inserting “or  
18 nursery tree grower” after “eligible or-  
19 chardist”; and

20 (B) in section 10203 (7 U.S.C. 8203), by  
21 inserting “and nursery tree growers” after “eli-  
22 gible orchardists”.

23 (b) ANNUAL PAYMENT LIMITATION.—Section  
24 10204(a) of the Farm Security and Rural Investment Act

1 of 2002 (7 U.S.C. 8204(a)) is amended by striking  
2 “\$75,000” and inserting “\$150,000 per year”.

3 (c) APPLICABILITY.—The amendments made by this  
4 section shall apply with respect to any natural disaster oc-  
5 ccurring after the date of the enactment of this Act for  
6 which assistance is provided by the Secretary of Agri-  
7 culture under the tree assistance program.

8 **SEC. 10102. SPECIALTY CROP BLOCK GRANTS.**

9 (a) EXTENSION OF PROGRAM.—Subsection (a) of  
10 section 101 of the Specialty Crops Competitiveness Act  
11 of 2004 (Public Law 108–465; 7 U.S.C. 1621 note) is  
12 amended by striking “2009” and inserting “2012”.

13 (b) AVAILABILITY OF FUNDS.—Subsection (i) of sec-  
14 tion 101 of the Specialty Crops Competitiveness Act of  
15 2004 is amended to read as follows:

16 “(i) FUNDING.—Of the funds of the Commodity  
17 Credit Corporation, the Secretary of Agriculture shall  
18 make grants under this section, using—

19 “(1) \$60,000,000 in fiscal year 2008;

20 “(2) \$65,000,000 in fiscal year 2009;

21 “(3) \$70,000,000 in fiscal year 2010;

22 “(4) \$75,000,000 in fiscal year 2011; and

23 “(5) \$95,000,000 in fiscal year 2012.”.

1       (c) CONFORMING AMENDMENTS.—Section 101 of the  
2 Specialty Crops Competitiveness Act of 2004 (Public Law  
3 108–465; 7 U.S.C. 1621 note) is further amended—

4           (1) in subsection (a), by striking “Subject to  
5 the appropriation of funds to carry out this section”  
6 and inserting “Using the funds made available  
7 under subsection (i)”;

8           (2) in subsection (b), by striking “appropriated  
9 pursuant to the authorization of appropriations in”  
10 and inserting “made available under”; and

11          (3) in subsection (c), by striking “Subject to  
12 the appropriation of sufficient funds to carry out  
13 this subsection, each” and inserting “Each”.

14       (d) DEFINITION OF SPECIALTY CROP.—Section 3(1)  
15 of the Specialty Crops Competitiveness Act of 2004 (Pub-  
16 lic Law 108–465; 7 U.S.C. 1621 note) is amended by in-  
17 serting “horticulture and” before “nursery”.

18       (e) DEFINITION OF STATE.—Section 3(2) of the Spe-  
19 cialty Crops Competitiveness Act of 2004 (Public Law  
20 108–465; 7 U.S.C. 1621 note) is amended by striking  
21 “and the Commonwealth of Puerto Rico” and inserting  
22 “the Commonwealth of Puerto Rico, Guam, American  
23 Samoa, the United States Virgin Islands, and the Com-  
24 monwealth of the Northern Mariana Islands”.

1 **SEC. 10103. ADDITIONAL SECTION 32 FUNDS FOR PUR-**  
2 **CHASE OF FRUITS, VEGETABLES, AND NUTS**  
3 **TO SUPPORT DOMESTIC NUTRITION ASSIST-**  
4 **ANCE PROGRAMS.**

5 (a) **FUNDING FOR ADDITIONAL PURCHASES OF**  
6 **FRUITS, VEGETABLES, AND NUTS.**—In addition to the  
7 purchases of fruits, vegetables, and nuts required by sec-  
8 tion 10603 of the Farm Security and Rural Investment  
9 Act of 2002 (7 U.S.C. 612c–4), the Secretary of Agri-  
10 culture shall purchase fruits, vegetables, and nuts for the  
11 purpose of providing nutritious foods for use in domestic  
12 nutrition assistance programs, using, of the funds made  
13 available under section 32 of the Act of August 24, 1935  
14 (7 U.S.C. 612c), the following amounts:

- 15 (1) \$190,000,000 in fiscal year 2008.  
16 (2) \$193,000,000 in fiscal year 2009.  
17 (3) \$199,000,000 in fiscal year 2010.  
18 (4) \$203,000,000 in fiscal year 2011.  
19 (5) \$206,000,000 in fiscal year 2012 and each  
20 fiscal year thereafter.

21 (b) **FORM OF PURCHASES.**—Fruits, vegetables, and  
22 nuts may be purchased under this section in the form of  
23 frozen, canned, dried, or fresh fruits, vegetables, and nuts.

24 (c) **VALUE ADDED PRODUCTS.**—The Secretary may  
25 consider offering value-added products containing fruits,

1 vegetables or nuts under this section, taking into ac-  
2 count—

3           (1) whether demand exists for the value-added  
4       product; and

5           (2) the interests of entities that receive fruits,  
6       vegetables, and nuts under this section.

7 **SEC. 10103A. ADDITIONAL SECTION 32 FUNDS TO PROVIDE**  
8                   **GRANTS FOR THE PURCHASE AND OPER-**  
9                   **ATION OF URBAN GARDENS GROWING OR-**  
10                  **GANIC FRUITS AND VEGETABLES FOR THE**  
11                  **LOCAL POPULATION.**

12       (a) GRANTS.—The Secretary of Agriculture may  
13 make grants to eligible entities to assist in purchasing and  
14 operating organic gardens or greenhouses in urban areas  
15 for growing fruits and vegetables. In making such grants,  
16 the Secretary will ensure such fruits and vegetables are  
17 sold to local grocery stores.

18       (b) LIMITATIONS.—Grants provided to any eligible  
19 entity under this section may not exceed \$25,000 for any  
20 given year.

21       (c) ELIGIBLE ENTITIES.—

22           (1) INDIVIDUALS.—An individual shall be eligi-  
23 ble to receive a grant under subsection (a) if the in-  
24 dividual is a resident of the neighborhood in which

1 the urban garden or greenhouse is located, or will be  
2 located.

3 (2) COOPERATIVES.—A cooperative shall be eli-  
4 gible to receive a grant under subsection (a) if every  
5 individual member or owner of the cooperative is a  
6 resident of the neighborhood in which the urban gar-  
7 den or greenhouse is located, or will be located.

8 (d) SELECTION OF ELIGIBLE ENTITIES.—The Sec-  
9 retary shall develop criteria for the selection of eligi-  
10 ble entities to receive grants under this section.

11 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
12 authorized to be appropriated to carry out this section  
13 \$20,000,000 for fiscal year 2008 and for each fiscal year  
14 thereafter.

15 **SEC. 10104. INDEPENDENT EVALUATION OF DEPARTMENT**  
16 **OF AGRICULTURE COMMODITY PURCHASE**  
17 **PROCESS.**

18 (a) EVALUATION REQUIRED.—The Secretary of Agri-  
19 culture shall arrange to have performed an independent  
20 evaluation of the commodity purchasing processes (and  
21 the statutory and regulatory authority underlying such  
22 processes) used by the Department of Agriculture to re-  
23 move surplus commodities from the market and support  
24 commodity prices and producer incomes, especially with  
25 regard to activities under section 32 of the Act of August

1 24, 1935 (7 U.S.C. 612c) and the importance of increas-  
2 ing purchases of specialty crops.

3 (b) SUBMISSION OF RESULTS.—Not later than one  
4 year after the date of the enactment of this Act, the Sec-  
5 retary of Agriculture shall submit to Congress a report  
6 on the results of the evaluation.

7 **SEC. 10105. QUALITY REQUIREMENTS FOR CLEMENTINES.**

8 Section 8e(a) of the Agricultural Adjustment Act (7  
9 U.S.C. 608e–1(a)), reenacted with amendments by the Ag-  
10 ricultural Marketing Agreement Act of 1937, is amended  
11 in the first sentence by inserting after “nectarines,” the  
12 following: “clementines,”.

13 **SEC. 10106. IMPLEMENTATION OF FOOD SAFETY PRO-**  
14 **GRAMS UNDER MARKETING ORDERS.**

15 Section 8c(6) of the Agricultural Adjustment Act (7  
16 U.S.C. 608c(6)), reenacted with amendments by the Agri-  
17 cultural Marketing Agreement Act of 1937, is amended  
18 by adding at the end the following:

19 “(K) In the case of an order related to a specialty  
20 crop (as such term is defined in section 3(1) of the Spe-  
21 cialty Crops Competitiveness Act of 2004 (Public Law  
22 108–465; 118 Stat. 3883)), authorizing the implementa-  
23 tion of quality-related food safety programs designed to  
24 enhance the safety of the specialty crop and products de-  
25 rived from specialty crops.”.



1 **SEC. 10107. INCLUSION OF SPECIALTY CROPS IN CENSUS**  
2 **OF AGRICULTURE.**

3 Section 2(a) of the Census of Agriculture Act of 1997  
4 (7 U.S.C. 2204g(a) is amended by adding at the end the  
5 following new sentence: “Beginning with the census of ag-  
6 riculture required to be conducted in 2008, the Secretary  
7 shall conduct as part of each census of agriculture a cen-  
8 sus of specialty crops (as such term is defined in section  
9 3(1) of the Specialty Crops Competitiveness Act of 2004  
10 (Public Law 108–465; 118 Stat. 3883)).”.

11 **SEC. 10108. MATURITY REQUIREMENTS FOR HASS AVOCA-**  
12 **DOS.**

13 Subtitle A of the Agricultural Marketing Act of 1946  
14 is amended by adding at the end the following new section:

15 **“SEC. 209. MATURITY REQUIREMENTS FOR HASS AVOCA-**  
16 **DOS.**

17 “(a) MINIMUM PERCENTAGE OF DRY MATTER.—Not  
18 later than 180 days after the date of the enactment of  
19 the Farm, Nutrition, and Bioenergy Act of 2007, the Sec-  
20 retary of Agriculture shall issue final regulations to re-  
21 quire that all Hass avocados sold to consumers in the  
22 United States meet the minimum maturity standard of not  
23 less than 20.8 percent dry matter.

24 “(b) EXCEPTIONS.—Subsection (a) and the regula-  
25 tions issued pursuant to such subsection shall not apply  
26 to Hass avocados—

1           “(1) intended for consumption by charitable in-  
2       stitutions;

3           “(2) intended for distribution by relief agencies;

4           “(3) intended for commercial processing into  
5       products; or

6           “(4) that the Secretary determines should not  
7       be subject to such subsection or such regulations.

8       “(c) USE OF EXISTING INSPECTORS.—The Secretary  
9       shall, to the greatest extent practicable, use inspectors  
10       that inspect avocados for compliance with section 8e of  
11       the Agricultural Adjustment Act (7 U.S.C. 608e–1), reen-  
12       acted with amendments by the Agricultural Marketing  
13       Agreement Act of 1937, to conduct inspections under this  
14       section.

15       “(d) CIVIL PENALTIES.—The Secretary may require  
16       any person who violates this section or the regulations  
17       issued pursuant to this section to—

18           “(1) forfeit to the United States a sum equal  
19       to the value of the commodity at the time of viola-  
20       tion, which forfeiture shall be recoverable in a civil  
21       suit bought in the name of the United States; or

22           “(2) on conviction, be fined not less than \$50  
23       or more than \$5,000 for each violation.

24       “(e) DIVERSION.—In the case of any Hass avocados  
25       that do not meet the requirements of this section or the

1 regulations issued pursuant to this section, the Secretary  
2 may—

3 “(1) provide for the reinspection of the Hass  
4 avocados; or

5 “(2) authorize the diversion, export, or repack-  
6 ing of the Hass avocados.

7 “(f) FEES.—The Secretary may prescribe and collect  
8 fees to cover the costs of providing for the inspection of  
9 Hass avocados under this section. All fees and penalties  
10 collected shall be credited to the accounts that incur such  
11 costs and shall remain available until expended without  
12 fiscal year limitation.

13 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
14 are authorized to be appropriated such sums as may be  
15 necessary to carry out this section.”.

16 **SEC. 10109. MUSHROOM PROMOTION, RESEARCH, AND CON-**  
17 **SUMER INFORMATION.**

18 (a) REGIONS AND MEMBERS.—Section 1925(b)(2) of  
19 the Mushroom Promotion, Research, and Consumer Infor-  
20 mation Act of 1990 (subtitle B of title XIX of Public Law  
21 101–624; 7 U.S.C. 6104(b)(2)) is amended—

22 (1) in subparagraph (B), by striking “4 re-  
23 gions” and inserting “3 regions”;

1           (2) in subparagraph (D), by striking  
2       “35,000,000 pounds” and inserting “50,000,000  
3       pounds”; and

4           (3) by striking subparagraph (E), and inserting  
5       the following new subparagraph:

6           “(E) ADDITIONAL MEMBERS.—In addition  
7       to the members appointed pursuant to para-  
8       graph (1), and subject to the nine-member limit  
9       of members on the council provided in such  
10      paragraph, the Secretary shall appoint addi-  
11      tional members to the council from a region  
12      which attains additional pounds of production  
13      as follows:

14           “(i) If a region’s annual production is  
15       greater than 110,000,000 pounds, but less  
16       than or equal to 180,000,000 pounds, the  
17       region shall be represented by one addi-  
18       tional member.

19           “(ii) If a region’s annual production is  
20       greater than 180,000,000 pounds, but less  
21       than or equal to 260,000,000 pounds, the  
22       region shall be represented by two addi-  
23       tional members.

24           “(iii) If a region’s annual production  
25       is greater than 260,000,000 pounds, the

1 region shall be represented by three addi-  
2 tional members.”.

3 (b) POWERS AND DUTIES OF COUNCIL.—Section  
4 1925(c) of the Mushroom Promotion, Research, and Con-  
5 sumer Information Act of 1990 (subtitle B of title XIX  
6 of Public Law 101–624; 7 U.S.C. 6104(c)) is amended—

7 (1) by redesignating paragraphs (6), (7), and  
8 (8) as paragraphs (7), (8), and (9), respectively; and

9 (2) by inserting after paragraph (5), the fol-  
10 lowing new paragraph (6):

11 “(6) to develop a program for good agricultural  
12 practices and good handling practices for mush-  
13 rooms;”.

14 **SEC. 10110. FRESH PRODUCE EDUCATION INITIATIVE.**

15 (a) INITIATIVE AUTHORIZED.—The Secretary of Ag-  
16 riculture may carry out a program to educate persons in-  
17 volved in the fresh produce industry and the public  
18 about—

19 (1) scientifically proven practices for reducing  
20 microbiological pathogens on fresh produce; and

21 (2) methods of reducing the threat of cross-con-  
22 tamination of fresh produce through unsanitary han-  
23 dling practices.

24 (b) COOPERATION.—The Secretary may carry out the  
25 program in cooperation with public or private partners.

1 (c) FUNDING.—There are authorized to be appro-  
2 priated such sums as are necessary for each of fiscal years  
3 2008 through 2012 to carry out this section.

4 **Subtitle C—Pest and Disease**  
5 **Management**

6 **SEC. 10201. PEST AND DISEASE PROGRAM.**

7 (a) ESTABLISHMENT.—The Secretary of Agriculture  
8 shall establish a program to—

9 (1) conduct early pest detection and surveil-  
10 lance activities in cooperation with state depart-  
11 ments of agriculture;

12 (2) determine and prioritize pest and disease  
13 threats to domestic production of specialty crops;  
14 and

15 (3) create an audit-based certification approach  
16 to protect against the spread of plant pests and to  
17 facilitate the interstate movement of plants and  
18 plant products.

19 (b) EARLY PEST DETECTION AND SURVEILLANCE  
20 IMPROVEMENT PROGRAM.—

21 (1) COOPERATIVE AGREEMENTS.—The Sec-  
22 retary of Agriculture shall enter into cooperative  
23 agreements with State departments of agriculture to  
24 provide grants to such State departments of agri-

1 culture for early pest detection and surveillance ac-  
2 tivities.

3 (2) APPLICATION.—A State department of agri-  
4 culture seeking to enter into a cooperative agree-  
5 ment under this subsection shall submit to the Sec-  
6 retary an application containing such information as  
7 the Secretary may require. The Secretary shall no-  
8 tify applicants of the following:

9 (A) The requirements to be imposed on a  
10 department of agriculture for auditing of, and  
11 reporting on, the use of any funds provided by  
12 the Secretary under the cooperative agreement.

13 (B) The criteria to be used to ensure that  
14 early pest detection and surveillance activities  
15 supported under the cooperative agreement are  
16 based on sound scientific data or thorough risk  
17 assessments.

18 (C) The means of identifying pathways of  
19 pest introductions.

20 (3) USE OF FUNDS.—

21 (A) PEST DETECTION AND SURVEILLANCE  
22 ACTIVITIES.—A State department of agriculture  
23 that receives funds under this section shall use  
24 the funds to carry out early pest detection and

1 surveillance activities approved by the Secretary  
2 to prevent the introduction or spread of a pest.

3 (B) SUBAGREEMENTS.—A State depart-  
4 ment of agriculture may use funds received  
5 under this section to enter into subagreements  
6 with political subdivisions in such State that  
7 have legal responsibilities relating to agricul-  
8 tural pest and disease surveillance.

9 (4) SPECIAL FUNDING CONSIDERATIONS.—The  
10 Secretary shall provide, subject to the availability of  
11 funds under subsection (j), funds to a State depart-  
12 ment of agriculture that the Secretary determines is  
13 in a State that has a high risk of being affected by  
14 one or more pest, based on the following factors:

15 (A) The number of international airports  
16 and maritime facilities in that State.

17 (B) The volume of international passenger  
18 and cargo entry into that State.

19 (C) The geographic location of that State  
20 and if such location is conducive to agricultural  
21 pest and disease establishment due to the cli-  
22 mate or crop diversity of that State.

23 (D) The types of agricultural commodities  
24 or plants produced in that State and if the  
25 commodities or plants produced are conducive



1 to agricultural pest and disease establishment  
2 due to the climate or crop diversity of that  
3 State.

4 (E) Whether the Secretary has declared an  
5 emergency in that State pursuant to section  
6 442 of the Plant Protection Act (7 U.S.C.  
7 7772) due to an agricultural pest or disease of  
8 Federal concern.

9 (F) Such other factors as the Secretary  
10 considers appropriate.

11 (5) COST-SHARE.—

12 (A) FEDERAL COST SHARE; FORM OF NON-  
13 FEDERAL COST SHARE.—Except as provided in  
14 subparagraph (B), a cooperative agreement en-  
15 tered into under paragraph (1) shall provide  
16 that—

17 (i) the Federal share of carrying out  
18 the cooperative agreement shall not exceed  
19 75 percent of the total cost;

20 (ii) the non-Federal share of the cost  
21 of carrying out the agreement may be pro-  
22 vided in-kind; and

23 (iii) in-kind costs may include indirect  
24 costs as considered appropriate by the Sec-  
25 retary.

1           (B) ABILITY TO PROVIDE FUNDS.—The  
2           Secretary shall not take the ability to provide  
3           non-Federal costs to carry out a cooperative  
4           agreement entered into under paragraph (1)  
5           into consideration when deciding whether to  
6           enter into a cooperative agreement with a State  
7           department of agriculture.

8           (C) SPECIAL FUNDING CONSIDER-  
9           ATIONS.—The non-federal share of carrying out  
10          paragraph (4) shall not exceed 40 percent of  
11          the total costs of carrying out such paragraph.

12          (6) REPORTING REQUIREMENT.—Not later than  
13          180 days after the date of completion of an early  
14          pest detection and surveillance activity conducted by  
15          a State department of agriculture using funds pro-  
16          vided under this section, the department of agri-  
17          culture shall submit to the Secretary a report that  
18          describes the purposes and results of the activities,  
19          including any activities conducted pursuant to a sub-  
20          agreement referred to in paragraph (3)(B).

21          (c) THREAT IDENTIFICATION AND MITIGATION PRO-  
22          GRAM.—

23               (1) IN GENERAL.—In conducting the program  
24               established under subsection (a), the Secretary  
25               shall—

1           (A) develop risk assessments of the exist-  
2           ing and potential threat to the specialty crop in-  
3           dustry in the United States from pests and dis-  
4           ease;

5           (B) prepare a list prioritizing pest and dis-  
6           ease threats to the specialty crop industry;

7           (C) develop action plans, in consultation  
8           with State departments of agriculture and other  
9           State or regional resource partnerships, that ef-  
10          fectively address pest and disease threats to the  
11          specialty crop industry, including pathway anal-  
12          ysis, domestic and offshore mitigation meas-  
13          ures, and comprehensive exclusion measures at  
14          ports of entry and other key distribution cen-  
15          ters, in addition to strategies to employ if a  
16          pest or disease is introduced;

17          (D) implement such action plans as soon  
18          as they are developed to test the effectiveness of  
19          such action plans and help prevent new foreign  
20          and domestic pest and disease threats from  
21          being introduced or widely disseminated in the  
22          United States; and

23          (E) collaborate with the nursery industry,  
24          research institutions, and other appropriate en-  
25          tities to develop a nursery pest risk manage-

1           ment system to identify nursery pests and dis-  
2           eases, prevent the introduction, establishment,  
3           and spread of such pests and diseases, and re-  
4           duce the risk of, prioritize, mitigate, and eradi-  
5           cate such pests and diseases.

6           (2) REPORTS.—Not later than one year after  
7           the date of the enactment of this Act, and annually  
8           thereafter, the Secretary shall update and submit to  
9           Congress the priority list and action plans described  
10          in paragraph (1), including an accounting of funds  
11          expended on the action plans.

12          (d) AUDIT-BASED APPROACH TO SPECIALTY CROP  
13          PHYTOSANITARY CERTIFICATION.—In conducting the  
14          program established under subsection (a), the Secretary  
15          shall provide funds and technical assistance to specialty  
16          crop growers, organizations representing such growers,  
17          and State and local agencies working with such growers  
18          and organizations for the development and implementation  
19          of certification systems based on audit-based approaches,  
20          such as best management practices or nursery pest risk  
21          management systems, to address plant pests and to miti-  
22          gate the risk of plant pests in the movement of plants and  
23          plant products.

24          (e) COOPERATIVE AGREEMENTS.—The Secretary  
25          may enter into cooperative agreements with other Federal

1 departments or agencies, States or political subdivisions  
2 of States, national governments, local governments of  
3 other nations, domestic or international organizations, do-  
4 mestic or international associations, and other persons to  
5 carry out this section.

6 (f) CONSULTATION.—The Secretary shall consult  
7 with the National Plant Board, State departments of agri-  
8 culture, and specialty crop grower organizations to estab-  
9 lish funding priorities under this section for each fiscal  
10 year.

11 (g) ADMINISTRATIVE COSTS.—Not more than 5 per-  
12 cent of the funds provided under this section may be used  
13 for administrative costs.

14 (h) DEFINITIONS.—In this section:

15 (1) EARLY PEST DETECTION AND SURVEIL-  
16 LANCE.—The term “early pest detection and surveil-  
17 lance” means the full range of activities undertaken  
18 to find newly introduced pests, whether new to the  
19 United States or new to certain areas of the United  
20 States, before the pests become established, or be-  
21 fore pest infestations become too large and costly to  
22 eradicate or control.

23 (2) PEST.—The term “pest” has the meaning  
24 given the term “plant pest” in section 403(14) of  
25 the Plant Protection Act (7 U.S.C. 7702(14)).

1           (3) SPECIALTY CROP.—The term “specialty  
2 crop” has the meaning given the term in section  
3 3(1) of the Specialty Crop Competitiveness Act of  
4 2004 (Public Law 108–465; 118 Stat. 3883; 7  
5 U.S.C. 1621 note).

6           (4) STATE DEPARTMENT OF AGRICULTURE.—  
7 The term “State department of agriculture” means  
8 an agency of a State that has a legal responsibility  
9 to perform early pest detection and surveillance ac-  
10 tivities.

11          (i) SECRETARIAL DISCRETION.—Section 442(c) of  
12 the Plant Protection Act (7 U.S.C. 7772(c)) is amended  
13 by striking “of longer than 60 days”.

14          (j) FUNDING.—Of the funds of the Commodity Credit  
15 Corporation, the Secretary shall make available to carry  
16 out this section—

- 17           (1) \$10,000,000 for fiscal year 2008;
- 18           (2) \$25,000,000 for fiscal year 2009;
- 19           (3) \$40,000,000 for fiscal year 2010;
- 20           (4) \$55,000,000 for fiscal year 2011; and
- 21           (5) \$70,000,000 for fiscal year 2012.

22 **SEC. 10202. MULTI-SPECIES FRUIT FLY RESEARCH AND**  
23 **STERILE FLY PRODUCTION.**

24          (a) CONSTRUCTION.—The Secretary of Agriculture  
25 shall construct a warehouse and irradiation containment

1 facility in Waimanalo, Hawaii, to support fruit fly rearing  
 2 and sterilization activities.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—There  
 4 are authorized to be appropriated—

5 (1) \$15,000,000 for the construction of a ware-  
 6 house and irradiation containment facility pursuant  
 7 to subsection (a); and

8 (2) \$1,000,000 for fiscal year 2008 and each  
 9 subsequent fiscal year for maintenance to the facili-  
 10 ties constructed pursuant to this section.

## 11 **Subtitle D—Organic Agriculture**

### 12 **SEC. 10301. NATIONAL ORGANIC CERTIFICATION COST-** 13 **SHARE PROGRAM.**

14 Section 10606 of the Farm Security and Rural In-  
 15 vestment Act of 2002 (7 U.S.C. 6523) is amended—

16 (1) in subsection (a), by striking “\$5,000,000  
 17 for fiscal year 2002” and inserting “\$22,000,000 for  
 18 fiscal year 2008”; and

19 (2) in subsection (b)(2), by striking “\$500”  
 20 and inserting “\$750”.

### 21 **SEC. 10302. ORGANIC PRODUCTION AND MARKET DATA.**

22 (a) NEW DATA REQUIREMENTS.—Section 7407 of  
 23 the Farm Security and Rural Investment Act of 2002 (7  
 24 U.S.C. 5925c) is amended to read as follows:

1   **“SEC. 7407. ORGANIC DATA COLLECTION AND PUBLICA-**  
2                                   **TION.**

3           “(a) DATA COLLECTION AND PUBLICATION.—To as-  
4   sist organic farmers in making informed production and  
5   marketing decisions, the Secretary of Agriculture shall col-  
6   lect and publish segregated data and survey information  
7   about the price, production, and marketing of major or-  
8   ganically produced commodities, as determined by the Sec-  
9   retary.

10          “(b) FUNDING.—The Secretary of Agriculture shall  
11   use \$3,000,000 of the funds of the Commodity Credit Cor-  
12   poration to carry out this section during fiscal year 2008,  
13   and such funds shall remain available until expended.”.

14          (b) IMPLEMENTATION REPORT.—Not later than 180  
15   days after the date of the enactment of this Act, the Sec-  
16   retary of Agriculture shall submit to Congress a report  
17   regarding the progress made in implementing the amend-  
18   ment made by subsection (a).

19   **SEC. 10303. ORGANIC CONVERSION, TECHNICAL, AND EDU-**  
20                                   **CATIONAL ASSISTANCE.**

21          (a) ESTABLISHMENT.—Not later than 180 days after  
22   the date of the enactment of this section, the Secretary  
23   shall establish a program to provide cost share and incen-  
24   tive payments and technical and educational assistance to  
25   producers to promote conservation practices and activities  
26   for production systems undergoing transition, in whole or



1 in part, to organic production in accordance with the Or-  
2 ganic Foods Production Act of 1990 (7 U.S.C. 6501 et  
3 seq.).

4 (b) ORGANIC TRANSITION COST SHARE AND INCEN-  
5 TIVE PAYMENTS.—

6 (1) IN GENERAL.—The Secretary shall enter  
7 into contracts with eligible producers referred to in  
8 paragraph (2) to provide cost-share and incentive  
9 payments to assist in the transition to organic pro-  
10 duction systems.

11 (2) ELIGIBLE PRODUCERS.—A producer is an  
12 eligible producer under this paragraph if such pro-  
13 ducer agrees to—

14 (A) develop and carry out environmental  
15 and conservation activities consistent with an  
16 organic plan that protect soil, water, wildlife,  
17 air, and other natural resources as defined by  
18 the Secretary;

19 (B) receive technical and education assist-  
20 ance from the Secretary, or from organizations,  
21 institutions, and consultants with cooperative  
22 agreements with the Secretary, relating to—

23 (i) the development and implementa-  
24 tion of conservation practices and activities  
25 that are part of an organic plan; or

1 (ii) other aspects of transition to or-  
2 ganic production, including marketing,  
3 credit, business, and risk management  
4 plans;

5 (C) submit to annual verification by a cer-  
6 tifying agent accredited by the Department of  
7 Agriculture under section 2115 of the Organic  
8 Foods Production Act of 1990 (7 U.S.C. 6514)  
9 to determine compliance of the producer with  
10 organic certification requirements; and

11 (D) develop marketing, credit, business,  
12 and risk management plans, as appropriate.

13 (3) CONTRACT.—A contract entered into under  
14 paragraph (1) shall provide that—

15 (A) payments provided to a producer under  
16 the contract shall only be used for—

17 (i) conservation management and veg-  
18 etative and structural practices and activi-  
19 ties during transition to certified organic  
20 production that—

21 (I) are consistent with an organic  
22 plan; and

23 (II) protect soil, water, wildlife,  
24 air, and other natural resources, as  
25 required under the Organic Foods

1                   Production Act of 1990 (7 U.S.C.  
2                   6501 et seq.);

3                   (ii) animal production measures con-  
4                   sistent with an organic plan; and

5                   (iii) such other measures as the Sec-  
6                   retary determines are appropriate and con-  
7                   sistent with an organic plan;

8                   (B) subject to subparagraph (C), the con-  
9                   tract shall terminate after a period of not more  
10                  than three years;

11                  (C) the Secretary may terminate the con-  
12                  tract if the Secretary determines the eligible  
13                  producer is not pursuing organic certification  
14                  under the Organic Foods Production Act of  
15                  1990 (7 U.S.C. 6501 et seq.); and

16                  (D) the Secretary may require repayment  
17                  in whole of payments already received if the  
18                  Secretary determines the eligible producer is  
19                  not pursuing organic certification under the Or-  
20                  ganic Foods Production Act of 1990 (7 U.S.C.  
21                  6501 et seq.).

22                  (4) LIMITATIONS ON PAYMENTS.—An eligible  
23                  producer may not receive payments under paragraph  
24                  (1)—

1 (A) for a total period of more than three  
2 years;

3 (B) an amount not to exceed \$50 per acre  
4 for crop land, or \$25 per acre for grazing land;  
5 and

6 (C) in an amount more than \$10,000 in a  
7 fiscal year.

8 (c) TECHNICAL AND EDUCATIONAL ASSISTANCE.—

9 The Secretary shall provide producers with technical and  
10 educational assistance, including through the use of com-  
11 petitive cooperative agreements with non-profit organiza-  
12 tions, non-governmental organizations, institutes of higher  
13 education, or consultants with expertise in advisory serv-  
14 ices for organic producers on organic production systems,  
15 and the planning for and marketing of organic products.

16 (d) USE OF FUNDS.—The Secretary shall use 50 per-  
17 cent of the funds made available pursuant to the author-  
18 ization of appropriations under subsection (f) to provide  
19 technical and educational assistance under subsection (c).

20 (e) DEFINITIONS.—In this section:

21 (1) ORGANIC PLAN.—The term “organic plan”  
22 means an organic plan submitted under section  
23 2114(a) of the Organic Foods Production Act of  
24 1990 (7 U.S.C. 6513(a)) and agreed to by the pro-

1       ducer and handler of a product and a certifying  
2       agent under such section.

3           (2) TECHNICAL AND EDUCATIONAL ASSIST-  
4       ANCE.—The term “technical and educational assist-  
5       ance” means the conveyance of information and  
6       counsel regarding economic and business planning,  
7       marketing, and organic practices, such as entomo-  
8       logical practices and pest and weed control and pre-  
9       vention that satisfy organic practices.

10       (f) FUNDING.—There is authorized to be appro-  
11      priated to carry out this section \$50,000,000, which shall  
12      remain available until expended.

## 13                   **Subtitle E—Miscellaneous** 14                   **Provisions**

### 15      **SEC. 10401. GRANT PROGRAM TO IMPROVE MOVEMENT OF** 16                   **SPECIALTY CROPS.**

17       (a) GRANTS AUTHORIZED.—The Secretary of Agri-  
18      culture may make grants under this section to an eligible  
19      entity described in subsection (b)—

20           (1) to improve the cost-effective movement of  
21      specialty crops to local, regional, national, and inter-  
22      national markets; and

23           (2) to address regional intermodal transpor-  
24      tation deficiencies that adversely affect the move-

1       ment of specialty crops to markets inside or outside  
2       the United States.

3       (b) ELIGIBLE GRANT RECIPIENTS.—Grants may be  
4       made under this section to any of the following (or a com-  
5       bination thereof):

6               (1) State and local governments.

7               (2) Grower cooperatives.

8               (3) State or regional producer and shipper or-  
9       ganizations.

10              (4) Other entities as determined to be appro-  
11       priate by the Secretary.

12       (c) MATCHING FUNDS.—The recipient of a grant  
13       under this section shall contribute an amount of non-Fed-  
14       eral funds toward the project for which the grant is pro-  
15       vided that is at least equal to the amount of grant funds  
16       received by the recipient under this section.

17       (d) AUTHORIZATION OF APPROPRIATIONS.—There  
18       are authorized to be appropriated such sums as may be  
19       necessary for each of fiscal years 2008 through 2012 to  
20       carry out this section.

21       **SEC. 10402. AUTHORIZATION OF APPROPRIATIONS FOR**  
22                               **MARKET NEWS ACTIVITIES REGARDING SPE-**  
23                               **CIALTY CROPS.**

24       There are authorized to be appropriated to the Sec-  
25       retary of Agriculture such sums as may be necessary for

1 each of the fiscal years 2008 through 2012 to support the  
2 market news activities regarding specialty crops (as such  
3 term is defined in section 3(1) of the Specialty Crops Com-  
4 petitiveness Act of 2004 (Public Law 108–465; 118 Stat.  
5 3883)).

6 **SEC. 10403. FARMER MARKETING ASSISTANCE PROGRAM.**

7 (a) FINDINGS.—Congress finds that—

8 (1) agricultural direct farmer-to-consumer mar-  
9 keting activities, including farmers’ markets, road-  
10 side stands, community supported agriculture, inter-  
11 net, mail-order, and other similar direct order mar-  
12 keting activities, significantly enhance the ability of  
13 agricultural producers to retain a greater share of  
14 their products’ retail value;

15 (2) direct farmer-to-consumer marketing activi-  
16 ties are a crucial component of the current and fu-  
17 ture viability of small and mid-sized farms and  
18 ranches and beginning and socially disadvantaged  
19 farmers and ranchers; and

20 (3) agricultural direct marketing activities con-  
21 tribute to the health and well-being of consumers in  
22 rural, urban, and tribal communities by providing  
23 access to healthy, fresh, and affordable food.

1 (b) PROGRAM.—Section 6 of the Farmer-to-Con-  
2 sumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is  
3 amended—

4 (1) in subsection (a)—

5 (A) by striking “Farmers’ Market Pro-  
6 motion Program” and inserting “Farmer Mar-  
7 keting Assistance Program”; and

8 (B) by striking “promote farmers’ mar-  
9 kets” and inserting “direct producer to con-  
10 sumer marketing”;

11 (2) in subsection (b)(1)—

12 (A) in subparagraph (A), by striking “, do-  
13 mestic farmers’ markets, roadside stands, com-  
14 munity-supported agriculture programs, and  
15 other”; and

16 (B) in subparagraph (B), by striking  
17 “farmers’ markets, roadside stands, commu-  
18 nity-supported agriculture programs, and other  
19 direct producer-to-consumer infrastructure”  
20 and inserting “direct producer-to-consumer  
21 marketing and infrastructure opportunities”;

22 (3) in subsection (c)—

23 (A) by redesignating paragraphs (1)  
24 through (7) as paragraphs (2) through (8), re-  
25 spectively;



1 (B) by inserting before paragraph (2) the  
2 following new paragraph:

3 “(1) two or more farmers or farm vendors who  
4 sell products through a common channel of distribu-  
5 tion;”; and

6 (C) in paragraph (2) (as so redesignated)  
7 by striking “an agricultural cooperative” and  
8 inserting “an agricultural cooperative or pro-  
9 ducer network or association”;

10 (4) by striking subsection (e) and inserting the  
11 following new subsections:

12 “(e) ELIGIBLE ACTIVITIES.—A recipient of a grant  
13 under this section may use the funds for the following ac-  
14 tivities:

15 “(1) Farmers markets.

16 “(2) Roadside stands.

17 “(3) Community supported agriculture oper-  
18 ations, through which a farmer agrees to deliver a  
19 certain quantity of agricultural products to con-  
20 sumers at a set price.

21 “(4) The purchase of equipment or other activi-  
22 ties supporting the use of electronic benefit transfer  
23 systems at farmers markets.

24 “(5) Agritourism activities facilitating the di-  
25 rect sale of agricultural products, including oper-

1        ations where the consumer picks their own agricul-  
2        tural products.

3            “(6) Other activities as determined appropriate  
4        by the Secretary.

5        “(f) FUNDING.—

6            “(1) IN GENERAL.—Of the funds of the Com-  
7        modity Credit Corporation, the Secretary of Agri-  
8        culture shall use to carry out this section—

9            “(A) \$5,000,000 in each of fiscal year  
10        2008, 2009, and 2010; and

11          “(B) \$10,000,000 in each of fiscal years  
12        2011 and 2012.

13          “(2) USE OF FUNDS.—Not less than 10 percent  
14        of the funds used to carry out this section in a fiscal  
15        year under paragraph (1) shall be used to support  
16        the use of electronic benefits transfers at farmers’  
17        markets.”.

18    **SEC. 10404. NATIONAL CLEAN PLANT NETWORK.**

19        (a) ESTABLISHMENT.—There is established in the  
20        Department of Agriculture a program to be known as the  
21        “National Clean Plant Network”.

22        (b) NETWORK.—The Secretary of Agriculture shall  
23        use the network—

24            (1) to develop a sustainable national funding  
25        source for clean planting stock programs for horti-

1 cultural crops determined by the Secretary to be of  
2 priority for the United States; and

3 (2) to enter into cooperative agreements to enti-  
4 ties that have the expertise, facilities, and climate  
5 necessary to efficiently produce, maintain, and dis-  
6 tribute healthy planting stock for specialty crops.

7 (c) FUNDING.—

8 (1) COMMODITY CREDIT CORPORATION.—Of the  
9 funds of the Commodity Credit Corporation, the  
10 Secretary shall make available to carry out this sec-  
11 tion \$20,000,000 for fiscal years 2008 through  
12 2012.

13 (2) AUTHORIZATION OF APPROPRIATIONS.—  
14 There are authorized to be appropriated such sums  
15 as are necessary for each of fiscal years 2008  
16 through 2012 to carry out this section.

17 **SEC. 10405. HEALTHY FOOD URBAN ENTERPRISE DEVELOP-**  
18 **MENT PROGRAM.**

19 (a) PURPOSE.—The purpose of this section is to sup-  
20 port farm and ranch income by significantly enhancing a  
21 producer's share of the final retail product price through  
22 improved access to competitive processing and distribution  
23 systems which deliver affordable, locally and regionally  
24 produced foods to consumers, and improve food access in  
25 underserved communities.

1 (b) DEFINITIONS.—In this section:

2 (1) ELIGIBLE ENTITY.—The term “eligible enti-  
3 ty” includes—

4 (A) a small or midsize processor, dis-  
5 tributor, wholesaler, or retail food outlet;

6 (B) a group of producers operating as a le-  
7 gally recognized marketing alliance;

8 (C) a producer-owned cooperative;

9 (D) a nonprofit organization;

10 (E) an economic development or commu-  
11 nity development corporation;

12 (F) a unit of State or local government;

13 and

14 (G) an academic institution.

15 (2) INDIAN TRIBE.—The term “Indian tribe”  
16 has the meaning given the term in section 4 of the  
17 Indian Self-Determination and Education Assistance  
18 Act (25 U.S.C. 450b).

19 (3) SECRETARY.—The term “Secretary” means  
20 the Secretary of Agriculture.

21 (4) SOCIALLY DISADVANTAGED FARMER OR  
22 RANCHER.—The term “socially disadvantaged farm-  
23 er or rancher” has the meaning given the term in  
24 section 355(e) of the Consolidated Farm and Rural  
25 Development Act (7 U.S.C. 2003(e)).

1           (5) UNDERSERVED COMMUNITY.—The term  
2           “underserved community” includes any community  
3           that may have, as determined by the Secretary—

4                   (A) limited access to affordable, healthy  
5           foods, including fresh fruits and vegetables, in  
6           grocery retail stores or farmer-to-consumer di-  
7           rect markets;

8                   (B) high incidences of diet-related diseases,  
9           including obesity;

10                  (C) high rates of hunger or food insecurity;  
11           or

12                  (D) severe or persistent poverty in urban  
13           or rural communities, including Indian tribal  
14           communities.

15           (c) GRANT PROGRAM.—

16                  (1) ESTABLISHMENT.—The Secretary, acting  
17           through the head of the market services branch of  
18           the Agricultural Marketing Service, shall establish a  
19           program under which the Secretary shall provide  
20           grants, on a competitive basis, to eligible entities to  
21           conduct enterprise feasibility studies (including stud-  
22           ies of consumer preference), in accordance with the  
23           purpose of this section.

24                  (2) APPLICATION.—To be eligible to receive a  
25           grant under this subsection, an eligible entity shall

1 submit to the Secretary an application at such time,  
2 in such manner, and containing such information as  
3 the Secretary may require.

4 (3) COORDINATION WITH OTHER AGENCIES.—

5 In carrying out the program under this subsection,  
6 the Secretary shall coordinate, with respect to the  
7 development of the program and reviews of grant  
8 applications, with—

9 (A) the Cooperative State Research, Edu-  
10 cation, and Extension Service; and

11 (B) the Rural Business Cooperative Serv-  
12 ice.

13 (4) PRIORITY.—In providing grants under this  
14 subsection, the Secretary shall give priority to appli-  
15 cations with proposed projects that—

16 (A) include features effectively targeting  
17 participation by socially disadvantaged farmers  
18 or ranchers or beginning farmers or ranchers;

19 (B) increase employment opportunities in  
20 underserved communities;

21 (C) support small and mid-sized farm via-  
22 bility and increase farming opportunities; or

23 (D) establish and maintain satisfactory en-  
24 vironmental and labor standards, including  
25 worker protection.

1           (5) MAXIMUM AMOUNT.—The amount of a  
2           grant provided under this subsection shall not exceed  
3           \$250,000.

4           (6) TERM.—A grant provided under this sub-  
5           section shall have a term of not more than 3 years.

6           (7) REPORTS.—

7                 (A) IN GENERAL.—Each eligible entity  
8           that receives a grant under this subsection shall  
9           submit to the Secretary an annual report de-  
10          scribing the results and progress of each feasi-  
11          bility study to ensure sufficient progress is  
12          achieved with respect to the goals of the  
13          projects carried out by the eligible entity.

14                (B) PUBLIC AVAILABILITY.—The Secretary  
15          shall ensure that any information contained in  
16          a report under subparagraph (A) relating to  
17          consumer preference or producer availability is  
18          made available to the public.

19           (8) FUNDING.—There are authorized to be ap-  
20          propriated such sums as are necessary for each of  
21          fiscal years 2008 through 2012 to carry out this sec-  
22          tion.

23          (d) GRANT PROGRAM REQUIREMENTS.—

24                (1) TECHNICAL ASSISTANCE AND OUTREACH.—

25                    (A) IN GENERAL.—The Secretary shall—

1 (i) provide to the public information  
2 relating to the grant programs under this  
3 section; and

4 (ii) provide technical assistance to—

5 (I) socially disadvantaged farm-  
6 ers or ranchers;

7 (II) Indian tribal organizations;

8 (III) low-income populations; and

9 (IV) other underserved commu-  
10 nities and producers.

11 (B) SERVICE PROVIDERS.—In carrying out  
12 subparagraph (A), the Secretary may enter into  
13 contracts, on a competitive basis, with entities  
14 that, as determined by the Secretary—

15 (i) demonstrate experience in serving  
16 socially disadvantaged farmers or ranchers  
17 and other underserved communities and  
18 producers;

19 (ii) include, in the governance struc-  
20 ture of the entity, 2 or more members rep-  
21 resenting the targeted communities served  
22 by the entity; and

23 (iii) will share information developed  
24 or used by the entity with—

25 (I) researchers;



- 1 (II) practitioners; and
- 2 (III) other interested parties.

3 (2) LIMITATIONS.—For purposes of the pro-  
4 grams under this section, the Secretary—

5 (A) shall not give preference to any entity  
6 based on an agricultural commodity produced  
7 or supported by the entity; and

8 (B) shall encourage, to the maximum ex-  
9 tent practicable, projects that use infrastructure  
10 efficiently for more than 1 agricultural product.

11 (3) REPORT.—Not less frequently than once  
12 each year, the Secretary shall submit to Congress a  
13 report that describes the programs (including the  
14 level of participation in each program) under this  
15 section, including information relating to—

16 (A) projects carried out under this section;

17 (B) characteristics of the agricultural pro-  
18 ducers and communities served by the projects;

19 (C) the benefits of the projects;

20 (D) data necessary to comply with—

21 (i) section 2501A of the Food, Agri-  
22 culture, Conservation, and Trade Act of  
23 1990 (7 U.S.C. 2279–1); or

- 1 (ii) section 8(b)(5)(B) of the Soil Con-  
 2 servation and Domestic Allotment Act (16  
 3 U.S.C. 590h(b)(5)); and  
 4 (E) outreach and technical assistance ac-  
 5 tivities carried out by the Secretary under para-  
 6 graph (1).

7 **TITLE XI—MISCELLANEOUS**  
 8 **PROVISIONS**

Subtitle A—Federal Crop Insurance

- Sec. 11001. Premiums and reinsurance requirements.  
 Sec. 11002. Catastrophic risk protection administrative fee.  
 Sec. 11003. Funding for reimbursements, contracting, risk management edu-  
 cation, and information technology.  
 Sec. 11004. Reimbursement of research and development costs related to new  
 crop insurance products.  
 Sec. 11005. Research and development contracts for organic production cov-  
 erage improvements.  
 Sec. 11006. Targeting risk management education for beginning farmers and  
 ranchers and certain other farmers and ranchers.  
 Sec. 11007. Crop insurance ineligibility related to crop production on noncrop-  
 land.  
 Sec. 11008. Funds for data mining.  
 Sec. 11009. Noninsured crop assistance program.  
 Sec. 11010. Change in due date for Corporation payments for underwriting  
 gains.  
 Sec. 11011. Sesame insurance pilot program.  
 Sec. 11012. National Drought Council and drought preparedness plans.  
 Sec. 11013. Payment of portion of premium for area revenue plans.  
 Sec. 11014. Share of risk.  
 Sec. 11015. Livestock Assistance.  
 Sec. 11016. Determination of certain sweet potato production.

Subtitle B—Livestock and Poultry

- Sec. 11101. Sense of Congress regarding pseudorabies eradication program.  
 Sec. 11102. Arbitration of livestock and poultry contracts.  
 Sec. 11103. State-inspected meat and poultry.  
 Sec. 11104. Country of origin labeling.  
 Sec. 11105. Sense of Congress regarding the voluntary control program for low  
 pathogenic avian influenza.  
 Sec. 11106. Sense of Congress regarding the cattle fever tick eradication pro-  
 gram.

Subtitle C—Socially Disadvantaged Producers and Limited Resource  
 Producers

- Sec. 11201. Outreach and technical assistance for socially disadvantaged farmers and ranchers and limited resource farmers and ranchers.
- Sec. 11202. Improved program delivery by Department of Agriculture on Indian reservations.
- Sec. 11203. Transparency and accountability for socially disadvantaged farmers and ranchers.
- Sec. 11204. Beginning farmer and rancher development program.
- Sec. 11205. Provision of receipt for service or denial of service.
- Sec. 11206. Tracking of socially disadvantaged farmers and ranchers and limited resource farmers and ranchers in Census of Agriculture and certain studies.
- Sec. 11207. Farmworker coordinator.
- Sec. 11208. Office of Outreach relocation.
- Sec. 11209. Minority farmer advisory committee.
- Sec. 11210. Coordinator for chronically underserved rural areas.

#### Subtitle D—Other Miscellaneous Provisions

- Sec. 11301. Designation of separate cotton-producing States under Cotton Research and Promotion Act.
- Sec. 11302. Cotton classification services.
- Sec. 11303. Availability of excess and surplus computers in rural areas.
- Sec. 11304. Permanent debarment from participation in Department of Agriculture programs for fraud.
- Sec. 11305. No discrimination against use of registered pesticide products or classes of pesticide products.
- Sec. 11306. Prohibition on closure or relocation of county offices for the Farm Service Agency, Rural Development Agency, and Natural Resources Conservation Service.
- Sec. 11307. Regulation of exports of plants, plant products, biological control organisms, and noxious weeds.
- Sec. 11308. Grants to reduce production of methamphetamines from anhydrous ammonia.
- Sec. 11309. USDA Graduate School.
- Sec. 11310. Prevention and investigation of payment and fraud and error.
- Sec. 11311. Sense of Congress regarding food deserts, geographically isolated neighborhoods and communities with limited or no access to major chain grocery stores.
- Sec. 11312. Pigford claims.
- Sec. 11313. Comptroller general study of wastewater infrastructure near United States-Mexico border.
- Sec. 11314. Elimination of statute of limitations applicable to collection of debt by administrative offset.
- Sec. 11315. Pollinator protection.
- Sec. 11316. Prohibition on use of live animals for marketing medical devices; fines under the Animal Welfare Act.
- Sec. 11317. Protection of pets.

## **Subtitle A—Federal Crop Insurance**

### **SEC. 11001. PREMIUMS AND REINSURANCE REQUIRE- MENTS.**

(a) PREMIUM ADJUSTMENTS.—Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by adding at the end the following new paragraph:

“(9) PREMIUM ADJUSTMENTS.—

“(A) PROHIBITION.—Except as provided in subparagraph (B), the paying, allowing, or giving, or offering to pay, allow, or give, directly or indirectly, either as an inducement to procure insurance or after insurance has been procured, any rebate, discount, abatement, credit, or reduction of the premium named in an insurance policy or any other valuable consideration or inducement whatsoever not specified in the policy, is strictly prohibited under this title.

“(B) EXCEPTIONS.—Subparagraph (A) does not apply with respect to the following:

“(i) A rebate authorized under subsection (b)(5)(B).

“(ii) A performance-based discount authorized under subsection (d)(3).”.

1 (b) PAYMENT OF CATASTROPHIC RISK PROTECTION  
2 FEE ON BEHALF OF PRODUCERS.—Section 508(b)(5)(B)  
3 of the Federal Crop Insurance Act (7 U.S.C.  
4 1508(b)(5)(B)) is amended—

5 (1) in the subparagraph heading, by inserting  
6 “OF CATASTROPHIC RISK PROTECTION FEE” after  
7 “PAYMENT”;

8 (2) in clause (i)—

9 (A) by striking “or other payment”; and

10 (B) by striking “with catastrophic risk  
11 protection or additional coverage”; and insert-  
12 ing “through the payment of all or a portion of  
13 catastrophic risk protection administrative  
14 fees”;

15 (3) in clause (ii)—

16 (A) by striking “or other payment made by  
17 an insurance provider” and inserting “payment  
18 made pursuant to clause (i) by an insurance  
19 provider”;

20 (B) by striking “issuance of catastrophic  
21 risk protection or additional coverage to” and  
22 inserting “payment of catastrophic risk protec-  
23 tion administrative fees on behalf of”; and

24 (C) by striking “or other payment” the  
25 second place it appears;

1 (4) in clause (iv), by striking “A policy or plan  
2 of insurance” and inserting “Catastrophic risk pro-  
3 tection coverage”;

4 (5) in clause (v)—

5 (A) by striking “licensing fee or other ar-  
6 rangement under this subparagraph” and in-  
7 serting “licensing fee arrangement”; and

8 (B) by striking “levels of additional cov-  
9 erage” and inserting “levels of coverage”; and

10 (6) by striking clause (vi).

11 (c) CHANGE IN DUE DATE FOR POLICYHOLDER PRE-  
12 MIUMS.—Section 508 of the Federal Crop Insurance Act  
13 (7 U.S.C. 1508) is amended—

14 (1) in subsection (b)(5)(C), by striking “the  
15 date that premium” and inserting “the same date on  
16 which the premium”;

17 (2) in subsection (c)(10)(B)—

18 (A) by inserting “; TIME FOR PAYMENT”  
19 after “WAIVER”; and

20 (B) by adding at the end the following new  
21 sentence: “Subparagraph (C) of such subsection  
22 shall apply with respect to the collection date  
23 for policy premiums.”; and

24 (3) in subsection (d), by adding at the end the  
25 following new paragraph:

1           “(4) BILLING DATE FOR PREMIUMS.—Begin-  
2           ning with the 2012 reinsurance year, the Corpora-  
3           tion shall establish August 1 as the billing date for  
4           premiums.”.

5           (d) REINSURANCE.—

6           (1)       REIMBURSEMENT       RATE.—Section  
7           508(k)(4)(A) of the Federal Crop Insurance Act (7  
8           U.S.C. 1508(k)(4)(A)) is amended by striking clause  
9           (ii) and inserting the following new clause:

10                   “(ii) for the 2009 and subsequent re-  
11                   insurance years, 2.9 percentage points  
12                   below the rates, in effect as of the date of  
13                   the enactment of this Act of the Farm,  
14                   Nutrition, and Bioenergy Act of 2007, for  
15                   all crop insurance policies used to define  
16                   loss ratio.”.

17           (2) RENEGOTIATION OF STANDARD REINSUR-  
18           ANCE AGREEMENT.—Section 508(k) of the Federal  
19           Crop Insurance Act (7 U.S.C. 1508(k)) is amended  
20           by adding at the end the following new paragraph:

21           “(8) RENEGOTIATION OF STANDARD REINSUR-  
22           ANCE AGREEMENT.—

23                   “(A) PERIODIC RENEGOTIATION.—Fol-  
24                   lowing the reinsurance year ending June 30,  
25                   2012, the Corporation may renegotiate the fi-

1           nancial terms of the standard reinsurance  
2           agreement during the next reinsurance year and  
3           once during each period of five reinsurance  
4           years thereafter.

5           “(B) EFFECT OF FEDERAL LAW  
6           CHANGES.—If changes in Federal law are en-  
7           acted that require revisions in the financial  
8           terms of the standard reinsurance agreement,  
9           and such changes in the agreement are made  
10          on a mandatory basis by the Corporation, such  
11          changes will not be deemed to be a renegoti-  
12          ation of the agreement for purposes of subpara-  
13          graph (A).

14          “(C) CONSULTATION.—Approved insur-  
15          ance providers and their representatives may  
16          confer with each other, and collectively with the  
17          Corporation, during the renegotiation process  
18          under subparagraph (A).”.

19          (3) TREATMENT OF 2008 REINSURANCE  
20          YEAR.—Clause (ii) of section 508(k)(4)(A) of the  
21          Federal Crop Insurance Act (7 U.S.C.  
22          1508(k)(4)(A)), as in effect on the day before the  
23          date of the enactment of this Act, shall continue to  
24          apply with respect to the 2008 reinsurance year.



1       (e) CHANGE IN DUE DATE FOR ADMINISTRATIVE  
2 AND OPERATING EXPENSE PAYMENT.—Section 516(b) of  
3 the Federal Crop Insurance Act (7 U.S.C. 1516(b)) is  
4 amended by adding at the end the following new para-  
5 graph:

6               “(3) DUE DATE FOR ADMINISTRATIVE AND OP-  
7 ERATING EXPENSE PAYMENT.—Beginning with the  
8 2012 reinsurance year, the Corporation shall make  
9 payments pursuant to paragraph (1)(B) during Oc-  
10 tober 2012, and for subsequent reinsurance years,  
11 every October thereafter.”.

12       (f) CONFORMING AMENDMENTS.—

13               (1) PREMIUM REDUCTION AUTHORITY.—Sub-  
14 section 508(e) of the Federal Crop Insurance Act (7  
15 U.S.C. 1508(e)) is amended—

16                       (A) in paragraph (2) by striking “para-  
17 graph (4)” and inserting “paragraph (3)”;

18                       (B) by striking paragraph (3); and

19                       (C) by redesignating paragraphs (4) and  
20 (5) as paragraphs (3) and (4), respectively.

21               (2) PREMIUM RATE REDUCTION PILOT PRO-  
22 GRAM.—Section 523 of the Federal Crop Insurance  
23 Act (7 U.S.C. 1523) is amended—

24                       (A) by striking subsection (d); and

1 (B) by redesignating subsection (e) as sub-  
2 section (d).

3 (3) SUBMISSION OF POLICIES AND MATE-  
4 RIALS.—Section 508(h)(1)(A) of the Federal Crop  
5 Insurance Act (7 U.S.C. 1508(h)(1)(A)) is amended  
6 by striking “; and” and inserting “; or”.

7 **SEC. 11002. CATASTROPHIC RISK PROTECTION ADMINIS-**  
8 **TRATIVE FEE.**

9 Section 508(b)(5)(A) of the Federal Crop Insurance  
10 Act (7 U.S.C. 1508(b)(5)(A)) is amended by striking  
11 “\$100 per crop per county” and inserting in its place  
12 “\$200 per crop per county”.

13 **SEC. 11003. FUNDING FOR REIMBURSEMENTS, CON-**  
14 **TRACTING, RISK MANAGEMENT EDUCATION,**  
15 **AND INFORMATION TECHNOLOGY.**

16 (a) FUNDING.—Section 516 of the Federal Crop In-  
17 surance Act (7 U.S.C. 1516) is amended by adding at the  
18 end the following new subsections:

19 “(d) FUNDING FOR REIMBURSEMENTS, CON-  
20 TRACTING, RISK MANAGEMENT EDUCATION, AND INFOR-  
21 MATION TECHNOLOGY.—Of the amounts made available  
22 from the insurance fund established under subsection (c),  
23 the Corporation shall use not more than \$30,000,000 in  
24 each fiscal year to carry out the following:

1           “(1) Reimbursement of research and develop-  
2           ment and maintenance costs described under section  
3           522(b).

4           “(2) Research and development contracting de-  
5           scribed under section 522(c).

6           “(3) Partnerships for risk management and im-  
7           plementation described under section 522(d).

8           “(4) Education and information programs de-  
9           scribed in section 524(a)(2).

10          “(5) Partnerships for risk management edu-  
11          cation program described in section 524(a)(3).

12          “(6) Information technology, as determined by  
13          the Corporation.

14          “(e) UNDERSERVED STATES.—Of the amount made  
15          available under subsection (d), the Corporation shall use  
16          not more than \$5,000,000 in each fiscal year to carry out  
17          contracting for research and development described in sec-  
18          tion 522(c)(1)(A).”.

19          (b) CONFORMING AMENDMENTS.—

20                 (1) FORMER FUNDING PROVISION.—Section  
21                 522 of the Federal Crop Insurance Act (7 U.S.C.  
22                 1522) is amended by striking subsection (e) and in-  
23                 serting the following new subsection:

24                 “(e) PROHIBITED RESEARCH AND DEVELOPMENT BY  
25                 CORPORATION.—

1           “(1) NEW POLICIES.—Notwithstanding sub-  
 2           section (d), the Corporation shall not conduct re-  
 3           search and development for any new policy for an  
 4           agricultural commodity offered under this title.

5           “(2) EXISTING POLICIES.—Any policy devel-  
 6           oped by the Corporation under this title before Octo-  
 7           ber 1, 2000, may continue to be offered for sale to  
 8           producers.”.

9           (2) CROSS REFERENCE.—Section 523(c)(1) of  
 10          the Federal Crop Insurance Act (7 U.S.C.  
 11          1523(c)(1)) is amended by striking “section  
 12          522(e)(4)” and inserting “section 522(e)”.

13          (3) EDUCATION ASSISTANCE FUNDING.—Sec-  
 14          tion 524(a) of the Federal Crop Insurance Act (7  
 15          U.S.C. 1524(a)) is amended as follows:

16                 (A) in paragraph (1), by striking “para-  
 17                 graph (4)” and inserting “section 516(d)”; and

18                 (B) by striking paragraph (4).

19   **SEC. 11004. REIMBURSEMENT OF RESEARCH AND DEVEL-**  
 20                   **OPMENT COSTS RELATED TO NEW CROP IN-**  
 21                   **SURANCE PRODUCTS.**

22          (a) REIMBURSEMENT AUTHORIZED.—Paragraph (1)  
 23          of section 522(b) of the Federal Crop Insurance Act (7  
 24          U.S.C. 1522(b)) is amended to read as follows:

1           “(1) RESEARCH AND DEVELOPMENT REIM-  
2 BURSEMENT.—The Corporation shall provide a pay-  
3 ment to reimburse an applicant for research and de-  
4 velopment costs directly related to a policy that—

5           “(A) is submitted to the Board pursuant  
6 to an FCIC Reimbursement Grant under para-  
7 graph (7); or

8           “(B) is submitted to the Board and ap-  
9 proved by the Board under section 508(h) for  
10 reinsurance and, if applicable, offered for sale  
11 to producers.”.

12       (b) FCIC REIMBURSEMENT GRANTS.—Section  
13 522(b) of the Federal Crop Insurance Act (7 U.S.C.  
14 1522(b)) is amended by adding at the end the following  
15 new paragraph:

16           “(7) FCIC REIMBURSEMENT GRANTS.—

17           “(A) GRANTS AUTHORIZED.—The Cor-  
18 poration shall provide FCIC Reimbursement  
19 Grants to persons proposing to prepare for sub-  
20 mission to the Board crop insurance policies  
21 and provisions under subparagraphs (A) and  
22 (B) of section 508(h)(1), who apply and are ap-  
23 proved for such FCIC Reimbursement Grants  
24 under the terms and conditions of this para-  
25 graph.

1           “(B) SUBMISSION OF APPLICATION.—The  
2           Board shall receive and consider applications  
3           for FCIC Reimbursement Grants at least once  
4           annually. An application to receive an FCIC  
5           Reimbursement Grant from the Corporation  
6           shall consist of such materials as the Board  
7           may require, including—

8                   “(i) a concept paper that describes the  
9                   proposal in sufficient detail for the Board  
10                  to determine whether it satisfies the re-  
11                  quirements of subparagraph (C);

12                  “(ii) a summary of —

13                          “(I) the need for the product, in-  
14                          cluding an assessment of market-  
15                          ability and expected demand among  
16                          affected producers;

17                          “(II) support from producers,  
18                          producer organizations, lenders, or  
19                          other interested parties;

20                          “(III) the impact the product  
21                          would have on producers and on the  
22                          crop insurance delivery system; and

23                          “(IV) that no products are of-  
24                          fered by the private sector providing

1 the same benefits and risk manage-  
2 ment services as the proposal.

3 “(iii) a summary of data sources  
4 available demonstrating that the product  
5 can reasonably be developed and properly  
6 rated; and

7 “(iv) identification of the risks the  
8 proposed product will cover and that the  
9 risks are insurable under the Act.

10 “(C) APPROVAL CONDITIONS.—Approval of  
11 an application for a FCIC Reimbursement  
12 Grant shall be by majority vote of the Board.  
13 The Board shall approve the application only if  
14 the Board finds that—

15 “(i) the proposal contained in the ap-  
16 plication—

17 “(I) provides coverage to a crop  
18 or region not traditionally served by  
19 the Federal crop insurance program;

20 “(II) provides crop insurance  
21 coverage in a significantly improved  
22 form;

23 “(III) addresses a recognized  
24 flaw or problem in the program;

1                   “(IV) introduces a significant  
2                   new concept or innovation to the pro-  
3                   gram; or

4                   “(V) provides coverage, benefits,  
5                   or risk management services not avail-  
6                   able from the private sector;

7                   “(ii) the applicant demonstrates the  
8                   necessary qualifications to complete the  
9                   project successfully in a timely manner  
10                  with high quality;

11                  “(iii) the proposal is in the interests  
12                  of producers and can reasonably be ex-  
13                  pected to be actuarially appropriate;

14                  “(iv) the Board determines that the  
15                  Corporation has sufficient available fund-  
16                  ing to award the FCIC Reimbursement  
17                  Grant; and

18                  “(v) the proposed budget and time-  
19                  table are reasonable.

20                  “(D) PARTICIPATION.—In reviewing pro-  
21                  posals under this paragraph, the Board may  
22                  use the services of persons it deems appropriate  
23                  for expert review. All proposals submitted under  
24                  this paragraph will be treated as confidential in  
25                  accordance with section 508(h)(4).



1           “(E) ENTERING INTO AGREEMENT.—Upon  
2 approval of the application, the Board shall  
3 enter into an agreement with the person for the  
4 development of a formal submission meeting the  
5 requirements for a complete submission estab-  
6 lished by the Board under section 508(h).

7           “(F) FEASIBILITY STUDIES.—In appro-  
8 priate cases, the Corporation may structure the  
9 FCIC Reimbursement Grant to require, as an  
10 initial step within the overall process, the sub-  
11 mitter to complete a feasibility study and report  
12 the results of such study to the Corporation  
13 prior to proceeding with further development.  
14 The Corporation may require such other reports  
15 as necessary to monitor the development ef-  
16 forts.

17           “(G) RATES.—Payment for work per-  
18 formed under this paragraph shall be based on  
19 rates determined by the Corporation for prod-  
20 ucts submitted under section 508(h) of the Act  
21 or for those contracted by the Corporation  
22 under section 522(c) of the Act.

23           “(H) TERMINATION.—The Corporation or  
24 the submitter may terminate any FCIC Reim-  
25 bursement Grant to reimburse expenses at any

1 time for just cause. If the Corporation or the  
 2 submitter terminates the FCIC Reimbursement  
 3 Grant before final approval of the product cov-  
 4 ered thereby, the submitter shall be entitled to  
 5 reimbursement of all costs incurred to that  
 6 point, or, in the case of a fixed rate agreement,  
 7 to payment of an appropriate percentage. If the  
 8 submitter terminates development without just  
 9 cause, the Corporation may deny reimburse-  
 10 ment.

11 “(I) CONSIDERATION OF PRODUCTS.—The  
 12 Board shall consider any product submitted to  
 13 it developed under this paragraph under the  
 14 rules it has established for products submitted  
 15 under section 508(h) of this Act.”.

16 **SEC. 11005. RESEARCH AND DEVELOPMENT CONTRACTS**  
 17 **FOR ORGANIC PRODUCTION COVERAGE IM-**  
 18 **PROVEMENTS.**

19 Section 522(c) of the Federal Crop Insurance Act (7  
 20 U.S.C. 1522(c)) is amended—

21 (1) by redesignating paragraph (10) as para-  
 22 graph (11); and

23 (2) by inserting after paragraph (9) the fol-  
 24 lowing new paragraph:

1           “(10) CONTRACTS FOR ORGANIC PRODUCTION  
2           COVERAGE IMPROVEMENTS.—

3           “(A) CONTRACT REQUIRED.—Not later  
4           than 180 days after the date of the enactment  
5           of the Farm, Nutrition, and Bioenergy Act of  
6           2007, the Corporation shall enter into one or  
7           more contracts for the development of improve-  
8           ments in Federal crop insurance policies cov-  
9           ering crops produced in compliance with stand-  
10          ards issued by the Department of Agriculture  
11          under the National Organic Program.

12          “(B) REVIEW OF UNDERWRITING, RISK,  
13          AND LOSS EXPERIENCE.—

14          “(i) REVIEW REQUIRED.—A contract  
15          under subparagraph (A) shall include a re-  
16          view of the underwriting, risk, and loss ex-  
17          perience of organic crops covered by the  
18          Corporation, as compared with the same  
19          crops produced in the same counties and  
20          during the same time periods using non-or-  
21          ganic methods. The review should be de-  
22          signed to allow the Corporation to deter-  
23          mine whether significant, consistent, or  
24          systemic variations in loss history exist be-  
25          tween organic and non-organic production,

1 and shall include the widest available range  
2 of data, including loss history under exist-  
3 ing crop insurance policies, collected by the  
4 National Agricultural Statistics Service,  
5 and other sources of information.

6 “(ii) EFFECT ON PREMIUM SUR-  
7 CHARGE.—Unless the review under this  
8 subparagraph documents the existence of  
9 such significant, consistent, and systemic  
10 variations in loss history between organic  
11 and non-organic crops, either collectively or  
12 on an individual basis, the Corporation  
13 shall eliminate or reduce the premium sur-  
14 charge that the Corporation charges for  
15 coverage for organic crops.

16 “(C) ADDITIONAL PRICE ELECTION.—A  
17 contract under subparagraph (A) shall include  
18 the development of a procedure, including any  
19 associated changes in policy terms or materials  
20 required for implementation of the procedure,  
21 to offer producers of organic crops an addi-  
22 tional price election that would reflect the ac-  
23 tual retail or wholesale prices, as appropriate,  
24 received by organic producers for their crops, as  
25 established using data collected and maintained

1 by the Agricultural Marketing Service or other  
2 sources. The development of the procedure shall  
3 be completed in a timely manner to allow the  
4 Corporation to begin offering the additional  
5 price election for organic crops with sufficient  
6 data for the 2009 crop year, and expand it  
7 thereafter as the Agricultural Marketing Service  
8 expands its data collection and availability for  
9 prices of organic crops.

10 “(D) REPORTING REQUIREMENTS.—The  
11 Corporation shall submit to the Committee on  
12 Agriculture of the House of Representatives  
13 and the Committee on Agriculture, Nutrition,  
14 and Forestry of the Senate an annual report on  
15 the progress made in developing and improving  
16 Federal crop insurance for organic crops, in-  
17 cluding the numbers and varieties of organic  
18 crops insured, the development of new insur-  
19 ance approaches, and the progress of the initia-  
20 tives mandated under this paragraph. The re-  
21 port shall also include such recommendations as  
22 the Corporation considers appropriate regarding  
23 additional opportunities to improve Federal  
24 crop insurance coverage for such crops.”.

1 **SEC. 11006. TARGETING RISK MANAGEMENT EDUCATION**  
2 **FOR BEGINNING FARMERS AND RANCHERS**  
3 **AND CERTAIN OTHER FARMERS AND RANCH-**  
4 **ERS.**

5 Section 524(a) of the Federal Crop Insurance Act (7  
6 U.S.C. 1524(a)) is amended—

7 (1) by redesignating paragraph (4) as para-  
8 graph (5); and

9 (2) by inserting after paragraph (3) the fol-  
10 lowing new paragraph:

11 “(4) **TARGETING RISK MANAGEMENT EDU-**  
12 **CATION FOR CERTAIN FARMERS AND RANCHERS.—**

13 “(A) **IN GENERAL.—**In carrying out the  
14 education and information program established  
15 under paragraph (2) and the partnerships for  
16 risk management education program under  
17 paragraph (3), the Secretary shall include a  
18 special emphasis on risk management strategies  
19 and education and outreach specifically targeted  
20 at farmers and ranchers described in subpara-  
21 graph (B).

22 “(B) **COVERED FARMERS AND RANCH-**  
23 **ERS.—**Subparagraph (A) applies with respect to  
24 the following:

25 “(i) Beginning farmers and ranchers.

1 “(ii) Immigrant farmers and ranchers  
2 who are attempting to become established  
3 producers in the United States.

4 “(iii) Socially disadvantaged farmers  
5 and ranchers.

6 “(iv) Farmers and ranchers who are  
7 preparing to retire and are using transition  
8 strategies to help new farmers and ranch-  
9 ers get started.

10 “(v) Farmers and ranchers who are  
11 converting their current production and  
12 marketing systems to pursue new mar-  
13 kets.”.

14 **SEC. 11007. CROP INSURANCE INELIGIBILITY RELATED TO**  
15 **CROP PRODUCTION ON NONCROPLAND.**

16 Section 502 of the Federal Crop Insurance Act (7  
17 U.S.C. 1502) is amended by adding at the end the fol-  
18 lowing new subsection:

19 “(e) CROP INSURANCE INELIGIBILITY RELATED TO  
20 CROP PRODUCTION ON NONCROPLAND.—

21 “(1) NONCROPLAND DEFINED.—In this sub-  
22 section, the term ‘noncropland’ means native grass-  
23 land and pasture the Secretary determines has never  
24 been used for crop production.

1           “(2) INELIGIBILITY.—Noncropland acreage on  
2           which an agricultural commodity for which a policy  
3           or plan of insurance is available under this title is  
4           planted shall be ineligible for crop insurance under  
5           this title for the first 4 years of planting, as deter-  
6           mined by the Secretary.

7           “(3) YIELD DETERMINATION BASED ON COUN-  
8           TY ACTUAL PRODUCTION HISTORY.—If an agricul-  
9           tural commodity ineligible for insurance as described  
10          in paragraph (2) is planted for 4 years, beginning  
11          with the fifth year in which the commodity is plant-  
12          ed, the producer of the commodity may procure crop  
13          insurance for the commodity under this title. The  
14          yield for such crop insurance shall be determined  
15          only—

16               “(A) by using the actual production history  
17               for the farm; and

18               “(B) for each year in which the farm does  
19               not have an actual production history, by using  
20               the average actual production history for the  
21               commodity in the county in which the farm is  
22               located.

23           “(4) EFFECTIVE DATE.—This subsection shall  
24          apply to crop years following the 2007 crop year.”.



1 **SEC. 11008. FUNDS FOR DATA MINING.**

2 Section 515(k) of the Federal Crop Insurance Act (7  
3 U.S.C. 1515(k)) is amended by striking paragraph (1) and  
4 inserting the following new paragraph:

5 “(1) AVAILABLE FUNDS.—To carry out this  
6 section, the Corporation may use, from amounts  
7 made available from the insurance fund established  
8 under section 516(c)—

9 “(A) not more than \$11,000,000 during  
10 fiscal year 2008; and

11 “(B) not more than \$7,000,000 during fis-  
12 cal year 2009 and each subsequent year there-  
13 after.”.

14 **SEC. 11009. NONINSURED CROP ASSISTANCE PROGRAM.**

15 Section 196(k)(1) of the Agricultural Market Transi-  
16 tion Act (7 U.S.C. 7333(k)(1)) is amended by striking  
17 subparagraphs (A) and (B) and inserting the following  
18 new subparagraphs:

19 “(A) \$200 per crop per county; or

20 “(B) \$600 per producer per county, but  
21 not to exceed a total of \$1,800 per producer.”.

22 **SEC. 11010. CHANGE IN DUE DATE FOR CORPORATION PAY-**  
23 **MENTS FOR UNDERWRITING GAINS.**

24 Effective beginning with the 2011 reinsurance year,  
25 the Federal Crop Insurance Corporation shall make pay-

1 ments for underwriting gains under the Federal Crop In-  
2 surance Act (7 U.S.C. 1501 et seq.)—

3 (1) for the 2011 reinsurance year on October 1,  
4 2012; and

5 (2) for each reinsurance year thereafter on the  
6 October 1 of the next calendar year.

7 **SEC. 11011. SESAME INSURANCE PILOT PROGRAM.**

8 (a) PILOT PROGRAM REQUIRED.—The Secretary of  
9 Agriculture shall establish and carry out a pilot program  
10 under which a producer of non-dehiscent sesame under  
11 contract may elect to obtain multi-peril crop insurance, as  
12 determined by the Secretary.

13 (b) TERMS AND CONDITIONS.—The multi-peril crop  
14 insurance offered under the sesame insurance pilot pro-  
15 gram shall—

16 (1) be offered through reinsurance arrange-  
17 ments with private insurance companies;

18 (2) be actuarially sound; and

19 (3) require the payment of premiums and ad-  
20 ministrative fees by a producer obtaining the insur-  
21 ance.

22 (c) LOCATION.—The sesame insurance pilot program  
23 shall be carried out only in the State of Texas.

24 (d) RELATION TO PROHIBITION ON RESEARCH AND  
25 DEVELOPMENT BY CORPORATION.—Section 522(e)(4) of

1 the Federal Crop Insurance Act (7 U.S.C. 1522(e)(4))  
2 shall apply with respect to the sesame insurance pilot pro-  
3 gram.

4 (e) DURATION.—The Secretary shall commence the  
5 sesame insurance pilot program as soon as practicable  
6 after the date of the enactment of this Act and continue  
7 the program through the 2012 crop year.

8 **SEC. 11012. NATIONAL DROUGHT COUNCIL AND DROUGHT**  
9 **PREPAREDNESS PLANS.**

10 (a) DEFINITIONS.—In this section:

11 (1) COUNCIL.—The term “Council” means the  
12 National Drought Council established by this sec-  
13 tion.

14 (2) CRITICAL SERVICE PROVIDER.—The term  
15 “critical service provider” means an entity that pro-  
16 vides power, water (including water provided by an  
17 irrigation organization or facility), sewer services, or  
18 wastewater treatment.

19 (3) DROUGHT.—The term “drought” means a  
20 natural disaster that is caused by a deficiency in  
21 precipitation—

22 (A) that may lead to a deficiency in sur-  
23 face and subsurface water supplies (including  
24 rivers, streams, wetlands, ground water, soil

1 moisture, reservoir supplies, lake levels, and  
2 snow pack); and

3 (B) that causes or may cause—

4 (i) substantial economic or social im-  
5 pacts; or

6 (ii) physical damage or injury to indi-  
7 viduals, property, or the environment.

8 (4) FUND.—The term “Fund” means the  
9 Drought Assistance Fund established by this section.

10 (5) INDIAN TRIBE.—The term “Indian tribe”  
11 has the meaning given the term in section 4 of the  
12 Indian Self-Determination and Education Assistance  
13 Act (25 U.S.C. 450b).

14 (6) INTERSTATE WATERSHED.—The term  
15 “interstate watershed” means a watershed that tran-  
16 scends State or Tribal boundaries, or both.

17 (7) MEMBER.—The term “member”, with re-  
18 spect to the National Drought Council, means a  
19 member of the Council specified or appointed under  
20 this section or, in the absence of the member, the  
21 member’s designee.

22 (8) MITIGATION.—The term “mitigation”  
23 means a short- or long-term action, program, or pol-  
24 icy that is implemented in advance of or during a

1 drought to minimize any risks and impacts of  
2 drought.

3 (9) NEIGHBORING COUNTRY.—The term  
4 “neighboring country” means Canada and Mexico.

5 (10) OFFICE.—The term “Office” means the  
6 National Office of Drought Preparedness established  
7 under this section.

8 (11) SECRETARY.—The term “Secretary”  
9 means the Secretary of Agriculture.

10 (12) STATE.—The term “State” means the sev-  
11 eral States, the District of Columbia, American  
12 Samoa, Guam, the Commonwealth of the Northern  
13 Mariana Islands, the Commonwealth of Puerto Rico,  
14 and the United States Virgin Islands.

15 (13) TRIGGER.—The term “trigger” means the  
16 thresholds or criteria that must be satisfied before  
17 mitigation or emergency assistance may be provided  
18 to an area—

19 (A) in which drought is emerging; or

20 (B) that is experiencing a drought.

21 (14) UNDER SECRETARY.—The term “Under  
22 Secretary” means the Under Secretary of Agri-  
23 culture for Natural Resources and Environment.

24 (15) WATERSHED.—The term “watershed”  
25 means a region or area with common hydrology, an

1 area drained by a waterway that drains into a lake  
2 or reservoir, the total area above a given point on  
3 a stream that contributes water to the flow at that  
4 point, or the topographic dividing line from which  
5 surface streams flow in two different directions. In  
6 no case shall a watershed be larger than a river  
7 basin.

8 (16) WATERSHED GROUP.—The term “water-  
9 shed group” means a group of individuals, formally  
10 recognized by the appropriate State or States, who  
11 represent the broad scope of relevant interests with-  
12 in a watershed and who work together in a collabo-  
13 rative manner to jointly plan the management of the  
14 natural resources contained within the watershed.

15 (b) EFFECT OF SECTION.—This section does not af-  
16 fect—

17 (1) the authority of a State to allocate quan-  
18 tities of water under the jurisdiction of the State; or

19 (2) any State water rights established as of the  
20 date of enactment of this Act.

21 (c) NATIONAL DROUGHT COUNCIL.—

22 (1) ESTABLISHMENT.—There is established in  
23 the Office of the Secretary of Agriculture a council  
24 to be known as the “National Drought Council”.

25 (2) MEMBERSHIP.—

1 (A) COMPOSITION.—The Council shall be  
2 composed of—

3 (i) the Secretary (or the designee of  
4 the Secretary);

5 (ii) the Secretary of Commerce (or the  
6 designee of the Secretary of Commerce);

7 (iii) the Secretary of the Army (or the  
8 designee of the Secretary of the Army);

9 (iv) the Secretary of the Interior (or  
10 the designee of the Secretary of the Inte-  
11 rior);

12 (v) the Director of the Federal Emer-  
13 gency Management Agency (or the des-  
14 ignee of the Director);

15 (vi) the Administrator of the Environ-  
16 mental Protection Agency (or the designee  
17 of the Administrator);

18 (vii) 4 members appointed by the Sec-  
19 retary, in coordination with the National  
20 Governors Association, each of whom shall  
21 be the Governor of a State (or the designee  
22 of the Governor) and who collectively shall  
23 represent the geographic diversity of the  
24 Nation;

1 (viii) 1 member appointed by the Sec-  
2 retary, in coordination with the National  
3 Association of Counties;

4 (ix) 1 member appointed by the Sec-  
5 retary, in coordination with the United  
6 States Conference of Mayors;

7 (x) 1 member appointed by the Sec-  
8 retary of the Interior, in coordination with  
9 Indian tribes, to represent the interests of  
10 tribal governments; and

11 (xi) 1 member appointed by the Sec-  
12 retary, in coordination with the National  
13 Association of Conservation Districts, to  
14 represent local soil and water conservation  
15 districts.

16 (B) DATE OF APPOINTMENT.—The ap-  
17 pointment of each member of the Council shall  
18 be made not later than 120 days after the date  
19 of enactment of this Act.

20 (3) TERM; VACANCIES.—

21 (A) TERM.—A non-Federal member of the  
22 Council appointed under paragraph (2) shall be  
23 appointed for a term of two years.

24 (B) VACANCIES.—A vacancy on the Coun-  
25 cil—



1 (i) shall not affect the powers of the  
2 Council; and

3 (ii) shall be filled in the same manner  
4 as the original appointment was made.

5 (C) TERMS OF MEMBERS FILLING VACAN-  
6 CIES.—Any member appointed to fill a vacancy  
7 occurring before the expiration of the term for  
8 which the member’s predecessor was appointed  
9 shall be appointed only for the remainder of  
10 that term.

11 (4) MEETINGS.—

12 (A) IN GENERAL.—The Council shall meet  
13 at the call of the co-chairs.

14 (B) FREQUENCY.—The Council shall meet  
15 at least semiannually.

16 (5) QUORUM.—A majority of the members of  
17 the Council shall constitute a quorum, but a lesser  
18 number may hold hearings or conduct other busi-  
19 ness.

20 (6) COUNCIL LEADERSHIP.—

21 (A) IN GENERAL.—There shall be a Fed-  
22 eral co-chair and non-Federal co-chair of the  
23 Council.

24 (B) APPOINTMENT.—

1 (i) FEDERAL CO-CHAIR.—The Sec-  
2 retary shall be Federal co-chair.

3 (ii) NON-FEDERAL CO-CHAIR.—The  
4 non-Federal members of the Council shall  
5 select, on a biannual basis, a non-Federal  
6 co-chair of the Council from among the  
7 members appointed under paragraph (2).

8 (7) DIRECTOR OF THE OFFICE.—

9 (A) IN GENERAL.—The Director of the Of-  
10 fice shall serve as Secretary of the Council.

11 (B) DUTIES.—The Director of the Office  
12 shall serve the interests of all members of the  
13 Council.

14 (d) DUTIES OF THE COUNCIL.—

15 (1) IN GENERAL.—The Council shall—

16 (A) not later than one year after the date  
17 of the first meeting of the Council, develop a  
18 comprehensive National Drought Policy Action  
19 Plan that—

20 (i)(I) delineates and integrates re-  
21 sponsibilities for activities relating to  
22 drought (including drought preparedness,  
23 mitigation, research, risk management,  
24 training, and emergency relief) among  
25 Federal agencies; and

1                   (II) ensures that those activities are  
2                   coordinated with the activities of the  
3                   States, local governments, Indian tribes,  
4                   and neighboring countries;

5                   (ii) is consistent with—

6                               (I) this Act and other applicable  
7                               Federal laws; and

8                               (II) the laws and policies of the  
9                               States for water management;

10                   (iii) is integrated with drought man-  
11                   agement programs of the States, Indian  
12                   tribes, local governments, watershed  
13                   groups, and private entities; and

14                   (iv) avoids duplicating Federal, State,  
15                   tribal, local, watershed, and private  
16                   drought preparedness and monitoring pro-  
17                   grams in existence on the date of enact-  
18                   ment of this Act;

19                   (B) evaluate Federal drought-related pro-  
20                   grams in existence on the date of enactment of  
21                   this Act and make recommendations to Con-  
22                   gress and the President on means of elimi-  
23                   nating—

24                               (i) discrepancies between the goals of  
25                               the programs and actual service delivery;

1 (ii) duplication among programs; and

2 (iii) any other circumstances that  
3 interfere with the effective operation of the  
4 programs;

5 (C) make recommendations to the Presi-  
6 dent, Congress, and appropriate Federal Agen-  
7 cies on—

8 (i) the establishment of common inter-  
9 agency triggers for authorizing Federal  
10 drought mitigation programs; and

11 (ii) improving the consistency and  
12 fairness of assistance among Federal  
13 drought relief programs;

14 (D) encourage and facilitate the develop-  
15 ment of drought preparedness plans under sub-  
16 title C, including establishing the guidelines  
17 under this section;

18 (E) based on a review of drought prepared-  
19 ness plans, develop and make available to the  
20 public drought planning models to reduce water  
21 resource conflicts relating to water conservation  
22 and droughts;

23 (F) develop and coordinate public aware-  
24 ness activities to provide the public with access

1 to understandable, and informative materials on  
2 drought, including—

3 (i) explanations of the causes of  
4 drought, the impacts of drought, and the  
5 damages from drought;

6 (ii) descriptions of the value and bene-  
7 fits of land stewardship to reduce the im-  
8 pacts of drought and to protect the envi-  
9 ronment;

10 (iii) clear instructions for appropriate  
11 responses to drought, including water con-  
12 servation, water reuse, and detection and  
13 elimination of water leaks;

14 (iv) information on State and local  
15 laws applicable to drought; and

16 (v) opportunities for assistance to re-  
17 source-dependent businesses and industries  
18 in times of drought; and

19 (G) establish operating procedures for the  
20 Council.

21 (2) CONSULTATION.—In carrying out this sub-  
22 section, the Council shall consult with groups af-  
23 fected by drought emergencies.

24 (3) REPORTS TO CONGRESS.—

25 (A) ANNUAL REPORT.—

1 (i) IN GENERAL.—Not later than one  
2 year after the date of the first meeting of  
3 the Council, and annually thereafter, the  
4 Council shall submit to Congress a report  
5 on the activities carried out under this sec-  
6 tion.

7 (ii) INCLUSIONS.—

8 (I) IN GENERAL.—The annual  
9 report shall include a summary of  
10 drought preparedness plans.

11 (II) INITIAL REPORT.—The ini-  
12 tial report submitted under subpara-  
13 graph (A) shall include any rec-  
14 ommendations of the Council.

15 (B) FINAL REPORT.—Not later than seven  
16 years after the date of enactment of this Act,  
17 the Council shall submit to Congress a report  
18 that recommends—

19 (i) amendments to this section; and

20 (ii) whether the Council should con-  
21 tinue.

22 (e) POWERS OF THE COUNCIL.—

23 (1) HEARINGS.—The Council may hold hear-  
24 ings, meet and act at any time and place, take any

1 testimony and receive any evidence that the Council  
2 considers advisable to carry out this section.

3 (2) INFORMATION FROM FEDERAL AGENCIES.—

4 (A) IN GENERAL.—The Council may ob-  
5 tain directly from any Federal agency any in-  
6 formation that the Council considers necessary  
7 to carry out this section.

8 (B) PROVISION OF INFORMATION.—

9 (i) IN GENERAL.—Except as provided  
10 in clause (ii), on request of the Secretary  
11 or the non-Federal co-chair of the Council,  
12 the head of a Federal agency may provide  
13 information to the Council.

14 (ii) LIMITATION.—The head of a Fed-  
15 eral agency shall not provide any informa-  
16 tion to the Council that the Federal agency  
17 head determines the disclosure of which  
18 may cause harm to national security inter-  
19 ests.

20 (3) POSTAL SERVICES.—The Council may use  
21 the United States mail in the same manner and  
22 under the same conditions as other agencies of the  
23 Federal Government.

24 (4) GIFTS.—The Council may accept, use, and  
25 dispose of gifts or donations of services or property.

1 (f) COUNCIL PERSONNEL MATTERS.—

2 (1) COMPENSATION OF MEMBERS.—

3 (A) NON-FEDERAL EMPLOYEES.—A mem-  
4 ber of the Council who is not an officer or em-  
5 ployee of the Federal Government shall serve  
6 without compensation.

7 (B) FEDERAL EMPLOYEES.—A member of  
8 the Council who is an officer or employee of the  
9 United States shall serve without compensation  
10 in addition to the compensation received for  
11 services of the member as an officer or em-  
12 ployee of the Federal Government.

13 (2) TRAVEL EXPENSES.—A member of the  
14 Council shall be allowed travel expenses at rates au-  
15 thorized for an employee of an agency under sub-  
16 chapter I of chapter 57 of title 5, United States  
17 Code, while away from the home or regular place of  
18 business of the member in the performance of the  
19 duties of the Council.

20 (g) TERMINATION OF COUNCIL.—The Council shall  
21 terminate at the end of the eighth fiscal year beginning  
22 on or after the date of the enactment of this Act.

23 (h) NATIONAL OFFICE OF DROUGHT PREPARED-  
24 NESS.—



1           (1) ESTABLISHMENT.—The Secretary shall es-  
2       tablish an office to be known as the “National Office  
3       of Drought Preparedness” to provide assistance to  
4       the Council.

5           (2) DIRECTOR OF THE OFFICE.—

6           (A) APPOINTMENT.—

7                   (i) IN GENERAL.—The Under Sec-  
8       retary shall appoint a Director of the Of-  
9       fice under sections 3371 through 3375 of  
10      title 5, United States Code.

11                  (ii) QUALIFICATIONS.—The Director  
12      of the Office shall be a person who has ex-  
13      perience in—

14                           (I) public administration; and

15                           (II) drought mitigation or  
16      drought management.

17           (B) POWERS.—The Director of the Office  
18      may hire such other additional personnel or  
19      contract for services with other entities as nec-  
20      essary to carry out the duties of the Office.

21           (3) DETAIL OF GOVERNMENT EMPLOYEES.—

22                  (A) IN GENERAL.—Except for the require-  
23      ments of section 204, an employee of the Fed-  
24      eral Government may be detailed to the Office  
25      without reimbursement, unless the Secretary,

1 on the recommendation of the Director of the  
2 Office, determines that reimbursement is appro-  
3 priate.

4 (B) CIVIL SERVICE STATUS.—The detail of  
5 an employee shall be without interruption or  
6 loss of civil service status or privilege.

7 (i) DROUGHT ASSISTANCE FUND.—

8 (1) ESTABLISHMENT.—There is established  
9 within the Department of Agriculture a fund to be  
10 known as the “Drought Assistance Fund”.

11 (2) PURPOSE.—The Fund shall be used to pay  
12 the costs of—

13 (A) providing technical and financial as-  
14 sistance (including grants and cooperative as-  
15 sistance) to States, Indian tribes, local govern-  
16 ments, watershed groups, and critical service  
17 providers for the development and implementa-  
18 tion of drought preparedness plans;

19 (B) providing to States, Indian tribes, local  
20 governments, watershed groups, and critical  
21 service providers the Federal share, as deter-  
22 mined by the Secretary, in consultation with the  
23 other members of the Council, of the cost of  
24 mitigating the overall risk and impacts of  
25 droughts;

1 (C) assisting States, Indian tribes, local  
2 governments, watershed groups, and critical  
3 service providers in the development of mitiga-  
4 tion measures to address environmental, eco-  
5 nomic, and human health and safety issues re-  
6 lating to drought; and

7 (D) expanding the technology transfer of  
8 drought and water conservation strategies and  
9 innovative water supply techniques.

10 (3) GUIDELINES.—

11 (A) IN GENERAL.—The Secretary, in con-  
12 sultation with the non-Federal co-chair of the  
13 Council and with the concurrence of the Coun-  
14 cil, shall develop and promulgate guidelines to  
15 implement this subsection.

16 (B) REQUIREMENTS.—The guidelines shall  
17 address the following:

18 (i) Ensure the distribution of amounts  
19 from the Fund within a reasonable period  
20 of time.

21 (ii) Take into consideration regional  
22 differences.

23 (iii) Take into consideration all im-  
24 pacts of drought in a balanced manner.

1 (iv) Prohibit the use of amounts from  
2 the Fund for Federal salaries that are not  
3 directly related to the provision of drought  
4 assistance.

5 (v) Require that distribution of  
6 amounts from the Fund granted to States,  
7 local governments, watershed groups, and  
8 critical service providers to meet the re-  
9 quirements of this subsection be coordi-  
10 nated with and managed by the State in  
11 which such local government or critical  
12 service provider is located, consistent with  
13 the drought preparedness priorities and  
14 relevant water management plans within  
15 the State.

16 (vi) Require that distribution of  
17 amounts from the Fund granted to Indian  
18 tribes to meet the requirements of this  
19 subsection be used to implement plans that  
20 are, to the extent practicable, in coordina-  
21 tion with each State in which lands of the  
22 Indian tribe are located and consistent  
23 with existing drought preparedness and  
24 water management plans of such States.

1                   (vii) Require that a State, Indian  
2                   tribe, local government, watershed group,  
3                   or critical service provider that receives  
4                   Federal funds under paragraph (2) or (3)  
5                   of subsection (b) cover not less than 25  
6                   percent of the overall cost incurred in car-  
7                   rying out the project for which the Federal  
8                   funds are provided. This cost sharing re-  
9                   quirement may be satisfied using non-Fed-  
10                  eral grants or cash donations made by  
11                  non-Federal third parties.

12               (4) SPECIAL REQUIREMENT FOR INTERSTATE  
13               WATERSHEDS.—

14               (A) DEVELOPMENT OF DROUGHT PRE-  
15               PAREDNESS PLANS.—In order to receive funds  
16               under this subsection to develop drought pre-  
17               paredness plans for interstate watersheds, the  
18               guidelines shall also require the relevant States,  
19               Indian tribes, or both, in which the watershed  
20               is located, to coordinate in the development of  
21               the drought preparedness plan. The develop-  
22               ment of such plans shall—

23                   (i) be consistent with the relevant  
24                   States' and Tribal water laws, policies, and  
25                   agreements;

1 (ii) be consistent and coordinated with  
2 any existing interstate stream compacts;

3 (iii) include the participation of any  
4 relevant watershed groups located in the  
5 relevant States, Indian tribes, or both; and

6 (iv) recognize that implementation of  
7 the interstate drought preparedness plan  
8 will involve further coordination among the  
9 relevant States, Indian tribes, or both, ex-  
10 cept that each State and Indian tribe has  
11 sole jurisdiction over implementation of  
12 that portion of the watershed that exists  
13 within their boundaries.

14 (B) IMPLEMENTATION OF DROUGHT PRE-  
15 PAREDNESS PLANS.—In order to receive funds  
16 under this subsection to implement drought  
17 preparedness plans for interstate watersheds,  
18 the guidelines shall also require, to the extent  
19 practicable, the relevant States, Indian tribes,  
20 or both, in which the watershed is located, to  
21 coordinate in the implementation of the drought  
22 preparedness plan, recognizing the sovereignty  
23 of the States and Indian tribes. Implementation  
24 of interstate drought preparedness plans  
25 shall—

1 (i) be contingent upon the existence of  
2 a drought preparedness plan, but not re-  
3 quire the distribution of funds to all States  
4 and Indian tribes in which the watershed is  
5 located;

6 (ii) consider the level of impact within  
7 the watershed on each of the relevant  
8 States, Indian tribes, or both; and

9 (iii) not impede on State water rights  
10 established as of the date of enactment of  
11 this Act.

12 (j) DROUGHT PREPAREDNESS PLANS.—

13 (1) IN GENERAL.—The Secretary shall—

14 (A) with the concurrence of the Council,  
15 jointly develop guidelines for administering a  
16 national program to provide technical and fi-  
17 nancial assistance to States, Indian tribes, local  
18 governments, watershed groups, and critical  
19 service providers for the development, mainte-  
20 nance, and implementation of drought pre-  
21 paredness plans; and

22 (B) promulgate the guidelines developed  
23 under subparagraph (A).

24 (2) REQUIREMENTS.—To build on the experi-  
25 ence and avoid duplication of efforts of Federal,

1 State, local, tribal, and regional drought plans in ex-  
2 istence on the date of enactment of this Act, the  
3 guidelines may recognize and incorporate those  
4 plans.

5 (3) FEDERAL PLANS.—

6 (A) IN GENERAL.—The Secretary and  
7 other appropriate Federal agency heads shall  
8 develop and implement Federal drought pre-  
9 paredness plans for agencies under the jurisdic-  
10 tion of the appropriate Federal agency head.

11 (B) REQUIREMENTS.—The Federal  
12 plans—

13 (i) shall be integrated with each other;

14 (ii) may be included as components of  
15 other Federal planning requirements;

16 (iii) shall be integrated with drought  
17 preparedness plans of State, tribal, and  
18 local governments that are affected by  
19 Federal projects and programs; and

20 (iv) shall be completed not later than  
21 two years after the date of the enactment  
22 of this Act.

23 (4) STATE AND TRIBAL PLANS.—States and In-  
24 dian tribes may develop and implement State and  
25 tribal drought preparedness plans that—



1 (A) address monitoring of resource condi-  
2 tions that are related to drought;

3 (B) identify areas that are at a high risk  
4 for drought;

5 (C) describes mitigation strategies to ad-  
6 dress and reduce the vulnerability of an area to  
7 drought; and

8 (D) are integrated with State, tribal, and  
9 local water plans in existence on the date of en-  
10 actment of this Act.

11 (5) REGIONAL AND LOCAL PLANS.—Local gov-  
12 ernments, watershed groups, and regional water pro-  
13 viders may develop and implement drought pre-  
14 paredness plans that—

15 (A) address monitoring of resource condi-  
16 tions that are related to drought;

17 (B) identify areas that are at a high risk  
18 for drought;

19 (C) describe mitigation strategies to ad-  
20 dress and reduce the vulnerability of an area to  
21 drought; and

22 (D) are integrated with corresponding  
23 State plans.

24 (6) PLAN ELEMENTS.—A drought preparedness  
25 plan—

1 (A) shall be consistent with Federal and  
2 State laws, contracts, and policies;

3 (B) shall allow each State to continue to  
4 manage water and wildlife in the State;

5 (C) shall address the health, safety, and  
6 economic interests of those persons directly af-  
7 fected by drought;

8 (D) shall address the economic impact on  
9 resource-dependent businesses and industries,  
10 including regional tourism;

11 (E) may include—

12 (i) provisions for water management  
13 strategies to be used during various  
14 drought or water shortage thresholds, con-  
15 sistent with State water law;

16 (ii) provisions to address key issues  
17 relating to drought (including public  
18 health, safety, economic factors, and envi-  
19 ronmental issues such as water quality,  
20 water quantity, protection of threatened  
21 and endangered species, and fire manage-  
22 ment);

23 (iii) provisions that allow for public  
24 participation in the development, adoption,  
25 and implementation of drought plans;

1 (iv) provisions for periodic drought ex-  
2 ercises, revisions, and updates;

3 (v) a hydrologic characterization study  
4 to determine how water is being used dur-  
5 ing times of normal water supply avail-  
6 ability to anticipate the types of drought  
7 mitigation actions that would most effec-  
8 tively improve water management during a  
9 drought;

10 (vi) drought triggers;

11 (vii) specific implementation actions  
12 for droughts;

13 (viii) a water shortage allocation plan,  
14 consistent with State water law; and

15 (ix) comprehensive insurance and fi-  
16 nancial strategies to manage the risks and  
17 financial impacts of droughts; and

18 (F) shall take into consideration—

19 (i) the financial impact of the plan on  
20 the ability of the utilities to ensure rate  
21 stability and revenue stream; and

22 (ii) economic impacts from water  
23 shortages.

24 (k) AUTHORIZATION OF APPROPRIATIONS.—

1           (1) COUNCIL.—There is authorized to be appro-  
2           priated to carry out the activities of the Council  
3           \$2,000,000 for fiscal year 2008 and for each of the  
4           subsequent seven fiscal years.

5           (2) FUND.—There are authorized to be appro-  
6           priated to the Fund such sums as are necessary to  
7           carry out subsection (i).

8   **SEC. 11013. PAYMENT OF PORTION OF PREMIUM FOR AREA**  
9                           **REVENUE PLANS.**

10          Section 508(e) of the Federal Crop Insurance Act (7  
11   U.S.C. 1508(e)) is amended—

12               (1) in paragraph (2), in the matter preceding  
13               subparagraph (A), by striking “paragraph (4)” and  
14               inserting “paragraphs (4), (6), and (7)”; and

15               (2) by adding at the end the following:

16               “(6) PREMIUM SUBSIDY FOR AREA REVENUE  
17               PLANS.—Subject to paragraph (4), in the case of a  
18               policy or plan of insurance that covers losses due to  
19               a reduction in revenue in an area, the amount of the  
20               premium paid by the Corporation shall be as follows:

21                       “(A) In the case of additional area cov-  
22                       erage equal to or greater than 70 percent, but  
23                       less than 75 percent, of the recorded county  
24                       yield indemnified at not greater than 100 per-

cent of the expected market price, the amount shall be equal to the sum of—

“(i) 59 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

“(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

“(B) In the case of additional area coverage equal to or greater than 75 percent, but less than 85 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

“(i) 55 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

“(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

1           “(C) In the case of additional area cov-  
2           erage equal to or greater than 85 percent, but  
3           less than 90 percent, of the recorded county  
4           yield indemnified at not greater than 100 per-  
5           cent of the expected market price, the amount  
6           shall be equal to the sum of—

7                   “(i) 49 percent of the amount of the  
8                   premium established under subsection  
9                   (d)(2)(B)(i) for the coverage level selected;  
10                  and

11                  “(ii) the amount determined under  
12                  subsection (d)(2)(B)(ii) for the coverage  
13                  level selected to cover operating and ad-  
14                  ministrative expenses.

15           “(D) In the case of additional area cov-  
16           erage equal to or greater than 90 percent of the  
17           recorded county yield indemnified at not greater  
18           than 100 percent of the expected market price,  
19           the amount shall be equal to the sum of—

20                   “(i) 44 percent of the amount of the  
21                   premium established under subsection  
22                   (d)(2)(B)(i) for the coverage level selected;  
23                  and

24                  “(ii) the amount determined under  
25                  subsection (d)(2)(B)(ii) for the coverage

1 level selected to cover operating and ad-  
2 ministrative expenses.

3 “(7) PREMIUM SUBSIDY FOR AREA YIELD  
4 PLANS.—Subject to paragraph (4), in the case of a  
5 policy or plan of insurance that covers losses due to  
6 a loss of yield or prevented planting in an area, the  
7 amount of the premium paid by the Corporation  
8 shall be as follows:

9 “(A) In the case of additional area cov-  
10 erage equal to or greater than 70 percent, but  
11 less than 80 percent, of the recorded county  
12 yield indemnified at not greater than 100 per-  
13 cent of the expected market price, the amount  
14 shall be equal to the sum of—

15 “(i) 59 percent of the amount of the  
16 premium established under subsection  
17 (d)(2)(B)(i) for the coverage level selected;  
18 and

19 “(ii) the amount determined under  
20 subsection (d)(2)(B)(ii) for the coverage  
21 level selected to cover operating and ad-  
22 ministrative expenses.

23 “(B) In the case of additional area cov-  
24 erage equal to or greater than 80 percent, but  
25 less than 90 percent, of the recorded county

1           yield indemnified at not greater than 100 per-  
2           cent of the expected market price, the amount  
3           shall be equal to the sum of—

4                   “(i) 55 percent of the amount of the  
5                   premium established under subsection  
6                   (d)(2)(B)(i) for the coverage level selected;  
7                   and

8                   “(ii) the amount determined under  
9                   subsection (d)(2)(B)(ii) for the coverage  
10                  level selected to cover operating and ad-  
11                  ministrative expenses.

12           “(C) In the case of additional area cov-  
13           erage equal to or greater than 90 percent, of  
14           the recorded county yield indemnified at not  
15           greater than 100 percent of the expected mar-  
16           ket price, the amount shall be equal to the sum  
17           of—

18                   “(i) 51 percent of the amount of the  
19                   premium established under subsection  
20                   (d)(2)(B)(i) for the coverage level selected;  
21                   and

22                   “(ii) the amount determined under  
23                   subsection (d)(2)(B)(ii) for the coverage  
24                   level selected to cover operating and ad-  
25                   ministrative expenses.”.



1 **SEC. 11014. SHARE OF RISK.**

2 (a) IN GENERAL.—Section 508(k)(3) of the Federal  
3 Crop Insurance Act (7 U.S.C. 1508(k)(3)) is amended—

4 (1) by striking “require the” and inserting “re-  
5 quire—

6 “(A) the”;

7 (2) by striking the period at the end and insert-  
8 ing “; and”; and

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

10 “(B)(i) the cumulative underwriting gain  
11 or loss, and the associated premium and losses  
12 with such amount, calculated under any rein-  
13 surance agreement (except livestock) ceded to  
14 the Corporation by each approved insurance  
15 provider to be not less than 12.5 percent; and

16 “(ii) the Corporation to pay a ceding com-  
17 mission to reinsured companies of 2 percent of  
18 the premium used to define the loss ratio for  
19 the approved insurance provider’s book of busi-  
20 ness that is described in clause (i).”.

21 (b) CONFORMING AMENDMENTS.—Section 516(a)(2)  
22 of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(2))  
23 is amended by adding at the end the following new sub-  
24 paragraph:

25 “(E) Costs associated with the ceding com-  
26 missions described in section 508(k)(3)(B)(ii).”.

1       (c) EFFECTIVE DATE.—This section shall take effect  
2 on the first June 30th after the date of the enactment  
3 of this Act.

4 **SEC. 11015. LIVESTOCK ASSISTANCE.**

5       Notwithstanding any other provision of law, the pur-  
6 chase of a Non-insured Assistance Program policy shall  
7 not be a requirement to receive any Federal livestock dis-  
8 aster assistance.

9 **SEC. 11016. DETERMINATION OF CERTAIN SWEET POTATO**  
10 **PRODUCTION.**

11       In the case of sweet potatoes, Risk Management  
12 Agency Pilot Program data shall not be considered for  
13 purposes of determining production for the 2005–2006  
14 Farm Service Agency Crop Disaster Program.

15 **Subtitle B—Livestock and Poultry**

16 **SEC. 11101. SENSE OF CONGRESS REGARDING**  
17 **PSEUDORABIES ERADICATION PROGRAM.**

18       It is the sense of Congress that—

19           (1) the Secretary should recognize the threat  
20 feral swine pose to the domestic swine population;

21           (2) keeping the United States commercial swine  
22 herd free of pseudorabies is essential to maintaining  
23 and growing pork export markets;

24           (3) the establishment of a swine surveillance  
25 system will assist the swine industry in the moni-

1 toring, surveillance, and eradication of pseudorabies;  
 2 and

3 (4) pseudorabies eradication is a high priority  
 4 that the Secretary should carry out under the au-  
 5 thorities of the Animal Health Protection Act.

6 **SEC. 11102. ARBITRATION OF LIVESTOCK AND POULTRY**  
 7 **CONTRACTS.**

8 The Packers and Stockyards Act, 1921 (7 U.S.C. 181  
 9 et seq.) is amended—

10 (1) by redesignating section 416 as section 417;  
 11 and

12 (2) by inserting after section 415 the following  
 13 new section:

14 **“SEC. 416. ARBITRATION OF LIVESTOCK AND POULTRY**  
 15 **CONTRACTS.**

16 “(a) ISSUANCE OF REGULATIONS.—The Secretary of  
 17 Agriculture shall promulgate regulations to establish  
 18 standards related to the inclusion of arbitration provisions  
 19 in livestock and poultry production contracts.

20 “(b) CONTENT.—Such regulations shall—

21 “(1) establish permissible agreements with re-  
 22 spect to venue of arbitration, allocation of arbitra-  
 23 tion costs, number and appointment of arbitrators,  
 24 and any other element of an arbitration agreement  
 25 that the Secretary determines to be necessary;

1           “(2) permit a producer to seek relief in a small  
2       claims court in lieu of arbitration for disputes or  
3       claims within the jurisdiction of a small claims  
4       court, despite the existence of an arbitration agree-  
5       ment; and

6           “(3) require any person appointed or to be ap-  
7       pointed as an arbitrator to disclose any circumstance  
8       likely to raise doubt as to the arbitrator’s impar-  
9       tiality.”.

10 **SEC. 11103. STATE-INSPECTED MEAT AND POULTRY.**

11       (a) REVIEW OF STATE MEAT AND POULTRY INSPEC-  
12       TION PROGRAMS.—

13           (1) REPORT.—Not later than 30 days after the  
14       date of the enactment of this Act, the Secretary of  
15       Agriculture shall submit to Congress a report con-  
16       taining the results of a review by the Secretary of  
17       each State meat and poultry inspection program.  
18       Such report shall include—

19           (A) a determination of the effectiveness of  
20       each State meat and poultry inspection pro-  
21       gram; and

22           (B) an identification of changes that are  
23       necessary to enable future transition to a State  
24       program of enforcing Federal inspection re-

1           quirements as described in the amendments  
2           made by subsections (b) and (c).

3           (2) AUTHORIZATION OF APPROPRIATIONS.—

4                 (A) IN GENERAL.—There are authorized to  
5           be appropriated such sums as are necessary to  
6           carry out this section.

7                 (B) AVAILABLE FUNDS.—Notwithstanding  
8           any other provision of law, only funds specifi-  
9           cally appropriated under subparagraph (A) may  
10          be used to carry out this subsection.

11          (b) STATE MEAT INSPECTION PROGRAMS.—

12                 (1) IN GENERAL.—Title III of the Federal  
13          Meat Inspection Act (21 U.S.C. 661 et seq.) is  
14          amended to read as follows:

15                   **“TITLE III—STATE MEAT**  
16                   **INSPECTION PROGRAMS**

17          **“SEC. 301. POLICY AND FINDINGS.**

18                 “(a) POLICY.—It is the policy of Congress to protect  
19          the public from meat and meat food products that are  
20          adulterated or misbranded and to assist in efforts by State  
21          and other government agencies to accomplish that policy.

22                 “(b) FINDINGS.—Congress finds that—

23                         “(1) the goal of a safe and wholesome supply  
24                  of meat and meat food products throughout the  
25                  United States would be better served if a consistent

1 set of requirements, established by the Federal Gov-  
2 ernment, were applied to all meat and meat food  
3 products, whether produced under State inspection  
4 or Federal inspection;

5 “(2) under such a system, State and Federal  
6 meat inspection programs would function together to  
7 create a seamless inspection system to ensure food  
8 safety and inspire consumer confidence in the food  
9 supply in interstate commerce; and

10 “(3) such a system would ensure the viability of  
11 State meat inspection programs, which should help  
12 to foster the viability of small establishments.

13 **“SEC. 302. APPROVAL OF STATE MEAT INSPECTION PRO-**  
14 **GRAMS.**

15 “(a) IN GENERAL.—Notwithstanding any other pro-  
16 vision of this Act, the Secretary may approve a State meat  
17 inspection program and allow the shipment in commerce  
18 of carcasses, parts of carcasses, meat, and meat food prod-  
19 ucts inspected under the State meat inspection program  
20 in accordance with this title.

21 “(b) ELIGIBILITY.—

22 “(1) IN GENERAL.—To receive or maintain ap-  
23 proval from the Secretary for a State meat inspec-  
24 tion program in accordance with subsection (a), a  
25 State shall—

1           “(A) implement a State meat inspection  
2           program that enforces the mandatory ante-  
3           mortem and postmortem inspection, reinspec-  
4           tion, sanitation, and related Federal require-  
5           ments of titles I, II, and IV (including the regu-  
6           lations, directives, notices, policy memoranda,  
7           and other regulatory requirements issued under  
8           those titles); and

9           “(B) enter into a cooperative agreement  
10          with the Secretary in accordance with sub-  
11          section (c).

12         “(2) ADDITIONAL REQUIREMENTS.—

13                 “(A) IN GENERAL.—In addition to the re-  
14                 quirements described in paragraph (1), a State  
15                 meat inspection program reviewed in accord-  
16                 ance with section 11103(a) of the Farm, Nutri-  
17                 tion, and Bioenergy Act of 2007 shall imple-  
18                 ment, not later than 180 days after the date on  
19                 which the report is submitted under subsection  
20                 (b) of such section, all recommendations from  
21                 the review, in a manner approved by the Sec-  
22                 retary.

23                 “(B) REVIEW OF NEW STATE MEAT IN-  
24                 SPECTION PROGRAMS.—

1                   “(i) REVIEW REQUIREMENT.—Not  
2 later than one year after the date on which  
3 the Secretary approves a new State meat  
4 inspection program, the Secretary shall  
5 conduct a review of the new State meat in-  
6 spection program, which shall include—

7                   “(I) a determination of the effec-  
8 tiveness of the new State meat inspec-  
9 tion program; and

10                  “(II) identification of changes  
11 necessary to ensure enforcement of  
12 Federal inspection requirements.

13                  “(ii) IMPLEMENTATION REQUIRE-  
14 MENTS.—In addition to the requirements  
15 described in paragraph (1), to continue to  
16 be an approved State meat inspection pro-  
17 gram, a new State meat inspection pro-  
18 gram shall implement all recommendations  
19 from the review conducted in accordance  
20 with this subparagraph, in a manner ap-  
21 proved by the Secretary.

22                  “(iii) DEFINITION OF NEW STATE  
23 MEAT INSPECTION PROGRAM.—In this sub-  
24 paragraph, the term ‘new State meat in-  
25 spection program’ means a State meat in-



1 inspection program that is not approved in  
2 accordance with subsection (a) between the  
3 effective date of the Farm, Nutrition, and  
4 Bioenergy Act of 2007 and the date that  
5 is one year after the effective date of such  
6 Act.

7 “(c) COOPERATIVE AGREEMENT.—Notwithstanding  
8 chapter 63 of title 31, United States Code, the Secretary  
9 may enter into a cooperative agreement with a State  
10 that—

11 “(1) establishes the terms governing the rela-  
12 tionship between the Secretary and the State meat  
13 inspection program;

14 “(2) provides that the State will adopt (includ-  
15 ing adoption by reference) provisions identical to ti-  
16 tles I, II, and IV (including the regulations, direc-  
17 tives, notices, policy memoranda, and other regu-  
18 latory requirements issued under those titles);

19 “(3) provides that State-inspected and passed  
20 meat and meat food products shall be marked with  
21 a mark of State inspection, which shall be deemed  
22 to be an official mark, in accordance with require-  
23 ments issued by the Secretary;

24 “(4) provides that the State will comply with all  
25 labeling requirements issued by the Secretary gov-

1       erning meat and meat food products inspected under  
2       the State meat inspection program;

3           “(5) provides that the Secretary shall have au-  
4       thority—

5           “(A) to detain and seize livestock, car-  
6       casses, parts of carcasses, meat, and meat food  
7       products under the State meat inspection pro-  
8       gram;

9           “(B) to obtain access to facilities, records,  
10      livestock, carcasses, parts of carcasses, meat,  
11      and meat food products of any person, firm, or  
12      corporation that slaughters, processes, handles,  
13      stores, transports, or sells meat or meat food  
14      products inspected under the State meat inspec-  
15      tion program to determine compliance with this  
16      Act (including the regulations issued under this  
17      Act); and

18          “(C) to direct the State to conduct any ac-  
19      tivity authorized to be conducted by the Sec-  
20      retary under this Act (including the regulations  
21      issued under this Act); and

22          “(6) includes such other terms as the Secretary  
23      determines to be necessary to ensure that the ac-  
24      tions of the State and the State meat inspection pro-  
25      gram are consistent with this Act (including the reg-

1       ulations, directives, notices, policy memoranda, and  
2       other regulatory requirements issued under this  
3       Act).

4       “(d) RESTRICTION ON ESTABLISHMENT SIZE.—After  
5       the date that is 90 days after the effective date of the  
6       Farm, Nutrition, and Bioenergy Act of 2007, establish-  
7       ments with more than 50 employees may not be accepted  
8       into a State meat inspection program. Any establishment  
9       that is subject to state inspection on such date, may re-  
10      main subject to State inspection.

11      “(e) REIMBURSEMENT OF STATE COSTS.—The Sec-  
12      retary may reimburse a State for not more than 50 per-  
13      cent of the State’s costs of meeting the Federal require-  
14      ments for the State meat inspection program.

15      “(f) SAMPLING.—A duly authorized representative of  
16      the Secretary shall be afforded access to State inspected  
17      establishments to take reasonable samples of the inventory  
18      of such establishments upon payment of the fair market  
19      value therefor.

20      “(g) NONCOMPLIANCE.—If the Secretary determines  
21      that a State meat inspection program does not comply  
22      with this title or the cooperative agreement under sub-  
23      section (c), the Secretary shall take such action as the Sec-  
24      retary determines to be necessary to ensure that the car-  
25      casses, parts of carcasses, meat, and meat food products

1 in the State are inspected in a manner that effectuates  
2 this Act (including the regulations, directives, notices, pol-  
3 icy memoranda, and other regulatory requirements issued  
4 under this Act).

5 **“SEC. 303. AUTHORITY TO TAKE OVER STATE MEAT INSPEC-**  
6 **TION PROGRAMS.**

7 “(a) NOTIFICATION.—If the Secretary has reason to  
8 believe that a State is not in compliance with this Act (in-  
9 cluding the regulations, directives, notices, policy memo-  
10 randa, and other regulatory requirements issued under  
11 this Act) or the cooperative agreement under section  
12 302(c) and is considering the revocation or temporary sus-  
13 pension of the approval of the State meat inspection pro-  
14 gram, the Secretary shall promptly notify and consult with  
15 the Governor of the State.

16 “(b) SUSPENSION AND REVOCATION.—

17 “(1) IN GENERAL.—The Secretary may revoke  
18 or temporarily suspend the approval of a State meat  
19 inspection program and take over a State meat in-  
20 spection program if the Secretary determines that  
21 the State meat inspection program is not in compli-  
22 ance with this Act (including the regulations, direc-  
23 tives, notices, policy memoranda, and other regu-  
24 latory requirements issued under this Act) or the co-  
25 operative agreement under section 302(c).

1           “(2) PROCEDURES FOR REINSTATEMENT.—A  
2       State meat inspection program that has been the  
3       subject of a revocation may be reinstated as an ap-  
4       proved State meat inspection program under this  
5       Act only in accordance with the procedures under  
6       section 302(b)(2)(B).

7           “(c) PUBLICATION.—If the Secretary revokes or tem-  
8       porarily suspends the approval of a State meat inspection  
9       program in accordance with subsection (b), the Secretary  
10      shall publish notice of the revocation or temporary suspen-  
11      sion under that subsection in the Federal Register.

12          “(d) INSPECTION OF ESTABLISHMENTS.—Not later  
13      than 30 days after the date of publication of a determina-  
14      tion under subsection (c), an establishment subject to a  
15      State meat inspection program with respect to which the  
16      Secretary makes a determination under subsection (b)  
17      shall be inspected by the Secretary.

18      **“SEC. 304. EXPEDITED AUTHORITY TO TAKE OVER INSPEC-**  
19                      **TION OF STATE-INSPECTED ESTABLISH-**  
20                      **MENTS.**

21          “Notwithstanding any other provision of this title, if  
22      the Secretary determines that an establishment operating  
23      under a State meat inspection program is not operating  
24      in accordance with this Act (including the regulations, di-  
25      rectives, notices, policy memoranda, and other regulatory

1 requirements issued under this Act) or the cooperative  
2 agreement under section 302(c), and the State, after noti-  
3 fication by the Secretary to the Governor, has not taken  
4 appropriate action within a reasonable time as determined  
5 by the Secretary, the Secretary may immediately deter-  
6 mine that the establishment is an establishment that shall  
7 be inspected by the Secretary, until such time as the Sec-  
8 retary determines that the State will meet the require-  
9 ments of this Act (including the regulations, directives, no-  
10 tices, policy memoranda, and other regulatory require-  
11 ments) and the cooperative agreement with respect to the  
12 establishment.

13 **“SEC. 305. ANNUAL REVIEW.**

14       “(a) IN GENERAL.—The Secretary shall develop and  
15 implement a process to annually review each State meat  
16 inspection program approved under this title and to certify  
17 the State meat inspection programs that comply with the  
18 cooperative agreement entered into with the State under  
19 section 302(c).

20       “(b) COMMENT FROM INTERESTED PARTIES.—In  
21 developing the review process described in subsection (a),  
22 the Secretary shall solicit comment from interested par-  
23 ties.

1   **“SEC. 306. FEDERAL INSPECTION OPTION.**

2           “(a) IN GENERAL.—An establishment that operates  
3 in a State with an approved State meat inspection pro-  
4 gram may apply for inspection under the State meat in-  
5 spection program or for Federal inspection.

6           “(b) LIMITATION.—An establishment shall not make  
7 an application under subsection (a) more than once every  
8 four years.”.

9           (2) RESTAURANTS AND RETAIL STORES.—Title  
10       IV of the Federal Meat Inspection Act is amended—

11               (A) by redesignating section 411 (21  
12               U.S.C. 681) as section 414; and

13               (B) by inserting after section 410 (21  
14               U.S.C. 680) the following:

15   **“SEC. 411. RESTAURANTS AND RETAIL STORES.**

16           “(a) LIMITATION ON APPLICABILITY OF INSPECTION  
17 REQUIREMENTS.—The provisions of this Act requiring in-  
18 spection of the slaughter of animals and the preparation  
19 of carcasses, parts of carcasses, meat, and meat food prod-  
20 ucts shall not apply to operations of types traditionally  
21 and usually conducted at retail stores and restaurants, as  
22 determined by the Secretary, if the operations are con-  
23 ducted at a retail store, restaurant, or similar retail estab-  
24 lishment for sale of such prepared articles in normal retail  
25 quantities or for service of the articles to consumers at  
26 such an establishment.

1 “(b) CENTRAL KITCHEN FACILITIES.—

2 “(1) IN GENERAL.—For the purposes of this  
3 section, operations conducted at a central kitchen fa-  
4 cility of a restaurant shall be considered to be con-  
5 ducted at a restaurant if the central kitchen of the  
6 restaurant prepares meat or meat food products that  
7 are ready to eat when they leave the facility and are  
8 served in meals or as entrees only to customers at  
9 restaurants owned or operated by the same person,  
10 firm, or corporation that owns or operates the facil-  
11 ity.

12 “(2) EXCEPTION.—A facility described in para-  
13 graph (1) shall be subject to section 202 and may  
14 be subject to the inspection requirements of title I  
15 for as long as the Secretary determines to be nec-  
16 essary, if the Secretary determines that the sanitary  
17 conditions or practices of the facility or the proc-  
18 essing procedures or methods at the facility are such  
19 that any of the meat or meat food products of the  
20 facility are rendered adulterated.

21 **“SEC. 412. ACCEPTANCE OF INTERSTATE SHIPMENTS OF**  
22 **MEAT AND MEAT FOOD PRODUCTS.**

23 “Notwithstanding any provision of State law, a State  
24 or local government shall not prohibit or restrict the move-  
25 ment or sale of meat or meat food products that have been



1 inspected and passed in accordance with this Act for inter-  
2 state commerce.

3 **“SEC. 413. ADVISORY COMMITTEES FOR FEDERAL AND**  
4 **STATE PROGRAMS.**

5 “The Secretary may appoint advisory committees  
6 consisting of such representatives of appropriate State  
7 agencies as the Secretary and the State agencies may des-  
8 ignate to consult with the Secretary concerning State and  
9 Federal programs with respect to meat inspection and  
10 other matters within the scope of this Act.”.

11 (c) STATE POULTRY INSPECTION PROGRAMS.—

12 (1) IN GENERAL.—The Poultry Products In-  
13 spection Act (21 U.S.C. 451 et seq.) is amended by  
14 striking section 5 and inserting the following:

15 **“SEC. 5. STATE POULTRY INSPECTION PROGRAMS.**

16 “(a) POLICY.—It is the policy of Congress to protect  
17 the public from poultry products that are adulterated or  
18 misbranded and to assist in efforts by State and other gov-  
19 ernment agencies to accomplish that policy.

20 “(b) FINDINGS.—Congress finds that—

21 “(1) the goal of a safe and wholesome supply  
22 of poultry products throughout the United States  
23 would be better served if a consistent set of require-  
24 ments, established by the Federal Government, were

1 applied to all poultry products, whether produced  
2 under State inspection or Federal inspection;

3 “(2) under such a system, State and Federal  
4 poultry inspection programs would function together  
5 to create a seamless inspection system to ensure  
6 food safety and inspire consumer confidence in the  
7 food supply in interstate commerce; and

8 “(3) such a system would ensure the viability of  
9 State poultry inspection programs, which should  
10 help to foster the viability of small official establish-  
11 ments.

12 “(c) APPROVAL OF STATE POULTRY INSPECTION  
13 PROGRAMS.—

14 “(1) IN GENERAL.—Notwithstanding any other  
15 provision of this Act, the Secretary may approve a  
16 State poultry inspection program and allow the ship-  
17 ment in commerce of poultry products inspected  
18 under the State poultry inspection program in ac-  
19 cordance with this section and section 5A.

20 “(2) ELIGIBILITY.—

21 “(A) IN GENERAL.—To receive or main-  
22 tain approval from the Secretary for a State  
23 poultry inspection program in accordance with  
24 paragraph (1), a State shall—

1 “(i) implement a State poultry inspec-  
2 tion program that enforces the mandatory  
3 antemortem and postmortem inspection,  
4 reinspection, sanitation, and related Fed-  
5 eral requirements of sections 1 through 4  
6 and 6 through 33 (including the regula-  
7 tions, directives, notices, policy memo-  
8 randa, and other regulatory requirements  
9 issued under those sections); and

10 “(ii) enter into a cooperative agree-  
11 ment with the Secretary in accordance  
12 with paragraph (3).

13 “(B) ADDITIONAL REQUIREMENTS.—

14 “(i) IN GENERAL.—In addition to the  
15 requirements described in subparagraph  
16 (A), a State poultry inspection program re-  
17 viewed in accordance with section 11103(a)  
18 of the Farm, Nutrition, and Bioenergy Act  
19 of 2007 shall implement, not later 180  
20 days after the date on which the report is  
21 submitted under subsection (b) of such  
22 section, all recommendations from the re-  
23 view, in a manner approved by the Sec-  
24 retary.

1                   “(ii) REVIEW OF NEW STATE POUL-  
2                   TRY INSPECTION PROGRAMS.—

3                   “(I) REVIEW REQUIREMENT.—

4                   Not later than one year after the date  
5                   on which the Secretary approves a  
6                   new State poultry inspection program,  
7                   the Secretary shall conduct a review  
8                   of the new State poultry inspection  
9                   program, which shall include—

10                  “(aa) a determination of the  
11                  effectiveness of the new State  
12                  poultry inspection program; and

13                  “(bb) identification of  
14                  changes necessary to ensure en-  
15                  forcement of Federal inspection  
16                  requirements.

17                  “(II) IMPLEMENTATION RE-  
18                  QUIREMENTS.—In addition to the re-  
19                  quirements described in subparagraph  
20                  (A), to continue to be an approved  
21                  State poultry inspection program, a  
22                  new State poultry inspection program  
23                  shall implement all recommendations  
24                  from the review conducted in accord-

1           ance with this clause, in a manner ap-  
2           proved by the Secretary.

3                   “(III)   DEFINITION   OF   NEW  
4           STATE   POULTRY   INSPECTION   PRO-  
5           GRAM.—In this clause, the term ‘new  
6           State poultry inspection program’  
7           means a State poultry inspection pro-  
8           gram that is not approved in accord-  
9           ance with paragraph (1) between the  
10          effective date of the Farm, Nutrition,  
11          and Bioenergy Act of 2007 and the  
12          date that is one year after the effec-  
13          tive date of such Act.

14               “(3)   COOPERATIVE   AGREEMENT.—Notwith-  
15          standing chapter 63 of title 31, United States Code,  
16          the Secretary may enter into a cooperative agree-  
17          ment with a State that—

18                   “(A) establishes the terms governing the  
19          relationship between the Secretary and the  
20          State poultry inspection program;

21                   “(B) provides that the State will adopt (in-  
22          cluding adoption by reference) provisions iden-  
23          tical to sections 1 through 4 and 6 through 33  
24          (including the regulations, directives, notices,

1 policy memoranda, and other regulatory re-  
2 quirements issued under those sections);

3 “(C) provides that State-inspected and  
4 passed poultry products may be marked with  
5 the mark of State inspection, which shall be  
6 deemed to be an official mark, in accordance  
7 with requirements issued by the Secretary;

8 “(D) provides that the State will comply  
9 with all labeling requirements issued by the  
10 Secretary governing poultry products inspected  
11 under the State poultry inspection program;

12 “(E) provides that the Secretary shall have  
13 authority—

14 “(i) to detain and seize poultry and  
15 poultry products under the State poultry  
16 inspection program;

17 “(ii) to obtain access to facilities,  
18 records, and poultry products of any per-  
19 son that slaughters, processes, handles,  
20 stores, transports, or sells poultry products  
21 inspected under the State poultry inspec-  
22 tion program to determine compliance with  
23 this Act (including the regulations issued  
24 under this Act); and

1 “(iii) to direct the State to conduct  
2 any activity authorized to be conducted by  
3 the Secretary under this Act (including the  
4 regulations issued under this Act); and

5 “(F) includes such other terms as the Sec-  
6 retary determines to be necessary to ensure  
7 that the actions of the State and the State  
8 poultry inspection program are consistent with  
9 this Act (including the regulations, directives,  
10 notices, policy memoranda, and other regulatory  
11 requirements issued under this Act).

12 “(4) RESTRICTION ON ESTABLISHMENT SIZE.—  
13 After the date that is 90 days after the effective  
14 date of the Farm, Nutrition, and Bioenergy Act of  
15 2007, establishments with more than 50 employees  
16 may not be accepted into a State meat inspection  
17 program. Any establishment that is subject to state  
18 inspection on such date may remain subject to state  
19 inspection.

20 “(5) REIMBURSEMENT OF STATE COSTS.—The  
21 Secretary may reimburse a State for not more than  
22 60 percent of the State’s costs of meeting the Fed-  
23 eral requirements for the State poultry inspection  
24 program.

1           “(6) SAMPLING.—A duly authorized representa-  
2           tive of the Secretary shall be afforded access to  
3           State inspected establishments to take reasonable  
4           samples of their inventory upon payment of the fair  
5           market value therefor.

6           “(7) NONCOMPLIANCE.—If the Secretary deter-  
7           mines that a State poultry inspection program does  
8           not comply with this section, section 5A, or the co-  
9           operative agreement under paragraph (3), the Sec-  
10          retary shall take such action as the Secretary deter-  
11          mines to be necessary to ensure that the poultry  
12          products in the State are inspected in a manner that  
13          effectuates this Act (including the regulations, direc-  
14          tives, notices, policy memoranda, and other regu-  
15          latory requirements issued under this Act).

16          “(d) ANNUAL REVIEW.—

17               “(1) IN GENERAL.—The Secretary shall develop  
18               and implement a process to annually review each  
19               State poultry inspection program approved under  
20               this section and to certify the State poultry inspec-  
21               tion programs that comply with the cooperative  
22               agreement entered into with the State under sub-  
23               section (c)(3).

24               “(2) COMMENT FROM INTERESTED PARTIES.—

25               In developing the review process described in para-



1 graph (1), the Secretary shall solicit comment from  
2 interested parties.

3 “(e) FEDERAL INSPECTION OPTION.—

4 “(1) IN GENERAL.—An official establishment  
5 that operates in a State with an approved State  
6 poultry inspection program may apply for inspection  
7 under the State poultry inspection program or for  
8 Federal inspection.

9 “(2) LIMITATION.—An official establishment  
10 shall not make an application under paragraph (1)  
11 more than once every 4 years.

12 **“SEC. 5A. AUTHORITY TO TAKE OVER STATE POULTRY IN-**  
13 **SPECTION ACTIVITIES.**

14 “(a) AUTHORITY TO TAKE OVER STATE POULTRY  
15 INSPECTION PROGRAMS.—

16 “(1) NOTIFICATION.—If the Secretary has rea-  
17 son to believe that a State is not in compliance with  
18 this Act (including the regulations, directives, no-  
19 tices, policy memoranda, and other regulatory re-  
20 quirements issued under this Act) or the cooperative  
21 agreement under section 5(c)(3) and is considering  
22 the revocation or temporary suspension of the ap-  
23 proval of the State poultry inspection program, the  
24 Secretary shall promptly notify and consult with the  
25 Governor of the State.

1 “(2) SUSPENSION AND REVOCATION.—

2 “(A) IN GENERAL.—The Secretary may re-  
3 voke or temporarily suspend the approval of a  
4 State poultry inspection program and take over  
5 a State poultry inspection program if the Sec-  
6 retary determines that the State poultry inspec-  
7 tion program is not in compliance with this Act  
8 (including the regulations, directives, notices,  
9 policy memoranda, and other regulatory re-  
10 quirements issued under this Act) or the coop-  
11 erative agreement.

12 “(B) PROCEDURES FOR REINSTATE-  
13 MENT.—A State poultry inspection program  
14 that has been the subject of a revocation may  
15 be reinstated as an approved State poultry in-  
16 spection program under this Act only in accord-  
17 ance with the procedures under section  
18 5(c)(2)(B)(ii).

19 “(3) PUBLICATION.—If the Secretary revokes  
20 or temporarily suspends the approval of a State  
21 poultry inspection program in accordance with para-  
22 graph (2), the Secretary shall publish notice of the  
23 revocation or temporary suspension under that para-  
24 graph in the Federal Register.

1           “(4) INSPECTION OF ESTABLISHMENTS.—Not  
2       later than 30 days after the date of publication of  
3       a determination under paragraph (3), an official es-  
4       tablishment subject to a State poultry inspection  
5       program with respect to which the Secretary makes  
6       a determination under paragraph (2) shall be in-  
7       spected by the Secretary.

8       “(b) EXPEDITED AUTHORITY TO TAKE OVER IN-  
9       SPECTION OF STATE-INSPECTED OFFICIAL ESTABLISH-  
10      MENTS.—Notwithstanding any other provision of this  
11      title, if the Secretary determines that an official establish-  
12      ment operating under a State poultry inspection program  
13      is not operating in accordance with this Act (including the  
14      regulations, directives, notices, policy memoranda, and  
15      other regulatory requirements issued under this Act) or  
16      the cooperative agreement under section 5(c)(3), and the  
17      State, after notification by the Secretary to the Governor,  
18      has not taken appropriate action within a reasonable time  
19      as determined by the Secretary, the Secretary may imme-  
20      diately determine that the official establishment is an es-  
21      tablishment that shall be inspected by the Secretary, until  
22      such time as the Secretary determines that the State will  
23      meet the requirements of this Act (including the regula-  
24      tions, directives, notices, policy memoranda, and other reg-

1 ulatory requirements) and the cooperative agreement with  
2 respect to the official establishment.”.

3 (2) RESTAURANTS AND RETAIL STORES, AC-  
4 CEPTANCE OF INTERSTATE SHIPMENTS OF POULTRY  
5 PRODUCTS, AND ADVISORY COMMITTEES FOR FED-  
6 ERAL AND STATE PROGRAMS.—The Poultry Prod-  
7 ucts Inspection Act (21 U.S.C. 451 et seq.) is  
8 amended by inserting after section 30 the following:

9 **“SEC. 31. RESTAURANTS AND RETAIL STORES.**

10 “(a) LIMITATION ON APPLICABILITY OF INSPECTION  
11 REQUIREMENTS.—The provisions of this Act requiring in-  
12 spection of the slaughter of poultry and the processing of  
13 poultry products shall not apply to operations of types tra-  
14 ditionally and usually conducted at retail stores and res-  
15 taurants, if the operations are conducted at a retail store,  
16 restaurant, or similar retail establishment for sale of such  
17 prepared articles in normal retail quantities or for service  
18 of the articles to consumers at such an establishment.

19 “(b) CENTRAL KITCHEN FACILITIES.—

20 “(1) IN GENERAL.—For the purposes of this  
21 section, operations conducted at a central kitchen fa-  
22 cility of a restaurant shall be considered to be con-  
23 ducted at a restaurant if the central kitchen of the  
24 restaurant prepares poultry products that are ready  
25 to eat when they leave the facility and are served in

1 meals or as entrees only to customers at restaurants  
2 owned or operated by the same person that owns or  
3 operates the facility.

4 “(2) EXCEPTION.—A facility described in para-  
5 graph (1) shall be subject to section 11(b) and may  
6 be subject to the inspection requirements of this Act  
7 for as long as the Secretary determines to be nec-  
8 essary, if the Secretary determines that the sanitary  
9 conditions or practices of the facility or the proc-  
10 essing procedures or methods at the facility are such  
11 that any of the poultry products of the facility are  
12 rendered adulterated.

13 **“SEC. 32. ACCEPTANCE OF INTERSTATE SHIPMENTS OF**  
14 **POULTRY PRODUCTS.**

15 “Notwithstanding any provision of State law, a State  
16 or local government shall not prohibit or restrict the move-  
17 ment or sale of poultry products that have been inspected  
18 and passed in accordance with this Act for interstate com-  
19 merce.

20 **“SEC. 33. ADVISORY COMMITTEES FOR FEDERAL AND**  
21 **STATE PROGRAMS.**

22 “The Secretary may appoint advisory committees  
23 consisting of such representatives of appropriate State  
24 agencies as the Secretary and the State agencies may des-  
25 ignate to consult with the Secretary concerning State and

1 Federal programs with respect to poultry product inspec-  
2 tion and other matters within the scope of this Act.”.

3 (d) REGULATIONS.—Not later than 180 days after  
4 the date of the enactment of this Act, the Secretary of  
5 Agriculture shall promulgate such regulations as are nec-  
6 essary to implement the amendments made by subsections  
7 (b) and (c).

8 (e) EFFECTIVE DATE.—The amendments made by  
9 subsections (b) and (c) of this Act shall take effect on the  
10 date that is 180 days after the date of the enactment of  
11 this Act.

12 **SEC. 11104. COUNTRY OF ORIGIN LABELING.**

13 Subtitle D of the Agricultural Marketing Act of 1946  
14 (7 U.S.C. 1638 et seq.) is amended—

15 (1) in section 281(2)(A)—

16 (A) in clause (v) by striking “and”;

17 (B) in clause (vi), by striking “peanuts.”

18 and inserting “peanuts; and”; and

19 (C) by adding at the end the following new  
20 clause:

21 “(vii) meat produced from goats.”;

22 (2) in section 282—

23 (A) in subsection (a), by striking para-  
24 graphs (2) and (3) and inserting the following:

1           “(2) DESIGNATION OF COUNTRY OF ORIGIN  
2           FOR BEEF, LAMB, PORK, AND GOAT.—

3           “(A) UNITED STATES COUNTRY OF ORI-  
4           GIN.—A retailer of a covered commodity that is  
5           beef, lamb, pork, or goat may designate the cov-  
6           ered commodity as exclusively having a United  
7           States country of origin only if the covered  
8           commodity is derived from an animal that  
9           was—

10                  “(i) exclusively born, raised, and  
11                  slaughtered in the United States;

12                  “(ii) born and raised in Alaska or Ha-  
13                  waii and transported for a period of not  
14                  more than 60 days through Canada to the  
15                  United States and slaughtered in the  
16                  United States; or

17                  “(iii) present in the United States on  
18                  or before January 1, 2008.

19           “(B) MULTIPLE COUNTRIES OF ORIGIN.—  
20           A retailer of a covered commodity that is beef,  
21           lamb, pork, or goat that is derived from an ani-  
22           mal that is—

23                  “(i) not exclusively born, raised, and  
24                  slaughtered in the United States,

1                   “(ii) born, raised, or slaughtered in  
2                   the United States, and

3                   “(iii) not imported into the United  
4                   States for immediate slaughter,  
5                   may designate the country of origin of such cov-  
6                   ered commodity as all of the countries in which  
7                   the animal may have been born, raised, or  
8                   slaughtered.

9                   “(C) IMPORTED FOR IMMEDIATE SLAUGH-  
10                  TER.—A retailer of a covered commodity that is  
11                  beef, lamb, pork, or goat that is derived from  
12                  an animal that is imported into the United  
13                  States for immediate slaughter must designate  
14                  the origin of such covered commodity as—

15                  “(i) the country from which the ani-  
16                  mal was imported; and

17                  “(ii) the United States.

18                  “(D) FOREIGN COUNTRY OF ORIGIN.—A  
19                  retailer of a covered commodity that is beef,  
20                  lamb, pork, or goat that is derived from an ani-  
21                  mal that is not born, raised, or slaughtered in  
22                  the United States must designate a country  
23                  other than the United States as the country of  
24                  origin of such commodity.



1           “(E) GROUND BEEF, PORK, AND LAMB.—

2           The notice of country of origin for ground beef,  
3           ground pork, or ground lamb shall include—

4                   “(i) a list of all countries of origin of  
5                   such ground beef, ground pork, or ground  
6                   lamb; or

7                   “(ii) a list of all reasonably possible  
8                   countries of origin of such ground beef,  
9                   ground pork, or ground lamb.

10           “(3) DESIGNATION OF COUNTRY OF ORIGIN  
11           FOR FISH.—

12                   “(A) IN GENERAL.—A retailer of a covered  
13                   commodity that is farm-raised fish or wild fish  
14                   may designate the covered commodity as having  
15                   a United States country of origin only if the  
16                   covered commodity—

17                           “(i) in the case of farm-raised fish, is  
18                           hatched, raised, harvested, and processed  
19                           in the United States; and

20                           “(ii) in the case of wild fish, is—

21                                   “(I) harvested in the United  
22                                   States, a territory of the United  
23                                   States, or a State, or by a vessel that  
24                                   is documented under chapter 121 of

1 title 46, United States Code, or reg-  
2 istered in the United States; and

3 “(II) processed in the United  
4 States, a territory of the United  
5 States, or a State, including the wa-  
6 ters thereof.

7 “(B) DESIGNATION OF WILD FISH AND  
8 FARM-RAISED FISH.—The notice of country of  
9 origin for wild fish and farm-raised fish shall  
10 distinguish between wild fish and farm-raised  
11 fish.

12 “(4) DESIGNATION OF COUNTRY OF ORIGIN  
13 FOR PERISHABLE AGRICULTURAL COMMODITIES AND  
14 PEANUTS.—

15 “(A) IN GENERAL.—A retailer of a covered  
16 commodity that is a perishable agricultural  
17 commodity or peanut may designate the covered  
18 commodity as having a United States country  
19 of origin only if the covered commodity is exclu-  
20 sively produced in the United States.

21 “(B) STATE, REGION, LOCALITY OF THE  
22 UNITED STATES.—With respect to a covered  
23 commodity that is a perishable agricultural  
24 commodity produced exclusively in the United  
25 States, designation by a retailer of the State,

1 region, or locality of the United States where  
2 such commodity was produced shall be suffi-  
3 cient to identify the United States as the coun-  
4 try of origin.”; and

5 (B) by striking subsection (d) and insert-  
6 ing the following:

7 “(d) AUDIT VERIFICATION SYSTEM.—

8 “(1) IN GENERAL.—The Secretary may conduct  
9 an audit of any person that prepares, stores, han-  
10 dles, or distributes a covered commodity for retail  
11 sale to verify compliance with this subtitle (including  
12 the regulations promulgated under section 284(b)).

13 “(2) RECORD REQUIREMENTS.—

14 “(A) IN GENERAL.—A person subject to  
15 an audit under paragraph (1) shall provide the  
16 Secretary with verification of the country of ori-  
17 gin of covered commodities. Records maintained  
18 in the course of the normal conduct of the busi-  
19 ness of such person, including animal health pa-  
20 pers, import or customs documents, or producer  
21 affidavits, may serve as such verification.

22 “(B) PROHIBITION ON REQUIREMENT OF  
23 ADDITIONAL RECORDS.—The Secretary may not  
24 require a person that prepares, stores, handles,  
25 or distributes a covered commodity to maintain

1 a record of the country of origin of a covered  
2 commodity other than those maintained in the  
3 course of the normal conduct of the business of  
4 such person.”;

5 (3) in section 283—

6 (A) by striking subsections (a) and (c);

7 (B) by redesignating subsection (b) sub-  
8 section (a);

9 (C) in subsection (a) (as so redesignated),  
10 by striking “retailer” and inserting “retailer or  
11 person engaged in the business of supplying a  
12 covered commodity to a retailer”; and

13 (D) by adding at the end the following new  
14 subsection:

15 “(b) FINES.—If, on completion of the 30-day period  
16 described in subsection (a)(2), the Secretary determines  
17 that the retailer or person engaged in the business of sup-  
18 plying a covered commodity to a retailer has—

19 “(1) not made a good faith effort to comply  
20 with section 282, and

21 “(2) continues to willfully violate section 282  
22 with respect to the violation about which the retailer  
23 or person received notification under subsection  
24 (a)(1),

1 after providing notice and an opportunity for a hearing  
2 before the Secretary with respect to the violation, the Sec-  
3 retary may fine the retailer or person in an amount of  
4 not more than \$1,000 for each violation.”.

5 **SEC. 11105. SENSE OF CONGRESS REGARDING THE VOL-**  
6 **UNTARY CONTROL PROGRAM FOR LOW**  
7 **PATHOGENIC AVIAN INFLUENZA.**

8 It is the sense of Congress that—

9 (1) the voluntary control program for low path-  
10 ogenic avian influenza is a critical component of the  
11 animal health protection system of the United  
12 States, as well as a safeguard against highly patho-  
13 genic avian influenza; and

14 (2) the Secretary of Agriculture has appro-  
15 priately provided for the payment of compensation to  
16 owners of poultry and cooperating State agencies of  
17 100 percent of eligible costs, and the Secretary  
18 should continue to provide such payments at 100  
19 percent of such costs.

20 **SEC. 11106. SENSE OF CONGRESS REGARDING THE CATTLE**  
21 **FEVER TICK ERADICATION PROGRAM.**

22 It is the sense of Congress that—

23 (1) the cattle fever tick and the southern cattle  
24 tick are vectors of the causal agent of babesiosis, a  
25 severe and often fatal disease of cattle; and

1           (2) implementing a national strategic plan for  
 2           the cattle fever tick eradication program is a high  
 3           priority that the secretary should carry out in order  
 4           to—

5                   (A) prevent the entry of cattle fever ticks  
 6                   into the United States;

7                   (B) enhance and maintain an effective sur-  
 8                   veillance program to rapidly detect any cattle  
 9                   fever tick incursions; and

10                  (C) research, identify, and procure the  
 11                  tools and knowledge necessary to prevent and  
 12                  eradicate cattle fever ticks in the United States.

13 **Subtitle C—Socially Disadvantaged**  
 14 **Producers and Limited Re-**  
 15 **source Producers**

16 **SEC. 11201. OUTREACH AND TECHNICAL ASSISTANCE FOR**  
 17 **SOCIALLY DISADVANTAGED FARMERS AND**  
 18 **RANCHERS AND LIMITED RESOURCE FARM-**  
 19 **ERS AND RANCHERS.**

20           Section 2501 of the Food, Agriculture, Conservation,  
 21 and Trade Act of 1990 (7 U.S.C. 2279) is amended—

22                   (1) in subsection (a)—

23                           (A) by striking paragraph (2) and insert-  
 24                           ing the following new paragraph:

1           “(2) REQUIREMENTS.—The outreach and tech-  
2           nical assistance program under paragraph (1) shall  
3           be used—

4                   “(A) to enhance coordination of the out-  
5                   reach, technical assistance, and education ef-  
6                   forts authorized under agriculture programs;  
7                   and

8                   “(B) to assist the Secretary in—

9                           “(i) reaching socially disadvantaged or  
10                           limited resource farmers and ranchers and  
11                           prospective socially disadvantaged or lim-  
12                           ited resource farmers and ranchers in an  
13                           appropriate manner; and

14                           “(ii) improving the participation of  
15                           those farmers and ranchers in Department  
16                           programs, as determined under section  
17                           2501A.”;

18                   (B) in paragraph (3)—

19                           (i) in subparagraph (A), by striking  
20                           “entity to provide information” and insert-  
21                           ing “entity that has demonstrated an abil-  
22                           ity to carry out the requirements described  
23                           in paragraph (2) to provide outreach”; and

24                           (ii) by adding at the end the following  
25                           new subparagraphs:

1           “(D) ADDITIONAL CONTRACTING AUTHOR-  
2           ITY.—Any agency of the Department of Agri-  
3           culture may make grants and enter into con-  
4           tracts and cooperative agreements with a com-  
5           munity-based organization that meets the defi-  
6           nition of an eligible entity under subsection (e)  
7           in order to utilize the community-based organi-  
8           zation to provide outreach and technical assist-  
9           ance.

10           “(E) REPORT.—The Secretary shall sub-  
11           mit to the Committee on Agriculture of the  
12           House of Representatives and the Committee  
13           on Agriculture, Nutrition, and Forestry of the  
14           Senate, and make publicly available, an annual  
15           report that includes a list of the following:

16                   “(i) The recipients of funds made  
17                   available under the program.

18                   “(ii) The activities undertaken and  
19                   services provided.

20                   “(iii) The number of producers served  
21                   and outcomes of such service.

22                   “(iv) The problems and barriers iden-  
23                   tified by entities in trying to increase par-  
24                   ticipation by socially disadvantaged farm-  
25                   ers and ranchers.”; and



1 (C) in paragraph (4)—

2 (i) by striking subparagraph (A), and  
3 inserting the following new subparagraph:

4 “(A) AVAILABILITY OF FUNDS.—Of the  
5 funds of the Commodity Credit Corporation, the  
6 Secretary shall make available \$15,000,000 for  
7 each of the fiscal years 2008 through 2012 to  
8 carry out this subsection.”;

9 (ii) in subparagraph (B), by striking  
10 “authorized to be appropriated under sub-  
11 paragraph (A)” and inserting “made avail-  
12 able under subparagraph (A)”;

13 (iii) by adding at the end the fol-  
14 lowing new subparagraph:

15 “(C) LIMITATION ON USE OF FUNDS FOR  
16 ADMINISTRATIVE EXPENSES.—Not more than 5  
17 percent of the amounts made available under  
18 subparagraph (A) for a fiscal year may be used  
19 for expenses related to administering the pro-  
20 gram under this section.”; and

21 (2) in subsection (e)(5)(A)(ii)—

22 (A) by inserting “and on behalf of” before  
23 “socially”; and

24 (B) by striking “2-year” and inserting “3-  
25 year”.

1 **SEC. 11202. IMPROVED PROGRAM DELIVERY BY DEPART-**  
2 **MENT OF AGRICULTURE ON INDIAN RES-**  
3 **ERVATIONS.**

4 Section 2501(g)(1) of the Food, Agriculture, Con-  
5 servation, and Trade Act of 1990 (7 U.S.C. 2279(g)(1))  
6 is amended—

7 (1) in the first sentence, by striking “where  
8 there is a demonstrated demand for service” after  
9 “offices”; and

10 (2) by striking the second sentence.

11 **SEC. 11203. TRANSPARENCY AND ACCOUNTABILITY FOR SO-**  
12 **cially Disadvantaged Farmers and**  
13 **Ranchers.**

14 Section 2501A of the Food, Agriculture, Conserva-  
15 tion, and Trade Act of 1990 (7 U.S.C. 2279–1) is amend-  
16 ed by striking subsection (c) and inserting the following  
17 new subsections:

18 “(c) COMPILATION OF PROGRAM PARTICIPATION  
19 DATA.—

20 “(1) ANNUAL REQUIREMENT.—For each county  
21 and State in the United States, the Secretary of Ag-  
22 riculture (referred to in this section as the ‘Sec-  
23 retary’) shall annually compile program application  
24 and participation rate data regarding socially dis-  
25 advantaged farmers and ranchers by computing for

1 each program of the Department of Agriculture that  
2 serves agricultural producers and landowners—

3 “(A) raw numbers of applicants and par-  
4 ticipants by race, ethnicity, and gender, subject  
5 to appropriate privacy protections, as deter-  
6 mined by the Secretary; and

7 “(B) the application and participation rate,  
8 by race, ethnicity, and gender, as a percentage  
9 of the total participation rate of all agricultural  
10 producers and landowners.

11 “(2) AUTHORITY TO COLLECT DATA.—The  
12 heads of the agencies of the Department of Agri-  
13 culture shall collect and transmit to the Secretary  
14 any data, including data on race, gender, and eth-  
15 nicity, that the Secretary determines to be necessary  
16 to carry out paragraph (1).

17 “(3) REPORT.—Using the technologies and sys-  
18 tems of the National Agricultural Statistics Service,  
19 the Secretary shall compile and present the data  
20 compiled under paragraph (1) for each program de-  
21 scribed in that paragraph in a manner that includes  
22 the raw numbers and participation rates for—

23 “(A) the entire United States;

24 “(B) each State; and

25 “(C) each county in each State.

1           “(4) PUBLIC AVAILABILITY OF REPORT.—The  
 2       Secretary shall maintain and make readily available  
 3       to the public, via website and otherwise in electronic  
 4       and paper form, the report described in paragraph  
 5       (3).

6       “(d) LIMITATIONS ON USE OF DATA.—

7           “(1) PRIVACY PROTECTIONS.—In carrying out  
 8       this section, the Secretary shall not disclose the  
 9       names or individual data of any program partici-  
 10      pant.

11          “(2) AUTHORIZED USES.—The data under this  
 12      section shall be used exclusively for the purposes de-  
 13      scribed in subsection (a).

14          “(3) LIMITATION.—Except as otherwise pro-  
 15      vided, the data under this section shall not be used  
 16      for the evaluation of individual applications for as-  
 17      sistance.”.

18   **SEC. 11204. BEGINNING FARMER AND RANCHER DEVELOP-**  
 19                   **MENT PROGRAM.**

20       Section 7405 of the Farm Security and Rural Invest-  
 21      ment Act of 2002 (7 U.S.C. 3319f) is amended by striking  
 22      subsection (h) and inserting the following new subsection:

23          “(h) AVAILABILITY OF FUNDS.—Of the funds of the  
 24      Commodity Credit Corporation, the Secretary shall make

1 available \$15,000,000 for each of the fiscal years 2008  
2 through 2012 to carry out this section.”.

3 **SEC. 11205. PROVISION OF RECEIPT FOR SERVICE OR DE-**  
4 **NIAL OF SERVICE.**

5 In any case in which a producer or landowner, or pro-  
6 spective producer or landowner, requests from the Depart-  
7 ment of Agriculture any benefit or service offered by the  
8 Department to agricultural producers or landowners, the  
9 Secretary of Agriculture shall provide for the issuance, on  
10 the date on which the producer or landowner, or prospec-  
11 tive producer or landowner, makes the request, a receipt  
12 containing—

13 (1) the date, place, and subject of the request;  
14 and

15 (2) the action taken, not taken, or rec-  
16 ommendations made in response to the request.

17 **SEC. 11206. TRACKING OF SOCIALLY DISADVANTAGED**  
18 **FARMERS AND RANCHERS AND LIMITED RE-**  
19 **SOURCE FARMERS AND RANCHERS IN CEN-**  
20 **SUS OF AGRICULTURE AND CERTAIN STUD-**  
21 **IES.**

22 The Secretary of Agriculture shall ensure, to the  
23 maximum extent practicable, that the Census of Agri-  
24 culture and studies carried out by the Economic Research  
25 Service accurately document the number, location, and

1 economic contributions of socially disadvantaged farmers  
2 and ranchers and limited resource farmers and ranchers  
3 in agricultural production.

4 **SEC. 11207. FARMWORKER COORDINATOR.**

5 (a) ESTABLISHMENT.—The Secretary of Agriculture  
6 shall establish the position of Farmworker Coordinator (in  
7 this section referred to as the “Coordinator”), which shall  
8 be located in the Office of Outreach of the Department  
9 of Agriculture.

10 (b) DUTIES.—The Secretary may delegate to the Co-  
11 ordinator responsibility for any or all of the following:

12 (1) Assisting in administering the program es-  
13 tablished by section 2281 of the Food, Agriculture,  
14 Conservation, and Trade Act of 1990 (42 U.S.C.  
15 5177a).

16 (2) Serving as a liaison to community-based  
17 non-profit organizations that represent, and have  
18 demonstrated experience serving, low-income mi-  
19 grant and seasonal farmworkers.

20 (3) Coordinating with the Department of Agri-  
21 culture and State and local governments to assure  
22 that farmworker needs are assessed and met during  
23 declared disasters and other emergencies.

24 (4) Consulting with the Office of Small Farm  
25 Coordination, Office of Outreach, Outreach Coordi-

1 nators, and other entities to better integrate farm-  
2 worker perspectives, concerns, and interests into the  
3 ongoing programs of the Department.

4 (5) Consulting with Hispanic-serving institu-  
5 tions on research, program improvements, or agri-  
6 cultural education opportunities that assist low-in-  
7 come and migrant seasonal farmworkers.

8 (6) Assuring that farmworkers have access to  
9 services and support to enter agriculture as pro-  
10 ducers.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
12 are authorized to be appropriated to the Secretary such  
13 sums as necessary to carry out this section for fiscal years  
14 2008 through 2012.

15 **SEC. 11208. OFFICE OF OUTREACH RELOCATION.**

16 (a) RELOCATION PROPOSAL.—Not more than 18  
17 months after the date of enactment of the Act, the Sec-  
18 retary shall develop a proposal to relocate the Office of  
19 Outreach of the Department of Agriculture.

20 (b) ADMINISTRATION.—The Office of Outreach shall  
21 be responsible for the administration of—

22 (1) the outreach and technical assistance pro-  
23 gram established under section 2501 of the Food,  
24 Agriculture, Conservation, and Trade Act of 1990 (7  
25 U.S.C. 2279);

1           (2) the beginning farmer and rancher develop-  
2           ment program established under section 7405 of the  
3           Farm Security and Rural Investment Act of 2002 (7  
4           U.S.C. 3319f); and

5           (3) the coordination of the outreach activities  
6           among the various agencies within the Department.

7           (c) REPORT.—After the relocation described in this  
8           section is completed, the Secretary shall submit to Con-  
9           gress a report that includes information describing the  
10          new location of the program.

11       **SEC. 11209. MINORITY FARMER ADVISORY COMMITTEE.**

12          (a) ESTABLISHMENT.—Not later than 18 months  
13          after the date of enactment of this Act, the Secretary of  
14          Agriculture shall establish an advisory committee, to be  
15          known as the “Advisory Committee on Minority Farmers”  
16          (in this section referred to as the “Committee”), which  
17          shall be overseen by the Office of Outreach of the Depart-  
18          ment of Agriculture.

19          (b) DUTIES.—The Committee shall—

20                (1) review all civil rights cases to ensure that  
21                they are processed in a timely manner;

22                (2) ensure that the processing of civil rights  
23                cases complies with applicable laws;

24                (3) report quarterly to the Secretary of Agri-  
25                culture on civil rights enforcement and outreach;



1           (4) monitor and annually report to Congress on  
2           compliance with all civil rights and related laws by  
3           all agencies and under all programs of the Depart-  
4           ment;

5           (5) recommend to the Secretary corrective ac-  
6           tions to prevent civil rights violations;

7           (6) review the operations of the outreach and  
8           technical assistance program established under sec-  
9           tion 2501 of the Food, Agriculture, Conservation,  
10          and Trade Act of 1990 (7 U.S.C. 2279); and

11          (7) review ongoing efforts toward outreach in  
12          the agencies and programs of the Department.

13          (c) MEMBERSHIP OF COMMITTEE.—The Committee  
14          shall be composed of the following:

15               (1) Three members appointed by the Secretary.

16               (2) Two members appointed by the chairman of  
17               the Committee on Agriculture, Nutrition, and For-  
18               estry of the Senate, in consultation with the ranking  
19               member of the Committee.

20               (3) Two members appointed by the chairman of  
21               the Committee on Agriculture of the House of Rep-  
22               resentatives, in consultation with the ranking mem-  
23               ber of the Committee.

24               (4) A civil rights professional.

25               (5) A socially disadvantaged farmer or rancher.

1           (6) Such other persons or professionals as de-  
2           termined by the Secretary to be appropriate.

3 **SEC. 11210. COORDINATOR FOR CHRONICALLY UNDER-**  
4 **SERVED RURAL AREAS.**

5           (a) ESTABLISHMENT.—The Secretary of Agriculture  
6 shall establish a Coordinator for Chronically Underserved  
7 Rural Areas (in this section referred to as the “Coordi-  
8 nator”), to be located in the Office of Outreach of the De-  
9 partment of Agriculture.

10          (b) MISSION.—The mission of the Coordinator shall  
11 be to direct Department of Agriculture resources to high  
12 need, high poverty rural areas.

13          (c) DUTIES.—The Coordinator shall consult with  
14 other offices in directing technical assistance, strategic re-  
15 gional planning, at the State and local level, for developing  
16 rural economic development that leverages the resources  
17 of State and local governments and non-profit and com-  
18 munity development organizations.

19          (d) AUTHORIZATION OF APPROPRIATIONS.—There  
20 are authorized to be appropriated to the Secretary such  
21 sums as necessary to carry out this section for fiscal years  
22 2008 through 2012.

1     **Subtitle D—Other Miscellaneous**  
2                     **Provisions**

3     **SEC. 11301. DESIGNATION OF SEPARATE COTTON-PRO-**  
4                     **DUCING STATES UNDER COTTON RESEARCH**  
5                     **AND PROMOTION ACT.**

6             Section 17(f) of the Cotton Research and Promotion  
7     Act (7 U.S.C. 2116(f)) is amended by adding at the end  
8     the following new sentence: “Notwithstanding the pre-  
9     ceding sentence, effective beginning with the 2008 crop  
10    of cotton, the States of Kansas, Virginia, and Florida shall  
11    each be deemed to be a separate cotton-producing State  
12    for the purposes of this Act.”.

13    **SEC. 11302. COTTON CLASSIFICATION SERVICES.**

14           (a) EXTENSION.—The first sentence of section 3a of  
15    the Act of March 3, 1927 (commonly known as the Cotton  
16    Statistics and Estimates Act; 7 U.S.C. 473a), is amended  
17    by striking “2007” and inserting “2012”.

18           (b) ESTABLISHMENT OF OFFICES.—The second sen-  
19    tence of section 3a of the Act of March 3, 1927, is amend-  
20    ed in the proviso—

21                 (1) by striking “and” at the end of clause (6);

22                 (2) by striking the period at the end of clause

23                 (7) and inserting “; and”; and

24                 (3) by adding at the end the following new  
25    clause: “(8) the Secretary may enter into long-term

1        lease agreements that exceed five years or may take  
2        title to property, including through purchase agree-  
3        ments, for the purposes of obtaining offices to be  
4        used for the classification of cotton in accordance  
5        with this Act if the Secretary determines such action  
6        would best effectuate the purposes of this Act.”.

7    **SEC. 11303. AVAILABILITY OF EXCESS AND SURPLUS COM-**  
8                                    **PUTERS IN RURAL AREAS.**

9        The Secretary of Agriculture may make available to  
10      any city or town located in a rural area (as defined in  
11      section 343(a)(13)(A) of the Consolidated Farm and  
12      Rural Development Act) excess or surplus computers or  
13      other technical equipment of the Department of Agri-  
14      culture.

15   **SEC. 11304. PERMANENT DEBARMENT FROM PARTICIPA-**  
16                                    **TION IN DEPARTMENT OF AGRICULTURE**  
17                                    **PROGRAMS FOR FRAUD.**

18      The Secretary of Agriculture is hereby granted the  
19      authority to permanently debar an individual, organiza-  
20      tion, corporation, or other entity convicted of knowingly  
21      defrauding the United States in connection with any pro-  
22      gram administered by the Department of Agriculture from  
23      any subsequent participation in Department of Agri-  
24      culture programs.

1 **SEC. 11305. NO DISCRIMINATION AGAINST USE OF REG-**  
2 **ISTERED PESTICIDE PRODUCTS OR CLASSES**  
3 **OF PESTICIDE PRODUCTS.**

4 In establishing priorities and evaluation criteria for  
5 the approval of plans, contracts, and agreements under  
6 title II, the Secretary of Agriculture shall not discriminate  
7 against the use of specific registered pesticide products or  
8 classes of pesticide products.

9 **SEC. 11306. PROHIBITION ON CLOSURE OR RELOCATION OF**  
10 **COUNTY OFFICES FOR THE FARM SERVICE**  
11 **AGENCY, RURAL DEVELOPMENT AGENCY,**  
12 **AND NATURAL RESOURCES CONSERVATION**  
13 **SERVICE.**

14 Until the date that is one year after the date of the  
15 enactment of this Act, the Secretary of Agriculture may  
16 not close or relocate a county or field office of the Farm  
17 Service Agency, Rural Development Agency, or Natural  
18 Resources Conservation Service of the Department of Ag-  
19 riculture.

20 **SEC. 11307. REGULATION OF EXPORTS OF PLANTS, PLANT**  
21 **PRODUCTS, BIOLOGICAL CONTROL ORGA-**  
22 **NISMS, AND NOXIOUS WEEDS.**

23 (a) IN GENERAL.—Subtitle A of title IV of the Agri-  
24 cultural Risk Protection Act of 2000 (7 U.S.C. 7701 et  
25 seq.) is amended by adding at the end the following new  
26 section:

1 **“SEC. 420. REGULATION OF EXPORTS OF PLANTS, PLANT**  
2 **PRODUCTS, BIOLOGICAL CONTROL ORGA-**  
3 **NISMS, AND NOXIOUS WEEDS.**

4 “(a) IN GENERAL.—The Secretary may regulate  
5 plants, plant products, biological control organisms, and  
6 noxious weeds for export purposes.

7 “(b) DUTIES.—The Secretary shall—

8 “(1) coordinate fruit and vegetable market  
9 analyses with the private sector and the Adminis-  
10 trator of Foreign Agricultural Service; and

11 “(2) make publicly available on an Internet  
12 website—

13 “(A) the status of all export petitions;

14 “(B) to the greatest extent possible, an ex-  
15 planation of the sanitary or phytosanitary  
16 issues associated with each pending export peti-  
17 tion; and

18 “(C) to the greatest extent possible, infor-  
19 mation on the import requirements of foreign  
20 countries for fruits and vegetables.

21 “(c) REGULATIONS.—The Secretary may issue regu-  
22 lations to implement this section.”.

23 (b) TABLE OF CONTENTS.—The table of contents in  
24 section 1(b) of such Act (7 U.S.C. 1501 note) is amended  
25 by inserting after the item relating to section 419 the fol-  
26 lowing new item:

“Sec. 420. Regulation of exports of plants, plant products, biological control organisms, and noxious weeds.”.

1 **SEC. 11308. GRANTS TO REDUCE PRODUCTION OF**  
2 **METHAMPHETAMINES FROM ANHYDROUS**  
3 **AMMONIA.**

4 (a) GRANT AUTHORITY.—The Secretary of Agri-  
5 culture may make a grant to an eligible entity to enable  
6 the entity to obtain and add to an anhydrous ammonia  
7 fertilizer nurse tank a substance which will reduce the  
8 amount of methamphetamine which can be produced from  
9 any anhydrous ammonia removed from the tank.

10 (b) DEFINITIONS.—In this section:

11 (1) ELIGIBLE ENTITY.—The term “eligible enti-  
12 ty” means—

13 (A) a producer of agricultural commod-  
14 ities;

15 (B) a cooperative association a majority of  
16 the members of which produce or process agri-  
17 cultural commodities, and

18 (C) a person in the trade or business of—

19 (i) selling an agricultural product, in-  
20 cluding an agricultural chemical, at retail,  
21 predominantly to farmers and ranchers; or

22 (ii) aerial and ground application of  
23 an agricultural chemical.

1           (2) NURSE TANK.—The term “nurse tank”  
2       shall have the meaning set forth in section  
3       173.315(m) of title 49, Code of Federal Regulations,  
4       as in effect as of the date of the enactment of this  
5       Act.

6       (c) GRANT AMOUNT.—The amount of a grant made  
7       under this section to an entity shall be not less than \$40  
8       and not more than \$60, multiplied by the number of fer-  
9       tilizer nurse tanks of the entity.

10       (d) LIMITATIONS ON AUTHORIZATION OF APPRO-  
11       PRIATIONS.—For grants under this section, there are au-  
12       thorized to be appropriated to the Secretary a total of not  
13       more than \$15,000,000 for fiscal years 2008 through  
14       2012.

15       **SEC. 11309. USDA GRADUATE SCHOOL.**

16       (a) Section 921 of the Federal Agriculture Improve-  
17       ment and Reform Act of 1996 (7 U.S.C. 2279b) is amend-  
18       ed by striking subsections (a) through (k) and inserting  
19       the following: “The Department of Agriculture shall not  
20       establish, maintain, or otherwise operate a non-  
21       appropriated fund instrumentality of the United States to  
22       develop, administer, or provide educational training and  
23       professional development activities, including educational  
24       activities for Federal agencies, Federal employees, non-



1 profit organizations, other entities, and members of the  
2 general public.”.

3 (b) EFFECTIVE DATE.—The amendment made in  
4 subsection (a) apply beginning October 1, 2008.

5 **SEC. 11310. PREVENTION AND INVESTIGATION OF PAY-**  
6 **MENT AND FRAUD AND ERROR.**

7 Section 1113(k) of the Right to Financial Privacy  
8 Act of 1978 (12 U.S.C. 3413(k)) is amended to read as  
9 follows:

10 “(k) DISCLOSURE NECESSARY FOR PROPER ADMIN-  
11 ISTRATION OF PROGRAMS OF CERTAIN GOVERNMENT AU-  
12 THORITIES.—

13 “(1) DISCLOSURE TO GOVERNMENT AUTHORI-  
14 TIES.—Nothing in this title shall apply to the disclo-  
15 sure by the financial institution of the financial  
16 records of any customer to the Department of the  
17 Treasury, the Social Security Administration, the  
18 Railroad Retirement Board, or any other Govern-  
19 ment authority that certifies, disburses, or collects  
20 payments, when the disclosure of such information is  
21 necessary to, and such information is used solely for  
22 the purposes of—

23 “(A) the proper administration of section  
24 1441 of the Internal Revenue Code of 1986 (26  
25 U.S.C. 1441);

1           “(B) the proper administration of title II  
2           of the Social Security Act (42 U.S.C. 401 et  
3           seq.);

4           “(C) the proper administration of the Rail-  
5           road Retirement Act of 1974 (45 U.S.C. 231 et  
6           seq.);

7           “(D) the verification of the identify of any  
8           person in connection with the issuance of a  
9           Federal payment or collection of funds by a  
10          Government authority; or

11          “(E) the investigation or recovery of an  
12          improper Federal payment or collection of  
13          funds, or an improperly negotiated Treasury  
14          check.

15          “(2) LIMITATIONS ON SUBSEQUENT DISCLO-  
16          SURE.—Notwithstanding any other provision of law,  
17          any request authorized by paragraph (1), and the in-  
18          formation contained therein, may be used by the fi-  
19          nancial institution and its agents solely for the pur-  
20          pose of providing the customer’s financial records to  
21          the Government authority requesting the informa-  
22          tion and shall be barred from redisclosure by the fi-  
23          nancial institution or its agents. Any Government  
24          authority receiving information pursuant to para-  
25          graph (1) may not disclose or use the information

1       except for the purposes set forth in such para-  
2       graph.”.

3 **SEC. 11311. SENSE OF CONGRESS REGARDING FOOD**  
4                   **DESERTS, GEOGRAPHICALLY ISOLATED**  
5                   **NEIGHBORHOODS AND COMMUNITIES WITH**  
6                   **LIMITED OR NO ACCESS TO MAJOR CHAIN**  
7                   **GROCERY STORES.**

8       It is the sense of Congress that the Secretary of Agri-  
9       culture, in conjunction with the National Institutes of  
10      Health, the Centers for Disease Control, the Institute of  
11      Medicine and faith-based organizations, should—

12           (1) conduct a national assessment of food  
13      deserts in the United States, namely those geo-  
14      graphically isolated neighborhoods and communities  
15      with limited or no access to major-chain grocery  
16      stores; and

17           (2) develop recommendations for eliminating  
18      food deserts.

19 **SEC. 11312. PIGFORD CLAIMS.**

20       (a) **IN GENERAL.**—Any Pigford claimant who has not  
21      previously obtained a determination on the merits of a  
22      Pigford claim may, in a civil action, obtain that determina-  
23      tion.

24       (b) **LIMITATION.**—Notwithstanding any other provi-  
25      sion of law—

1           (1) all payments or debt relief (including any  
2           limitation on foreclosure under subsection (f)) made  
3           pursuant to an action commenced under subsection  
4           (a) shall be made exclusively from funds made avail-  
5           able pursuant to subsection (h), Provided that the  
6           total amount of payments and debt relief pursuant  
7           to an action commenced under subsection (a) shall  
8           not exceed \$100,000,000; and

9           (2) in no event may such payments or debt re-  
10          lief be made from the Judgement Fund established  
11          by 31 U.S.C. 1304.

12          (c) INTENT OF CONGRESS AS TO REMEDIAL NATURE  
13          OF SECTION.—It is the intent of Congress that this sec-  
14          tion be liberally construed so as to effectuate its remedial  
15          purpose of giving a full determination on the merits for  
16          each Pigford claim denied that determination.

17          (d) LOAN DATA.—

18               (1) REPORT TO PERSON SUBMITTING PETI-  
19               TION.—Not later than 60 days after the Secretary  
20               of Agriculture receives notice of a complaint filed by  
21               a claimant under subsection (a), the Secretary shall  
22               provide to the claimant a report on farm credit loans  
23               made within the claimant's county or adjacent coun-  
24               ty by the Department during the period beginning  
25               on January 1 of the year preceding the year or years

1 covered by the complaint and ending on December  
2 31 of year following such year or years. Such report  
3 shall contain information on all persons whose appli-  
4 cation for a loan was accepted, including—

5 (A) the race of the applicant;

6 (B) the date of application;

7 (C) the date of the loan decision;

8 (D) the location of the office making the  
9 loan decision; and

10 (E) all data relevant to the process of de-  
11 ciding on the loan.

12 (2) NO PERSONALLY IDENTIFIABLE INFORMA-  
13 TION.—The reports provided pursuant to paragraph  
14 (1) shall not contain any information that would  
15 identify any person that applied for a loan from the  
16 Department of Agriculture.

17 (e) EXPEDITED RESOLUTIONS AUTHORIZED.—Any  
18 person filing a complaint under this Act for discrimination  
19 in the application for, or making or servicing of, a farm  
20 loan, at his or her discretion, may seek liquidated damages  
21 of \$50,000, discharge of the debt that was incurred under,  
22 or affected by, the discrimination that is the subject of  
23 the person's complaint, and a tax payment in the amount  
24 equal to 25 percent of the liquidated damages and loan  
25 principal discharged, in which case—

1           (1) if only such damages, debt discharge, and  
2           tax payment are sought, the complainant shall be  
3           able to prove his or her case by substantial evidence;  
4           and

5           (2) the court shall decide the case based on a  
6           review of documents submitted by the complainant  
7           and defendant relevant to the issues of liability and  
8           damages.

9           (f) LIMITATION ON FORECLOSURES.—The Secretary  
10          of Agriculture may not begin acceleration on or foreclosure  
11          of a loan if a borrower is a Pigford claimant and, in an  
12          appropriate administrative proceeding, makes a prima  
13          facie case that the foreclosure is related to a Pigford  
14          claim.

15          (g) DEFINITIONS.—In this Act—

16               (1) the term “Pigford claimant” means an indi-  
17               vidual who previously submitted a late-filing request  
18               under section 5(g) of the consent decree in the case  
19               of Pigford v. Glickman, approved by the United  
20               States District Court for the District of Columbia on  
21               April 14, 1999; and

22               (2) the term “Pigford claim” means a discrimi-  
23               nation complaint, as defined by section 1(h) of that  
24               consent decree and documented under section 5(b)  
25               of that consent decree.

1 (h) FUNDING.—Of the funds of the Commodity Cred-  
2 it Corporation, the Secretary shall make available  
3 \$100,000,000 for fiscal year 2008, to remain available  
4 until expended, for payments and debt relief in satisfac-  
5 tion of claims against the United States under subsection  
6 (a), and for any actions made pursuant to subsection (f).

7 **SEC. 11313. COMPTROLLER GENERAL STUDY OF WASTE-**  
8 **WATER INFRASTRUCTURE NEAR UNITED**  
9 **STATES-MEXICO BORDER.**

10 The Comptroller General shall conduct a study of the  
11 state of wastewater infrastructure in rural communities  
12 within 150 miles of the United States-Mexico border to  
13 determine what the Federal Government can do to assist  
14 border rural communities in bringing wastewater infra-  
15 structure up to date.

16 **SEC. 11314. ELIMINATION OF STATUTE OF LIMITATIONS AP-**  
17 **PLICABLE TO COLLECTION OF DEBT BY AD-**  
18 **MINISTRATIVE OFFSET.**

19 (a) ELIMINATION.—Section 3716(e) of title 31,  
20 United States Code, is amended to read as follows:

21 “(e)(1) Notwithstanding any other provision of law,  
22 regulation, or administrative limitation, no limitation on  
23 the period within which an offset may be initiated or taken  
24 pursuant to this section shall be effective.

1 “(2) This section does not apply when a statute ex-  
2 plicitly prohibits using administrative offset or setoff to  
3 collect the claim or type of claim involved.”.

4 (b) APPLICATION OF AMENDMENT.—The amendment  
5 made by subsection (a) shall apply to any debt outstanding  
6 on or after the date of the enactment of this Act.

7 **SEC. 11315. POLLINATOR PROTECTION.**

8 (a) SHORT TITLE.—This section may be cited as the  
9 “Pollinator Protection Act of 2007”.

10 (b) FINDINGS.—Congress finds that—

11 (1) many of the crops that humans and live-  
12 stock consume rely on pollinators for healthy  
13 growth;

14 (2) pollination by honey and native bees adds  
15 more than \$18,000,000,000 annually to the value of  
16 United States crops;

17 (3)  $\frac{1}{3}$  of the food supply of the United States  
18 depends on bee pollination, which makes the man-  
19 agement and protection of pollinators an issue of  
20 paramount importance to the security of the United  
21 States food supply system;

22 (4) colony collapse disorder is the name that  
23 has been given to the latest die-off of honey bee colo-  
24 nies, exacerbating the continual decline of pollinators  
25 in North America;



1           (5) honey bee colonies in more than 23 states  
2       have been affected by colony collapse disorder;

3           (6) if the current rate of decline continues, the  
4       United States will be forced to rely more heavily on  
5       imported foods, which will destabilize the food secu-  
6       rity of the United States through adverse affects on  
7       the availability, price, and quality of the many fruits,  
8       vegetables, and other products that depend on ani-  
9       mal pollination; and

10          (7) enhanced funding for research on honey  
11       bees, native bees, parasites, pathogens, toxins, and  
12       other environmental factors affecting bees and polli-  
13       nation of cultivated and wild plants will result in  
14       methods of response to colony collapse disorder and  
15       other factors causing the decline of pollinators in  
16       North America.

17       (c) AUTHORIZATIONS OF APPROPRIATIONS.—

18           (1) AGRICULTURAL RESEARCH SERVICE.—

19       There is authorized to be appropriated to the Sec-  
20       retary of Agriculture, acting through the Agricul-  
21       tural Research Service—

22           (A) \$3,000,000 for each of fiscal years  
23           2008 through 2012, to be used for new per-  
24           sonnel, facilities improvement, and additional

1 research at Department of Agriculture Bee Re-  
2 search Laboratories;

3 (B) \$2,500,000 for each of fiscal years  
4 2008 and 2009, to be used for research on  
5 honey and native bee physiology, insect pathol-  
6 ogy, insect chemical ecology, and honey and na-  
7 tive bee toxicology at other Department of Agri-  
8 culture facilities in New York, Florida, Cali-  
9 fornia, Utah, and Texas; and

10 (C) \$1,750,000 for each of fiscal years  
11 2008 through 2010, to be used for an area-wide  
12 research program to identify causes and solu-  
13 tions for colony collapse disorder in affected  
14 States.

15 (2) COOPERATIVE STATE RESEARCH, EDU-  
16 CATION, AND EXTENSION SERVICE.—There is au-  
17 thorized to be appropriated to the Secretary of Agri-  
18 culture, acting through the Cooperative State Re-  
19 search, Education, and Extension Service,  
20 \$10,000,000 for each of fiscal years 2008 through  
21 2012 to be used to fund Department of Agriculture  
22 extension and research grants to investigate—

23 (A) honey bee biology, immunology, and  
24 ecology;

25 (B) honey bee genomics;

1 (C) honey bee bioinformatics;

2 (D) native bee crop pollination and habitat  
3 conservation;

4 (E) native bee taxonomy and ecology;

5 (F) pollination biology;

6 (G) sublethal effects of insecticides, herbi-  
7 cides, and fungicides on honey bees, native pol-  
8 linators, and other beneficial insects;

9 (H) the effects of genetically-modified  
10 crops, including the interaction of genetically-  
11 modified crops with honey bees and other native  
12 pollinators; and

13 (I) honey, bumble, and other native bee  
14 parasites and pathogens and effects on other  
15 native pollinators.

16 (3) ANIMAL AND PLANT HEALTH INSPECTION  
17 SERVICE.—There is authorized to be appropriated to  
18 the Secretary of Agriculture, acting through the Ani-  
19 mal and Plant Health Inspection Service,  
20 \$2,250,000 for each of fiscal years 2008 through  
21 2012 to conduct a nationwide honey bee pest and  
22 pathogen surveillance program.

23 (d) ANNUAL REPORTS.—The Secretary of Agri-  
24 culture, acting through the Agricultural Research Service  
25 and the Cooperative State Research, Education, and Ex-

1 tension Service, shall submit to the Committee on Agri-  
 2 culture of the House of Representatives and the Com-  
 3 mittee on Agriculture, Nutrition, and Forestry of the Sen-  
 4 ate a report on the status and progress of bee research  
 5 projects that are carried out by the Secretary.

6 (e) GIVING POLLINATOR HABITAT AND PROTECTION  
 7 A PRIORITY IN CONSERVATION PROGRAMS.—Section  
 8 1244 of the Food Security Act of 1985 (16 U.S.C. 3844)  
 9 is amended by adding at the end the following new sub-  
 10 section:

11 “(c) NATIVE AND MANAGED POLLINATORS.—In car-  
 12 rying out any conservation program administered by the  
 13 Secretary, except the farmland protection program, the  
 14 Secretary shall establish a priority and provide incentives  
 15 for—

16 “(1) increasing habitat for native and managed  
 17 pollinators, especially native habitat; and

18 “(2) establishing cropping systems, integrated  
 19 pest management regimes, and other practices to  
 20 protect native and managed pollinators.”.

21 **SEC. 11316. PROHIBITION ON USE OF LIVE ANIMALS FOR**  
 22 **MARKETING MEDICAL DEVICES; FINES**  
 23 **UNDER THE ANIMAL WELFARE ACT.**

24 (a) PROHIBITION ON USE OF ANIMALS FOR MAR-  
 25 KETING OF MEDICAL DEVICES.—The Animal Welfare Act

1 (7 U.S.C. 2131 et seq.) is amended by inserting after sec-  
2 tion 17 the following new section:

3 “PROHIBITION ON USE OF LIVE ANIMALS FOR  
4 MARKETING MEDICAL DEVICES

5 “SEC. 18. (a) IN GENERAL.—No person may use a  
6 live animal to—

7 “(1) demonstrate a medical device or product to  
8 a sales representative for the purpose of marketing  
9 such medical device or product;

10 “(2) train a sales representative to use a med-  
11 ical device or product;

12 “(3) demonstrate a medical device or product in  
13 a workshop or training session for the purpose of  
14 marketing a medical device or product; or

15 “(4) create a multimedia recording (including a  
16 video recording) for the purpose of marketing a  
17 medical device or product.

18 “(b) EXCEPTION.—Subsection (a) shall not apply to  
19 the training of medical personnel for a purpose other than  
20 marketing a medical device or product.

21 “(c) DEVICE DEFINED.—In this section, the term  
22 ‘device’ has the meaning given the term in section 201(h)  
23 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C.  
24 321(h)).”.

1 (b) FINES FOR VIOLATIONS OF THE ANIMAL WEL-  
2 FARE ACT.—Section 19(b) of the Animal Welfare Act (7  
3 U.S.C. 2149(b)) is amended—

4 (1) in the first sentence by striking “not more  
5 than \$2,500 for each such violation” and inserting  
6 “not more than \$10,000 for each such violation”;  
7 and

8 (2) by striking the second sentence and insert-  
9 ing the following: “Each violation, each day during  
10 which a violation continues, and, in the case of a vio-  
11 lation with respect to animals, each animal that is  
12 the subject of such a violation shall be a separate of-  
13 fense.”.

14 (c) REPORTS ON ACTIVITIES UNDER THE ANIMAL  
15 WELFARE ACT.—The Animal Welfare Act (7 U.S.C. 2131  
16 et seq.) is further amended by striking section 25 and in-  
17 serting the following new section:

18 “ANNUAL REPORT

19 “SEC. 25. Not later than March 1 of each year, the  
20 Secretary shall submit to Congress a report containing—

21 “(1) an identification of all research facilities,  
22 exhibitors, and other persons and establishments li-  
23 censed by the Secretary under section 3 and section  
24 12;

1           “(2) an identification of all research facilities,  
2           intermediate handlers, carriers, and exhibitors reg-  
3           istered under section 6;

4           “(3) the nature and place of all investigations  
5           and inspections conducted by the Secretary under  
6           section 16, and all reports received by the Secretary  
7           under section 13;

8           “(4) recommendations for legislation to improve  
9           the administration of this Act or any provisions of  
10          this Act; and

11          “(5) recommendations and conclusions con-  
12          cerning the aircraft environment as it relates to the  
13          carriage of live animals in air transportation.”.

14   **SEC. 11317. PROTECTION OF PETS.**

15          (a) SHORT TITLE.—This section may be cited as the  
16          “Pet Safety and Protection Act of 2007”.

17          (b) RESEARCH FACILITIES.—Section 7 of the Animal  
18          Welfare Act (7 U.S.C. 2137) is amended to read as fol-  
19          lows:

20   **“SEC. 7. SOURCES OF DOGS AND CATS FOR RESEARCH FA-**  
21                   **CILITIES.**

22          “(a) DEFINITION OF PERSON.—In this section, the  
23          term ‘person’ means any individual, partnership, firm,  
24          joint stock company, corporation, association, trust, es-  
25          tate, pound, shelter, or other legal entity.

1       “(b) USE OF DOGS AND CATS.—No research facility  
2 or Federal research facility may use a dog or cat for re-  
3 search or educational purposes if the dog or cat was ob-  
4 tained from a person other than a person described in sub-  
5 section (d).

6       “(c) SELLING, DONATING, OR OFFERING DOGS AND  
7 CATS.—No person, other than a person described in sub-  
8 section (d), may sell, donate, or offer a dog or cat to any  
9 research facility or Federal research facility.

10       “(d) PERMISSIBLE SOURCES.—A person from whom  
11 a research facility or a Federal research facility may ob-  
12 tain a dog or cat for research or educational purposes  
13 under subsection (b), and a person who may sell, donate,  
14 or offer a dog or cat to a research facility or a Federal  
15 research facility under subsection (c), shall be—

16               “(1) a dealer licensed under section 3 that has  
17       bred and raised the dog or cat;

18               “(2) a publicly owned and operated pound or  
19       shelter that—

20                       “(A) is registered with the Secretary;

21                       “(B) is in compliance with section 28(a)(1)  
22       and with the requirements for dealers in sub-  
23       sections (b) and (c) of section 28; and

24                       “(C) obtained the dog or cat from its legal  
25       owner, other than a pound or shelter;



1           “(3) a person that is donating the dog or cat  
2           and that—

3                   “(A) bred and raised the dog or cat; or

4                   “(B) owned the dog or cat for not less  
5           than 1 year immediately preceding the dona-  
6           tion;

7           “(4) a research facility licensed by the Sec-  
8           retary; and

9           “(5) a Federal research facility licensed by the  
10          Secretary.

11          “(e) PENALTIES.—

12               “(1) IN GENERAL.—A person that violates this  
13          section shall be fined \$1,000 for each violation.

14               “(2) ADDITIONAL PENALTY.—A penalty under  
15          this subsection shall be in addition to any other ap-  
16          plicable penalty.

17          “(f) NO REQUIRED SALE OR DONATION.—Nothing  
18          in this section requires a pound or shelter to sell, donate,  
19          or offer a dog or cat to a research facility or Federal re-  
20          search facility.”.

21          (c) FEDERAL RESEARCH FACILITIES.—Section 8 of  
22          the Animal Welfare Act (7 U.S.C. 2138) is amended—

23               (1) by striking “Sec. 8. No department” and  
24          inserting the following:

1 **“SEC. 8. FEDERAL RESEARCH FACILITIES.**

2 “Except as provided in section 7, no department”;

3 (2) by striking “research or experimentation  
4 or”; and

5 (3) by striking “such purposes” and inserting  
6 “that purpose”.

7 (d) CERTIFICATION.—Section 28(b)(1) of the Animal  
8 Welfare Act (7 U.S.C. 2158(b)(1)) is amended by striking  
9 “individual or entity” and inserting “research facility or  
10 Federal research facility”.

11 (e) EFFECTIVE DATE.—The amendments made by  
12 subsections (b), (c), and (d) take effect on the date that  
13 is 90 days after the date of the enactment of this Act.

14 **TITLE XII—PREVENTION OF TAX**  
15 **TREATY EXPLOITATION TO**  
16 **EVADE UNITED STATES TAX-**  
17 **ATION**

Sec. 12001. Limitation on treaty benefits for certain deductible payments.

18 **SEC. 12001. LIMITATION ON TREATY BENEFITS FOR CER-**  
19 **TAIN DEDUCTIBLE PAYMENTS.**

20 (a) IN GENERAL.—Section 894 of the Internal Rev-  
21 enue Code of 1986 (relating to income affected by treaty)  
22 is amended by adding at the end the following new sub-  
23 section:

24 “(d) LIMITATION ON TREATY BENEFITS FOR CER-  
25 TAIN DEDUCTIBLE PAYMENTS.—

1           “(1) IN GENERAL.—In the case of any deduct-  
2           ible related-party payment, the amount of any with-  
3           holding tax imposed under chapter 3 (and any tax  
4           imposed under subpart A or B of this part) with re-  
5           spect to such payment shall not be less than the  
6           amount which would be imposed if the payment were  
7           made directly to the foreign parent corporation (tak-  
8           ing into account any income tax treaty between the  
9           United States and the country in which the foreign  
10          parent corporation is resident).

11          “(2) DEDUCTIBLE RELATED-PARTY PAY-  
12          MENT.—For purposes of this subsection, the term  
13          ‘deductible related-party payment’ means any pay-  
14          ment made, directly or indirectly, by any person to  
15          any other person if the payment is allowable as a de-  
16          duction under this chapter and both persons are  
17          members of the same foreign controlled group of en-  
18          tities.

19          “(3) FOREIGN CONTROLLED GROUP OF ENTI-  
20          TIES.—For purposes of this subsection—

21                 “(A) IN GENERAL.—The term ‘foreign  
22                 controlled group of entities’ means a controlled  
23                 group of entities the common parent of which  
24                 is a foreign corporation.

1 “(B) CONTROLLED GROUP OF ENTITIES.—

2 The term ‘controlled group of entities’ means a  
3 controlled group of corporations as defined in  
4 section 1563(a)(1), except that—

5 “(i) ‘more than 50 percent’ shall be  
6 substituted for ‘at least 80 percent’ each  
7 place it appears therein, and

8 “(ii) the determination shall be made  
9 without regard to subsections (a)(4) and  
10 (b)(2) of section 1563.

11 A partnership or any other entity (other than a  
12 corporation) shall be treated as a member of a  
13 controlled group of entities if such entity is con-  
14 trolled (within the meaning of section  
15 954(d)(3)) by members of such group (includ-  
16 ing any entity treated as a member of such  
17 group by reason of this sentence).

18 “(4) FOREIGN PARENT CORPORATION.—For  
19 purposes of this subsection, the term ‘foreign parent  
20 corporation’ means, with respect to any deductible  
21 related-party payment, the common parent of the  
22 foreign controlled group of entities referred to in  
23 paragraph (3)(A).

24 “(5) REGULATIONS.—The Secretary may pre-  
25 scribe such regulations or other guidance as are nec-

9                   “(B) the treatment of any member of a  
10                   foreign controlled group of entities as the com-  
11                   mon parent of such group if such treatment is  
12                   appropriate taking into account the economic  
13                   relationships among such entities.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to payments made after the date of the enactment of this Act.

17 **TITLE XIII—ADDITIONAL**  
18 **OFFSETS**

Sec. 13003. Time for payment of corporate estimated taxes.

Sec. 13011. Report on funds; rate of federal crop insurance.

1 **Subtitle A—Conservation of Re-**  
2 **sources Fees and Repeal of Roy-**  
3 **alty Relief**

4 **SEC. 13001. CONSERVATION OF RESOURCES FEES.**

5 (a) CONSERVATION OF RESOURCES FEES.—

6 (1) IN GENERAL.—Not later than 60 days after  
7 the date of enactment of this Act, the Secretary of  
8 the Interior by regulation shall establish a conserva-  
9 tion of resources fee for producing Federal oil and  
10 gas leases in the Gulf of Mexico.

11 (2) FEE TERMS.—The fee under paragraph  
12 (1)—

13 (A) subject to subparagraph (C), shall  
14 apply to covered leases that are producing  
15 leases;

16 (B) shall be set at \$9 per barrel for oil and  
17 \$1.25 per million Btu for gas, respectively, in  
18 2005 dollars; and

19 (C) shall apply only to production of oil or  
20 gas occurring—

21 (i) in any calendar year in which the  
22 arithmetic average of the daily closing  
23 prices for light sweet crude oil on the New  
24 York Mercantile Exchange (NYMEX) ex-  
25 ceeds \$34.73 per barrel for oil and \$4.34

1 per million Btu for gas in 2005 dollars;  
2 and  
3 (ii) on or after October 1, 2006.

4 (3) TREATMENT OF RECEIPTS.—Amounts re-  
5 ceived by the United States as fees under this sub-  
6 section shall be treated as offsetting receipts.

7 (b) COVERED LEASE DEFINED.—In this section the  
8 term “covered lease” means a lease for oil or gas produc-  
9 tion in the Gulf of Mexico that is—

10 (1) in existence on the date of enactment of this  
11 Act;

12 (2) issued by the Department of the Interior  
13 under section 304 of the Outer Continental Shelf  
14 Deep Water Royalty Relief Act (43 U.S.C. 1337  
15 note; Public Law 104–58); and

16 (3) not subject to limitations on royalty relief  
17 based on market price that are equal to or less than  
18 the price thresholds described in clauses (v) through  
19 (vii) of section 8(a)(3)(C) of the Outer Continental  
20 Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

1 **SEC. 13002. REPEAL OF CERTAIN TAXPAYER SUBSIDIZED**  
2 **ROYALTY RELIEF FOR THE OIL AND GAS IN-**  
3 **DUSTRY.**

4 (a) REPEAL OF PROVISIONS OF ENERGY POLICY ACT  
5 OF 2005.—The following provisions of the Energy Policy  
6 Act of 2005 (Public Law 109–58) are repealed:

7 (1) Section 344 (42 U.S.C. 15904; relating to  
8 incentives for natural gas production from deep wells  
9 in shallow waters of the Gulf of Mexico).

10 (2) Section 345 (42 U.S.C. 15905; relating to  
11 royalty relief for deep water production in the Gulf  
12 of Mexico).

13 (3) Subsection (i) of section 365 (42 U.S.C.  
14 15924; relating to the prohibition on drilling-related  
15 permit application cost recovery fees).

16 (b) PROVISIONS RELATING TO PLANNING AREAS  
17 OFFSHORE ALASKA.—Section 8(a)(3)(B) of the Outer  
18 Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(B))  
19 is amended by striking “and in the Planning Areas off-  
20 shore Alaska” after “West longitude”.

21 (c) PROVISIONS RELATING TO NAVAL PETROLEUM  
22 RESERVE IN ALASKA.—Section 107 of the Naval Petro-  
23 leum Reserves Production Act of 1976 (as transferred, re-  
24 designated, moved, and amended by section 347 of the En-  
25 ergy Policy Act of 2005 (119 Stat. 704)) is amended—



1 (1) in subsection (i) by striking paragraphs (2)  
 2 through (6); and  
 3 (2) by striking subsection (k).

4 **SEC. 13003. TIME FOR PAYMENT OF CORPORATE ESTI-**  
 5 **MATED TAXES.**

6 Subparagraph (B) of section 401(1) of the Tax In-  
 7 crease Prevention and Reconciliation Act of 2005 is  
 8 amended by striking “114.50 percent” and inserting  
 9 “115.75 percent”.

10 **Subtitle B—Allocation of Offsets**

11 **SEC. 13011. REPORT ON FUNDS; RATE OF FEDERAL CROP**  
 12 **INSURANCE.**

13 (a) REPORT.—Not later than the September 15 pre-  
 14 ceding each fiscal year, the Secretary of the Interior shall  
 15 report to the Secretary of Agriculture the total amount  
 16 expected to be received in the fiscal year as a result of  
 17 the changes in subtitle A.

18 (b) RATE.—Notwithstanding section 508(k)(4)(A)(ii)  
 19 of the Federal Crop Insurance Act (7 U.S.C.  
 20 1508(k)(4)(A)(ii)), the reimbursement rate established for  
 21 each of the reinsurance years 2012 through 2017 shall  
 22 be the lesser of—

- 23 (1) the rate established in such section; and  
 24 (2) the product of—

1 (A) the rate established in such section;  
2 and  
3 (B) the factor calculated in subsection (c).  
4 (c) CALCULATION.—In carrying out subsection (b),  
5 the Secretary of the Interior shall calculate the appro-  
6 priate factor by dividing the amount calculated under sub-  
7 section (a) for the fiscal year by the amount calculated  
8 under subsection (a) for fiscal year 2012.

Passed the House of Representatives July 27, 2007.

Attest: LORRAINE C. MILLER,  
*Clerk.*

By JORGE E. SORENSEN,  
*Deputy Clerk.*



**Calendar No. 339**

110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 2419**

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**AN ACT**

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

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SEPTEMBER 5, 2007

Read the second time and placed on the calendar