

110TH CONGRESS
1ST SESSION

S. 2228

To extend and improve agricultural programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 24, 2007

Mr. LUGAR (for himself, Mr. LAUTENBERG, Mr. MENENDEZ, Mr. CARDIN, Mr. WHITEHOUSE, Mr. REED, Mr. HATCH, and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To extend and improve agricultural programs, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Farm, Ranch, Equity, Stewardship, and Health Act of
6 2007”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of Secretary.

Subtitle A—Federal Crop Insurance Program

- Sec. 1001. Controlling crop insurance program costs.
- Sec. 1002. Supplemental deductible coverage.
- Sec. 1003. Revenue-based safety net.
- Sec. 1004. Whole farm insurance.
- Sec. 1005. Crop insurance education assistance.
- Sec. 1006. Agricultural management assistance program.

Subtitle B—Risk Management Accounts

- Sec. 1101. Definitions.
- Sec. 1102. Risk management account contracts.
- Sec. 1103. Treatment of risk management account accounts on transfer.
- Sec. 1104. Administration.
- Sec. 1105. Commodity programs.

TITLE II—CONSERVATION

Subtitle A—Conservation Reserve

- Sec. 2001. Conservation reserve program.

Subtitle B—Wetlands Reserve Program

- Sec. 2101. Wetlands reserve program.

Subtitle C—Conservation Security Program

- Sec. 2201. Conservation security program.

Subtitle D—Environmental Quality Incentives Program

- Sec. 2301. Environmental quality incentives program.

Subtitle E—Grassland Reserve Program

- Sec. 2401. Grassland reserve program.

Subtitle F—Cooperative Conservation Partnership Initiative

- Sec. 2501. Cooperative conservation partnership initiative.
- Sec. 2502. Minimum base allocation to States in funding of certain Department of Agriculture conservation programs.

Subtitle G—Other Conservation Programs

- Sec. 2601. Pilot program for comprehensive conservation planning.
- Sec. 2602. Pilot program for nutrient reduction and sediment control in the Chesapeake Bay watershed.

Subtitle H—Funding and Administration

- Sec. 2701. Funding and administration.
- Sec. 2702. Conservation application process.
- Sec. 2703. Exclusion of payments under Department of Agriculture conservation programs from adjusted gross income limitation.

TITLE III—SPECIALTY CROPS

Subtitle A—Marketing

- Sec. 3001. Grants to States to enhance competitiveness of specialty crops.
- Sec. 3002. Fruit and vegetable nutrition promotion program.
- Sec. 3003. Farmers' market promotion program.
- Sec. 3004. National organic certification and transition cost share program.

Subtitle B—Trade

- Sec. 3101. Technical assistance for specialty crops.

Subtitle C—Nutrition

- Sec. 3201. Expansion of fresh fruit and vegetable program.
- Sec. 3202. Authorization level for farm-to-cafeteria activities.
- Sec. 3203. WIC farmers' market nutrition program.
- Sec. 3204. Seniors farmers' market nutrition program.
- Sec. 3205. Use of "Dietary Guidelines for Americans" in special nutrition programs and school lunch programs.
- Sec. 3206. Food stamp fruit and vegetable electronic benefit transfer pilot project.
- Sec. 3207. Purchases of locally produced foods.
- Sec. 3208. Assistance for community food projects.
- Sec. 3209. Increased purchases of fruits and vegetables.

Subtitle D—Research

- Sec. 3301. National specialty crops development initiative grant program.
- Sec. 3302. Organic agriculture research and extension initiative.
- Sec. 3303. National Aquaculture Act of 1980.
- Sec. 3304. National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985.

Subtitle E—Invasive Pest Research and Disease Response

- Sec. 3401. Threat identification and mitigation program.
- Sec. 3402. Clean plant network.
- Sec. 3403. Office of Pest Management Policy.
- Sec. 3404. Food safety initiatives.

Subtitle F—Miscellaneous

- Sec. 3501. Transportation infrastructure cost reduction grant program.
- Sec. 3502. Census of specialty crops.

TITLE IV—TRADE

- Sec. 4001. McGovern-Dole International Food for Education and Child Nutrition Program.

TITLE V—NUTRITION

Subtitle A—Food Stamp Program

- Sec. 5001. Exclusion of combat-related military pay from countable income.
- Sec. 5002. Ending benefit erosion.
- Sec. 5003. Supporting working families with child care expenses.
- Sec. 5004. Retirement and education savings exclusion.
- Sec. 5005. Food stamp eligibility for unemployed adults.

Sec. 5006. Availability of commodities for the emergency food assistance program.

Subtitle B—Food Service Industry Job Training for Low-Income Adults

- Sec. 5101. Short title.
- Sec. 5102. Definitions.
- Sec. 5103. Food employment empowerment and development program.
- Sec. 5104. Hunger-free communities.

Subtitle C—Other Programs

- Sec. 5201. Summer food service program for children.
- Sec. 5202. Joint nutrition monitoring and related research activities.

TITLE VI—RURAL DEVELOPMENT

- Sec. 6001. Rural collaborative investment program.

TITLE VII—FORESTRY

Subtitle A—Cooperative Forestry Assistance Act of 1978

- Sec. 7001. Community forest land program.

Subtitle B—Healthy Forests Restoration Act of 2003

- Sec. 7101. Healthy forests reserve program.

TITLE VIII—ENERGY

- Sec. 8001. Federal procurement of biobased products.
- Sec. 8002. Biorefinery development grants.
- Sec. 8003. Rural energy innovation program.
- Sec. 8004. Rural Energy for America Program.
- Sec. 8005. Biomass research and development.

TITLE IX—USE OF SAVINGS FOR DEFICIT REDUCTION

- Sec. 9001. Sense of Congress regarding use of savings for deficit reduction.

1 SEC. 2. DEFINITION OF SECRETARY.

2 In this Act, the term “Secretary” means the Sec-
3 retary of Agriculture.

1 **TITLE I—RISK MANAGEMENT**
2 **Subtitle A—Federal Crop**
3 **Insurance Program**

4 **SEC. 1001. CONTROLLING CROP INSURANCE PROGRAM**
5 **COSTS.**

6 (a) **ADMINISTRATIVE FEE FOR CATASTROPHIC RISK**
7 **PROTECTION.**—Section 508(b)(5) of the Federal Crop In-
8 surance Act (7 U.S.C. 1508(b)(5)) is amended by striking
9 subparagraph (A) and inserting the following:

10 “(A) **BASIC FEE.**—

11 “(i) **IN GENERAL.**—Except as pro-
12 vided in clause (ii), each producer shall pay
13 an administrative fee for catastrophic risk
14 protection in an amount that is, as deter-
15 mined by the Corporation, equal to 25 per-
16 cent of the premium amount for cata-
17 strophic risk protection established under
18 subsection (d)(2)(A) per crop per county.

19 “(ii) **MAXIMUM AMOUNT.**—The total
20 amount of administrative fees for cata-
21 strophic risk protection payable by a pro-
22 ducer under clause (i) shall not exceed
23 \$5,000 for all crops in all counties.”.

1 (b) SHARE OF RISK.—Section 508(k)(3) of the Fed-
2 eral Crop Insurance Act (7 U.S.C. 1508(k)(3)) is amended
3 by striking paragraph (3) and inserting the following:

4 “(3) SHARE OF RISK.—The reinsurance agree-
5 ments of the Corporation with a reinsured company
6 shall require the reinsured company to provide to
7 the Corporation 30 percent of the cumulative under-
8 writing gain or loss of the reinsured company.”.

9 (c) REIMBURSEMENT RATE.—Section 508(k)(4)(A)
10 of the Federal Crop Insurance Act (7 U.S.C.
11 1508(k)(4)(A)) is amended by striking clause (ii) and in-
12 serting the following:

13 “(ii) for each of the 2008 and subse-
14 quent reinsurance years, 15 percent of the
15 premium used to define loss ratio.”.

16 **SEC. 1002. SUPPLEMENTAL DEDUCTIBLE COVERAGE.**

17 (a) IN GENERAL.—Section 508(c)(4) of the Federal
18 Crop Insurance Act (7 U.S.C. 1508(c)(4) is amended—

19 (1) by striking “The level of coverage” and in-
20 serting the following:

21 “(A) BASIC COVERAGE.—The level of cov-
22 erage”; and

23 (2) by adding at the end the following:

24 “(B) SUPPLEMENTAL COVERAGE.—

1 “(i) IN GENERAL.—Notwithstanding
2 paragraph (3) and subparagraph (A), the
3 Corporation may offer supplemental cov-
4 erage, based on an area yield and loss
5 basis, to cover that portion of a crop loss
6 not covered under the individual yield and
7 loss basis plan of insurance of a producer,
8 including any revenue plan of insurance
9 with coverage based in part on individual
10 yield and loss.

11 “(ii) LIMITATION.—The sum of the
12 indemnity paid to the producer under the
13 individual yield and loss plan of insurance
14 and the supplemental coverage may not ex-
15 ceed 100 percent of the loss incurred by
16 the producer for the crop.”

17 “(iii) ADMINISTRATIVE AND OPER-
18 ATING EXPENSE REIMBURSEMENT.—Not-
19 withstanding subsection (k)(4), the reim-
20 bursement rate for approved insurance
21 providers for the supplemental coverage
22 shall equal 6 percent of the premium used
23 to define the loss ratio.

24 “(iv) DIRECT COVERAGE.—If the Cor-
25 poration determines that it is in the best

1 interests of producers, the Corporation
2 may offer supplemental coverage as a Cor-
3 poration endorsement to existing plans and
4 policies of crop insurance authorized under
5 this title.

6 “(v) PAYMENT OF PORTION OF PRE-
7 MIUM BY CORPORATION.—Notwithstanding
8 subsection (e), the amount of the premium
9 to be paid by the Corporation for supple-
10 mental coverage offered pursuant to this
11 subparagraph shall be determined by the
12 Corporation, but may not exceed the sum
13 of—

14 “(I) 50 percent of the amount of
15 premium established under subsection
16 (d)(2)(C)(i); and

17 “(II) the amount determined
18 under subsection (d)(2)(C)(ii) for the
19 coverage level selected to cover oper-
20 ating and administrative expenses.”.

21 (b) CONFORMING AMENDMENTS.—Section 508(d)(2)
22 of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2))
23 is amended—

1 (1) by striking “additional coverage” the first
2 place it appears and inserting “additional and sup-
3 plemental coverages”; and

4 (2) by adding at the end the following:

5 “(C) SUPPLEMENTAL COVERAGE.—In the
6 case of supplemental coverage offered under
7 subsection (c)(4)(B), the amount of the pre-
8 mium shall—

9 “(i) be sufficient to cover anticipated
10 losses and a reasonable reserve; and

11 “(ii) include an amount for operating
12 and administrative expenses, as determined
13 by the Corporation on an industry-wide
14 basis as a percentage of the amount of the
15 premium used to define loss ratio.”.

16 **SEC. 1003. REVENUE-BASED SAFETY NET.**

17 (a) ESTABLISHMENT.—Section 508(c) of the Federal
18 Crop Insurance Act (7 U.S.C. 1508(c)) is amended by
19 adding at the end the following:

20 “(11) GROUP RISK INCOME PROTECTION AND
21 GROUP RISK PROTECTION.—The Corporation shall
22 offer, at no cost to a producer, revenue and yield
23 coverage plans that allow producers in a county to
24 qualify for an indemnity if the actual revenue or
25 yield per acre in the county in which the producer

1 is located is below 85 percent of the average revenue
2 or yield per acre for the county, for—

3 “(A) a producer with an average adjusted
4 gross income (as defined in section 1001D(a) of
5 the Food Security Act of 1985 (7 U.S.C. 1308–
6 3a(a))) of less than \$250,000; and

7 “(B) each agricultural commodity for
8 which a futures price is available, to the extent
9 the coverage is actuarially sound.”.

10 (b) PREMIUMS.—Section 508(e)(2) of the Federal
11 Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended by
12 adding at the end the following:

13 “(H) In the case of a group risk income
14 protection and group risk protection offered
15 under subsection (c)(11) beginning in fiscal
16 year 2009, and the whole farm insurance plan
17 offered under subsection (c)(12) beginning in
18 fiscal year 2010, the entire amount of the pre-
19 mium for the plan shall be paid by the Corpora-
20 tion.”.

21 **SEC. 1004. WHOLE FARM INSURANCE.**

22 (a) ESTABLISHMENT.—Section 508(c) of the Federal
23 Crop Insurance Act (7 U.S.C. 1508(c)) (as amended by
24 section 1003(a)) is amended by adding at the end the fol-
25 lowing:

1 “(12) WHOLE FARM INSURANCE PLAN.—The
2 Corporation shall offer, at no cost to a producer de-
3 scribed in paragraph (11), a whole farm insurance
4 plan that allows the producer to qualify for an in-
5 demnity if actual gross farm revenue is below 80
6 percent of the average gross farm revenue of the
7 producer.”.

8 (b) ADJUSTED GROSS REVENUE INSURANCE PILOT
9 PROGRAM.—Section 523(e) of the Federal Crop Insurance
10 Act (7 U.S.C. 1523(e)) is amended—

11 (1) in paragraph (1), by striking “2004” and
12 inserting “2014”;

13 (2) in paragraph (2), by striking subparagraph
14 (A) and inserting the following:

15 “(A) IN GENERAL.—In addition to coun-
16 ties otherwise included in the pilot program, the
17 Corporation shall include in the pilot program
18 for each of the 2010 through 2014 reinsurance
19 years all States and counties that meet the cri-
20 teria for selection (pending required rating), as
21 determined by the Corporation.”; and

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

23 “(3) ELIGIBLE PRODUCERS.—The Corporation
24 shall permit the producer of any type of agricultural
25 commodity (including a producer of specialty crops,

1 floricultural, ornamental nursery, and Christmas
 2 tree crops, turfgrass sod, seed crops, aquacultural
 3 products (including ornamental fish), sea grass and
 4 sea oats, and industrial crops) to participate in a
 5 pilot program established under this subsection.”.

6 (c) PREVENTION OF DUPLICATION.—Section 508(c)
 7 of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) (as
 8 amended by subsection (a)) is amended by adding at the
 9 end the following:

10 “(13) PREVENTION OF DUPLICATION.—The
 11 Administrator of the Risk Management Agency and
 12 Administrator of the Farm Service Agency shall co-
 13 operate to ensure, to the maximum extent prac-
 14 ticable, that producers on a farm are not com-
 15 pensated through the revenue counter-cyclical pay-
 16 ment program and under this title for the same loss,
 17 including by reducing crop insurance indemnity pay-
 18 ments by the amount of the revenue counter-cyclical
 19 payments.”.

20 **SEC. 1005. CROP INSURANCE EDUCATION ASSISTANCE.**

21 (a) PARTNERSHIPS FOR RISK MANAGEMENT EDU-
 22 CATION.—Section 524(a)(3) of the Federal Crop Insur-
 23 ance Act (7 U.S.C. 1524(a)(3)) is amended—

1 (1) in subparagraph (B), by striking “A grant”
2 and inserting “Subject to subparagraph (E), a
3 grant”; and

4 (2) by adding at the end the following:

5 “(E) ALLOCATION TO STATES.—The Sec-
6 retary shall allocate funds made available to
7 carry out this subsection for each fiscal year in
8 a manner that ensures that grants are provided
9 to eligible entities in States based on the ratio
10 that the value of agricultural production of each
11 State bears to the total value of agricultural
12 production in all States, as determined by the
13 Secretary.”.

14 (b) FUNDING.—Section 524(a)(4) of the Federal
15 Crop Insurance Act (7 U.S.C. 1524(a)(4)) is amended by
16 striking subparagraph (B) and inserting the following:

17 “(B) for the partnerships for risk manage-
18 ment education program established under
19 paragraph (3)—

20 “(i) \$20,000,000 for fiscal year 2008,
21 of which not less than \$15,000,000 shall
22 be used to provide educational assistance
23 with respect to whole farm and adjusted
24 gross revenue insurance plans;

1 “(ii) \$15,000,000 for fiscal year 2009,
2 of which not less than \$10,000,000 shall
3 be used to provide educational assistance
4 described in clause (i);

5 “(iii) \$10,000,000 for fiscal year
6 2010, of which not less than \$5,000,000
7 shall be used to provide educational assist-
8 ance described in clause (i); and

9 “(iv) \$5,000,000 for fiscal year 2011
10 and each fiscal year thereafter.”.

11 **SEC. 1006. AGRICULTURAL MANAGEMENT ASSISTANCE**
12 **PROGRAM.**

13 Section 524(b)(4)(B)) of the Federal Crop Insurance
14 Act (7 U.S.C. 1524(b)(4)(B)) is amended—

15 (1) in clause (ii), by striking “fiscal years 2003
16 through 2007” and inserting “fiscal years 2008
17 through 2014”; and

18 (2) in clause (iii)—

19 (A) by striking “fiscal years 2004 through
20 2007” and inserting “fiscal years 2008 through
21 2014”;

22 (B) in subclause (I), by striking
23 “\$14,000,000” and inserting “\$9,500,000”;
24 and

1 (C) in subclause (III), by striking
2 “\$5,000,000” and inserting “\$9,500,000”.

3 **Subtitle B—Risk Management**
4 **Accounts**

5 **SEC. 1101. DEFINITIONS.**

6 In this subtitle:

7 (1) **ADJUSTED GROSS REVENUE.**—The term
8 “adjusted gross revenue”, with respect to a farm of
9 an operator or producer, means the adjusted gross
10 income of the farm, as determined by the Secretary,
11 from the sale or transfer of eligible commodities of
12 the farm, as calculated—

13 (A) taking into consideration the gross re-
14 cepts (including insurance indemnities) from
15 each sale;

16 (B) including all farm payments received
17 by the operator or producer from any Federal,
18 State, or local government agency relating to
19 the eligible commodities;

20 (C) by deducting the cost or basis of any
21 eligible livestock or other item purchased for re-
22 sale, such as feeder livestock, by the farm;

23 (D) excluding any revenue that does not
24 arise from the sale of eligible commodities of
25 the farm, such as revenue associated with the

1 packaging, merchandising, marketing, or re-
2 processing beyond what is typically carried out
3 by a producer of the eligible commodity, as de-
4 termined by the Secretary; and

5 (E) using such adjustments, additions, and
6 additional documentation as the Secretary de-
7 termines to be appropriate, as presented on—

8 (i) a schedule F form of the Federal
9 income tax returns of the operator or pro-
10 ducer; or

11 (ii) a comparable tax form relating to
12 the farm, as approved by the Secretary.

13 (2) APPLICABLE YEAR.—The term “applicable
14 year” means a fiscal year covered by a risk manage-
15 ment account contract.

16 (3) AVERAGE ADJUSTED GROSS REVENUE.—
17 The term “average adjusted gross revenue” means—

18 (A) the rolling average of the adjusted
19 gross revenue of an operator or producer for
20 each of the 5 preceding taxable years; or

21 (B) in the case of a beginning farmer or
22 rancher, or another agricultural operation that
23 does not have adjusted gross revenue for each
24 of the 5 preceding taxable years, the estimated

1 income of the operation for the applicable year,
2 as determined by the Secretary.

3 (4) ELIGIBLE COMMODITY.—The term “eligible
4 commodity” means any annual or perennial crop
5 raised or produced by an operator or producer.

6 (5) FARM.—

7 (A) IN GENERAL.—The term “farm”
8 means any parcel of land used for the raising
9 or production of an eligible commodity that is
10 considered to be a separate operation, as deter-
11 mined by the Secretary.

12 (B) INCLUSIONS.—The term “farm” in-
13 cludes—

14 (i) any parcel of land and related ag-
15 ricultural production facilities on which an
16 operator or producer has more than de
17 minimis operational control; and

18 (ii) any parcel of land subject to more
19 than de minimis common ownership, as de-
20 termined by the Secretary, unless the com-
21 mon owners of the parcel—

22 (I) except with respect to a con-
23 servation condition established in an
24 applicable rental agreement, do not

1 have operational control regarding any
2 portion of the parcel; and

3 (II) do not share in the proceeds
4 of the parcel, other than cash rent.

5 (C) EXCLUSION.—The term “farm” does
6 not include a parcel that is not a portion of a
7 farm subject to a risk management account
8 contract.

9 (D) APPLICABILITY OF CFR.—Except as
10 otherwise provided in this subtitle or by the
11 Secretary, by regulation, part 718 of title 7,
12 Code of Federal Regulations (or successor regu-
13 lations), shall apply to the definition, constitu-
14 tion, and reconstitution of a farm for purposes
15 of this paragraph.

16 (6) OPERATOR.—The term “operator” means a
17 producer who controls an agricultural operation on
18 a farm, as determined by the Secretary.

19 (7) PRODUCER.—The term “producer” means a
20 person that, as determined by the Secretary, for an
21 applicable year—

22 (A) shares in the risk of producing, or pro-
23 vides a material contribution in producing, an
24 eligible commodity;

1 (B) has a substantial beneficial interest in
2 the farm on which the eligible commodity is
3 produced;

4 (C)(i) for each of the 5 preceding taxable
5 years, has filed—

6 (I) a schedule F form of the Federal
7 income tax return relating to the eligible
8 commodity; or

9 (II) a comparable tax form related to
10 the eligible commodity, as approved by the
11 Secretary; or

12 (ii) is a beginning farmer or rancher, or
13 another producer that does not have adjusted
14 gross revenue for each of the 5 preceding tax-
15 able years, as determined by the Secretary; and

16 (D)(i) during the 5 preceding taxable
17 years, has earned at least \$10,000 in average
18 adjusted gross revenue;

19 (ii) is a limited resource farmer or rancher,
20 as determined by the Secretary; or

21 (iii) in the case of a beginning farmer or
22 rancher, or another producer that does not have
23 adjusted gross revenue for each of the 5 pre-
24 ceding taxable years, has at least \$10,000 in es-

1 timated income from all farms for the applica-
2 ble year, as determined by the Secretary.

3 (8) RISK MANAGEMENT ACCOUNT.—The term
4 “risk management account” means a farm income
5 stabilization assistance account maintained at a
6 qualified financial institution in accordance with
7 such terms as the Secretary may establish.

8 **SEC. 1102. RISK MANAGEMENT ACCOUNT CONTRACTS.**

9 (a) ESTABLISHMENT OF PROGRAM.—The Secretary
10 shall establish and carry out a program under which the
11 Secretary shall offer to enter into contracts with eligible
12 operators and producers in accordance with this section—

13 (1) to provide to the operators and producers a
14 reserve to assist in the stabilization of farm income
15 during low-revenue years;

16 (2) to assist operators and producers to invest
17 in value-added farms; and

18 (3) to recognize high levels of environmental
19 stewardship.

20 (b) ELIGIBILITY.—

21 (1) IN GENERAL.—Any operator that has par-
22 ticipated in a commodity program under title I of
23 the Farm Security and Rural Investment Act of
24 2002 (7 U.S.C. 7901 et seq.), and that otherwise
25 meets each eligibility requirement under this sub-

1 title, shall be eligible to enter into a risk manage-
2 ment account contract for agricultural production
3 during each of fiscal years 2008 through 2014.

4 (2) OTHER PRODUCERS.—A producer that is
5 not an operator described in paragraph (1) shall be
6 eligible to enter into a risk management account
7 contract for agricultural production during each of
8 fiscal years 2008 through 2014.

9 (3) LIMITATIONS.—

10 (A) IN GENERAL.—No farm or portion of
11 a farm shall be subject to more than 1 risk
12 management account contract during any fiscal
13 year.

14 (B) MULTIPLE RISK MANAGEMENT AC-
15 COUNT CONTRACTS.—

16 (i) IN GENERAL.—Except as provided
17 in clause (ii), no operator or producer shall
18 participate or have a beneficial interest in
19 more than 1 risk management account
20 contract during any fiscal year.

21 (ii) EXCEPTION.—Notwithstanding
22 clause (i), an operator that is eligible to re-
23 ceive a transition payment during a fiscal
24 year, and that participates or has a bene-
25 ficial interest in a risk management ac-

1 count contract during that fiscal year, may
2 enter into an additional risk management
3 account contract during the fiscal year if—

4 (I) the additional risk manage-
5 ment account contract is entered into
6 solely for the purpose of receiving the
7 transition payment; and

8 (II) the operator is not otherwise
9 eligible to participate or have a bene-
10 ficial interest in the additional risk
11 management account contract.

12 (c) RISK MANAGEMENT ACCOUNTS.—

13 (1) IN GENERAL.—Each risk management ac-
14 count contract entered into under this section shall
15 establish, in the name of the farm of the operator
16 or producer, as applicable, in an appropriate finan-
17 cial institution and subject to such investment rules
18 and other procedures as the Secretary, on approval
19 of the Secretary of the Treasury, determines to be
20 necessary to provide reasonable assurance of the via-
21 bility and stability of the account, a risk manage-
22 ment account, to consist of—

23 (A) such amounts as are transferred to the
24 risk management account by the Secretary dur-
25 ing an applicable year in accordance with para-

1 graph (2) (including the amendments made by
2 that paragraph); and

3 (B) such amounts as are voluntarily con-
4 tributed by the operator or producer during the
5 applicable year in accordance with paragraph
6 (6).

7 (2) TRANSFERS.—Section 1103 of the Farm
8 Security and Rural Investment Act of 2002 (7
9 U.S.C. 7913) is amended by adding at the end the
10 following:

11 “(e) RISK MANAGEMENT ACCOUNTS.—Of the total
12 amount of direct payments made to producers, payments
13 in excess of \$10,000 for a crop year shall be deposited
14 into risk management accounts established under section
15 1102 of the Farm, Ranch, Equity, Stewardship, and
16 Health Act of 2007.”.

17 (3) OPERATOR AND PRODUCER CONTRIBU-
18 TIONS.—During any applicable year, an operator or
19 producer may voluntarily contribute to the risk man-
20 agement account of the operator or producer.

21 (4) WITHDRAWALS.—

22 (A) IN GENERAL.—An operator or pro-
23 ducer may withdraw amounts in the risk man-
24 agement account of the operator or producer
25 only—

1 (i) for an applicable year during which
2 the adjusted gross revenue of the operator
3 or producer is equal to less than 95 per-
4 cent of the average adjusted gross revenue
5 of the operator or producer, in an amount
6 that is equal to the lesser of—

7 (I) the difference between—

8 (aa) the average adjusted
9 gross revenue of the operator or
10 producer; and

11 (bb) the adjusted gross rev-
12 enue of the operator or producer;
13 and

14 (II) the amount of coverage that
15 could be purchased under an adjusted
16 gross revenue product available to the
17 operator or producer through the Fed-
18 eral crop insurance program;

19 (ii) for investment in a value-added
20 agricultural operation that contributes to
21 the agricultural economy, as determined by
22 the Secretary, and is not farmland or
23 equipment used to produce raw agricul-
24 tural products, an amount equal to the
25 product obtained by multiplying—

1 (I) the total amount in the risk
2 management account of the operator
3 or producer on September 30 of the
4 preceding applicable year; and

5 (II) 10 percent;

6 (iii) as the Secretary determines to be
7 necessary to protect the solvency of a farm
8 of the operator or producer; or

9 (iv) to purchase revenue insurance or
10 crop insurance.

11 (B) TRANSFER TO IRA ACCOUNT.—In any
12 calendar year, an individual operator or pro-
13 ducer aged 65 years or older who is the holder
14 of a risk management account in existence for
15 at least 5 years may elect to rollover not more
16 than 15 percent of the balance of the risk man-
17 agement account into an individual retirement
18 account pursuant to section 408 of the Internal
19 Revenue Code of 1986.

20 (5) LIMITATIONS.—

21 (A) CONTRIBUTION REQUIREMENT.—The
22 Secretary shall ensure that each payment trans-
23 ferred to a risk management account under this
24 subsection is attributed to an individual oper-

1 ator or producer that is a party to the applica-
2 ble risk management account contract.

3 (B) NO INDIVIDUAL BENEFIT.—

4 (i) IN GENERAL.—The Secretary shall
5 ensure that no individual operator or pro-
6 ducer receives a direct benefit from more
7 than 1 risk management account.

8 (ii) PROPORTIONAL REDUCTION.—The
9 Secretary shall reduce the amount of a
10 standard payment under this subsection in
11 an amount equal to the proportion that—

12 (I) the amount of each direct or
13 indirect benefit received by the appli-
14 cable individual operator or producer
15 under the applicable risk management
16 account contract; bears to

17 (II) the amount of any direct or
18 indirect benefit received by the indi-
19 vidual operator or producer under any
20 other risk management account con-
21 tract under which a standard payment
22 is transferred to a risk management
23 account.

24 (6) CONSERVATION COMPLIANCE.—Each oper-
25 ator, and each holder of a beneficial interest in a

1 farm subject to a risk management account contract,
2 shall comply with—

3 (A) applicable highly erodible land con-
4 servation requirements under subtitle B of title
5 XII of the Food Security Act of 1985 (16
6 U.S.C. 3811 et seq.); and

7 (B) applicable wetland conservation re-
8 quirements under subtitle C of title XII of that
9 Act (16 U.S.C. 3821 et seq.).

10 (7) REGULATIONS.—The Secretary shall pro-
11 mulgate such regulations as the Secretary deter-
12 mines to be necessary to carry out this subsection.

13 **SEC. 1103. TREATMENT OF RISK MANAGEMENT ACCOUNT**
14 **ACCOUNTS ON TRANSFER.**

15 (a) IN GENERAL.—In transferring, by sale or other
16 means, any interest in a farm subject to a risk manage-
17 ment account, an operator or producer may elect—

18 (1) to transfer the risk management account to
19 another farm in which the operator or producer—

20 (A) has a controlling ownership interest; or

21 (B) not later than 2 years after the date
22 of the transfer, will acquire a controlling owner-
23 ship interest;

24 (2) to transfer the risk management account to
25 the purchaser of the interest in the farm, if the pur-

1 chaser is not already a holder of a risk management
2 account; or

3 (3)(A) if the operator or producer is an indi-
4 vidual, to rollover amounts in the risk management
5 account into an individual retirement account of the
6 operator or producer pursuant to section 408 of the
7 Internal Revenue Code of 1986; or

8 (B) if the operator or producer is not an indi-
9 vidual, to transfer amounts in the risk management
10 account into an account of any individual who has
11 a substantial beneficial interest in the farm (includ-
12 ing a substantial beneficiary of a trust that holds at
13 least a 50 percent ownership interest in the farm).

14 (b) **TRANSFER OR ACQUISITION OF LAND OR POR-**
15 **TION OF OPERATION.**—The Secretary shall promulgate
16 such regulations as the Secretary determines to be appro-
17 priate to require reformulation, reaffirmation, or abandon-
18 ment of a risk management account contract—

19 (1) on transfer of all or part of a farm under
20 this section; or

21 (2) on any other major change to the farm, as
22 determined by the Secretary.

23 **SEC. 1104. ADMINISTRATION.**

24 (a) **IMPLEMENTATION.**—The Secretary shall carry
25 out this subtitle through the Farm Service Agency.

1 (b) COMPLIANCE.—The Secretary shall conduct ran-
2 dom audits of operators and producers subject to risk
3 management account contracts under this subtitle as the
4 Secretary determines to be necessary to ensure compliance
5 with the risk management account contracts.

6 (c) VIOLATIONS.—If the Secretary determines that
7 an operator or producer is in violation of the terms of an
8 applicable risk management account contract—

9 (1) the operator or producer shall refund to the
10 Secretary an amount equal to the amount trans-
11 ferred by the Secretary under section 1103(e) of the
12 Farm Security and Rural Investment Act of 2002 (7
13 U.S.C. 7913(e)) to the affected risk management ac-
14 count during the applicable year in which the viola-
15 tion occurred; and

16 (2) for a serious or deliberate violation, as de-
17 termined by the Secretary—

18 (A) the risk management account contract
19 shall be terminated; and

20 (B) amounts remaining in each applicable
21 risk management account as the result of a
22 transfer by the Secretary under section 1103(e)
23 of that Act shall be refunded to the Secretary.

1 (d) REGULATIONS.—The Secretary shall promulgate
2 such regulations as the Secretary determines to be nec-
3 essary to carry out this subtitle.

4 (e) ADJUSTED GROSS INCOME LIMITATION.—The
5 adjusted gross income limitation under section 1001D of
6 the Food Security Act of 1985 (7 U.S.C. 1308–3a) shall
7 apply to participation in the farm income stabilization as-
8 sistance program under this subtitle.

9 (f) COMMODITY CREDIT CORPORATION.—The Sec-
10 retary shall use the funds, facilities, and authorities of the
11 Commodity Credit Corporation to carry out this subtitle.

12 **SEC. 1105. COMMODITY PROGRAMS.**

13 (a) REPEALS.—Subtitles A through C of title I of the
14 Farm Security and Rural Investment Act of 2002 (7
15 U.S.C. 7901 et seq.) (other than sections 1001, 1101,
16 1102, 1103, 1104, and 1106) are repealed.

17 (b) BASE ACRES AND PAYMENT ACRES.—Section
18 1101 of the Farm Security and Rural Investment Act of
19 2002 (7 U.S.C. 7911) is amended—

20 (1) in subsections (a)(1) and (e)(2), by striking
21 “and counter-cyclical payments” each place it ap-
22 pears; and

23 (2) by adding at the end the following:

24 “(i) PRODUCTION OF FRUITS OR VEGETABLES FOR
25 PROCESSING.—

1 “(1) IN GENERAL.—Subject to paragraphs (2)
2 and (3), the producers on a farm, with the consent
3 of the owner of and any other producers on the
4 farm, may reduce the base acres for a covered com-
5 modity for the farm if the reduced acres are used for
6 the planting and production of fruits or vegetables
7 for processing.

8 “(2) REVERSION TO BASE ACRES FOR COVERED
9 COMMODITY.—Any reduced acres on a farm devoted
10 to the planting and production of fruits or vegeta-
11 bles during a crop year under paragraph (1) shall be
12 included in base acres for the covered commodity for
13 the subsequent crop year, unless the producers on
14 the farm make the election described in paragraph
15 (1) for the subsequent crop year.

16 “(3) RECALCULATION OF BASE ACRES.—

17 “(A) IN GENERAL.—Subject to subpara-
18 graph (B), if the Secretary recalculates base
19 acres for a farm, the planting and production of
20 fruits or vegetables for processing under para-
21 graph (1) shall be considered to be the same as
22 the planting, prevented planting, or production
23 of the covered commodity.

1 “(B) AUTHORITY.—Nothing in this sub-
2 section provides authority for the Secretary to
3 recalculate base acres for a farm.”.

4 (c) PAYMENT YIELDS.—Section 1102 of the Farm
5 Security and Rural Investment Act of 2002 (7 U.S.C.
6 7912) is amended—

7 (1) in subsection (a), by striking “and counter-
8 cyclical payments”;

9 (2) in subsection (b), by striking “2007” and
10 inserting “2014”;

11 (3) in subsection (c), by striking “, but before”
12 and all that follows through “subsection (e)”; and

13 (4) by striking subsection (e).

14 (d) SUGAR.—Section 156(j) of the Federal Agri-
15 culture Improvement and Reform Act of 1996 (7 U.S.C.
16 7272(j)) is amended by striking “2007” and inserting
17 “2014”.

18 (e) RECOURSE LOAN PROGRAM.—Subtitle F of title
19 I of the Farm Security and Rural Investment Act of 2002
20 (7 U.S.C. 7991 et seq.) is amended by adding at the end
21 the following:

22 **“SEC. 1619. RECOURSE LOAN PROGRAM.**

23 “For each of the 2008 through 2014 crop years, the
24 Secretary shall establish a recourse loan program for each

1 loan commodity at a rate of interest to be determined by
2 the Secretary.”.

3 (f) ADMINISTRATION.—

4 (1) SUSPENSION OF PERMANENT PRICE SUP-
5 PORT AUTHORITY.—Section 1602 of the Farm Secu-
6 rity and Rural Investment Act of 2002 (7 U.S.C.
7 7992) is amended by striking “2007” each place it
8 appears and inserting “2014”.

9 (2) ADJUSTED GROSS INCOME LIMITATION.—

10 Section 1001D(e) of the Food Security Act of 1985
11 (7 U.S.C. 1308–3a(e)) is amended by striking
12 “2007” and inserting “2014”.

13 (g) AVAILABILITY OF COUNTER-CYCLICAL PAY-
14 MENTS.—Section 1104 of the Farm Security and Rural
15 Investment Act of 2002 (7 U.S.C. 7914) is amended—

16 (1) by striking “2007” each place it appears
17 (other than paragraphs (3)(B) and (4)(B) of sub-
18 section (f)) and inserting “2008”; and

19 (2) in subsection (f)—

20 (A) in paragraph (3)(B)—

21 (i) in the subparagraph heading, by
22 striking “2007 CROP YEAR” and inserting
23 “2007 AND 2008 CROP YEARS”; and

1 (ii) by striking “the 2007 crop year”
2 and inserting “each of the 2007 and 2008
3 crop years”; and

4 (B) in paragraph (4)(B)—

5 (i) in the subparagraph heading, by
6 striking “2007 CROP YEAR” and inserting
7 “2007 AND 2008 CROP YEARS”; and

8 (ii) by striking “the 2007 crop year”
9 each place it appears and inserting “each
10 of the 2007 and 2008 crop years”.

11 (h) AVAILABILITY OF DIRECT PAYMENTS.—Section
12 1103 of the Farm Security and Rural Investment Act of
13 2002 (7 U.S.C. 7913) is amended—

14 (1) in subsection (a), by striking “For each of
15 the 2002 through 2007” and inserting “For each of
16 the 2008 through 2014”; and

17 (2) in subsection (c), by adding at the end the
18 following:

19 “(4)(A) In each of crop years 2008 through
20 2011, 25 percent.

21 “(B) In each of crop years 2012 and 2013, 20
22 percent.

23 “(C) In crop year 2014, 0 percent.”.

1 **TITLE II—CONSERVATION**
2 **Subtitle A—Conservation Reserve**

3 **SEC. 2001. CONSERVATION RESERVE PROGRAM.**

4 (a) IN GENERAL.—Section 1231(a) of the Food Se-
5 curity Act of 1985 (16 U.S.C. 3831(a)) is amended by
6 striking “2007” and inserting “2014”.

7 (b) MAXIMUM ENROLLMENT.—Section 1231(d) of
8 the Food Security Act of 1985 (16 U.S.C. 3831(d)) is
9 amended—

10 (1) by striking “The Secretary” and inserting
11 the following:

12 “(1) IN GENERAL.—The Secretary”;

13 (2) in paragraph (1) (as designated by para-
14 graph (1)), by striking “2007” and inserting
15 “2014”; and

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

17 “(2) ENROLLMENT GOALS.—For the period be-
18 ginning on the date of enactment of this paragraph
19 and ending on December 31, 2014, the Secretary
20 shall establish a goal to enroll not less than
21 7,000,000 acres of eligible land through the contin-
22 uous enrollment program and the conservation re-
23 serve enhancement program.”.

24 (c) PILOT PROGRAM FOR ENROLLMENT OF WET-
25 LAND AND BUFFER ACREAGE IN CONSERVATION RE-

1 SERVE.—Section 1231(h)(1)(A) of the Food Security Act
2 of 1985 (16 U.S.C. 3831(h)(1)(A)) is amended by striking
3 “2007” and inserting “2014”.

4 **Subtitle B—Wetlands Reserve**
5 **Program**

6 **SEC. 2101. WETLANDS RESERVE PROGRAM.**

7 (a) IN GENERAL.—Section 1237(c) of the Food Secu-
8 rity Act of 1985 (16 U.S.C. 3837(c)) is amended by strik-
9 ing “2007” and inserting “2014”.

10 (b) MAXIMUM ENROLLMENT.—Section 1237(b)(1) of
11 the Food Security Act of 1985 (16 U.S.C. 3837(b)(1))
12 is amended by striking “2,275,000 acres” and inserting
13 “3,605,000 acres”.

14 (c) WETLAND EASEMENT CONSERVATION PLAN.—
15 Section 1237A(b)(3) of the Food Security Act of 1985(16
16 U.S.C. 3837a(b)(3)) is amended by inserting before the
17 semicolon at the end the following: “and activities nec-
18 essary to maintain hydrologic, habitat, and other func-
19 tional values of the wetlands”.

20 (d) COST-SHARE AND MANAGEMENT ASSISTANCE.—
21 Section 1237C of the Food Security Act of 1985 (16
22 U.S.C. 3837c) is amended—

23 (1) in subsection (a)(1), by inserting “including
24 necessary hydrologic and habitat maintenance activi-
25 ties,” after “values,”; and

1 (2) in subsection (b), by adding at the end the
2 following:

3 “(4) **MANAGEMENT COSTS.**—The Secretary
4 may make payments to owners in an amount of up
5 to the full actual cost of undertaking any ongoing or
6 periodic management activities necessary to main-
7 tain the functional values of wetland enrolled in the
8 wetlands reserve program.”.

9 **Subtitle C—Conservation Security**
10 **Program**

11 **SEC. 2201. CONSERVATION SECURITY PROGRAM.**

12 (a) **IN GENERAL.**—Section 1238A(a) of the Food Se-
13 curity Act of 1985 (16 U.S.C. 3838a(a)) is amended by
14 striking “2011” and inserting “2012”.

15 (b) **TECHNICAL ASSISTANCE.**—Section 1238C(g) of
16 the Food Security Act of 1985 (16 U.S.C. 3838c(g)) is
17 amended by striking “2007” and inserting “2012”.

18 **Subtitle D—Environmental Quality**
19 **Incentives Program**

20 **SEC. 2301. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
21 **GRAM.**

22 (a) **PURPOSES.**—Section 1240 of the Food Security
23 Act of 1985 (16 U.S.C. 3839aa) is amended—

24 (1) in paragraph (2), by inserting “, conserving
25 energy,” after “resources”; and

1 (2) in paragraph (3), by inserting “and con-
2 serve energy,” after “wildlife”.

3 (b) EXTENSION.—Section 1240B(a)(1) of the Food
4 Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is
5 amended by striking “2010” and inserting “2014”.

6 (c) BIDDING DOWN.—Section 1240B of the Food Se-
7 curity Act of 1985 (16 U.S.C. 3839aa–2) is amended by
8 striking subsection (c) and inserting the following:

9 “(c) BIDDING DOWN.—

10 “(1) IN GENERAL.—The Secretary shall not as-
11 sign a higher priority to any application because the
12 applicant is willing to accept a lower cost-share or
13 incentive payment than the applicant would other-
14 wise be entitled to receive.

15 “(2) COST-EFFECTIVENESS.—Nothing in this
16 subsection relieves the Secretary of the obligation,
17 when evaluating applications for cost-share pay-
18 ments and incentive payments—

19 “(A) to evaluate the cost-effectiveness of
20 the proposed conservation practices, systems,
21 and approaches described in the applications;
22 and

23 “(B) to prioritize the most cost-effective
24 applications in accordance with section
25 1240C(1).”.

1 (d) COST-SHARE PAYMENT EXCEPTION.—Section
2 1240B(d)(2) of the Food Security Act of 1985 (16 U.S.C.
3 3839aa–2(d)(2)) is amended by striking subparagraph (A)
4 and inserting the following:

5 “(A) LIMITED RESOURCE AND BEGINNING
6 FARMERS.—

7 “(i) IN GENERAL.—Subject to clause
8 (ii), the Secretary may increase the
9 amount provided to a producer under para-
10 graph (1) to not more than 90 percent if
11 the producer is a limited resource or begin-
12 ning farmer or rancher, as determined by
13 the Secretary.

14 “(ii) LIMITATION.—A cost-share pay-
15 ment under this paragraph shall not be
16 less than 115 percent of the amount of the
17 payment that the Secretary may determine
18 under paragraph (1).”.

19 (e) ALLOCATION OF FUNDING.—Section 1240B(g) of
20 the Food Security Act of 1985 (16 U.S.C. 3839aa–2(g))
21 is amended by striking “2007” and inserting “2014”.

22 (f) EVALUATION OF APPLICATIONS FOR COST-SHARE
23 PAYMENTS AND INCENTIVE PAYMENTS.—Section 1240C
24 of the Food Security Act of 1985 (16 U.S.C. 3839aa–3)
25 is amended to read as follows:

1 **“SEC. 1240C. EVALUATION OF APPLICATIONS FOR COST-**
2 **SHARE PAYMENTS AND INCENTIVE PAY-**
3 **MENTS.**

4 “In evaluating applications for cost-share payments
5 and incentive payments, the Secretary shall—

6 “(1) prioritize applications based on the overall
7 level of cost-effectiveness of the applications to en-
8 sure, to the maximum extent practicable, that the
9 proposed conservation practices, systems, and ap-
10 proaches are the most efficient means of achieving
11 the anticipated environmental benefits of the project;

12 “(2) prioritize applications based on how effec-
13 tively and comprehensively the projects address the
14 1 or more designated resource concerns;

15 “(3) reward higher levels of environmental per-
16 formance, such as advanced levels of management
17 within land management practices;

18 “(4) develop criteria for evaluating applications
19 that will ensure that national, State, and local con-
20 servation priorities are effectively addressed; and

21 “(5) prioritize applications that will improve en-
22 vironmental performance on existing operations.”.

23 (g) CONSERVATION INNOVATION GRANTS.—

24 (1) IN GENERAL.—Section 1240H of the Food
25 Security Act of 1985 (16 U.S.C. 3839aa–8) is

1 amended by striking subsection (a) and inserting the
2 following:

3 “(a) IN GENERAL.—The Secretary may pay the cost
4 of competitive grants that leverage Federal investment in
5 environmental enhancement and protection through the
6 program by stimulating the development of innovative
7 technologies and transferring those technologies to agri-
8 cultural and nonindustrial private forest land in produc-
9 tion.”.

10 (2) USE.—Section 1240H(b) of the Food Secu-
11 rity Act of 1985 (16 U.S.C. 3839aa–8(b)) is amend-
12 ed by striking paragraph (2) and inserting the fol-
13 lowing:

14 “(2)(A) implement innovative conservation tech-
15 nologies, such as market systems for pollution reduc-
16 tion and practices for the storing of carbon in the
17 soil; and

18 “(B) provide a mechanism for transferring
19 those technologies to agricultural and nonindustrial
20 private forest land in production; and”.

21 (h) GROUND AND SURFACE WATER CONSERVA-
22 TION.—Section 1240I(c)(1)(C) of the Food Security Act
23 of 1985 (16 U.S.C. 3839aa–9(c)(1)(C)) is amended by
24 striking “2007” and inserting “2014”.

1 (i) PERFORMANCE INCENTIVES FOR STATES.—Chap-
2 ter 4 of subtitle D of title XII of the Food Security Act
3 of 1985 (16 U.S.C. 3839aa et seq.) is amended by adding
4 at the end the following:

5 **“SEC. 1240J. PERFORMANCE INCENTIVES FOR STATES.**

6 “(a) HIGH LEVEL OF PERFORMANCE BONUS.—For
7 each of fiscal years 2008 through 2014, 10 percent of the
8 funds made available to carry out this chapter shall be
9 reserved by the Secretary for bonus allocations to States
10 that demonstrate a high level of performance in imple-
11 menting the environmental quality incentives program, as
12 determined by the Secretary in accordance with subsection
13 (b).

14 “(b) SPECIAL CONSIDERATIONS.—In evaluating
15 State performance under subsection (a), the Secretary
16 shall reward States that—

17 “(1) consistently meet the requirements of sec-
18 tion 1240C in evaluating offers and payments;

19 “(2) dedicate a portion of the annual environ-
20 mental quality incentives program allocation of the
21 States to multiproducer cooperative efforts to ad-
22 dress specific resource concerns;

23 “(3) collaborate with other Federal and State
24 agencies, local governments, educational institutions,
25 and for-profit and nonprofit organizations to mon-

1 itor and evaluate the environmental outcomes associ-
2 ated with implementation of the environmental qual-
3 ity incentives program;

4 “(4) demonstrate effective and efficient pro-
5 gram delivery, including the provision of adequate
6 technical assistance to all program participants
7 through—

8 “(A) appropriate staffing; and

9 “(B) cooperation with other Federal,
10 State, tribal, and local agencies, for-profit and
11 nonprofit organizations, and individuals with
12 demonstrated expertise in the planning and im-
13 plementation of conservation practices, systems,
14 and approaches;

15 “(5) support and encourage innovative ap-
16 proaches to addressing resource concerns;

17 “(6) effectively leverage Federal funding with
18 local and State matching funds; and

19 “(7) demonstrate effective outreach and innova-
20 tive approaches to reaching and serving beginning
21 farmers and ranchers, limited-resource producers,
22 and operators with lower rates of historical partici-
23 pation in Federal farm and conservation programs.”.

1 **Subtitle E—Grassland Reserve**
 2 **Program**

3 **SEC. 2401. GRASSLAND RESERVE PROGRAM.**

4 Section 1238N(b)(1) of the Food Security Act of
 5 1985 (16 U.S.C. 3838N(b)(1)) is amended by striking
 6 “2,000,000 acres” and inserting “3,340,000 acres”.

7 **Subtitle F—Cooperative Conserva-**
 8 **tion Partnership Initiative**

9 **SEC. 2501. COOPERATIVE CONSERVATION PARTNERSHIP**
 10 **INITIATIVE.**

11 (a) IN GENERAL.—Subtitle D of title XII of the Food
 12 Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended
 13 by adding at the end the following:

14 **“CHAPTER 6—COOPERATIVE CONSERVA-**
 15 **TION PARTNERSHIP INITIATIVE**

16 **“SEC. 1240S. COOPERATIVE CONSERVATION PARTNERSHIP**
 17 **INITIATIVE.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) ELIGIBLE CONSERVATION PROGRAM.—The
 20 term ‘eligible conservation program’ means—

21 “(A) the continuous signup portion of the
 22 conservation reserve program established under
 23 subchapter B of chapter 1;

1 “(B) a special conservation reserve en-
2 hancement program described in section
3 1234(f)(4);

4 “(C) the environmental quality incentives
5 program established under chapter 4, including
6 the ground and surface water conservation pro-
7 gram under section 1240I;

8 “(D) the farmland protection program es-
9 tablished under subchapter B of chapter 2;

10 “(E) the grassland reserve program estab-
11 lished under subchapter C of chapter 2;

12 “(F) the wetlands reserve program estab-
13 lished under subchapter C of chapter 1; and

14 “(G) the wildlife habitat incentive program
15 established under section 1240N.

16 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
17 tity’ means—

18 “(A) a State, including an agency of a
19 State;

20 “(B) a political subdivision of a State, in-
21 cluding a State-sponsored conservation district;

22 “(C) an Indian tribe; and

23 “(D) a nongovernmental organization or
24 association, including—

25 “(i) a producer association;

- 1 “(ii) a farmer cooperative;
- 2 “(iii) an extension association; and
- 3 “(iv) a conservation organization with
- 4 a history of working cooperatively with
- 5 producers to effectively address resource
- 6 concerns related to agricultural production,
- 7 as determined by the Secretary.

8 “(b) GRANTS AND AGREEMENTS.—

9 “(1) IN GENERAL.—The Secretary shall make

10 grants and enter into agreements with eligible enti-

11 ties to preferentially enroll producers in 1 or more

12 of eligible conservation programs to carry out special

13 projects and initiatives through which multiple pro-

14 ducers and other interested persons cooperate to ad-

15 dress specific resources of concern relating to agri-

16 cultural production on a local, State, or regional

17 scale.

18 “(2) TERM.—Grants and agreements described

19 in paragraph (1) shall have a term of—

20 “(A) not less than 2 years; and

21 “(B) not more than 5 years.

22 “(c) APPLICATIONS.—

23 “(1) COMPETITIVE PROCESS.—The Secretary

24 shall establish a competitive process for considering

25 applications for grants or agreements under this sec-

1 tion consistent with the evaluation criteria described
2 in subsection (d).

3 “(2) PROGRAM ALLOCATION.—An application
4 for a grant or agreement under this section shall in-
5 clude—

6 “(A) specification of the amount of fund-
7 ing or quantity of acres, or both, of 1 or more
8 eligible conservation programs proposed to be
9 allocated to carry out the special project or ini-
10 tiative; and

11 “(B) a schedule for use of funding or acres
12 over the life of the proposed project or initia-
13 tive.

14 “(d) EVALUATION CRITERIA.—In evaluating applica-
15 tions for grants or agreements under this section, the Sec-
16 retary shall consider the extent to which—

17 “(1) preferential enrollment in the eligible con-
18 servation program specified in the application will
19 effectively address the environmental objectives es-
20 tablished for the special project or initiative; and

21 “(2) the special project or initiative covered by
22 the application—

23 “(A) enjoys broad local and regional sup-
24 port from producers and other interested per-
25 sons, including governmental and nongovern-

1 mental organizations with appropriate expertise
2 on the issues the project or initiative seeks to
3 address;

4 “(B) includes clear environmental objec-
5 tives and a high likelihood of success;

6 “(C) includes a well-defined project or ini-
7 tiative plan that identifies sensitive areas re-
8 quiring treatment and prioritizes conservation
9 systems, practices, and activities needed to
10 achieve environmental objectives;

11 “(D) promises adequate and coordinated
12 participation to achieve the objectives of the
13 project or initiative;

14 “(E) coordinates integration of Federal,
15 State, and local efforts to make the best use of
16 available resources and maximize cost-effective
17 investments;

18 “(F) leverages financial and technical re-
19 sources from sources other than the conserva-
20 tion programs authorized by this subtitle, in-
21 cluding financial and technical resources pro-
22 vided by Federal and State agencies, local gov-
23 ernments, nongovernmental organizations and
24 associations, and other private sector entities;

1 “(G) describes how all necessary technical
2 assistance will be provided to each producer
3 participating in the project or initiative, includ-
4 ing cost estimates for technical assistance and
5 whether such assistance will be provided by
6 technical service providers;

7 “(H) describes how the administrative
8 costs of the project or initiative will be mini-
9 mized;

10 “(I) addresses 1 or more local, State, re-
11 gional, or national environmental priorities,
12 with particular emphasis on any priority for
13 which there is an existing State or federally-ap-
14 proved plan in place for addressing that pri-
15 ority;

16 “(J) includes a plan to evaluate progress
17 and measure results; and

18 “(K) clearly demonstrates that enrollment
19 of producers in eligible conservation programs
20 will be consistent with the purposes and policies
21 of each eligible conservation program, as estab-
22 lished in law (including rules, regulations, and
23 program guidance promulgated by imple-
24 menting agencies).

1 “(e) PRIORITIES.—To the maximum extent prac-
2 ticable, consistent with subsections (c) and (d), the Sec-
3 retary shall ensure that, for each fiscal year, grants are
4 awarded and agreements are entered into under this sec-
5 tion to support projects and initiatives that collectively ad-
6 dress the resource concerns facing producers, ranchers,
7 and small private forest landowners, specifically including
8 projects and initiatives that are designed—

9 “(1) to achieve improvements in water quality
10 in watersheds impacted by agriculture, particularly
11 by increasing the participation of producers in im-
12 plementing best management practices in a water-
13 shed or developing environmentally and economically
14 viable alternative uses for manure and litter;

15 “(2) to achieve improvements in air quality in
16 a geographical area in which agricultural operations
17 impact air quality, especially an area that, as deter-
18 mined by the Administrator of the Environmental
19 Protection Agency, is a nonattainment area with re-
20 spect to any of the national primary and secondary
21 ambient air quality standards promulgated by the
22 Administrator under section 109 of the Clean Air
23 Act (42 U.S.C. 7409);

24 “(3) to conserve water for environmental pur-
25 poses, such as enhanced stream flows or aquifer re-

1 charge in regions, States, or local areas in which
2 water quantity is a concern;

3 “(4) to assist in the recovery of Federal or
4 State-listed endangered species or species of special
5 concern or to further the goals and objectives of the
6 comprehensive wildlife conservation plan of a State
7 through the cooperative efforts of multiple pro-
8 ducers;

9 “(5) to control invasive species on rangeland or
10 other agricultural land through the cooperative ef-
11 forts of multiple producers in a geographical area;

12 “(6) to address 1 or more specific resources of
13 concern on private, non-industrial forest land;

14 “(7) to reduce losses of pesticides to the envi-
15 ronment by engaging multiple producers in a geo-
16 graphic area in adoption of integrated pest manage-
17 ment practices and approaches; and

18 “(8) to keep in production farms and ranches
19 facing development pressures in agricultural use.

20 “(f) COST SHARE.—

21 “(1) IN GENERAL.—Except as provided in para-
22 graph (2), the Secretary shall not require more than
23 25 percent of the cost of a project or initiative sup-
24 ported under a grant or agreement entered into

1 under this section to be derived from non-Federal
2 sources.

3 “(2) EXCEPTION.—The Secretary may give
4 greater priority to projects or initiatives that offer to
5 provide a higher percentage of the cost of the project
6 or initiative from non-Federal sources.

7 “(3) IN-KIND CONTRIBUTIONS.—If the Sec-
8 retary establishes a cost-share requirement for a
9 project or initiative, the Secretary shall allow the use
10 of in-kind contributions to fulfill that requirement.

11 “(g) FUNDING.—

12 “(1) IN GENERAL.—Of the funds made avail-
13 able for each fiscal year to carry out the eligible con-
14 servation programs, to provide funding for grants
15 and agreements entered into under this section, the
16 Secretary shall reserve—

17 “(A) 5 percent for fiscal year 2008;

18 “(B) 10 percent for fiscal year 2009;

19 “(C) 15 percent for fiscal year 2010; and

20 “(D) 20 percent for each of fiscal years
21 2011 through 2014.

22 “(2) ALLOCATION TO STATES.—Using the
23 method of allocation for States under each eligible
24 conservation program, the Secretary shall allocate to
25 States 75 percent of the funds reserved under para-

1 graph (1) for each fiscal year to allow State Con-
 2 servationists of the Natural Resources Conservation
 3 Service, with the advice of State technical commit-
 4 tees, to select projects and initiatives for funding
 5 under this section at the State level.”.

6 (b) CONFORMING AMENDMENT.—Section 1243 of the
 7 Food Security Act of 1985 (16 U.S.C. 3843) is amended
 8 by striking subsection (f).

9 **SEC. 2502. MINIMUM BASE ALLOCATION TO STATES IN**
 10 **FUNDING OF CERTAIN DEPARTMENT OF AG-**
 11 **RICULTURE CONSERVATION PROGRAMS.**

12 Section 1241 of the Food Security Act of 1985 (16
 13 U.S.C. 3841) is amended by striking subsection (d) and
 14 inserting the following:

15 “(d) MINIMUM BASE ALLOCATION TO STATES FOR
 16 CERTAIN CONSERVATION PROGRAMS.—

17 “(1) IN GENERAL.—In allocating funds to
 18 States to implement the conservation programs
 19 under subtitle D (excluding the conservation reserve
 20 program under subchapter B of chapter 1, the wet-
 21 lands reserve program under subchapter C of chap-
 22 ter 1, the conservation security program under sub-
 23 chapter A of chapter 2, and the grassland reserve
 24 program under subchapter C of chapter 2), the Sec-
 25 retary shall ensure that each State receives, at a

1 minimum, \$18,000,000 for each of fiscal years 2007
2 through 2014.

3 “(2) EXCEPTION.—The Secretary shall ensure
4 that any funds made available under chapter 6 of
5 subtitle D to carry out a project in or adjacent to
6 a State are over and above the minimum base alloca-
7 tion in paragraph (1).”.

8 **Subtitle G—Other Conservation** 9 **Programs**

10 **SEC. 2601. PILOT PROGRAM FOR COMPREHENSIVE CON-** 11 **SERVATION PLANNING.**

12 Chapter 5 of subtitle D of title XII of the Food Secu-
13 rity Act of 1985 (16 U.S.C. 3839bb et seq.) is amended
14 by adding at the end the following:

15 **“SEC. 1240Q. PILOT PROGRAM FOR COMPREHENSIVE CON-** 16 **SERVATION PLANNING.**

17 “(a) PILOT PROGRAM REQUIRED.—The Secretary
18 shall establish a pilot program to evaluate the feasibility
19 of assisting producers, before a producer applies for assist-
20 ance under any conservation program under this subtitle
21 D, by making a comprehensive assessment of the resource
22 concerns, needs, and alternative solutions for the entire
23 operation of the producer, as determined by the Secretary,
24 following the procedures in the conservation planning
25 manual of the Natural Resources Conservation Service.

1 “(b) LOCATIONS.—The pilot program shall be under-
2 taken in the following locations:

3 “(1) The Chesapeake Bay watershed.

4 “(2) The Great Lakes Basin.

5 “(3) The Connecticut River watershed.

6 “(4) The Highlands Region, as defined in sec-
7 tion 3 of the Highlands Conservation Act (Public
8 Law 108–421; 118 Stat. 2375).

9 “(5) The Upper Mississippi River Basin.

10 “(c) PROVISION OF ASSISTANCE.—

11 “(1) IN GENERAL.—The assistance to pro-
12 ducers shall be provided—

13 “(A) by the Secretary directly or through
14 third-party providers certified by the Secretary;
15 and

16 “(B) without charge to the producer.

17 “(2) RESULTS.—The results of the comprehen-
18 sive conservation planning shall be provided to the
19 producer to enable informed choices on the type of
20 financial assistance available through conservation
21 programs administered by the Secretary that would
22 most effectively address the resource needs of the
23 operation of the producer consistent with the envi-
24 ronmental goals for the area in which the operation
25 is located.

1 “(d) ASSESSMENT AND REPORT.—During the second
2 and fifth years of the pilot program, the Secretary shall—

3 “(1) conduct an assessment of the effectiveness
4 of the pilot program established under this section;
5 and

6 “(2) publish a report, to be available to the
7 public, of the results of the assessment.

8 “(e) FUNDING.—

9 “(1) IN GENERAL.—There is authorized to be
10 appropriated to carry out this section \$40,000,000
11 for each of fiscal years 2008 through 2014.

12 “(2) ALLOCATION.—The Secretary shall, to the
13 maximum extent practicable, equally allocate the
14 amount of funds made available under paragraph
15 (1) for each fiscal year between each of the 5 pilot
16 program locations established under subsection
17 (b).”.

18 **SEC. 2602. PILOT PROGRAM FOR NUTRIENT REDUCTION**
19 **AND SEDIMENT CONTROL IN THE CHESA-**
20 **PEAKE BAY WATERSHED.**

21 Chapter 5 of subtitle D of title XII of the Food Secu-
22 rity Act of 1985 (as amended by section 2601) is amended
23 by inserting after section 1240Q the following:

1 **“SEC. 1240R. PILOT PROGRAM FOR NUTRIENT REDUCTION**
2 **AND SEDIMENT CONTROL IN THE CHESA-**
3 **PEAKE BAY WATERSHED.**

4 “(a) DEFINITIONS.—In this section:

5 “(1) CHESAPEAKE BAY WATERSHED.—The
6 term ‘Chesapeake Bay watershed’ means the tribu-
7 taries, backwaters, and side channels that drain into
8 the Chesapeake Bay, including associated water-
9 sheds.

10 “(2) CHESAPEAKE 2000 AGREEMENT.—The
11 term ‘Chesapeake 2000 agreement’ means the vol-
12 untary comprehensive restoration agreement signed
13 in June 2000 by the members of the Chesapeake
14 Executive Council.

15 “(b) RESTORATION ENHANCEMENT AND PRESERVA-
16 TION PROJECTS.—

17 “(1) IN GENERAL.—The Secretary shall use
18 funds made available under this section to pay the
19 Federal share of carrying out agricultural restora-
20 tion enhancement and preservation projects for the
21 Chesapeake Bay watershed.

22 “(2) ADMINISTRATION.—The Secretary shall
23 carry out the projects—

24 “(A) in cooperation with appropriate Fed-
25 eral and State agencies; and

1 “(B) in a manner consistent with the trib-
2 utary strategies developed pursuant to the
3 Chesapeake 2000 agreement.

4 “(c) WATER QUALITY.—In carrying out projects and
5 activities under this section, the Secretary shall take into
6 account the protection of water quality by considering ap-
7 plicable State water quality standards.

8 “(d) COORDINATION.—The Secretary shall integrate
9 and coordinate projects and activities carried out under
10 this section with other Federal and State programs,
11 projects, and activities.

12 “(e) COST SHARING.—

13 “(1) FEDERAL SHARE.—The Federal share of
14 the cost of carrying out any individual project under
15 this section shall not exceed \$5,000,000.

16 “(2) NON-FEDERAL SHARE.—Subject to para-
17 graph (1), the non-Federal share of the cost of
18 projects and activities carried out under this section
19 shall be not less than 25 percent.

20 “(3) NON-FEDERAL RESPONSIBILITIES.—The
21 operation, maintenance, rehabilitation, and replace-
22 ment of projects carried out under this section shall
23 be a non-Federal responsibility.

24 “(f) FUNDING.—

1 “(1) IN GENERAL.—Of the funds of the Com-
 2 modity Credit Corporation, the Secretary shall use
 3 to carry out projects under this section \$50,000,000
 4 for each of fiscal years 2008 through 2012.

5 “(2) ADDITIONAL FUNDING.—Funds made
 6 available under this section shall be in addition to
 7 any other funds that are provided under this title.”.

8 **Subtitle H—Funding and** 9 **Administration**

10 **SEC. 2701. FUNDING AND ADMINISTRATION.**

11 (a) IN GENERAL.—Section 1241(a) of the Food Se-
 12 curity Act of 1985 (16 U.S.C. 3841(a)) is amended in the
 13 matter preceding paragraph (1) by striking “2007” and
 14 inserting “2014”.

15 (b) CONSERVATION SECURITY PROGRAM.—Section
 16 1241(a)(3) of the Food Security Act of 1985 (16 U.S.C.
 17 3841(a)(3)) is amended—

18 (1) in subparagraph (A), by striking
 19 “\$1,954,000,000” and inserting “\$2,194,000,000”;
 20 and

21 (2) in subparagraph (B) by striking
 22 “\$5,650,000,000” and inserting “\$6,050,000,000”.

23 (c) FARM AND RANGLAND PROTECTION PRO-
 24 GRAM.—Section 1241(a) of the Food Security Act of 1985

1 (16 U.S.C. 3841(a)) is amended by striking paragraph (4)
2 and inserting the following:

3 “(4) The farm and ranchland protection pro-
4 gram under subchapter B of chapter 2, using, to the
5 maximum extent practicable—

6 “(A) \$125,000,000 in fiscal year 2008;

7 “(B) \$150,000,000 in fiscal year 2009;

8 “(C) \$200,000,000 in fiscal year 2010;

9 “(D) \$240,000,000 in fiscal year 2011;

10 and

11 “(E) \$280,000,000 in each of fiscal years
12 2012 through 2014.”.

13 (d) GRASSLAND RESERVE PROGRAM.—Section
14 1241(a)(5) of the Food Security Act of 1986 (16 U.S.C.
15 3841(a)(5)) is amended by striking “2007” and inserting
16 “2014”.

17 (e) ENVIRONMENTAL QUALITY INCENTIVES PRO-
18 GRAM.—Section 1241(a) of the Food Security Act of 1986
19 (16 U.S.C. 3841(a)) is amended by striking paragraph (6)
20 and inserting the following:

21 “(6) The environmental quality incentives pro-
22 gram under chapter 4, using, to the maximum ex-
23 tent practicable—

24 “(A) \$1,250,000,000 in fiscal year 2008;

25 “(B) \$1,600,000,000 in fiscal year 2009;

1 “(C) \$1,700,000,000 in fiscal year 2010;

2 “(D) \$1,800,000,000 in fiscal year 2011;

3 and

4 “(E) \$2,000,000,000 in each of fiscal
5 years 2012 through 2014.”.

6 (f) WILDLIFE HABITAT INCENTIVES PROGRAM.—

7 Section 1241(a) of the Food Security Act of 1985 (16

8 U.S.C. 3841(a)) is amended by striking paragraph (7) and

9 inserting the following:

10 “(7) The wildlife habitat incentives program

11 under section 1240N, using, to the maximum extent

12 practicable—

13 “(A) \$85,000,000 in fiscal year 2008;

14 “(B) \$100,000,000 in fiscal year 2009;

15 “(C) \$140,000,000 in fiscal year 2010;

16 and

17 “(D) \$150,000,000 in each of fiscal years

18 2011 through 2014.”.

19 **SEC. 2702. CONSERVATION APPLICATION PROCESS.**

20 Section 1244 of the Food Security Act of 1985 (16

21 U.S.C. 3844) is amended by adding at the end the fol-

22 lowing:

23 “(c) CONSERVATION APPLICATION PROCESS.—

24 “(1) INITIAL APPLICATION.—

1 “(A) IN GENERAL.—Not later than 1 year
2 after the date of enactment of this subsection,
3 the Secretary shall establish a single, simplified
4 application for eligible entities to use in initially
5 requesting assistance under any conservation
6 program administered by the Natural Resources
7 Conservation Service (referred to in this sub-
8 section as the ‘initial application’).

9 “(B) REQUIREMENTS.—To the maximum
10 extent practicable, the Secretary shall ensure
11 that—

12 “(i) a conservation program applicant
13 is not required to provide information that
14 is duplicative of information or resources
15 already available to the Secretary for that
16 applicant and the specific operation of the
17 applicant; and

18 “(ii) the initial application process is
19 streamlined to minimize complexity and re-
20 dundancy.

21 “(2) REVIEW OF APPLICATION PROCESS.—

22 “(A) IN GENERAL.—Not later than 1 year
23 after the date of enactment of this subsection,
24 the Secretary shall review the application proc-
25 ess for each conservation program administered

1 by the Natural Resources Conservation Service,
2 including the forms and processes used to re-
3 ceive assistance requests from eligible program
4 participants.

5 “(B) REQUIREMENTS.—In carrying out
6 the review, the Secretary shall determine what
7 information the participant is required to sub-
8 mit during the application process, including—

9 “(i) identification information for the
10 applicant;

11 “(ii) identification and location infor-
12 mation for the land parcel or tract of con-
13 cern;

14 “(iii) a general statement of the need
15 or resource concern of the applicant for the
16 land parcel or tract; and

17 “(iv) the minimum amount of other
18 information the Secretary considers to be
19 essential for the applicant to provide per-
20 sonally.

21 “(3) REVISION AND STREAMLINE.—

22 “(A) IN GENERAL.—Not later than 1 year
23 after the date of enactment of this subsection,
24 the Secretary shall carry out a revision of the
25 application forms and processes for each con-

1 servation program administered by the Natural
2 Resources Conservation Service to enable use of
3 information technology to incorporate appro-
4 priate data and information concerning the con-
5 servation needs and solutions appropriate for
6 the land area identified by the applicant.

7 “(B) GOAL.—The goal of the revision shall
8 be to streamline the application process to mini-
9 mize the burden placed on applicants.

10 “(4) CONSERVATION PROGRAM APPLICATION.—

11 “(A) IN GENERAL.—Once the needs of an
12 applicant have been adequately assessed by the
13 Secretary, or a third party provider under sec-
14 tion 1242, based on the initial application, in
15 order to determine the 1 or more programs
16 under this title that best match the needs of the
17 applicant, with the approval of the applicant,
18 the Secretary may convert the initial application
19 into the specific application for assistance for
20 the relevant conservation program.

21 “(B) SECRETARIAL BURDEN.—To the
22 maximum extent practicable, the Secretary
23 shall—

1 “(i) complete the specific application
2 for conservation program assistance for
3 each applicant; and

4 “(ii) request only that specific further
5 information from the applicant that is not
6 already available to the Secretary.

7 “(5) IMPLEMENTATION AND NOTIFICATION.—
8 Not later than 1 year after the date of enactment
9 of this subsection, the Secretary shall submit to the
10 Committee on Agriculture of the House of Rep-
11 resentatives and the Committee on Agriculture, Nu-
12 trition, and Forestry of the Senate written notifica-
13 tion that the Secretary has fulfilled the requirements
14 of this subsection.”.

15 **SEC. 2703. EXCLUSION OF PAYMENTS UNDER DEPARTMENT**
16 **OF AGRICULTURE CONSERVATION PRO-**
17 **GRAMS FROM ADJUSTED GROSS INCOME**
18 **LIMITATION.**

19 (a) EXCLUSION.—Section 1001D(b)(2) of the Food
20 Security Act of 1985 (7 U.S.C. 1308–3a(b)(2)) is amend-
21 ed by striking subparagraph (C).

22 (b) EFFECTIVE PERIOD.—Section 1001D of the
23 Food Security Act of 1985 (7 U.S.C. 1308–3a) is amend-
24 ed by striking subsection (e).

1 **TITLE III—SPECIALTY CROPS**

2 **Subtitle A—Marketing**

3 **SEC. 3001. GRANTS TO STATES TO ENHANCE COMPETITIVE-**
4 **NESS OF SPECIALTY CROPS.**

5 (a) DEFINITION OF SPECIALTY CROP.—In this sec-
6 tion, the term “specialty crop” includes aquacultural prod-
7 uct (including ornamental fish), sea grass, and sea oats.

8 (b) AVAILABILITY AND PURPOSE OF GRANTS.—

9 (1) IN GENERAL.—For each of fiscal years
10 2008 through 2014, the Secretary shall make a
11 grant under this section to each State that submits
12 an application for a grant for that fiscal year in ac-
13 cordance with the terms and conditions established
14 under paragraph (4).

15 (2) USE OF GRANT FUNDS.—The grant funds
16 shall be used by the State department of agriculture
17 solely to enhance the competitiveness of United
18 States specialty crops.

19 (3) MAINTENANCE OF EFFORT.—The State
20 shall provide assurances to the Secretary that funds
21 provided to the State under this section will be used
22 only to supplement, not to supplant, the amount of
23 Federal, State, and local funds otherwise expended
24 in support of specialty crops and specialty crop pro-
25 ducers in the State.

1 (4) TERMS AND CONDITIONS.—Not later than
2 180 days after the date of enactment of this Act for
3 fiscal year 2007 and before commencement of each
4 of fiscal years 2008 through 2014, the Secretary
5 shall establish terms and conditions for the submis-
6 sion of grant applications for that fiscal year.

7 (c) AMOUNT.—

8 (1) IN GENERAL.—Subject to paragraph (2),
9 the amount of the grant for a fiscal year to a State
10 under this section shall bear the same ratio to the
11 total amount made available under subsection (e) for
12 that fiscal year as—

13 (A) the value of specialty crop production
14 in the State during the preceding calendar year;
15 bears to

16 (B) the value of specialty crop production
17 during that calendar year in all those States
18 submitting applications for a grant for that fis-
19 cal year.

20 (2) MINIMUM GRANT AMOUNT.—At a minimum,
21 each eligible State shall receive \$3,000,000 per fiscal
22 year as a grant under this section.

23 (3) AVAILABILITY OF FUNDS.—

24 (A) IN GENERAL.—Any funds remaining
25 after allocations are made under paragraph (2)

1 shall be available on a competitive basis to any
2 State department of agriculture that submits
3 an application to the Secretary.

4 (B) CRITERIA.—The Secretary shall—

5 (i) establish criteria for review of ap-
6 plications submitted under subparagraph
7 (A); and

8 (ii) award funds to applicants that
9 best fulfill the criteria.

10 (d) GRANT EXPENDITURE PRIORITIES.—

11 (1) IN GENERAL.—It is the intent of Congress
12 that specialty crop producers, organizations, and
13 commissions should benefit from the disposition of
14 grant funds under this section.

15 (2) ELIGIBILITY.—To be eligible to receive a
16 grant under this section, a State department of agri-
17 culture shall conduct at least 1 public hearing, or
18 provide some other method for public comment, to
19 obtain the advice and opinion of specialty crop pro-
20 ducers, organizations, and commissions in the State
21 regarding the use of grant funds.

22 (3) CONSIDERATION.—The Secretary shall en-
23 sure that a State department of agriculture con-
24 siders the advice and opinions received under para-

1 graph (2) when making decisions about the use of
2 grant funds.

3 (e) USE OF COMMODITY CREDIT CORPORATION.—Of
4 funds of the Commodity Credit Corporation, the Secretary
5 shall use to carry out this section \$100,000,000 for each
6 of fiscal years 2008 through 2014.

7 **SEC. 3002. FRUIT AND VEGETABLE NUTRITION PROMOTION**
8 **PROGRAM.**

9 (a) IN GENERAL.—The Secretary, acting through the
10 Administrator of the Agricultural Marketing Service, shall
11 establish and carry out a program to provide assistance
12 to eligible trade organizations described in subsection (c)
13 to increase the consumption of fruits and vegetables in the
14 United States to meet Federal health guidelines.

15 (b) REQUIREMENTS FOR PARTICIPATION.—To be eli-
16 gible for assistance under this section, an organization
17 shall—

18 (1) be an eligible trade organization;

19 (2) prepare and submit a plan to increase the
20 consumption of fruits and vegetables in the United
21 States to the Administrator of the Agricultural Mar-
22 keting Service that meets any guidelines governing
23 such plans established by the Administrator; and

24 (3) meet any other requirements established by
25 the Administrator.

1 (c) ELIGIBLE TRADE ORGANIZATIONS.—An eligible
2 trade organization under this section shall be—

3 (1) a nonprofit fruit and vegetable trade organi-
4 zations in the United States;

5 (2) a nonprofit State or regional fruit and vege-
6 table organization;

7 (3) a fruit and vegetable agricultural coopera-
8 tive in the United States;

9 (4) a commodity board or commission in the
10 United States; or

11 (5) a small business engaged in the fruit and
12 vegetable industry in the United States.

13 (d) MATCHING FUNDS.—Assistance provided under
14 this section shall not exceed—

15 (1) in the case of an organization described in
16 paragraphs (1) through (4) of subsection (c), 90
17 percent of the cost of the plan to increase the con-
18 sumption of fruits and vegetables in the United
19 States submitted under subsection (b)(2); and

20 (2) in the case of an organization described in
21 subsection (c)(5), 50 percent of the cost of the plan
22 to increase the consumption of fruits and vegetables
23 in the United States submitted under subsection
24 (b)(2).

1 (e) FUNDING.—Of the funds available to the Com-
2 modity Credit Corporation, the Administrator of the Agri-
3 cultural Marketing Service shall use \$15,000,000 in each
4 of fiscal years 2008 through 2014 to carry out this sec-
5 tion.

6 **SEC. 3003. FARMERS' MARKET PROMOTION PROGRAM.**

7 Section 6 of the Farmer-to-Consumer Direct Mar-
8 keting Act of 1976 (7 U.S.C. 3005) is amended by strik-
9 ing subsections (d) and (e) and inserting the following:

10 “(d) CRITERIA AND GUIDELINES.—

11 “(1) IN GENERAL.—The Secretary shall estab-
12 lish criteria and guidelines for the submission, eval-
13 uation, and funding of proposed projects under the
14 Program.

15 “(2) PRIORITY.—The Secretary shall prioritize
16 for funding projects that will support, encourage, or
17 promote the transition to organic and other environ-
18 mentally beneficial forms of agricultural production.

19 “(e) FUNDING.—Of the funds of the Commodity
20 Credit Corporation, the Secretary shall use to carry out
21 this section \$20,000,000 for each of fiscal years 2008
22 through 2014, of which not less than \$5,000,000 shall be
23 used for each fiscal year to support the use of electronic
24 benefit transfers at farmers' markets.”.

1 **SEC. 3004. NATIONAL ORGANIC CERTIFICATION AND TRAN-**
2 **SITION COST SHARE PROGRAM.**

3 Section 10606 of the Farm Security and Rural In-
4 vestment Act of 2002 (7 U.S.C. 6523) is amended to read
5 as follows:

6 **“SEC. 10606. NATIONAL ORGANIC CERTIFICATION AND**
7 **TRANSITION COST SHARE PROGRAM.**

8 “(a) IN GENERAL.—Of the funds of the Commodity
9 Credit Corporation, the Secretary of Agriculture (acting
10 through the Natural Resources Conservation Service) shall
11 use \$10,000,000 for each of fiscal years 2008 through
12 2014 to establish a national organic certification and tran-
13 sition cost-share program to assist producers and handlers
14 of agricultural products in obtaining certification under
15 the national organic production program established under
16 the Organic Foods Production Act of 1990 (7 U.S.C. 6501
17 et seq.) and to assist producers and handlers in making
18 the transition to organic production under the such pro-
19 gram.

20 “(b) CERTIFICATION COSTS.—

21 “(1) IN GENERAL.—The Secretary shall pay
22 under this section up to 75 percent of the costs in-
23 curred by a producer or handler in obtaining certifi-
24 cation under the national organic production pro-
25 gram, as certified to and approved by the Secretary.

1 “(2) MAXIMUM AMOUNT.—The maximum
2 amount of a payment made to a producer or handler
3 for certification under this section shall be \$750 per
4 year.

5 “(c) ACCREDITATION AND ENFORCEMENT COSTS.—
6 Of the funds made available under subsection (a), the Sec-
7 retary (acting through the Agricultural Marketing Serv-
8 ice) shall fund the accreditation and enforcement pro-
9 grams operated by the National Organic Program to im-
10 plement the accreditation and enforcement provisions of
11 the Organic Foods Production Act of 1990.

12 “(d) REIMBURSEMENTS FOR INFRASTRUCTURE NEC-
13 ESSARY TO IMPLEMENT ORGANIC PRACTICE STAND-
14 ARDS.—

15 “(1) ESTABLISHMENT.—Not later than 180
16 days after the date of the enactment of this Act, the
17 Secretary shall establish a program to reimburse
18 producers and handlers for the costs of transition to
19 organic production.

20 “(2) PROGRAM.—Under the program estab-
21 lished under paragraph (1), the Secretary (acting
22 through the Natural Resources Conservation Serv-
23 ice) shall assist producers and handlers developing
24 and implementing infrastructure and practices nec-
25 essary to transition land and animals to meet the re-

1 requirements of the Organic Food Production Act of
2 1990.

3 “(3) PLAN SUBMISSION.—The Secretary may
4 only reimburse a producer or handler under this sec-
5 tion if the producer or handler submits to the Sec-
6 retary an organic transition plan that provides—

7 “(A) the expected costs for infrastructure
8 and practices;

9 “(B) the environmental and economic ben-
10 efits derived from the infrastructure or imple-
11 menting organic practice standards; and

12 “(C) a demonstration of the existence of a
13 market or the reasonable expectation of a fu-
14 ture market for the products to be produced or
15 handled.

16 “(4) APPROPRIATE INFRASTRUCTURE AND
17 PRACTICE STANDARDS.—The Secretary shall only re-
18 imburse producers and handlers under this sub-
19 section for the costs of the following:

20 “(A) Organic practices and activities dur-
21 ing transition to certified organic production
22 consistent with an approved plan to transition
23 to certified organic production.

24 “(B) Farm infrastructure necessary to im-
25 plement organic practice standards, including

1 livestock watering facilities and fencing, so long
2 as such infrastructure is consistent with an ap-
3 proved plan to transition to certified organic
4 production.

5 “(C) Organic livestock welfare measures,
6 so long as such infrastructure or practices and
7 activities are necessary to implement an organic
8 practice standard and are consistent with an
9 approved plan to transition to certified organic
10 production.

11 “(D) Advanced organic practices consistent
12 with approved certified organic production.

13 “(E) Technical assistance, including the
14 costs of developing an approved transition plan
15 under this section.

16 “(F) Other measures the Secretary, after
17 consultation with the National Organic Stand-
18 ards Board, determines are appropriate.

19 “(5) ORGANIC TRANSITION TECHNICAL AD-
20 VICE.—The Secretary shall consult with the Na-
21 tional Organic Standards Board regarding the ele-
22 ments of an approved organic transition plan and to
23 identify and recommend ways that the Secretary
24 may generally use the resources provided for pro-
25 grams under subtitle D of title XII of the Food Se-

1 security Act of 1985 (16 U.S.C. 3830 et seq.) to facili-
2 tate transition to organic production, including the
3 resources provided by the environmental quality in-
4 centives program and the conservation security pro-
5 gram.

6 “(6) MAXIMUM AMOUNT FOR TRANSITION RE-
7 IMBURSEMENT.—

8 “(A) IN GENERAL.—Except as provided in
9 subparagraphs (B) and (C), the maximum
10 amount of reimbursement paid to a producer or
11 handler for transition to organic production
12 under this section shall be \$10,000 per fiscal
13 year.

14 “(B) SPECIALTY CROPS.—In the case of
15 an individual or entity who annually produces 3
16 or more types of specialty crops, the individual
17 or entity may not receive, directly or indirectly,
18 cost-share or incentive payments under this sec-
19 tion that, in the aggregate, exceed \$20,000 per
20 year, for a period not to exceed 4 years.

21 “(C) DAIRY.—In the case of an individual
22 or entity whose principal farming enterprise is
23 dairy, the individual or entity may not receive,
24 directly or indirectly, cost-share or incentive
25 payments under this section that, in the aggre-

1 gate, exceed \$20,000 per year, for a period not
2 to exceed 4 years.

3 “(7) ELIGIBLE FISCAL YEARS.—A producer or
4 handler may only receive payments—

5 “(A) for 4 fiscal years; and

6 “(B) after the first payment, for the fiscal
7 year during which the payment is made and the
8 3 subsequent fiscal years.

9 “(8) TRANSITION REIMBURSEMENTS.—A cer-
10 tified organic producer or handler under the national
11 organic production program shall be eligible for re-
12 imbursements to make the transition to organic pro-
13 duction for new lands and livestock.

14 “(9) SUSPENSION AUTHORITY.—To ensure or-
15 derly and continued growth in organic farming—

16 “(A) prior to each fiscal year and not later
17 than October 1st of each year, the Secretary
18 shall publish organic commodity specific assess-
19 ments analyzing the domestic production and
20 consumption, and the import and export or-
21 ganic market demand and growth potential, for
22 each organic commodity and the anticipated
23 number and total amount of new reimburse-
24 ments for the following year affecting each com-
25 modity; and

1 “(B) the Secretary shall not enroll new
2 producers under this subsection if, for any par-
3 ticular agricultural commodity, any new pro-
4 ducers would produce an increased amount of
5 that agricultural commodity that the Secretary
6 finds is reasonably anticipated to affect the con-
7 tinuing economic viability of agricultural pro-
8 ducers currently certified under the national or-
9 ganic production program or would create un-
10 reasonable geographic disparities in the dis-
11 tribution of reimbursements provided under this
12 section.

13 “(10) APPEALS.—An applicant seeking transi-
14 tion assistance under this section has the right to
15 appeal an adverse decision by Secretary with regard
16 to an application for assistance, as provided in sec-
17 tion 275 of the Department of Agriculture Reorga-
18 nization Act of 1994 (7 U.S.C. 6995).

19 “(e) TECHNICAL AND EDUCATIONAL ASSISTANCE.—
20 Of the funds made available under subsection (a) for a
21 fiscal year, the Secretary shall provide technical and edu-
22 cational assistance to producers and handlers to carry out
23 this section, including entering into cooperative agree-
24 ments with qualified entities to implement the transition
25 to organic production.

1 “(f) REPORTING.—Not later than March 1 of each
 2 year, the Secretary shall submit to Congress and the Na-
 3 tional Organic Standards Board a report detailing State-
 4 by-State expenditures on certification, including the num-
 5 ber of producers and handlers served by the program, and
 6 State-by-State expenditures on transition assistance, in-
 7 cluding the number of producers and handlers served by
 8 the program, the practices implemented, an assessment of
 9 the impacts of the program on organic production, and
 10 recommended reforms, if any.”.

11 **Subtitle B—Trade**

12 **SEC. 3101. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

13 Section 3205 of the Farm Security and Rural Invest-
 14 ment Act of 2002 (7 U.S.C. 5680) is amended by striking
 15 subsection (d) and inserting the following:

16 “(d) PETITION.—A participant in the program may
 17 petition the Secretary for an extension of a project carried
 18 out under this section that exceeds, or will exceed, applica-
 19 ble time restrictions.

20 “(e) FUNDING.—

21 “(1) IN GENERAL.—The Secretary shall make
 22 available of funds of, or an equal value of commod-
 23 ities owned by, the Commodity Credit Corporation—

24 “(A) \$4,000,000 for fiscal year 2008;

25 “(B) \$6,000,000 for fiscal year 2009;

1 “(C) \$8,000,000 for fiscal year 2010; and

2 “(D) \$10,000,000 for each of fiscal years

3 2011 through 2014.

4 “(2) CARRYOVER OF UNOBLIGATED FUNDS.—

5 In a case in which the total amount of funds or com-

6 modities made available under paragraph (1) for a

7 fiscal year is not obligated in that fiscal year, the

8 Secretary shall make available in the subsequent fis-

9 cal year an amount equal to—

10 “(A) the amount made available for the

11 fiscal year under paragraph (1); plus

12 “(B) the amount not obligated in the pre-

13 vious fiscal year.”.

14 **Subtitle C—Nutrition**

15 **SEC. 3201. EXPANSION OF FRESH FRUIT AND VEGETABLE**

16 **PROGRAM.**

17 Section 18 of the Richard B. Russell National School

18 Lunch Act (42 U.S.C. 1769) is amended—

19 (1) in subsection (g)—

20 (A) in paragraph (1)—

21 (i) in the matter preceding subpara-

22 graph (A), by striking “July 2004” and in-

23 serting “July 2007”; and

24 (ii) by striking subparagraphs (A) and

25 (B) and inserting the following:

1 “(A) 100 elementary schools or secondary
2 schools in each State;

3 “(B) additional elementary schools or sec-
4 ondary schools in each State, in accordance
5 with the proportion that—

6 “(i) the total student population of
7 the State; bears to

8 “(ii) the total student population of
9 all States; and”;

10 (B) in paragraph (3)(A), by striking
11 “paragraph (1)(B)” and inserting “paragraph
12 (1)”;

13 (C) in subparagraphs (A) and (B) of para-
14 graph (5) by striking “2008” each place it ap-
15 pears and inserting “2014”; and

16 (D) in paragraph (6)(B)—

17 (i) in clause (i)—

18 (I) by striking “October 1, 2004”
19 and inserting “October 1, 2007”; and

20 (II) by striking “\$9,000,000”
21 and inserting “\$200,000,000”; and

22 (ii) by adding at the end the fol-
23 lowing:

24 “(iii) ADMINISTRATIVE EXPENSES.—

25 For fiscal year 2008 and each fiscal year

1 thereafter, of amounts made available to
2 carry out this subsection, the Secretary
3 may use not more than 1 percent for ad-
4 ministrative expenses of carrying out this
5 subsection.

6 “(iv) STATE ADMINISTRATIVE
7 COSTS.—

8 “(I) IN GENERAL.—Subject to
9 subclause (II), for fiscal year 2008
10 and each fiscal year thereafter, of
11 amounts made available to a State to
12 carry out this subsection, the State
13 may use not more than 5 percent for
14 administrative expenses of carrying
15 out this subsection.

16 “(II) REQUIREMENT.—To be eli-
17 gible to use funds under subclause (I),
18 a State shall submit to the Secretary
19 a plan indicating the manner in which
20 the State intends to use the funds.

21 “(v) FEDERAL REQUIREMENTS.—Not
22 later than 1 year after the date of enact-
23 ment of this clause, and periodically there-
24 after as the Secretary determines to be ap-
25 propriate, the Secretary shall establish re-

1 requirements for States in administering this
2 subsection.”; and

3 (2) in subsection (i)(2), by striking “such sums
4 as are necessary” and all that follows through the
5 period at the end and inserting “to carry out this
6 subsection \$20,000,000 for each of fiscal years 2008
7 through 2014.”.

8 **SEC. 3202. AUTHORIZATION LEVEL FOR FARM-TO-CAFE-**
9 **TERIA ACTIVITIES.**

10 Section 18 of the Richard B. Russell National School
11 Lunch Act (42 U.S.C. 1769) is amended in subsection
12 (i)(2) by striking “such sums as are necessary” and all
13 that follows through the period at the end and inserting
14 “to carry out this subsection \$20,000,000 for each of fis-
15 cal years 2008 through 2014.”.

16 **SEC. 3203. WIC FARMERS’ MARKET NUTRITION PROGRAM.**

17 Section 17(m)(9)(A) of the Child Nutrition Act of
18 1966 (42 U.S.C. 1786(m)(9)(A)) is amended—

19 (1) in clause (i), by striking “2009” and insert-
20 ing “2014”; and

21 (2) by striking clause (ii) and inserting the fol-
22 lowing:

23 “(ii) MANDATORY FUNDING.—Of the
24 funds of the Commodity Credit Corpora-
25 tion, the Secretary shall make available to

1 carry out this subsection, to remain avail-
2 able until expended—

3 “(I) \$20,000,000 for fiscal year
4 2008;

5 “(II) \$30,000,000 for fiscal year
6 2009;

7 “(III) \$45,000,000 for fiscal year
8 2010;

9 “(IV) \$60,000,000 for fiscal year
10 2011; and

11 “(V) not less than \$75,000,000
12 for fiscal year 2012 and each fiscal
13 year thereafter.”.

14 **SEC. 3204. SENIORS FARMERS’ MARKET NUTRITION PRO-**
15 **GRAM.**

16 Section 4402 of the Farm Security and Rural Invest-
17 ment Act of 2002 (7 U.S.C. 3007) is amended—

18 (1) by striking subsection (a) and inserting the
19 following:

20 “(a) ESTABLISHMENT.—Of funds available to the
21 Commodity Credit Corporation, the Secretary of Agri-
22 culture (referred to in this section as the ‘Secretary’) shall
23 use to carry out and expand a seniors farmers’ market
24 nutrition program—

25 “(1) \$20,000,000 for fiscal year 2008;

1 “(2) \$30,000,000 for fiscal year 2009;
2 “(3) \$45,000,000 for fiscal year 2010;
3 “(4) \$60,000,000 for fiscal year 2011; and
4 “(5) not less than \$75,000,000 for fiscal year
5 2012 and each fiscal year thereafter.”;

6 (2) in subsection (b)—

7 (A) in paragraph (2), by striking “and” at
8 the end;

9 (B) in paragraph (3), by striking the pe-
10 riod at the end and inserting “; and”; and

11 (C) by adding at the end the following:

12 “(4) to promote the transition to organic and
13 other environmentally beneficial food production sys-
14 tems.”;

15 (3) by redesignating subsection (c) as sub-
16 section (d); and

17 (4) by inserting after subsection (b) the fol-
18 lowing:

19 “(c) ELIGIBLE PARTICIPANTS; BENEFITS LEVELS.—
20 Regulations issued pursuant to subsection (d)—

21 “(1) shall allow for participation by participants
22 in farmers’ markets, roadside stands, and commu-
23 nity supported agriculture programs; and

1 “(2) shall not limit the ability of any State or
2 regional program to set benefit levels for individual
3 seniors.”.

4 **SEC. 3205. USE OF “DIETARY GUIDELINES FOR AMERICANS”**
5 **IN SPECIAL NUTRITION PROGRAMS AND**
6 **SCHOOL LUNCH PROGRAMS.**

7 Section 9(a) of the Richard B. Russell National
8 School Lunch Act (42 U.S.C. 1758(a)) is amended by add-
9 ing at the end the following:

10 “(5) ALLOCATIONS TO BE BASED ON DIETARY
11 GUIDELINES.—For the school year beginning in July
12 2007 and each school year thereafter, the Secretary
13 shall ensure that allocations of food and food ingre-
14 dients offered in school nutrition programs under
15 this Act and the Child Nutrition Act of 1966 (42
16 U.S.C. 1771 et seq.) are based on the most recent
17 Dietary Guidelines for Americans.”.

18 **SEC. 3206. FOOD STAMP FRUIT AND VEGETABLE ELEC-**
19 **TRONIC BENEFIT TRANSFER PILOT PROJECT.**

20 (a) FINDING.—Congress finds that increased con-
21 sumption of fruits and vegetables by participants in the
22 food stamp program will significantly improve the overall
23 dietary habits of the participants.

24 (b) PILOT PROJECT.—The Secretary shall establish
25 and carry out a pilot project that will provide to each par-

1 participant in the food stamp program who receives benefits
2 in the form of an electronic benefit transfer, financial in-
3 centives for each dollar of those benefits expended by the
4 recipient to facilitate the purchase of fresh fruits and vege-
5 tables.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
7 authorized to be appropriated \$10,000,000 for each of fis-
8 cal years 2008 through 2014 to carry out this section.

9 **SEC. 3207. PURCHASES OF LOCALLY PRODUCED FOODS.**

10 (a) FINDINGS.—Congress finds that—

11 (1) locally produced agricultural products, as
12 compared to products transported from distant
13 sources—

14 (A)(i) are often harvested closer to full
15 ripeness; and

16 (ii) can provide higher nutritional quality;

17 (B) can provide improved ripeness, taste,
18 and selection, which can increase rates of con-
19 sumption of agricultural products; and

20 (C) are more efficient to store, distribute,
21 and package; and

22 (2) use of local produce to carry out nutrition
23 programs—

24 (A) reduces dependence on foreign oil by
25 reducing fuel consumption rates associated with

1 the production or transportation of agricultural
2 products;

3 (B) can improve the ability of users of the
4 procurement system to provide education relat-
5 ing to nutrition, farming, sustainability, energy
6 efficiency, and the importance of local pur-
7 chases to the local economy;

8 (C) helps to maintain a robust logistics
9 network for agricultural product procurement;
10 and

11 (D) promotes farm, business, and economic
12 development by accessing local markets.

13 (b) PROGRAM IMPROVEMENTS.—Section 9(j) of the
14 Richard B. Russell National School Lunch Act (42 U.S.C.
15 1758(j)) is amended—

16 (1) in paragraph (1)—

17 (A) by striking “IN GENERAL” and insert-
18 ing “PURCHASES”; and

19 (B) by striking subparagraph (A) and in-
20 serting the following:

21 “(A) allow institutions described in para-
22 graph (3)(A)—

23 “(i) to purchase, in addition to other
24 food purchases, locally produced foods for

1 school meal programs, to the maximum ex-
2 tent practicable and appropriate; and

3 “(ii) to establish, in compliance with
4 Federal and State procurement laws (in-
5 cluding regulations), preapproved suppliers
6 and product lists that require a com-
7 prehensive competitive evaluation before a
8 supplier or product is included on the
9 list;”;

10 (2) by redesignating paragraph (2) as para-
11 graph (6);

12 (3) by inserting after paragraph (1) the fol-
13 lowing:

14 “(2) DEPARTMENT OF DEFENSE.—Notwith-
15 standing any other provision of law, the Secretary of
16 Defense may elect to use a geographic preference to
17 purchase locally produced agricultural products
18 for—

19 “(A) the Defense Supply Center Philadel-
20 phia;

21 “(B) the Department of Defense Farm to
22 School Program;

23 “(C) the Department of Defense Fresh
24 Fruit and Vegetable Program;

1 “(D) the service academies of the Depart-
2 ment of Defense;

3 “(E) Department of Defense domestic de-
4 pendent schools;

5 “(F) other Department of Defense schools
6 under chapter 108 of title 10, United States
7 Code;

8 “(G) commissary and exchange stores of
9 the Department of Defense; and

10 “(H) morale, welfare, and recreation facili-
11 ties operated by the Department of Defense.

12 “(3) DEPARTMENT OF AGRICULTURE AND RE-
13 LATED ENTITIES.—

14 “(A) IN GENERAL.—Notwithstanding any
15 other provision of law, the Secretary or the
16 head of any school, local educational agency, or
17 other entity, as applicable, may elect to use a
18 geographic preference to purchase locally pro-
19 duced agricultural products for—

20 “(i) the school breakfast program es-
21 tablished by section 4 of the Child Nutri-
22 tion Act of 1966 (42 U.S.C. 1773);

23 “(ii) the school lunch program estab-
24 lished under this Act;

1 “(iii) the summer food service pro-
2 gram for children established under section
3 13; and

4 “(iv) the child and adult care food
5 program established under section 17.

6 “(B) REPORT.—The head of any school,
7 local educational agency, or other entity partici-
8 pating in a program described in subparagraph
9 (A) that makes an election under that subpara-
10 graph shall submit to the Secretary a report de-
11 scribing any case in which the school, local edu-
12 cational agency, or other entity pays an amount
13 in excess of an amount equal to 10 percent
14 more than the lowest applicable bid to purchase
15 locally produced agricultural products.

16 “(4) TREATMENT OF CERTAIN BIDS.—

17 “(A) IN GENERAL.—On making an election
18 under paragraph (2) or (3), the Secretary, the
19 Secretary of Defense, or the head of any school,
20 local educational agency, or other entity partici-
21 pating in a program described in paragraph
22 (3)(A) may—

23 “(i) include in the text of any bid a
24 description of the election;

1 “(ii) select any bid involving a locally
2 produced agricultural product, regardless
3 of whether the bid is the lowest bid relat-
4 ing to the agricultural product; and

5 “(iii) subject to subparagraph (B), ac-
6 quire agricultural products from
7 preapproved local and regional vendors and
8 distributors authorized by the Secretary
9 that have agreed to supply eligible prod-
10 ucts to the above referenced schools and
11 service institutions.

12 “(B) REQUIREMENTS.—To be eligible to
13 be preapproved by the Secretary a vendor or
14 distributor described in subparagraph (A)(iii)
15 shall—

16 “(i) demonstrate an ability to supply
17 agricultural products from local growers
18 and processors;

19 “(ii) comply with food safety stand-
20 ards developed by the Secretary; and

21 “(iii) consistently provide agricultural
22 products that meet standards of grade,
23 size, freshness, and quality as required by
24 the Secretary or local procurement officer.

1 “(C) RELATION TO STATE PROCUREMENT
2 LAWS.—Nothing in this paragraph precludes a
3 school or service institution described in sub-
4 paragraph (A) from purchasing agricultural
5 products from potential local farmers in compli-
6 ance with applicable State procurement laws.

7 “(5) REVIEW.—The Secretary and the Sec-
8 retary of Defense shall periodically review each elec-
9 tion to use a geographic preference under this sub-
10 section to prevent fraud or abuse.”; and

11 (4) in paragraph (6)(A) (as redesignated by
12 paragraph (2)), by striking “2009” and inserting
13 “2014”.

14 **SEC. 3208. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

15 Section 25 of the Food Stamp Act of 1977 (7 U.S.C.
16 2034) is amended—

17 (1) in subsection (b)—

18 (A) in paragraph (1), by striking “From
19 amounts made available to carry out this Act,
20 the Secretary may” and inserting “The Sec-
21 retary shall”; and

22 (B) by striking paragraph (2) and insert-
23 ing the following:

24 “(2) FUNDING AMOUNTS.—From amounts
25 made available to carry out this Act, the Secretary

1 shall use \$30,000,000 for each of fiscal years 2008
2 through 2014 to make grants under this section, ad-
3 justed to reflect changes for the 12-month period
4 ending the preceding June 30 in the Consumer Price
5 Index for All Urban Consumers published by the
6 Bureau of Labor Statistics of the Department of
7 Labor.”;

8 (2) in subsection (d)—

9 (A) in paragraph (3), by striking “or” at
10 the end;

11 (B) in paragraph (4), by striking the pe-
12 riod at the end and inserting “; or”; and

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

14 “(5) serve special project needs in areas of—

15 “(A) transportation and processing for ex-
16 panding institutional and emergency food serv-
17 ice demand for local food;

18 “(B) retail access to healthy foods in un-
19 derserved markets;

20 “(C) integration of urban and metro-area
21 food production in food projects; and

22 “(D) technical assistance for youth, so-
23 cially disadvantaged individuals, and limited re-
24 source groups.”;

1 (3) in subsection (e)(1), by striking “50” and
2 inserting “75”;

3 (4) in subsection (f)(2), by striking “3” and in-
4 sserting “5”; and

5 (5) in subsection (h)(4)—

6 (A) by striking “2007” and inserting
7 “2014”; and

8 (B) by striking “\$200,000” and inserting
9 “\$500,000”.

10 **SEC. 3209. INCREASED PURCHASES OF FRUITS AND VEGE-**
11 **TABLES.**

12 Section 10603 of the Farm Security and Rural In-
13 vestment Act of 2002 (7 U.S.C. 612c-4) is amended—

14 (1) in subsection (a)—

15 (A) by striking “Of the funds” and insert-
16 ing the following:

17 “(1) IN GENERAL.—Of the funds”;

18 (B) in paragraph (1) (as designated by
19 paragraph (1)), by striking “shall use not” and
20 inserting “shall use, in addition to an amount
21 equal to the amount used for fiscal year 2001,
22 not”; and

23 (C) by adding at the end the following:

24 “(2) NO EFFECT ON OTHER PURCHASES.—The
25 purchase of additional fruits, vegetables, and other

1 specialty food crops under paragraph (1) shall not
2 decrease, displace, or otherwise affect any purchase
3 by the Secretary.

4 “(3) SURPLUS REMOVAL WAIVER.—Notwith-
5 standing any other provision of law, the Secretary
6 may waive the application of any provision of section
7 32 of the Act of August 24, 1935 (7 U.S.C. 612c),
8 in order to comply with this subsection.”; and

9 (2) by striking subsection (b) and inserting the
10 following:

11 “(b) EXPANSION OF DOD FRESH FRUIT AND VEGE-
12 TABLE DISTRIBUTION PROGRAM.—Of the funds set aside
13 under subsection (a)(1), the Secretary shall use to pur-
14 chase fresh fruits and vegetables for distribution to schools
15 and service institutions in accordance with section 6(a) of
16 the Richard B. Russell National School Lunch Act (42
17 U.S.C. 1755(a)), not less than—

18 “(1) \$50,000,000 for fiscal year 2008;

19 “(2) \$70,000,000 for the period of fiscal years
20 2009 through 2010;

21 “(3) \$100,000,000 for fiscal year 2011; and

22 “(4) \$125,000,000 for each of fiscal years 2012
23 through 2014.”.

1 (c) USE OF FUNDS.—As a condition of receiving a
2 grant under this section, an eligible entity shall agree to
3 use funds from grants for—

4 (1) research that addresses the short-term, in-
5 termediate, and long-term needs of the United
6 States specialty crop industry, including production
7 technology (such as plant breeding, pest and disease
8 management, production, physiology, food science),
9 mechanization, marketing, product development,
10 health and nutrition, food security, and food safety
11 to improve the competitiveness of the United States
12 specialty crop industry; or

13 (2) development and implementation of indus-
14 try-specific strategic plans to prioritize research and
15 develop United States specialty crop industry and
16 research collaboration.

17 (d) FUNDING.—Of the funds of the Commodity Cred-
18 it Corporation, the Secretary shall use to carry out this
19 section—

20 (1) \$50,000,000 for each of fiscal years 2008
21 and 2009;

22 (2) \$75,000,000 for each of fiscal years 2010
23 through 2012; and

24 (3) \$100,000,000 for each of fiscal years 2013
25 and 2014.

1 **SEC. 3302. ORGANIC AGRICULTURE RESEARCH AND EXTEN-**
 2 **SION INITIATIVE.**

3 Section 1672B(e) of the Food, Agriculture, Conserva-
 4 tion, and Trade Act of 1990 (7 U.S.C. 5925b(e)) is
 5 amended to read as follows:

6 “(e) FUNDING.—Of the funds available to the Com-
 7 modity Credit Corporation, the Secretary shall use
 8 \$15,000,000 for each of fiscal years 2008 through 2014
 9 to carry out this section.”.

10 **SEC. 3303. NATIONAL AQUACULTURE ACT OF 1980.**

11 Section 10 of the National Aquaculture Act of 1980
 12 (16 U.S.C. 2809) is amended by striking “2007” each
 13 place it appears and inserting “2014”.

14 **SEC. 3304. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
 15 **SION, AND TEACHING POLICY ACT AMEND-**
 16 **MENTS OF 1985.**

17 Section 1431 of the National Agricultural Research,
 18 Extension, and Teaching Policy Act Amendments of 1985
 19 (Public Law 99–198; 99 Stat. 1556) is amended by strik-
 20 ing “2007” and inserting “2014”.

21 **Subtitle E—Invasive Pest Research**
 22 **and Disease Response**

23 **SEC. 3401. THREAT IDENTIFICATION AND MITIGATION PRO-**
 24 **GRAM.**

25 (a) ESTABLISHMENT.—The Secretary, acting
 26 through the Administrator of the Animal and Plant

1 Health Inspection Service, shall establish a program to de-
2 termine and prioritize foreign threats to domestic produc-
3 tion of specialty crops, including threats of bioterrorism.

4 (b) PROGRAM.—In conducting the program estab-
5 lished under subsection (a), the Secretary shall—

6 (1) consult with the Director of the Center for
7 Plant Health Science and Technology;

8 (2) conduct in partnership with States, early
9 pest detection and surveillance activities associated
10 with the Cooperative Agricultural Pest Survey;

11 (3) develop risk assessments of the potential
12 threat to the specialty crop industry in the United
13 States from foreign threats;

14 (4) collaborate with the National Plant
15 Board—

16 (A) to prioritize foreign threats to the spe-
17 cialty crop industry; and

18 (B) in consultation with State departments
19 of agriculture and other State or regional re-
20 source partnerships, develop action plans that
21 effectively address the foreign threats, including
22 pathway analysis, offshore mitigation measures,
23 and comprehensive exclusion measures at ports
24 of entry and other key distribution centers in

1 addition to strategies to employ if the foreign
2 pest or disease is introduced;

3 (5) implement action plans developed under
4 paragraph (4)(B) as soon as the action plans devel-
5 oped to test the effectiveness of the action plans and
6 help prevent new foreign and domestic pest and dis-
7 ease threats from being introduced or widely dis-
8 seminated in the United States;

9 (6) as appropriate, consult with the Adminis-
10 trator of the Agricultural Research Service and use
11 the expertise of the Agricultural Research Service in
12 the development of pest and disease detection and
13 control or eradication strategies; and

14 (7) after prioritizing foreign threats and devel-
15 oping action plans under paragraph (4), consult with
16 the United States Trade Representative to ensure
17 that future trade agreements include measures to
18 mitigate the threats.

19 (c) REPORTS.—Not later than 1 year after the date
20 of the enactment of this Act, and annually thereafter, the
21 Secretary shall update and submit to Congress the priority
22 list and action plans described in subsection (b)(4), includ-
23 ing an accounting of funds expended on the action plans.

24 (d) FUNDING.—

1 (1) IN GENERAL.—Of the funds of the Com-
2 modity Credit Corporation, the Secretary shall use
3 to carry out this section \$40,000,000 for each of fis-
4 cal years 2008 through 2014.

5 (2) PROHIBITION.—The Secretary may not use
6 funds made available under paragraph (1) to carry
7 out eradication efforts that enhance import opportu-
8 nities into the United States.

9 **SEC. 3402. CLEAN PLANT NETWORK.**

10 (a) IN GENERAL.—The Secretary shall establish a
11 program to be known as the “National Clean Plant Net-
12 work” (referred to in this section as the “Program”).

13 (b) REQUIREMENTS.—Under the Program, the Sec-
14 retary shall establish a network of clean plant centers for
15 diagnostic and pathogen elimination services to—

16 (1) produce clean propagative plant material;
17 and

18 (2) maintain blocks of pathogen-tested plant
19 material in sites located throughout the United
20 States.

21 (c) AVAILABILITY OF CLEAN PLANT SOURCE MATE-
22 RIAL.—Clean plant source material may be made available
23 to—

24 (1) a State for a certified plant program of the
25 State; and

1 (2) private nurseries and growers.

2 (d) CONSULTATION AND COLLABORATION.—In car-
3 rying out the Program, the Secretary shall—

4 (1) consult with State departments of agri-
5 culture and land grant universities; and

6 (2) to the extent practicable and with input
7 from the appropriate State officials and industry
8 representatives, use existing Federal or State facili-
9 ties to serve as clean plant centers.

10 (e) FUNDING.—The Secretary shall use \$5,000,000
11 each year of funds of the Commodity Credit Corporation
12 to carry out the Program.

13 **SEC. 3403. OFFICE OF PEST MANAGEMENT POLICY.**

14 (a) PURPOSE.—The purpose of this section is to es-
15 tablish an Office of Pest Management Policy in the De-
16 partment to provide for the effective coordination of agri-
17 cultural policies and activities related to pesticides and the
18 development and use of pest management tools, taking
19 into account the effects of regulatory actions of govern-
20 ment agencies.

21 (b) ESTABLISHMENT OF OFFICE.—

22 (1) IN GENERAL.—The Secretary shall establish
23 in the Department an Office of Pest Management
24 Policy (referred to in this section as the “Office”).

1 (2) DIRECTOR.—The head of the Office shall be
2 a Director (referred to in this section as the “Direc-
3 tor”) who shall—

4 (A) be appointed by the Secretary; and

5 (B) report directly to the Secretary or a
6 designee of the Secretary.

7 (c) DUTIES.—The Director shall—

8 (1) develop and coordinate Department policy
9 on pest management and pesticides;

10 (2) coordinate activities and services of the De-
11 partment (including research, extension, and edu-
12 cation activities) regarding the development, avail-
13 ability, and use of economically- and environ-
14 mentally-sound pest management tools and prac-
15 tices;

16 (3) assist other agencies of the Department in
17 fulfilling the responsibilities of the agencies related
18 to pest management or pesticides under—

19 (A) the Food Quality Protection Act of
20 1996 (7 U.S.C. 136 note; Public Law 104–
21 170);

22 (B) the Federal Insecticide, Fungicide, and
23 Rodenticide Act (7 U.S.C. 136 et seq.);

24 (C) the Federal Food, Drug, and Cosmetic
25 Act (21 U.S.C. 301 et seq.); and

1 (D) other applicable laws; and

2 (4) carry out such other functions as may be
3 required by law or prescribed by the Secretary.

4 (d) INTERAGENCY COORDINATION.—In carrying out
5 the responsibilities of the Office, the Director shall provide
6 leadership, to the maximum extent practicable, to ensure
7 coordination of interagency activities with—

8 (1) the Environmental Protection Agency;

9 (2) the Food and Drug Administration; and

10 (3) other applicable Federal and State agencies.

11 (e) OUTREACH.—As necessary to carry out the re-
12 sponsibilities of the Office, the Director shall consult with
13 agricultural producers that may be affected by pest man-
14 agement or pesticide-related activities or actions of the
15 Department or other agencies.

16 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
17 authorized to be appropriated to carry out this section
18 \$1,000,000 for each of fiscal years 2008 through 2014.

19 **SEC. 3404. FOOD SAFETY INITIATIVES.**

20 (a) INITIATIVE AUTHORIZED.—The Secretary may
21 carry out a food safety education program to educate the
22 public and persons in the fresh produce industry about—

23 (1) scientifically proven practices for reducing
24 microbial pathogens on fresh produce; and

1 (2) methods of reducing the threat of cross-con-
2 tamination of fresh produce through unsanitary han-
3 dling practices.

4 (b) COOPERATION.—The Secretary may carry out the
5 education program in cooperation with public and private
6 partners.

7 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
8 authorized to be appropriated to the Secretary to carry
9 out this section \$1,000,000.

10 **Subtitle F—Miscellaneous**

11 **SEC. 3501. TRANSPORTATION INFRASTRUCTURE COST RE-** 12 **DUCTION GRANT PROGRAM.**

13 (a) IN GENERAL.—The Secretary, acting through the
14 Transportation Services Branch of the Agricultural Mar-
15 keting Service, may make grants under this section to an
16 eligible entity described in subsection (b)—

17 (1) to expand and improve transportation infra-
18 structure to improve the cost-effective movement of
19 specialty crops to markets inside or outside the
20 United States; and

21 (2) to address regional intermodal transpor-
22 tation deficiencies that adversely affect the move-
23 ment of specialty crops to markets inside or outside
24 the United States.

1 (b) ELIGIBLE GRANT RECIPIENTS.—Grants may be
2 made under this section to—

3 (1) State and local governments;

4 (2) grower cooperatives;

5 (3) individual specialty crop producers or
6 groups of producers;

7 (4) individual shippers; and

8 (5) State and regional producer and shipper or-
9 ganizations.

10 (c) MATCHING FUNDS.—To be eligible for a grant
11 under this section, the recipient of a grant under this sec-
12 tion shall contribute an amount of non-Federal funds to
13 carry out the project for which the grant is provided that
14 is at least equal to the amount of grant funds received
15 by the recipient under this section.

16 (d) FUNDING.—For each of fiscal years 2008
17 through 2014, the Secretary shall use \$75,000,000 of
18 funds of the Commodity Credit Corporation to make
19 grants under this section.

20 **SEC. 3502. CENSUS OF SPECIALTY CROPS.**

21 (a) ESTABLISHMENT.—Not later than September 30,
22 2008, and each 5 years thereafter, the Secretary shall con-
23 duct a census of specialty crops to assist in the regular
24 development and dissemination of information relative to
25 specialty crops.

1 (b) RELATION TO OTHER CENSUS.—The Secretary
 2 may include the census of speciality crops in the census
 3 on agriculture.

4 **TITLE IV—TRADE**

5 **SEC. 4001. MCGOVERN-DOLE INTERNATIONAL FOOD FOR**
 6 **EDUCATION AND CHILD NUTRITION PRO-**
 7 **GRAM.**

8 (a) ADMINISTRATION.—Section 3107 of the Farm
 9 Security and Rural Investment Act of 2002 (7 U.S.C.
 10 1736o–1) is amended—

11 (1) in subsections (b), (c)(2)(B), (f)(1), (h),
 12 and (i), by striking “President” each place it ap-
 13 pears and inserting “Secretary”;

14 (2) in subsection (d), in the matter preceding
 15 paragraph (1), by striking “The President shall des-
 16 ignate 1 or more Federal agencies to” and inserting
 17 “The Secretary shall”; and

18 (3) in subsection (f)(2), in the matter preceding
 19 subparagraph (A), by striking “implementing agen-
 20 cy” and inserting “Secretary”.

21 (b) FUNDING.—Section 3107(l) of the Farm Security
 22 and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(l))
 23 is amended—

24 (1) by striking paragraphs (1) and (2) and in-
 25 serting the following:

1 “(1) USE OF COMMODITY CREDIT CORPORATION
2 FUNDS.—Of the funds of the Commodity Credit
3 Corporation, the Secretary shall use to carry out this
4 section not less than, to remain available until ex-
5 pended—

6 “(A) \$140,000,000 for fiscal year 2008;

7 “(B) \$180,000,000 for fiscal year 2009;

8 “(C) \$220,000,000 for fiscal year 2010;

9 “(D) \$260,000,000 for fiscal year 2011;

10 and

11 “(E) \$300,000,000 for each of fiscal years
12 2012 through 2014.”;

13 (2) by redesignating paragraph (3) as para-
14 graph (2); and

15 (3) in paragraph (2) (as redesignated by para-
16 graph (2)), by striking “any Federal agency imple-
17 menting or assisting” and inserting “the Depart-
18 ment of Agriculture or any other Federal agency as-
19 sisting”.

20 **TITLE V—NUTRITION**

21 **Subtitle A—Food Stamp Program**

22 **SEC. 5001. EXCLUSION OF COMBAT-RELATED MILITARY PAY** 23 **FROM COUNTABLE INCOME.**

24 Section 5(d) of the Food Stamp Act of 1977 (7
25 U.S.C. 2014(d)) is amended—

1 (1) by striking “and 18” and inserting “(18”);
2 and

3 (2) by inserting before the period at the end the
4 following: “, and (19) any additional payment re-
5 ceived under chapter 5 of title 37, United States
6 Code, by (or as an allotment to or transfer from) a
7 member of the United States Armed Forces de-
8 ployed to a designated combat zone for the duration
9 of the deployment to or service in a combat zone of
10 the member if the additional pay was not received
11 immediately prior to serving in that or another com-
12 bat zone”.

13 **SEC. 5002. ENDING BENEFIT EROSION.**

14 Section 5(e)(1) of the Food Stamp Act of 1977 (7
15 U.S.C. 2014(e)(1)) is amended—

16 (1) in subparagraph (A)(ii), by striking “not
17 less than \$134” and all that follows through the pe-
18 riod at the end and inserting “not less than—

19 “(I) \$147, \$251, \$207, and
20 \$129, respectively; and

21 “(II) for fiscal year 2009 and
22 each fiscal year thereafter, an amount
23 that is equal to the amount that ap-
24 plies to the previous fiscal year ad-
25 justed to the nearest lower dollar in-

1 crement to reflect changes for the 12-
2 month period ending on the preceding
3 June 30 in the Consumer Price Index
4 for All Urban Consumers published by
5 the Bureau of Labor Statistics of the
6 Department of Labor, for items other
7 than food.”; and

8 (2) in subparagraph (B)(ii), by striking “not
9 less than \$269” and all that follows through the pe-
10 riod at the end and inserting “not less than—

11 “(I) \$295; and

12 “(II) for fiscal year 2009 and
13 each fiscal year thereafter, an amount
14 that is equal to the amount that ap-
15 plies to the previous fiscal year ad-
16 justed to the nearest lower dollar in-
17 crement to reflect changes for the 12-
18 month period ending on the preceding
19 June 30 in the Consumer Price Index
20 for All Urban Consumers published by
21 the Bureau of Labor Statistics of the
22 Department of Labor, for items other
23 than food.”.

1 **SEC. 5003. SUPPORTING WORKING FAMILIES WITH CHILD**
 2 **CARE EXPENSES.**

3 Section 5(e)(3)(A) of the Food Stamp Act of 1977
 4 (7 U.S.C. 2014(e)(3)(A)) is amended by striking “, the
 5 maximum allowable level of which shall be \$200 per month
 6 for each dependent child under 2 years of age and \$175
 7 per month for each other dependent,”.

8 **SEC. 5004. RETIREMENT AND EDUCATION SAVINGS EXCLU-**
 9 **SION.**

10 (a) **ALLOWABLE FINANCIAL RESOURCES.**—Section
 11 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g))
 12 is amended—

13 (1) by striking “(g)(1) The Secretary” and in-
 14 serting the following:

15 “(g) **ALLOWABLE FINANCIAL RESOURCES.**—

16 “(1) **TOTAL AMOUNT.**—

17 “(A) **IN GENERAL.**—The Secretary”;

18 (2) in subparagraph (A) (as designated by
 19 paragraph (1)—

20 (A) by inserting “(as adjusted in accord-
 21 ance with subparagraph (B))” after “\$2,000”;
 22 and

23 (B) by inserting “(as adjusted in accord-
 24 ance with subparagraph (B))” after “\$3,000”;
 25 and

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

1 “(B) ADJUSTMENT FOR INFLATION.—

2 “(i) IN GENERAL.—Beginning on Oc-
3 tober 1, 2007, and each October 1 there-
4 after, the amounts in subparagraph (A)
5 shall be adjusted to the nearest \$100 in-
6 crement to reflect changes for the 12-
7 month period ending the preceding June in
8 the Consumer Price Index for All Urban
9 Consumers published by the Bureau of
10 Labor Statistics of the Department of
11 Labor.

12 “(ii) REQUIREMENT.—Each adjust-
13 ment under clause (i) shall be based on the
14 unrounded amount for the prior 12-month
15 period.”.

16 (b) EXCLUSION OF RETIREMENT ACCOUNTS FROM
17 COUNTABLE FINANCIAL RESOURCES.—

18 (1) IN GENERAL.—Section 5(g)(2)(B)(v) of the
19 Food Stamp Act of 1977 (7 U.S.C.
20 2014(g)(2)(B)(v)) is amended by striking “or retire-
21 ment account (including an individual account)” and
22 inserting “account”.

23 (2) MANDATORY AND DISCRETIONARY EXCLU-
24 SIONS.—Section 5(g) of the Food Stamp Act of

1 1977 (7 U.S.C. 2014(g)) is amended by adding at
2 the end the following:

3 “(7) EXCLUSION OF RETIREMENT ACCOUNTS
4 FROM COUNTABLE FINANCIAL RESOURCES.—

5 “(A) MANDATORY EXCLUSIONS.—The Sec-
6 retary shall exclude from financial resources
7 under this subsection the value of any funds in
8 a plan, contract, or account, described in sec-
9 tions 401(a), 403(a), 403(b), 408, 408A,
10 457(b), and 501(c)(18) of the Internal Revenue
11 Code of 1986 and the value of funds in a Fed-
12 eral Thrift Savings Plan account as provided in
13 section 8439 of title 5, United States Code.

14 “(B) DISCRETIONARY EXCLUSIONS.—The
15 Secretary may exclude from financial resources
16 under this subsection the value of any other re-
17 tirement plans, contracts, or accounts (as deter-
18 mined by the Secretary, by regulation).”.

19 (c) EXCLUSION OF EDUCATION ACCOUNTS FROM
20 COUNTABLE FINANCIAL RESOURCES.—Section 5(g) of
21 the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) (as
22 amended by subsection (b)) is amended by adding at the
23 end the following:

24 “(8) EXCLUSION OF EDUCATION ACCOUNTS
25 FROM COUNTABLE FINANCIAL RESOURCES.—

1 “(A) MANDATORY EXCLUSIONS.—The Sec-
 2 retary shall exclude from financial resources
 3 under this subsection the value of any funds in
 4 a qualified tuition program described in section
 5 529 of the Internal Revenue Code of 1986 or
 6 in a Coverdell education savings account under
 7 section 530 of that Code.

8 “(B) DISCRETIONARY EXCLUSIONS.—The
 9 Secretary may exclude from financial resources
 10 under this subsection the value of any other
 11 education programs, contracts, or accounts (as
 12 determined by the Secretary through regula-
 13 tion).”.

14 **SEC. 5005. FOOD STAMP ELIGIBILITY FOR UNEMPLOYED**
 15 **ADULTS.**

16 Section 6(o)(2) of the Food Stamp Act of 1977 (7
 17 U.S.C. 2015(o)(2)) is amended in the matter preceding
 18 subparagraph (A)—

19 (1) by striking “36-month” and replacing it
 20 with “24-month”; and

21 (2) by striking “3” and replacing it with “6”.

22 **SEC. 5006. AVAILABILITY OF COMMODITIES FOR THE EMER-**
 23 **GENCY FOOD ASSISTANCE PROGRAM.**

24 Section 27(a) of the Food Stamp Act of 1977 (7
 25 U.S.C. 2036(a)) is amended—

1 (1) by striking “(a) PURCHASE OF COMMOD-
 2 ITIES.—” and all that follows through “through
 3 2007” and inserting the following:

4 “(a) PURCHASE OF COMMODITIES.—

5 “(1) IN GENERAL.—Subject to paragraph (2),
 6 for each of fiscal years 2008 through 2012”; and

7 (2) by striking “\$140,000,000 of”; and

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

9 “(2) AMOUNTS.—The Secretary shall use to
 10 carry out this subsection \$250,000,000 for fiscal
 11 year 2008.”.

12 **Subtitle B—Food Service Industry**
 13 **Job Training for Low-Income**
 14 **Adults**

15 **SEC. 5101. SHORT TITLE.**

16 This subtitle may be cited as the “Food Employment
 17 Empowerment and Development Program Act of 2007”
 18 or the “FEED Act of 2007”.

19 **SEC. 5102. DEFINITIONS.**

20 In this subtitle:

21 (1) **ELIGIBLE ENTITY.**—The term “eligible enti-
 22 ty” means an entity that meets the requirements of
 23 section 4013(b).

24 (2) **VULNERABLE SUBPOPULATION.**—

1 (A) IN GENERAL.—The term “vulnerable
2 subpopulation” means low-income individuals,
3 unemployed individuals, and other subpopula-
4 tions identified by the Secretary as being likely
5 to experience special risks from hunger or a
6 special need for job training.

7 (B) INCLUSIONS.—The term “vulnerable
8 subpopulation” includes—

9 (i) addicts (as defined in section 102
10 of the Controlled Substances Act (21
11 U.S.C. 802));

12 (ii) at-risk youths (as defined in sec-
13 tion 1432 of the Elementary and Sec-
14 ondary Education Act of 1965 (20 U.S.C.
15 6472));

16 (iii) individuals that are basic skills
17 deficient (as defined in section 101 of the
18 Workforce Investment Act of 1998 (29
19 U.S.C. 2801));

20 (iv) homeless individuals (as defined
21 in section 17(b) of the Child Nutrition Act
22 of 1966 (42 U.S.C. 1786(b));

23 (v) homeless youths (as defined in sec-
24 tion 387 of the Runaway and Homeless
25 Youth Act (42 U.S.C. 5732a));

1 (vi) individuals with disabilities (as
2 defined in section 3 of the Americans with
3 Disabilities Act of 1990 (42 U.S.C.
4 12102));

5 (vii) low-income individuals (as de-
6 fined in section 101 of the Workforce In-
7 vestment Act of 1998 (29 U.S.C. 2801));
8 and

9 (viii) older individuals (as defined in
10 section 102 of the Older Americans Act of
11 1965 (42 U.S.C. 3002)).

12 **SEC. 5103. FOOD EMPLOYMENT EMPOWERMENT AND DE-**
13 **VELOPMENT PROGRAM.**

14 (a) **ESTABLISHMENT.**—The Secretary shall establish
15 a food employment empowerment and development pro-
16 gram under which the Secretary shall make grants to eligi-
17 ble entities to encourage the effective use of community
18 resources to combat hunger and the root causes of hunger
19 by creating opportunity through food recovery and job
20 training.

21 (b) **ELIGIBLE ENTITIES.**—To be eligible to receive a
22 grant under this section, an entity shall be a public agen-
23 cy, or private nonprofit institution, that conducts, or will
24 conduct, 2 or more of the following activities as an integral
25 part of the normal operation of the entity:

1 (1) Recovery of donated food from area res-
2 taurants, caterers, hotels, cafeterias, farms, or other
3 food service businesses.

4 (2) Distribution of meals or recovered food to—

5 (A) nonprofit organizations described in
6 section 501(c)(3) of the Internal Revenue Code
7 of 1986;

8 (B) entities that feed vulnerable sub-
9 populations; and

10 (C) other agencies considered appropriate
11 by the Secretary.

12 (3) Training of unemployed and underemployed
13 adults for careers in the food service industry.

14 (4) Carrying out of a welfare-to-work job train-
15 ing program in combination with—

16 (A) production of school meals, such as
17 school meals served under the Richard B. Rus-
18 sell National School Lunch Act (42 U.S.C.
19 1751 et seq.) or the Child Nutrition Act of
20 1966 (42 U.S.C. 1771 et seq.); or

21 (B) support for after-school programs,
22 such as programs conducted by community
23 learning centers (as defined in section 4201(b)
24 of the Elementary and Secondary Education
25 Act of 1965 (20 U.S.C. 7171(b))).

1 (c) USE OF FUNDS.—An eligible entity may use a
2 grant awarded under this section for—

3 (1) capital investments related to the operation
4 of the eligible entity;

5 (2) support services for clients, including staff,
6 of the eligible entity and individuals enrolled in job
7 training programs;

8 (3) purchase of equipment and supplies related
9 to the operation of the eligible entity or that improve
10 or directly affect service delivery;

11 (4) building and kitchen renovations that im-
12 prove or directly affect service delivery;

13 (5) educational material and services;

14 (6) administrative costs, in accordance with
15 guidelines established by the Secretary; and

16 (7) additional activities determined appropriate
17 by the Secretary.

18 (d) PREFERENCES.—In awarding grants under this
19 section, the Secretary shall give preference to eligible enti-
20 ties that perform, or will perform, any of the following
21 activities:

22 (1) Carrying out food recovery programs that
23 are integrated with—

24 (A) culinary worker training programs,
25 such as programs conducted by a food service

1 management institute under section 21 of the
2 Richard B. Russell National School Lunch Act
3 (42 U.S.C. 1769b–1);

4 (B) school education programs; or

5 (C) programs of service-learning (as de-
6 fined in section 101 of the National and Com-
7 munity Service Act of 1990 (42 U.S.C.
8 12511)).

9 (2) Providing job skills training, life skills train-
10 ing, and case management support to vulnerable
11 subpopulations.

12 (3) Integrating recovery and distribution of
13 food with a job training program.

14 (4) Maximizing the use of an established school,
15 community, or private food service facility or re-
16 source in meal preparation and culinary skills train-
17 ing.

18 (5) Providing job skills training, life skills train-
19 ing, and case management support to vulnerable
20 subpopulations.

21 (e) ELIGIBILITY FOR JOB TRAINING.—To be eligible
22 to receive job training assistance from an eligible entity
23 using a grant made available under this section, an indi-
24 vidual shall be a member of a vulnerable subpopulation.

1 (f) PERFORMANCE INDICATORS.—The Secretary
2 shall establish, for each year of the program, performance
3 indicators and expected levels of performance for meal and
4 food distribution and job training for eligible entities to
5 continue to receive and use grants under this section.

6 (g) TECHNICAL ASSISTANCE.—

7 (1) IN GENERAL.—The Secretary shall provide
8 technical assistance to eligible entities that receive
9 grants under this section to assist the eligible enti-
10 ties in carrying out programs under this section
11 using the grants.

12 (2) FORM.—Technical assistance for a program
13 provided under this subsection includes—

14 (A) maintenance of a website, newsletters,
15 email communications, and other tools to pro-
16 mote shared communications, expertise, and
17 best practices;

18 (B) hosting of an annual meeting or other
19 forums to provide education and outreach to all
20 programs participants;

21 (C) collection of data for each program to
22 ensure that the performance indicators and pur-
23 poses of the program are met or exceeded;

24 (D) intervention (if necessary) to assist an
25 eligible entity to carry out the program in a

1 manner that meets or exceeds the performance
2 indicators and purposes of the program;

3 (E) consultation and assistance to an eligi-
4 ble entity to assist the eligible entity in pro-
5 viding the best services practicable to the com-
6 munity served by the eligible entity, including
7 consultation and assistance related to—

8 (i) strategic plans;

9 (ii) board development;

10 (iii) fund development;

11 (iv) mission development; and

12 (v) other activities considered appro-
13 priate by the Secretary;

14 (F) assistance considered appropriate by
15 the Secretary regarding—

16 (i) the status of program participants;

17 (ii) the demographic characteristics of
18 program participants that affect program
19 services;

20 (iii) any new idea that could be inte-
21 grated into the program; and

22 (iv) the review of grant proposals; and

23 (G) any other forms of technical assistance
24 the Secretary considers appropriate.

25 (h) RELATIONSHIP TO OTHER LAW.—

1 (1) BILL EMERSON GOOD SAMARITAN FOOD DO-
2 NATION ACT.—An action taken by an eligible entity
3 using a grant provided under this section shall be
4 covered by the Bill Emerson Good Samaritan Food
5 Donation Act (42 U.S.C. 1791).

6 (2) FOOD HANDLING GUIDELINES.—In using a
7 grant provided under this section, an eligible entity
8 shall comply with any applicable food handling
9 guideline established by a State or local authority.

10 (3) INSPECTIONS.—An eligible entity using a
11 grant provided under this section shall be exempt
12 from inspection under sections 303.1(d)(2)(iii) and
13 381.10(d)(2)(iii) of volume 9, Code of Federal Regu-
14 lations (or a successor regulation), if the eligible en-
15 tity—

16 (A) has a hazard analysis and critical con-
17 trol point (HACCP) plan;

18 (B) has a sanitation standard operating
19 procedure (SSOP); and

20 (C) otherwise complies with the Federal
21 Meat Inspection Act (21 U.S.C. 601 et seq.)
22 and the Poultry Products Inspection Act (21
23 U.S.C. 451 et seq.).

1 (i) MAXIMUM AMOUNT OF GRANT.—The amount of
2 a grant provided to an eligible entity for a fiscal year
3 under this section shall not exceed \$200,000.

4 (j) AUTHORIZATION OF APPROPRIATIONS.—

5 (1) IN GENERAL.—There are authorized to be
6 appropriated to carry out this section \$20,000,000
7 for each of fiscal years 2008 through 2014.

8 (2) TECHNICAL ASSISTANCE.—Of the amount
9 of funds that are made available for a fiscal year
10 under paragraph (1), the Secretary shall use to pro-
11 vide technical assistance under subsection (g) not
12 more than the greater of—

13 (A) 5 percent of the amount of funds that
14 are made available for the fiscal year under
15 paragraph (1); or

16 (B) \$1,000,000.

17 **SEC. 5104. HUNGER-FREE COMMUNITIES.**

18 (a) DEFINITIONS.—In this section:

19 (1) DOMESTIC HUNGER GOAL.—The term “do-
20 mestic hunger goal” means—

21 (A) the goal of reducing hunger in the
22 United States to at or below 2 percent by cal-
23 endar year 2010; or

1 (B) the goal of reducing food insecurity in
2 the United States to at or below 6 percent by
3 calendar year 2010.

4 (2) EMERGENCY FEEDING ORGANIZATION.—
5 The term “emergency feeding organization” has the
6 meaning given the term in section 201A of the
7 Emergency Food Assistance Act of 1983 (7 U.S.C.
8 7501).

9 (3) FOOD SECURITY.—The term “food secu-
10 rity” means the state in which an individual has ac-
11 cess to enough food for an active, healthy life.

12 (4) HUNGER-FREE COMMUNITY GOAL.—The
13 term “hunger-free community goal” means any of
14 the 14 goals described in the H. Con. Res. 302
15 (102nd Congress), including a goal of a community
16 of—

17 (A) having a community-based emergency
18 food delivery network that coordinates the serv-
19 ices of programs such as food pantries, food
20 banks, and congregate meals facilities;

21 (B) assessing food insecurity problems and
22 evaluating existing services in the community to
23 determine necessary strategies for responding
24 to unmet needs;

1 (C) establishing a group of individuals, in-
2 cluding low-income participants, to develop and
3 implement policies and programs to combat
4 food insecurity, monitor responsiveness of exist-
5 ing services, and address underlying causes and
6 factors relating to hunger;

7 (D) participating in federally-assisted nu-
8 trition programs that should be easily accessible
9 to targeted populations, such as Federal pro-
10 grams that provide school breakfast, school
11 lunch, summer food, child care food, and food
12 for homeless and older individuals;

13 (E) effectively integrating public and pri-
14 vate resources, including local businesses, to al-
15 leviate food insecurity;

16 (F) having an education program con-
17 cerning food needs of the community and the
18 need for increased local citizen participation in
19 activities to alleviate food insecurity;

20 (G) having available information and refer-
21 ral services for accessing both public and pri-
22 vate programs and services;

23 (H) having initiatives for alleviating food
24 shopping constraints through the development
25 of creative food resources such as community

1 gardens, buying clubs, food cooperatives, com-
2 munity-owned and operated grocery stores, and
3 farmers' markets;

4 (I) carrying out activities to identify and
5 target food services to high-risk populations;

6 (J) having adequate transport and dis-
7 tribution of food from all resources;

8 (K) coordinating food services with park
9 and recreation programs and other community-
10 based outlets to which residents of the area
11 would have easy access;

12 (L) improving public transportation,
13 human service agencies, and food resources;

14 (M) having nutrition education programs
15 for low-income citizens to enhance good food-
16 purchasing and food-preparation skills and to
17 heighten awareness of the connection between
18 diet and health; and

19 (N) having a program for collecting and
20 distributing nutritious food, either agricultural
21 commodities in the fields of agricultural pro-
22 ducers or foods that have already been pre-
23 pared, that would otherwise be wasted.

24 (b) HUNGER REPORTS.—

25 (1) STUDY.—

1 (A) TIMELINE.—

2 (i) IN GENERAL.—Not later than 1
3 year after the date of enactment of this
4 Act, the Secretary shall conduct a study of
5 major matters relating to the problem of
6 hunger in the United States, as determined
7 by the Secretary.

8 (ii) UPDATE.—Not later than 5 years
9 after the date on which the study under
10 clause (i) is conducted, the Secretary shall
11 update the study.

12 (B) MATTERS TO BE ASSESSED.—The
13 matters to be assessed by the Secretary in the
14 study and update under this paragraph shall in-
15 clude—

16 (i) data on hunger and food insecurity
17 in the United States;

18 (ii) measures carried out during the
19 previous year by Federal, State, and local
20 governments to achieve domestic hunger
21 goals and hunger-free community goals;

22 (iii) measures that could be carried
23 out by the Federal Government and State
24 and local governments to achieve domestic

1 hunger goals and hunger-free community
2 goals; and

3 (iv) the impact of hunger and house-
4 hold food insecurity on obesity, in the con-
5 text of poverty and food assistance pro-
6 grams.

7 (2) RECOMMENDATIONS.—The Secretary shall
8 develop recommendations on—

9 (A) removing obstacles to achieving domes-
10 tic hunger goals and hunger-free community
11 goals; and

12 (B) otherwise reducing domestic hunger.

13 (3) REPORT.—The Secretary shall submit to
14 the President and Congress—

15 (A) not later than 1 year after the date of
16 enactment of this Act, a report that contains—

17 (i) a detailed statement of the results
18 of the study, or the most recent update to
19 the study, conducted under paragraph
20 (1)(A); and

21 (ii) the most recent recommendations
22 of the Secretary under paragraph (2); and

23 (B) not later than 5 years after the date
24 of submission of the report under subparagraph
25 (A), an update of the report.

1 (c) HUNGER-FREE COMMUNITY COLLABORATIVE
2 GRANTS.—

3 (1) DEFINITION OF ELIGIBLE ENTITY.—In this
4 subsection, the term “eligible entity” means a public
5 food program service provider or a nonprofit organi-
6 zation (including an emergency feeding organization)
7 that demonstrates the organization has collaborated,
8 or will collaborate, with 1 or more local partner or-
9 ganizations to achieve at least 1 hunger-free commu-
10 nity goal.

11 (2) PROGRAM AUTHORIZED.—

12 (A) IN GENERAL.—The Secretary shall use
13 not more than 55 percent of any funds made
14 available for a fiscal year under subsection (f)
15 to make grants to eligible entities to pay the
16 Federal share of the costs of carrying out an
17 activity described in paragraph (4).

18 (B) FEDERAL SHARE.—The Federal share
19 of the cost of carrying out an activity under
20 this subsection shall not exceed 80 percent, as
21 determined by the Secretary.

22 (C) NON-FEDERAL SHARE.—

23 (i) CALCULATION.—The non-Federal
24 share of the cost of an activity under this
25 subsection may be provided in cash or in

1 kind, fairly evaluated, including facilities,
2 equipment, or services.

3 (ii) SOURCES.—Any entity may pro-
4 vide the non-Federal share of the cost of
5 an activity under this subsection through a
6 State government, local government, or
7 private source.

8 (3) APPLICATION.—

9 (A) IN GENERAL.—To receive a grant
10 under this subsection, an eligible entity shall
11 submit an application to the Secretary at such
12 time, in such manner, and accompanied by such
13 information as the Secretary may require.

14 (B) CONTENTS.—Each application sub-
15 mitted under subparagraph (A) shall—

16 (i) identify any activity described in
17 paragraph (4) that the grant will be used
18 to fund;

19 (ii) describe the means by which an
20 activity identified under clause (i) will re-
21 duce hunger in the community of the eligi-
22 ble entity;

23 (iii) list any partner organizations of
24 the eligible entity that will participate in
25 an activity funded by the grant;

1 (iv) describe any agreement between a
2 partner organization and the eligible entity
3 necessary to carry out an activity funded
4 by the grant; and

5 (v) if an assessment described in
6 paragraph (4)(A) has been performed, in-
7 clude—

8 (I) a summary of that assess-
9 ment; and

10 (II) information regarding the
11 means by which the grant will help re-
12 duce hunger in the community of the
13 eligible entity.

14 (C) PRIORITY.—In making grants under
15 this subsection, the Secretary shall give priority
16 to eligible entities that—

17 (i) demonstrate in the application of
18 the eligible entity that the eligible entity is
19 making collaborative efforts to reduce hun-
20 ger in the community of the eligible entity;
21 and

22 (ii)(I) serve a predominantly rural and
23 geographically underserved area;

24 (II) serve communities in which the
25 rates of food insecurity, hunger, poverty,

1 or unemployment are demonstrably higher
2 than national average rates;

3 (III) provide evidence of long-term ef-
4 forts to reduce hunger in the community;

5 (IV) provide evidence of public sup-
6 port for the efforts of the eligible entity; or

7 (V) demonstrate in the application of
8 the eligible entity a commitment to achiev-
9 ing more than 1 hunger-free community
10 goal.

11 (4) USE OF FUNDS.—

12 (A) ASSESSMENT OF HUNGER IN THE
13 COMMUNITY.—

14 (i) IN GENERAL.—An eligible entity in
15 a community that has not performed an
16 assessment described in clause (ii) may use
17 a grant received under this subsection to
18 perform the assessment for the community.

19 (ii) ASSESSMENT.—The assessment
20 referred to in clause (ii) shall include—

21 (I) an analysis of the problem of
22 hunger in the community served by
23 the eligible entity;

24 (II) an evaluation of any facility
25 and any equipment used to achieve a

1 hunger-free community goal in the
2 community;

3 (III) an analysis of the effective-
4 ness and extent of service of existing
5 nutrition programs and emergency
6 feeding organizations; and

7 (IV) a plan to achieve any other
8 hunger-free community goal in the
9 community.

10 (B) ACTIVITIES.—An eligible entity in a
11 community that has submitted an assessment
12 described in subparagraph (A) to the Secretary
13 shall use a grant received under this subsection
14 for any fiscal year to carry out activities of the
15 eligible entity, including—

16 (i) meeting the immediate needs of
17 people in the community served by the eli-
18 gible entity who experience hunger by—

19 (I) distributing food;

20 (II) providing community out-
21 reach; or

22 (III) improving access to food as
23 part of a comprehensive service;

1 (ii) developing new resources and
 2 strategies to help reduce hunger in the
 3 community;

4 (iii) establishing a program to achieve
 5 a hunger-free community goal in the com-
 6 munity, including—

7 (I) a program to prevent, mon-
 8 itor, and treat children in the commu-
 9 nity experiencing hunger or poor nu-
 10 trition; or

11 (II) a program to provide infor-
 12 mation to people in the community on
 13 hunger, domestic hunger goals, and
 14 hunger-free community goals; and

15 (iv) establishing a program to provide
 16 food and nutrition services as part of a co-
 17 ordinated community-based comprehensive
 18 service.

19 (d) HUNGER-FREE COMMUNITY INFRASTRUCTURE
 20 GRANTS.—

21 (1) DEFINITION OF ELIGIBLE ENTITY.—In this
 22 subsection, the term “eligible entity” means an
 23 emergency feeding organization (as defined in sec-
 24 tion 201A of the Emergency Food Assistance Act of
 25 1983 (7 U.S.C. 7501)).

1 (2) PROGRAM AUTHORIZED.—

2 (A) IN GENERAL.—The Secretary shall use
3 not more than 45 percent of any funds made
4 available for a fiscal year under subsection (f)
5 to make grants to eligible entities to pay the
6 Federal share of the costs of an activity de-
7 scribed in paragraph (4).

8 (B) FEDERAL SHARE.—The Federal share
9 of the cost of carrying out an activity under
10 this subsection shall not exceed 80 percent, as
11 determined by the Secretary.

12 (3) APPLICATION.—

13 (A) IN GENERAL.—To receive a grant
14 under this subsection, an eligible entity shall
15 submit an application to the Secretary at such
16 time, in such manner, and accompanied by such
17 information as the Secretary may require.

18 (B) CONTENTS.—Each application sub-
19 mitted under subparagraph (A) shall—

20 (i) identify any activity described in
21 paragraph (4) that the grant will be used
22 to fund; and

23 (ii) describe the means by which an
24 activity identified under clause (i) will re-

1 duce hunger in the community of the eligi-
2 ble entity.

3 (C) PRIORITY.—In making grants under
4 this subsection, the Secretary shall give priority
5 to eligible entities the applications of which
6 demonstrate 2 or more of the following:

7 (i) The eligible entity serves a pre-
8 dominantly rural and geographically under-
9 served area.

10 (ii) The eligible entity serves a com-
11 munity in which the rates of food insecu-
12 rity, hunger, poverty, or unemployment are
13 demonstrably higher than national average
14 rates.

15 (iii) The eligible entity serves a com-
16 munity that has carried out long-term ef-
17 forts to reduce hunger in the community.

18 (iv) The eligible entity serves a com-
19 munity that provides public support for the
20 efforts of the eligible entity.

21 (v) The eligible entity is committed to
22 achieving more than 1 hunger-free commu-
23 nity goal.

24 (4) USE OF FUNDS.—An eligible entity shall
25 use a grant received under this subsection for any

1 fiscal year to carry out activities of the eligible enti-
2 ty, including—

3 (A) constructing, expanding, or repairing a
4 facility or equipment to support hunger relief
5 agencies in the community;

6 (B) assisting an emergency feeding organi-
7 zation in the community in obtaining locally-
8 produced produce and protein products; and

9 (C) assisting an emergency feeding organi-
10 zation in the community to process and serve
11 wild game.

12 (e) REPORT.—Not later than September 30, 2013,
13 the Secretary shall submit to Congress a report describ-
14 ing—

15 (1) each grant made under this section, includ-
16 ing—

17 (A) a description of any activity funded by
18 such a grant; and

19 (B) the degree of success of each activity
20 funded by such a grant in achieving hunger-free
21 community goals; and

22 (2) the degree of success of all activities funded
23 by grants under this section in achieving domestic
24 hunger goals.

1 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to carry out this section
3 \$50,000,000 for each of fiscal years 2008 through 2013.

4 **Subtitle C—Other Programs**

5 **SEC. 5201. SUMMER FOOD SERVICE PROGRAM FOR CHIL-** 6 **DREN.**

7 (a) PAYMENTS TO SERVICE INSTITUTIONS.—Section
8 13(b) of the Richard B. Russell National School Lunch
9 Act (42 U.S.C. 1761(b)) is amended—

10 (1) in paragraph (1)—

11 (A) by striking subparagraph (A);

12 (B) by redesignating subparagraphs (B)
13 through (D) as subparagraphs (A) through (C),
14 respectively;

15 (C) in subparagraph (A) (as redesignated
16 by subparagraph (B)), by striking “(A)” and all
17 that follows through “shall not exceed—” and
18 inserting the following:

19 “(A) IN GENERAL.—Subject to subpara-
20 graph (B), in addition to amounts made avail-
21 able under paragraph (3), payments to service
22 institutions shall be—”;

23 (D) in subparagraph (B) (as redesignated
24 by subparagraph (B)), by striking “subpara-

1 graph (B)” and inserting “subparagraph (A)”;
2 and

3 (E) in subparagraph (C) (as redesignated
4 by subparagraph (B)), by striking “(A), (B),
5 and (C)” and inserting “(A) and (B)”;

6 (2) in the second sentence of paragraph (3), by
7 striking “full amount of State approved” and all
8 that follows through “maximum allowable”.

9 (b) CONFORMING AMENDMENTS.—Section 18 of the
10 Richard B. Russell National School Lunch Act (42 U.S.C.
11 1769) is amended—

12 (1) by striking subsection (f); and

13 (2) by redesignating subsection (g) through (k)
14 as subsections (f) through (j), respectively.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section take effect on January 1 of the first full cal-
17 endar year following the date of enactment of this Act.

18 **SEC. 5202. JOINT NUTRITION MONITORING AND RELATED**

19 **RESEARCH ACTIVITIES.**

20 The Secretary and the Secretary of Health and
21 Human Services shall continue to provide jointly for na-
22 tional nutrition monitoring and related research activities
23 carried out as of the date of enactment of this Act—

1 (1) to collect continuous data relating to diet,
2 health, physical activity, and knowledge about diet
3 and health, using a nationally-representative sample;

4 (2) to periodically collect data described in
5 paragraph (1) on special at-risk populations, as
6 identified by the Secretaries;

7 (3) to distribute information on health, nutri-
8 tion, the environment, and physical activity to the
9 public in a timely manner;

10 (4) to analyze new data as the data becomes
11 available;

12 (5) to continuously update food composition ta-
13 bles; and

14 (6) to research and develop data collection
15 methods and standards.

16 **TITLE VI—RURAL**
17 **DEVELOPMENT**

18 **SEC. 6001. RURAL COLLABORATIVE INVESTMENT PRO-**
19 **GRAM.**

20 Subtitle I of the Consolidated Farm and Rural Devel-
21 opment Act (7 U.S.C. 2009dd et seq.) is amended to read
22 as follows:

1 **“Subtitle I—Rural Collaborative**
2 **Investment Program**

3 **“SEC. 385A. PURPOSE.**

4 “The purpose of this subtitle is to establish a regional
5 rural collaborative investment program—

6 “(1) to provide rural regions with a flexible in-
7 vestment vehicle, allowing for local control with Fed-
8 eral oversight, assistance and accountability;

9 “(2) to provide rural regions with incentives
10 and resources to develop and implement comprehen-
11 sive strategies for achieving regional competitiveness,
12 innovation, and prosperity;

13 “(3) to foster multi-sector community and eco-
14 nomic development collaborations that will optimize
15 the asset-based competitive advantages of rural re-
16 gions, with particular emphasis on innovation and
17 entrepreneurship;

18 “(4) to foster collaborations necessary to pro-
19 vide the professional technical expertise, institutional
20 capacity, infrastructure, financing, and economies of
21 scale that are essential for the long-term competi-
22 tiveness of rural regions; and

23 “(5) to better use Department of Agriculture
24 and other Federal, State, and local governmental re-
25 sources, and to leverage those resources with private,

1 nonprofit, and philanthropic investments, to achieve
2 measurable community and economic prosperity,
3 growth, and sustainability.

4 **“SEC. 385B. DEFINITIONS.**

5 “In this subtitle:

6 “(1) BENCHMARK.—The term ‘benchmark’
7 means an annual set of goals and performance
8 measures established for the purpose of assessing
9 performance of a regional investment strategy of a
10 Regional Board.

11 “(2) COMPETITIVE ADVANTAGE.—The term
12 ‘competitive advantage’ means a combination of so-
13 cioeconomic, demographic, geopolitical, environ-
14 mental, and organizational conditions in a region, in-
15 cluding unique assets and industry or industrial sets,
16 that can be exploited by businesses in the region to
17 emerge and grow more successfully than in alter-
18 native locations in order to secure an edge in global
19 markets.

20 “(3) NATIONAL BOARD.—The term ‘National
21 Board’ means the National Rural Investment Board
22 established under section 385C(c).

23 “(4) REGIONAL BOARD.—The term ‘Regional
24 Board’ means a Regional Rural Investment Board
25 described in section 385D(b).

1 “(5) REGIONAL COMPETITIVENESS.—The term
2 ‘regional competitiveness’ means the ability of the
3 businesses, governments, and communities in a re-
4 gion to use all available assets to build critical mass
5 at a regional level, to exploit the inherent economic
6 strengths of the region, and to spur ongoing innova-
7 tion in the region, in order to achieve sustained im-
8 provements in prosperity and quality of life, through
9 successful engagement in the global economy.

10 “(6) REGIONAL INNOVATION GRANT.—The
11 term ‘regional innovation grant’ means a grant made
12 by the Secretary to a certified Regional Board under
13 section 385G.

14 “(7) REGIONAL INVESTMENT STRATEGY
15 GRANT.—The term ‘regional investment strategy
16 grant’ means a grant made by the Secretary to a
17 certified Regional Board under section 385F.

18 “(8) SMALL-AREA COLLABORATIVE PARTNER-
19 SHIP.—The term ‘small-area collaborative partner-
20 ship’ means a partnership that, as determined by
21 the Secretary—

22 “(A) consists of 5 or more municipalities
23 and other units of government;

1 “(B) is involved in activities that serve a
2 combined population of at least 5,000 individ-
3 uals but not more than 25,000 individuals;

4 “(C) collaborates—

5 “(i) to generate and retain wealth
6 through entrepreneurship and microenter-
7 prise development;

8 “(ii) to engage youths;

9 “(iii) to develop strong leadership;

10 “(iv) to create genuine economic op-
11 portunity; and

12 “(v) to attract and retain residents;

13 and

14 “(D) serves an economically distressed
15 area.

16 “(9) URBAN AREA.—The term ‘urban area’
17 means an urbanized area (as that term is used in
18 section 343(a)(13)(A)).

19 **“SEC. 385C. ESTABLISHMENT AND ADMINISTRATION OF**
20 **RURAL COLLABORATIVE INVESTMENT PRO-**
21 **GRAM.**

22 “(a) ESTABLISHMENT.—The Secretary shall estab-
23 lish a Rural Collaborative Investment Program to support
24 comprehensive regional investment strategies for achieving
25 rural regional competitiveness.

1 “(b) DUTIES OF THE SECRETARY.—In carrying out
2 this subtitle, the Secretary shall—

3 “(1) appoint and provide administrative and
4 program support to the National Board;

5 “(2) work with the National Board to develop
6 a national rural investment plan; and

7 “(3) encourage the organization of Regional
8 Boards.

9 “(c) NATIONAL RURAL INVESTMENT BOARD.—The
10 Secretary shall establish within the Department of Agri-
11 culture an advisory board to be known as the ‘National
12 Rural Investment Board’ to develop and execute the Rural
13 Collaborative Investment Program in consultation with the
14 Secretary.

15 “(d) DUTIES OF THE NATIONAL BOARD.—The Na-
16 tional Board shall—

17 “(1) not later than 180 days after the date of
18 the establishment of the National Board, develop
19 rules relating to the operation of the National
20 Board, the provisions of grants, and other appro-
21 priate matters to recommend to the Secretary;

22 “(2) certify a Regional Board seeking to apply
23 for a regional investment strategy grant or regional
24 innovation grant if the Regional Board has sufficient
25 organizational capacity and expertise—

1 “(A) to fulfill the fiduciary responsibility of
2 managing Federal funds; and

3 “(B) to execute a regional investment
4 strategy to fulfill the purposes of the Rural Col-
5 laborative Investment Program;

6 “(3) provide grants for Regional Boards to de-
7 velop and implement regional investment strategies;

8 “(4) provide technical assistance to Regional
9 Boards on issues, best practices, and emerging
10 trends relating to rural development;

11 “(5) establish a national institute to provide
12 technical assistance to the Secretary and National
13 Board regarding regional competitiveness and rural
14 entrepreneurship, including—

15 “(A) development of rigorous analytic pro-
16 grams to assist Regional Boards in determining
17 the challenges and opportunities that need to be
18 addressed to receive the greatest regional com-
19 petitive advantage;

20 “(B) oversight and coordination of any
21 technical assistance centers established to assist
22 in supporting Regional Boards;

23 “(C) providing assistance with development
24 of the national rural investment plan, and other

1 consultations requested by the Secretary or Na-
2 tional Board;

3 “(D) providing support for best practices
4 developed by the Regional Boards;

5 “(E) establishment of programs to support
6 the development of appropriate governance and
7 leadership skills in the applicable regions; and

8 “(F) providing assistance to the Secretary
9 and National Board in submission of an annual
10 report on the performance of Regional Boards
11 and the Rural Collaborative Investment Pro-
12 gram to—

13 “(i) the Committee on Agriculture of
14 the House of Representatives;

15 “(ii) the Committee on Agriculture,
16 Nutrition, and Forestry of the Senate; and

17 “(iii) the Secretary; and

18 “(6) evaluate the progress of each Regional
19 Board funded in achieving benchmarks set in a re-
20 gional investment strategy.

21 “(e) MEMBERSHIP.—

22 “(1) IN GENERAL.—The National Board shall
23 consist of 14 members appointed by the Secretary
24 not later than 180 days after the date of enactment

1 of the Farm, Ranch, Equity, Stewardship, and
2 Health Act of 2007.

3 “(2) SUPERVISION.—The National Board shall
4 be subject to the general supervision and direction of
5 the Secretary.

6 “(3) SECTORS REPRESENTED.—The National
7 Board shall consist of representatives from each
8 of—

9 “(A) nationally recognized entrepreneur-
10 ship organizations;

11 “(B) regional strategy and development or-
12 ganizations;

13 “(C) community-based organizations;

14 “(D) elected members of county and mu-
15 nicipal governments;

16 “(E) elected members of State legislatures;

17 “(F) primary, secondary, and higher edu-
18 cation, job skills training, and workforce devel-
19 opment institutions;

20 “(G) the rural philanthropic community;

21 “(H) financial, lending, venture capital,
22 entrepreneurship, and other related institutions;

23 “(I) private sector business organizations,
24 including chambers of commerce and other for-
25 profit business interests;

1 “(J) Indian tribes (as defined in section 4
2 of the Indian Self-Determination and Education
3 Assistance Act (25 U.S.C. 450b)); and

4 “(K) cooperative organizations.

5 “(4) SELECTION OF MEMBERS.—

6 “(A) IN GENERAL.—In selecting members
7 of the National Board, the Secretary shall con-
8 sider recommendations made by—

9 “(i) the chairman and ranking mem-
10 ber of each of the Committee on Agri-
11 culture of the House of Representatives
12 and the Committee on Agriculture, Nutri-
13 tion, and Forestry of the Senate;

14 “(ii) the majority and minority leaders
15 of the Senate; and

16 “(iii) the Speaker and minority leader
17 of the House of Representatives.

18 “(B) EX-OFFICIO MEMBERS.—In consulta-
19 tion with the chairman and ranking member of
20 each of the Committee on Agriculture of the
21 House of Representatives and the Committee
22 on Agriculture, Nutrition, and Forestry of the
23 Senate, the Secretary may appoint not more
24 than 3 other officers or employees of the Execu-

1 tive Branch to serve as ex-officio, non-voting
2 members of the National Board.

3 “(5) TERM OF OFFICE.—

4 “(A) IN GENERAL.—Subject to subpara-
5 graph (B), the term of office of a member of
6 the National Board appointed under paragraph
7 (1) shall be not more than 4 years.

8 “(B) STAGGERED TERMS.—The members
9 of the National Board shall be appointed to
10 serve staggered terms.

11 “(6) INITIAL APPOINTMENTS.—Not later than
12 90 days after the date of enactment of the Farm,
13 Ranch, Equity, Stewardship, and Health Act of
14 2007, the Secretary shall appoint the initial mem-
15 bers of the National Board under paragraph (1).

16 “(7) VACANCIES.—A vacancy on the National
17 Board shall be filled in the same manner as the
18 original appointment.

19 “(8) COMPENSATION.—A member of the Na-
20 tional Board shall receive no compensation for serv-
21 ice on the National Board, but shall be reimbursed
22 for related travel and other expenses incurred in car-
23 rying out the duties of the member of the National
24 Board in accordance with sections 5702 and 5703 of
25 title 5, United States Code.

1 “(9) CHAIRPERSON.—The National Board shall
2 select a chairperson from among the members of the
3 National Board.

4 “(10) MEETINGS.—

5 “(A) TIME AND PLACE.—The National
6 Board shall meet at the call of the chairperson.

7 “(B) QUORUM.—A quorum of the National
8 Board shall consist of a majority of the mem-
9 bers.

10 “(C) MAJORITY VOTE.—A decision of the
11 National Board shall be made by majority vote.

12 “(11) FEDERAL STATUS.—For purposes of
13 Federal law, a member of the National Board shall
14 be considered a special Government employee (as de-
15 fined in section 202(a) of title 18, United States
16 Code).

17 “(12) CONFLICT OF INTEREST.—

18 “(A) IN GENERAL.—No member of the
19 National Board shall vote on any matter re-
20 specting any application for a grant or other
21 particular matter pending before the National
22 Board in which, to the knowledge of the mem-
23 ber, the member, spouse, or child of the mem-
24 ber, partner, or organization in which the mem-
25 ber is serving as officer, director, trustee, part-

1 ner, or employee, or any person or organization
 2 with whom the member is negotiating or has
 3 any arrangement concerning prospective em-
 4 ployment, has a financial interest.

5 “(B) VIOLATIONS.—A violation of sub-
 6 paragraph (A) by a member of the National
 7 Board shall be cause for removal of the mem-
 8 ber, but shall not impair or otherwise affect the
 9 validity of any otherwise lawful action by the
 10 National Board in which the member partici-
 11 pated.

12 “(f) ADMINISTRATIVE SUPPORT.—The Secretary, on
 13 a reimbursable basis from funds made available under sec-
 14 tion 385E(b)(3), may provide such administrative support
 15 to the National Board as the Secretary determines is nec-
 16 essary to carry out the duties of the National Board.

17 **“SEC. 385D. REGIONAL RURAL INVESTMENT BOARDS.**

18 “(a) IN GENERAL.—The National Board may provide
 19 to Regional Boards regional investment strategy grants
 20 and regional innovation grants for use in promoting in-
 21 vestment in rural areas.

22 “(b) REGIONAL BOARD REQUIREMENTS.—

23 “(1) IN GENERAL.—A Regional Rural Invest-
 24 ment Board is a multijurisdictional and multise-
 25 ctoral group that represents the long-term economic,

1 community, and cultural interests of a region and
2 that—

3 “(A) is certified by the Secretary to estab-
4 lish a rural investment strategy and compete
5 for regional innovation grants;

6 “(B) is composed of residents of a region
7 that is broadly representative of diverse public,
8 nonprofit, and private sector interests in invest-
9 ment in the region, including (to the maximum
10 extent practicable) representatives of—

11 “(i) units of local government (includ-
12 ing multijurisdictional units of local gov-
13 ernment);

14 “(ii) nonprofit community-based de-
15 velopment organizations, including commu-
16 nity development financial institutions and
17 community development corporations;

18 “(iii) agricultural, natural resource,
19 and other asset-based related industries;

20 “(iv) in the case of regions with In-
21 dian populations, Indian tribes (as defined
22 in section 4 of the Indian Self-Determina-
23 tion and Education Assistance Act (25
24 U.S.C. 450b));

1 “(v) regional development organiza-
2 tions;

3 “(vi) private business organizations,
4 including chambers of commerce;

5 “(vii)(I) institutions of higher edu-
6 cation (as defined in section 101(a) of the
7 Higher Education Act of 1965 (20 U.S.C.
8 1001(a)));

9 “(II) tribally controlled colleges or
10 universities (as defined in section 2(a) of
11 Tribally Controlled College or University
12 Assistance Act of 1978 (25 U.S.C.
13 1801(a))); and

14 “(III) tribal technical institutions;

15 “(viii) workforce and job training or-
16 ganizations;

17 “(ix) cooperatives;

18 “(x) other entities and organizations,
19 as determined by the Regional Board; and

20 “(xi) consortia of entities and organi-
21 zations described in clauses (i) through (x);

22 “(C) represents a region inhabited by—

23 “(i)(I) more than 25,000 individuals,
24 as determined in the latest available decen-

1 nial census conducted under section 141(a)
2 of title 13, United States Code; or

3 “(II) in the case of a region with a
4 population density of less than 2 individ-
5 uals per square mile, at least 10,000 indi-
6 viduals, as determined in that latest avail-
7 able decennial census;

8 “(D) has a membership of which not less
9 than 25 percent, nor more than 40 percent,
10 represents—

11 “(i) units of local government and In-
12 dian tribes described in clauses (i) and (iv)
13 of subparagraph (B);

14 “(ii) nonprofit community and eco-
15 nomic development organizations and insti-
16 tutions of higher education described in
17 clauses (ii) and (vii) of subparagraph (B);

18 or

19 “(iii) private business (including
20 chambers of commerce and cooperatives)
21 and agricultural, natural resource, and
22 other asset-based related industries de-
23 scribed in clauses (iii) and (vi) of subpara-
24 graph (B);

1 “(E) has a membership that may include
2 an officer or employee of a Federal or State
3 agency, serving as an ex-officio, non-voting
4 member of the Regional Board to represent the
5 agency; and

6 “(F) has organizational documents that
7 demonstrate that the Regional Board shall—

8 “(i) create a collaborative, inclusive
9 public-private strategy process;

10 “(ii) develop, and submit to the Na-
11 tional Board for approval, a regional in-
12 vestment strategy that meets the require-
13 ments of section 385F, with benchmarks—

14 “(I) to promote investment in
15 rural areas through the use of grants
16 made available under this subtitle;
17 and

18 “(II) to provide financial and
19 technical assistance to promote a
20 broad-based community development
21 program aimed at increasing and di-
22 versifying economic growth, improved
23 community facilities, and improved
24 quality of life;

1 “(iii) implement the approved regional
2 investment strategy;

3 “(iv) provide annual reports to the
4 Secretary and the National Board on
5 progress made in achieving the bench-
6 marks of the regional investment strategy,
7 including an annual financial statement;
8 and

9 “(v) select a non-Federal organization
10 (such as a regional development organiza-
11 tion) in the local area served by the Re-
12 gional Board that has previous experience
13 in the management of Federal funds to
14 serve as fiscal manager of any funds of the
15 Regional Board.

16 “(2) URBAN AREAS.—A resident of an urban
17 area may serve as an ex-officio member of a Re-
18 gional Board.

19 “(c) DUTIES.—A Regional Board shall—

20 “(1) create a collaborative and inclusive plan-
21 ning process for public-private investment within a
22 region;

23 “(2) develop, and submit to the Secretary for
24 approval, a regional investment strategy;

1 “(3) develop approaches that will create stable
2 resources for philanthropic donations in the region,
3 to the maximum extent practicable;

4 “(4) implement an approved regional invest-
5 ment strategy; and

6 “(5) provide annual reports to the Secretary
7 and the National Board on progress made in achiev-
8 ing the benchmarks of the regional investment strat-
9 egy, including an annual financial statement.

10 **“SEC. 385E. RURAL COLLABORATIVE INVESTMENT PRO-**
11 **GRAM FUNDING.**

12 “(a) IN GENERAL.—If the Secretary approves a na-
13 tional strategy submitted by the National Board, of the
14 funds of the Commodity Credit Corporation, the Secretary
15 shall transfer to the National Board \$100,000,000, to re-
16 main available until expended, for the Board to use to
17 make strategy grants and innovation grants to Regional
18 Boards and to otherwise carry out this subtitle.

19 “(b) USE BY NATIONAL BOARD.—Of the amount
20 transferred by the Secretary to the National Board under
21 subsection (a), the National Board shall use—

22 “(1) not more than \$10,000,000 to provide
23 strategy grants to Regional Boards under section
24 385F;

1 “(2) not less than \$72,000,000 to provide inno-
2 vation grants to Regional Boards under section
3 385G and long-term loans under section 385I;

4 “(3) not more than \$2,000,000 for each fiscal
5 year to administer the duties of the National Board;
6 and

7 “(4) not more than \$2,000,000 for each fiscal
8 year to administer the national institute on regional
9 rural competitiveness established under section
10 385C(d)(5).

11 “(c) AUTHORIZATION OF APPROPRIATIONS.—In ad-
12 dition to funds otherwise made available to carry out this
13 subtitle, there are authorized to be appropriated to the
14 National Board such sums as are necessary to carry out
15 this subtitle.

16 **“SEC. 385F. REGIONAL INVESTMENT STRATEGY GRANTS.**

17 “(a) IN GENERAL.—Using such criteria for approval
18 of grants as shall be established by the National Board,
19 the National Board shall use amounts made available
20 under section 385E(b)(1) to make strategy grant awards
21 to Regional Boards for use in developing, maintaining,
22 evaluating, implementing, and reporting progress on re-
23 gional investment strategies in accordance with section
24 385D and this section.

1 “(b) REGIONAL INVESTMENT STRATEGY.—A re-
2 gional investment strategy of a Regional Board shall—

3 “(1) be maintained and updated every 3 years;

4 and

5 “(2) provide—

6 “(A) an assessment of the competitive ad-
7 vantages of the region, including—

8 “(i) an analysis of the economic condi-
9 tions of the region;

10 “(ii) an assessment of the current eco-
11 nomic performance of the region;

12 “(iii) a background overview of the
13 population, geography, workforce, trans-
14 portation system, resources, environment
15 and infrastructure needs of the region; and

16 “(iv) such other pertinent information
17 as the Secretary or National Board may
18 request;

19 “(B) an analysis of regional economic and
20 community development challenges and oppor-
21 tunities, including—

22 “(i) incorporation of relevant material
23 from other government-sponsored or sup-
24 ported strategies and consistency with ap-
25 plicable State, regional, and local work-

1 force investment strategies and other com-
2 prehensive economic development strate-
3 gies; and

4 “(ii) an identification of past, present,
5 and projected Federal and State economic
6 and community development investments
7 in the region;

8 “(C) a section describing goals and objec-
9 tives necessary to solve regional competitiveness
10 challenges, and meet the potential, of the re-
11 gion;

12 “(D) an overview for use in—

13 “(i) establishing regional goals and
14 objectives;

15 “(ii) developing and implementing a
16 regional action strategy;

17 “(iii) identifying investment priorities
18 and funding sources; and

19 “(iv) identifying lead organizations to
20 execute portions of the strategy;

21 “(E) a discussion of the current state of
22 collaborative public, private, and nonprofit par-
23 ticipation and investment, and of the strategic
24 roles of public, private, and nonprofit entities,

1 in the development and implementation of the
2 regional investment strategy;

3 “(F) a section identifying and prioritizing
4 vital projects, programs, and activities for con-
5 sideration by the National Board and other po-
6 tential funders and partners, including—

7 “(i) the identification of sources of
8 funding; and

9 “(ii) recommendations for leveraging
10 past and potential investments;

11 “(G) a plan of action to implement the
12 goals and objectives of the regional investment
13 strategy (including promoting public, private,
14 and nonprofit participation and investment) to
15 the maximum extent practicable, which may in-
16 clude—

17 “(i) the number and quality of jobs,
18 including self-employment, to be created
19 during implementation of the regional in-
20 vestment strategy;

21 “(ii) the number and types of invest-
22 ments to be made in the region;

23 “(iii) the growth in public, private,
24 and nonprofit investment in the human,

1 community, and economic assets of the re-
2 gion;

3 “(iv) changes in per capita income
4 and the rate of unemployment; and

5 “(v) other projected changes in the
6 economic environment of the region;

7 “(H) a plan of action to implement the
8 goals and objectives of the regional investment
9 strategy;

10 “(I) a list of performance measures to be
11 used to evaluate the implementation of the re-
12 gional investment strategy, including—

13 “(i) the number and quality of jobs
14 (including self-employed positions) created
15 after implementation of the regional invest-
16 ment strategy;

17 “(ii) the number and types of invest-
18 ments undertaken in the region;

19 “(iii) the growth in public, private,
20 and nonprofit investment in the human,
21 community, and economic assets of the re-
22 gion;

23 “(iv) changes in per capita income;
24 and

1 “(v) changes in the economic environ-
2 ment of the region;

3 “(J) a section outlining the methodology
4 for use in cooperating with, and integrating the
5 regional investment strategy with the economic
6 priorities of, the State;

7 “(K) recommendations for enhancing and
8 protecting the environment and balancing re-
9 sources through sound management of physical
10 development; and

11 “(L) such other information as the Na-
12 tional Board and the Secretary determine to be
13 appropriate.

14 “(c) ACCEPTABILITY OF CERTAIN STRATEGIES.—In
15 determining whether a regional investment strategy pre-
16 pared without the use of funds from a grant provided by
17 the National Board is acceptable, the National Board may
18 determine that the regional investment strategy is accept-
19 able regardless of whether the regional investment strat-
20 egy meets all requirements in accordance with standards
21 established by the National Board under this section.

22 “(d) PUBLIC PARTICIPATION.—In applying for and
23 using any strategy grant under this section, a Regional
24 Board shall actively seek to receive a broad range of opin-
25 ion from a wide variety of constituencies within a region.

1 “(e) MAXIMUM AMOUNT OF GRANT.—The Federal
2 share of a grant award provided to a Regional Board
3 under this section shall not exceed \$200,000.

4 “(f) COST SHARING.—

5 “(1) IN GENERAL.—Subject to paragraph (2),
6 of the share of the costs of developing, maintaining,
7 evaluating, implementing, and reporting with respect
8 to a regional investment strategy funded by a grant
9 under this section—

10 “(A) not more than 25 percent may be
11 paid using funds from the grant; and

12 “(B) the remaining share shall be provided
13 by the applicable Regional Board or other eligi-
14 ble grantee.

15 “(2) FORM.—A Regional Board or other eligi-
16 ble grantee shall pay the share described in para-
17 graph (1)(B) in the form of cash, services, materials,
18 or other in-kind contributions, on the condition that
19 not more than 50 percent of that share is provided
20 in the form of services, materials, and other in-kind
21 contributions.

22 **“SEC. 385G. REGIONAL INNOVATION GRANTS.**

23 “(a) GRANTS.—

24 “(1) IN GENERAL.—The National Board shall
25 provide, on a competitive basis, regional innovation

1 grants to Regional Boards for use in implementing
2 projects and initiatives that are identified in a re-
3 gional investment strategy approved under section
4 385F.

5 “(2) TIMING.—Beginning 18 months after the
6 date of enactment of the Farm, Ranch, Equity,
7 Stewardship, and Health Act of 2007, the National
8 Board shall provide awards under this section on a
9 quarterly funding cycle.

10 “(b) ELIGIBILITY.—For a Regional Board to receive
11 an innovation grant, the National Board shall determine
12 that—

13 “(1) the regional investment strategy of a Re-
14 gional Board is approved by the National Board;

15 “(2) the management and organizational struc-
16 ture of the Regional Board is sufficient to oversee
17 grant projects, including management of Federal
18 funds; and

19 “(3) the Regional Board has outlined a strategy
20 to achieve, to the maximum extent practicable, the
21 performance-based benchmarks of the project in the
22 regional investment strategy of the Regional Board.

23 “(c) SELECTION.—Subject to subsection (d), in pro-
24 viding innovation grants under this section, the National
25 Board shall, to the maximum extent practicable, ensure

1 that not more than 10 percent of funds made available
2 to carry out this section for a fiscal year is provided to
3 eligible Regional Boards any 1 State.

4 “(d) PREFERENCES.—In providing innovation grants
5 under this section, the National Board shall give—

6 “(1) a high priority to strategies that dem-
7 onstrate significant leverage of capital and quality
8 job creation; and

9 “(2) a preference to an application proposing
10 projects and initiatives that would—

11 “(A) advance the overall regional competi-
12 tiveness of a region;

13 “(B) address the priorities of a regional
14 rural investment strategy, including priorities
15 that—

16 “(i) promote cross-sector collabora-
17 tion, public-private partnerships, or provi-
18 sion of collaborative gap financing or seed
19 capital for program implementation;

20 “(ii) exhibit collaborative innovation
21 and entrepreneurship, particularly within a
22 public-private partnership; and

23 “(iii) represent a broad coalition of in-
24 terests described in section 385D(b)(1)(A);

1 “(C) include a strategy to leverage public
2 non-Federal and private funds and existing as-
3 sets, including agricultural assets, natural as-
4 sets, and public infrastructure, with substantial
5 emphasis placed on the existence of real finan-
6 cial commitments to leverage the available
7 funds;

8 “(D) create quality jobs;

9 “(E) enhance the role, relevance, and
10 leveraging potential of community and regional
11 foundations in support of regional investment
12 strategies;

13 “(F) demonstrate a history, or involve or-
14 ganizations with a history, of successful
15 leveraging of capital for economic development
16 and public purposes;

17 “(G) address gaps in existing basic serv-
18 ices, including technology, within a region;

19 “(H) address economic diversification, in-
20 cluding agricultural and non-agriculturally
21 based economies, within a regional framework;

22 “(I) improve the overall quality of life in
23 the region (including with respect to education,
24 health care, housing, recreation, and arts and
25 culture);

1 “(J) achieve or facilitate the achievement
2 of multijurisdictional regional investment strat-
3 egy and development;

4 “(K) enhance the potential to expand eco-
5 nomic development successes across diverse
6 stakeholder groups within the region;

7 “(L) include an effective working relation-
8 ship with 1 or more institutions of higher edu-
9 cation, tribally controlled colleges or univer-
10 sities, or tribal technical institutions; and

11 “(M) help to meet the other regional com-
12 petitiveness needs identified by a Regional
13 Board.

14 “(e) USES.—

15 “(1) LEVERAGE.—A Regional Board shall
16 prioritize projects and initiatives carried out using
17 funds from an innovation grant provided under this
18 section, based in part on the degree to which mem-
19 bers of the Regional Board are able to leverage addi-
20 tional funds for the implementation of the projects.

21 “(2) PURPOSES.—A Regional Board may use
22 an innovation grant—

23 “(A) to support the development of critical
24 infrastructure (including technology deployment

1 and services) necessary to facilitate the com-
2 petitiveness of a region;

3 “(B) to provide assistance to entities with-
4 in the region that provide essential public and
5 community services;

6 “(C) to enhance the value-added produc-
7 tion, marketing, and use of agricultural and
8 natural resources within the region, including
9 activities relating to renewable and alternative
10 energy production and usage;

11 “(D) to assist with entrepreneurship, job
12 training, workforce development, housing, edu-
13 cational, or other quality of life services or
14 needs, relating to the development and mainte-
15 nance of strong local and regional economies;

16 “(E) to assist in the development of unique
17 new collaborations that link public, private, and
18 philanthropic resources, including community
19 foundations;

20 “(F) to provide support for business and
21 entrepreneurial investment, strategy, expansion,
22 and development, including feasibility strate-
23 gies, technical assistance, peer networks, and
24 business development funds;

1 “(G) to carry out other broad activities re-
2 relating to strengthening the economic competi-
3 tiveness of the region; and

4 “(H) to provide matching funds to enable
5 community foundations located within the re-
6 gion to build endowments that provide stable
7 philanthropic resources to implement a regional
8 investment strategy.

9 “(3) AVAILABILITY OF FUNDS.—The funds
10 made available to a Regional Board or any other eli-
11 gible grantee through an innovation grant shall re-
12 main available for the 7-year period beginning on
13 the date on which the award is provided, on the con-
14 dition that the Regional Board or other grantee con-
15 tinues to be certified by the National Board as mak-
16 ing adequate progress toward achieving established
17 benchmarks.

18 “(f) COST SHARING.—

19 “(1) IN GENERAL.—Subject to paragraph (2),
20 of the costs of a project funded by an innovation
21 grant under this section—

22 “(A) not more than 50 percent may be
23 paid using funds from the award, as determined
24 by the Regional Board, by regulation; and

1 “(B) the remaining share shall be provided
2 by the project applicant in the form of cash (in-
3 cluding loans that will be repaid) or services,
4 materials, or other in-kind contributions.

5 “(2) WAIVER OF GRANTEE SHARE.—The Na-
6 tional Board may waive the remaining share re-
7 quired to be paid under paragraph (1)(B) if the Na-
8 tional Board determines that such a waiver is appro-
9 priate, including with respect to special cir-
10 cumstances within tribal regions, in the event an
11 area experiences—

12 “(A) a sudden or severe economic disloca-
13 tion;

14 “(B) significant chronic unemployment or
15 poverty;

16 “(C) a natural disaster; or

17 “(D) other severe economic, social, or cul-
18 tural duress.

19 “(3) OTHER FEDERAL PROGRAMS.—For the
20 purpose of determining cost-sharing requirements
21 for any other Federal program, funds provided as an
22 innovation grant under this section shall be consid-
23 ered to be non-Federal funds.

24 “(g) NEGOTIATION.—The National Board may—

1 “(1) negotiate with a Regional Board with re-
2 spect to the substance, size, and scope of a regional
3 investment strategy; and

4 “(2) approve an innovation grant in an amount
5 that is lower than the amount requested by a Re-
6 gional Board.

7 “(h) NONCOMPLIANCE.—If a Regional Board or
8 other eligible grantee fails to comply with any requirement
9 relating to the use of funds provided under this section,
10 the National Board may—

11 “(1) take such actions as are necessary to ob-
12 tain reimbursement of unused grant funds; and

13 “(2) reprogram the recaptured funds for pur-
14 poses relating to implementation of this subtitle.

15 “(i) AMOUNT OF AWARD.—

16 “(1) MAXIMUM AMOUNT.—During any 5-year
17 period, a regional rural collaborative investment
18 council may receive not more than \$2,500,000 in in-
19 novation grants under this section.

20 “(2) DETERMINATION OF AMOUNT.—The Na-
21 tional Board shall determine the amount of an inno-
22 vation grant based on—

23 “(A) the needs of the region being ad-
24 dressed by the applicable regional investment
25 strategy; and

1 “(B) the size of the geographical area of
2 the region.

3 “(j) PRIORITY TO AREAS WITH AWARDS AND AP-
4 PROVED STRATEGIES.—

5 “(1) IN GENERAL.—Subject to paragraph (3),
6 in providing rural development assistance under
7 other Federal programs, the Secretary shall give a
8 high priority to areas that receive innovation grants
9 under this section.

10 “(2) CONSULTATION.—The Secretary shall con-
11 sult with the heads of other Federal agencies to pro-
12 mote the development of priorities similar to those
13 described in paragraph (1).

14 “(3) EXCLUSION OF CERTAIN PROGRAMS.—
15 Paragraph (1) shall not apply to the provision of
16 rural development assistance under any Federal pro-
17 gram relating to basic health, safety, or infrastruc-
18 ture, including broadband deployment or minimum
19 environmental needs.

20 “(k) ACCEPTABILITY OF CERTAIN STRATEGIES.—

21 “(1) IN GENERAL.—In determining whether a
22 regional investment strategy prepared without the
23 use of funds from a grant provided under this sub-
24 title is acceptable, the National Board may deter-
25 mine the strategy is acceptable regardless of whether

1 the strategy meets all requirements under this sec-
2 tion.

3 “(2) CONSIDERATIONS.—In making a deter-
4 mination under paragraph (1), the National Board
5 shall consider the circumstances surrounding any
6 application for an innovation grant under section
7 385G relating to any project or initiative under the
8 strategy, including emergencies and natural disas-
9 ters.

10 “(3) CONSISTENCY AND COORDINATION.—To
11 the maximum extent practicable, a regional invest-
12 ment strategy shall be consistent and coordinated
13 with any existing comprehensive regional economic
14 development strategy for the region.

15 **“SEC. 385H. SMALL-AREA COLLABORATIVE PARTNERSHIP**
16 **GRANTS.**

17 “(a) GRANTS.—Using such criteria for the approval
18 of grants as the National Board shall establish based on
19 the criteria for innovation grants, the National Board
20 shall use not more than 5 percent of the amounts made
21 available for each fiscal year under section 385E(a) to pro-
22 vide, on a competitive basis, small-area collaborative part-
23 nership grants to small-area collaborative partnerships.

1 “(b) USE OF FUNDS.—A small-area collaborative
2 partnership that receives a grant under this section shall
3 use the grant—

4 “(1) to provide educational and technical assist-
5 ance to energize microenterprise and small business
6 development and entrepreneurship that create qual-
7 ity jobs and opportunities for self-employment;

8 “(2) to provide technical assistance to facilitate
9 small business transfer from retiring to new owners;

10 “(3) to facilitate collaborative initiatives to en-
11 able microenterprises to jointly access and secure
12 non-local markets for products and services;

13 “(4) to develop the leadership abilities of com-
14 munity members (including youths) to enhance the
15 capacity of the community for development;

16 “(5) to attract and retain residents;

17 “(6) to undertake initiatives to use access to
18 natural space, and other natural resource-based
19 strategies—

20 “(A) to attract residents; and

21 “(B) to provide the basis for tourism-re-
22 lated businesses;

23 “(7) to build community endowments to sup-
24 port programs—

25 “(A) to generate and retain wealth;

1 “(B) to energize microenterprise and small
2 business development;

3 “(C) to develop leadership capacity; and

4 “(D) to engage youths and attract and re-
5 tain residents;

6 “(8) to foster revitalization of historical, cul-
7 tural, and heritage assets to enhance community re-
8 vitalization; and

9 “(9) to achieve such other purposes as the Na-
10 tional Board determines to be consistent with the
11 purposes of this section.

12 “(c) AVAILABILITY AND MAXIMUM AMOUNT OF
13 GRANTS.—A grant provided to a small-area collaborative
14 partnership under this section—

15 “(1) shall not exceed \$150,000; and

16 “(2) shall be available for not more the 3-year
17 period beginning on the date on which the grant is
18 provided.

19 “(d) MATCHING FUNDS.—A small-area collaborative
20 partnership that receives a grant under this section shall
21 provide a matching share equal to at least 25 percent of
22 the amount of the grant.

23 “(e) ADMINISTRATION.—In carrying out this section,
24 the National Board—

1 “(1) shall provide grants to small-area collabo-
2 rative partnerships that the National Board deter-
3 mines would best assist in achieving the purposes of
4 this section (other than areas for which an innova-
5 tion grant is received under section 385G);

6 “(2) shall ensure, to the maximum extent prac-
7 ticable, that the recipients of those grants include
8 small-area collaborative partnerships representing
9 communities composed of racially- and ethnically-di-
10 verse populations; and

11 “(3) may use not more than 5 percent of the
12 amounts made available to carry out this section to
13 provide assistance to nonprofit organizations, edu-
14 cational institutions, and units of government for
15 use in—

16 “(A) conducting outreach to communities
17 participating in the grant program under this
18 section; and

19 “(B) providing technical assistance in de-
20 veloping proposals for the use of grant funds.

21 **“SEC. 385I. RURAL ENDOWMENT GRANTS PROGRAM.**

22 “(a) IN GENERAL.—The Secretary or National
23 Board, as appropriate, may provide long-term loans to eli-
24 gible community foundations to assist in the implementa-
25 tion of regional investment strategies.

1 “(b) ELIGIBLE COMMUNITY FOUNDATIONS.—To be
2 eligible to receive a loan under this section, a community
3 foundation shall—

4 “(1) be located in an area that is covered by a
5 regional investment strategy;

6 “(2) match the amount of the loan with an
7 amount that is at least 250 percent of the amount
8 of the loan; and

9 “(3) use the loan and the matching amount to
10 carry out the regional investment strategy, including
11 through the development of a community endowment
12 through a community foundation targeted to com-
13 munity economic development.

14 “(c) TERMS.—A loan made under this section shall—

15 “(1) have a term of not less than 10, nor more
16 than 20, years;

17 “(2) bear an interest rate of 1 percent per
18 annum; and

19 “(3) be subject to such other terms and condi-
20 tions as are determined appropriate by the Sec-
21 retary.

22 “(d) FUNDING.—

23 “(1) IN GENERAL.—The National Board shall
24 use not more than 5 percent of the amounts received

1 from the Secretary under section 385E(b) to make
2 loans under this section.

3 “(2) AUTHORIZATION OF APPROPRIATIONS.—
4 There are authorized to be appropriated to the Sec-
5 retary to carry out this section such sums as are
6 necessary for each of fiscal years 2008 through
7 2013.”.

8 **TITLE VII—FORESTRY**
9 **Subtitle A—Cooperative Forestry**
10 **Assistance Act of 1978**

11 **SEC. 7001. COMMUNITY FOREST LAND PROGRAM.**

12 Section 7 of the Cooperative Forestry Assistance Act
13 of 1978 (7 U.S.C. 2103c) is amended—

14 (1) in subsection (l)(2)(A), by striking “sub-
15 section (m)” and inserting “subsection (n)”;

16 (2) by redesignating subsection (m) as sub-
17 section (n); and

18 (3) by inserting after subsection (l) the fol-
19 lowing:

20 “(m) COMMUNITY FOREST LAND PROGRAM.—

21 “(1) DEFINITIONS.—In this subsection:

22 “(A) COMMUNITY FOREST LAND.—The
23 term ‘community forest land’ means any parcel
24 of land that is—

25 “(i) forested; and

1 “(ii) located, as determined by the
2 Secretary, within, or in close proximity to
3 a population center.

4 “(B) UNIT OF LOCAL GOVERNMENT.—The
5 term ‘unit of local government’ means—

6 “(i) a town or city government entity;
7 and

8 “(ii) any other local government enti-
9 ty.

10 “(2) PURPOSES.—The purposes of this sub-
11 section are—

12 “(A) to protect environmentally important
13 community forest land;

14 “(B) to facilitate land use planning by
15 units of local government; and

16 “(C) to facilitate the donation, acceptance,
17 and enforcement of conservation easements on
18 community forest land.

19 “(3) ESTABLISHMENT.—The Secretary, in co-
20 ordination with the States, shall offer to units of
21 local government in priority areas (as determined by
22 the Secretary)—

23 “(A) financial assistance to purchase, and
24 to facilitate the donation, acceptance, and en-

1 forcement of, conservation easements on, or to
2 otherwise acquire, community forest land; and

3 “(B) technical assistance to facilitate—

4 “(i) improved conservation and man-
5 agement of community forest land;

6 “(ii) training activities relating to that
7 conservation and management; and

8 “(iii) other appropriate forest con-
9 servation activities, as determined by the
10 Secretary.

11 “(4) AUTHORIZATION OF APPROPRIATIONS.—

12 There is authorized to be appropriated to carry out
13 this subsection \$65,000,000 for each of fiscal years
14 2008 through 2012.”.

15 **Subtitle B—Healthy Forests**
16 **Restoration Act of 2003**

17 **SEC. 7101. HEALTHY FORESTS RESERVE PROGRAM.**

18 (a) ENROLLMENT OF LAND IN PROGRAM.—Section
19 502 of the Healthy Forests Restoration Act of 2003 (16
20 U.S.C. 6572) is amended—

21 (1) by striking subsection (e);

22 (2) in subsection (f)(1), by striking subpara-
23 graph (C) and inserting the following:

24 “(C) a permanent easement.”; and

1 **SEC. 8002. BIOREFINERY DEVELOPMENT GRANTS.**

2 Section 9003 of the Farm Security and Rural Invest-
3 ment Act of 2002 (7 U.S.C. 8103) is amended—

4 (1) in the section heading, by striking
5 “**GRANTS**”;

6 (2) by striking subsection (c) and inserting the
7 following:

8 “(c) ASSISTANCE.—The Secretary shall award grants
9 and make loans and loan guarantees to eligible entities
10 to assist in covering the cost of development and construc-
11 tion of biorefineries, or the cost of construction or deploy-
12 ment of methane digesters used to capture the methane
13 gas from livestock manure for use as a fuel source for
14 biofuel production, to carry out projects to demonstrate
15 the commercial viability of 1 or more processes for con-
16 verting biomass to fuels or chemicals.”;

17 (3) in subsection (d), by striking “a grant” and
18 inserting “assistance”;

19 (4) in subsection (e)—

20 (A) by striking “grants” each place it ap-
21 pears and inserting “assistance”; and

22 (B) in paragraph (2)(A)—

23 (i) in clause (i), by striking “and” at
24 the end;

25 (ii) by redesignating clause (ii) as
26 clause (iii); and

1 (iii) by inserting after clause (i) the
2 following:

3 “(ii) shall select projects based on the
4 extent to which the projects meet environ-
5 mental goals for feedstocks and biorefin-
6 eries, including goals relating to reductions
7 in greenhouse gas emissions and improve-
8 ment in water quality and wildlife habitat,
9 developed by the Secretary, in consultation
10 with the Secretary of the Interior, the Sec-
11 retary of Energy, and the National Acad-
12 emy of Sciences; and”;

13 (5) by striking subsection (h) and inserting the
14 following:

15 “(h) FUNDING.—Of the funds of the Commodity
16 Credit Corporation, the Secretary shall use to carry out
17 this section, to remain available until expended—

18 “(1) \$50,000,000 for each of fiscal years 2008
19 and 2009; and

20 “(2) \$75,000,000 for each of fiscal years 2010
21 through 2014.”.

22 **SEC. 8003. RURAL ENERGY INNOVATION PROGRAM.**

23 Section 9005 of the Farm Security and Rural Invest-
24 ment Act of 2002 (7 U.S.C. 8105) is amended—

1 (1) by striking the section heading and insert-
2 ing “**RURAL ENERGY INNOVATION PROGRAM.**”;

3 (2) in subsection (a), by striking “a program”
4 and inserting “an energy technical assistance pro-
5 gram”;

6 (3) in subsection (b), by striking paragraphs
7 (5) and (6) and inserting the following:

8 “(5) a nonprofit organization (including an ag-
9 ricultural trade association, resource conservation
10 and development district, and energy service pro-
11 vider);

12 “(6) a State environmental quality department;
13 and

14 “(7) any other entity, as determined by the Sec-
15 retary.”;

16 (4) in subsection (c), by striking paragraph (2)
17 and inserting the following:

18 “(2) **SELECTION CRITERIA.**—In reviewing appli-
19 cations of eligible entities to receive grants under
20 subsection (a), the Secretary shall consider—

21 “(A) the ability and expertise of the eligi-
22 ble entity in providing professional energy effi-
23 ciency audits, renewable energy assessments,
24 environmental management system plans, and

1 assessments of fertilizer, pesticide, or diesel use
2 efficiency;

3 “(B) the geographical scope of the pro-
4 gram proposed by the eligible entity;

5 “(C) the percentage of farmers, ranchers,
6 and rural small businesses to be assisted by the
7 program in the service territory covered by the
8 eligible entity;

9 “(D) the potential for energy savings and
10 environmental and public health benefits result-
11 ing from the program;

12 “(E) the plan of the eligible entity for pro-
13 viding information to farmers, ranchers, and
14 rural small businesses on the benefits of energy
15 efficiency and renewable energy development;

16 “(F) demonstration of multistakeholder
17 collaborations;

18 “(G) demonstration of matching funds;
19 and

20 “(H) clear performance metrics.”;

21 (5) by striking subsection (d) and inserting the
22 following:

23 “(d) USE OF GRANT FUNDS.—

24 “(1) REQUIRED USES.—A recipient of a grant
25 under subsection (a) shall use the grant funds—

1 “(A) to conduct and promote—

2 “(i) energy audits;

3 “(ii) assessments of fertilizer, pes-
4 ticide, or diesel use efficiency;

5 “(iii) renewable energy assessments;

6 or

7 “(iv) environmental management sys-
8 tem planning;

9 “(B) to make farmers, ranchers, and rural
10 small businesses aware of and able to apply for
11 and ensure access to—

12 “(i) financial assistance under section
13 9006; and

14 “(ii) other Federal, State, and local fi-
15 nancial assistance programs for which
16 farmers, ranchers, and rural small busi-
17 nesses may be eligible; or

18 “(C) to employ staff that—

19 “(i) serve as central points of contact
20 for farmers, ranchers and rural businesses
21 seeking to evaluate energy practices and
22 technologies; and

23 “(ii) are properly trained to collect
24 data for audits and renewable energy as-
25 sessments.

1 “(2) PERMITTED USES.—A recipient of a grant
2 may use funds to finance—

3 “(A) in partnership with the private sector,
4 agricultural demonstrations to demonstrate
5 cost-effective high efficiency equipment and en-
6 ergy management practices such as precision
7 agriculture, proper tire tractor inflation, and
8 conservation tillage; and

9 “(B) educational workshops on different
10 clean energy technologies and techniques.”;

11 (6) in subsection (e)—

12 (A) by striking “an energy audit” and in-
13 serting “energy technical assistance”;

14 (B) by striking “the energy audit” and in-
15 serting “the energy technical assistance”; and

16 (C) by striking “the audit” and inserting
17 “the technical assistance”;

18 (7) in subsection (h), by striking “this Act” and
19 inserting “Farm, Ranch, Equity, Stewardship, and
20 Health Act of 2007”; and

21 (8) by striking subsection (i) and inserting the
22 following:

23 “(i) LIMITATION.—A recipient of a grant under sub-
24 section (a) may receive no more than \$250,000 in any 1
25 grant cycle.

1 “(j) AUTHORIZATION OF APPROPRIATIONS.—

2 “(1) IN GENERAL.—There are authorized to be
3 appropriated to carry out this section—

4 “(A) \$5,000,000 for fiscal year 2008;

5 “(B) \$10,000,000 for fiscal year 2009;

6 “(C) \$15,000,000 for fiscal year 2010;

7 “(D) \$20,000,000 for fiscal year 2011;

8 and

9 “(E) \$25,000,000 for each of fiscal years
10 2012 through 2014.

11 “(2) USE OF CERTAIN FUNDS.—The Secretary
12 may use not more than 10 percent of amounts made
13 available under paragraph (1) to—

14 “(A) increase or modify energy technical
15 assistance programs funded under this section;

16 or

17 “(B) develop training programs that en-
18 able administrators of existing technical assist-
19 ance programs to help other eligible entities es-
20 tablish technical assistance programs.”.

21 **SEC. 8004. RURAL ENERGY FOR AMERICA PROGRAM.**

22 Section 9006 of the Farm Security and Rural Invest-
23 ment Act of 2002 (7 U.S.C. 8106) is amended—

24 (1) by striking the section enumerator and
25 heading and inserting the following:

1 **“SEC. 9006. RURAL ENERGY FOR AMERICA PROGRAM.”;**

2 (2) in subsection (a)—

3 (A) by inserting “, and issue rebates,”
4 after “grants”; and

5 (B) by inserting “rural school districts,”
6 after “ranchers,”;

7 (3) by striking subsection (f);

8 (4) by redesignating subsection (e) as sub-
9 section (h);

10 (5) by inserting after subsection (d) the fol-
11 lowing:

12 “(e) PRODUCTION-BASED INCENTIVE IN LIEU OF
13 GRANT.—

14 “(1) IN GENERAL.—In addition to the authority
15 under subsection (a), to encourage the production of
16 electricity from renewable energy systems, the Sec-
17 retary shall, on the request of an eligible applicant
18 under this section, make production-based payments
19 to the applicant in lieu of a grant.

20 “(2) CONTINGENCY.—Payments under para-
21 graph (1) shall be contingent on documented energy
22 production and sales from the renewable energy sys-
23 tem to a third party.

24 “(3) LIMITATION.—The total net present value
25 of a production-based incentive may not exceed the
26 lower of—

1 “(A) 25 percent of the eligible project
2 costs; and

3 “(B) any other limits that the Secretary
4 establishes by rule or guidance.

5 “(f) FEASIBILITY STUDIES.—

6 “(1) IN GENERAL.—The Secretary may provide
7 assistance to eligible applicants to conduct feasibility
8 studies of projects for which assistance may be pro-
9 vided under this section.

10 “(2) LIMITATION.—The Secretary shall use not
11 more than 10 percent of funds made available to
12 carry out this section to provide assistance described
13 in paragraph (1).

14 “(3) CRITERIA.—The Secretary shall, by regu-
15 lation, establish criteria for the receipt of assistance
16 under this subsection.

17 “(4) AVOIDANCE OF DUPLICATIVE ASSIST-
18 ANCE.—An applicant that receives assistance to
19 carry out a feasibility study for a project under this
20 subsection shall not be eligible for assistance to
21 carry out a feasibility study for the project under
22 any other provision of Federal law.

23 “(5) MATCHING FUNDS.—To be eligible for as-
24 sistance under this subsection, a recipient of funds
25 under this subsection shall contribute an amount of

1 non-Federal funds that is equal to at least 75 per-
2 cent of the amount of Federal funds received.

3 “(g) REBATE PROGRAM.—

4 “(1) IN GENERAL.—The Secretary shall make
5 competitive grants to eligible entities to provide re-
6 bates for farmers, ranchers, rural school districts,
7 and rural small businesses to purchase renewable en-
8 ergy systems and make energy efficiency improve-
9 ments.

10 “(2) ELIGIBLE ENTITIES.—To be eligible to re-
11 ceive a grant under paragraph (1), an entity shall
12 be—

13 “(A) a State energy or agricultural office;

14 “(B) a nonprofit State-based energy effi-
15 ciency or renewable energy organization that
16 uses public funds provided directly or under
17 contract with a State agency;

18 “(C) any other nonprofit organization with
19 a demonstrated ability to administer a State-
20 wide energy efficiency or renewable energy re-
21 bate program; or

22 “(D) a consortium of entities described in
23 subparagraphs (A) through (C).

24 “(3) MERIT REVIEW.—

1 “(A) IN GENERAL.—The Secretary shall
2 establish a merit review process to review appli-
3 cations for grants under paragraph (1) that
4 uses the expertise of the Department of Agri-
5 culture, other Federal and State agencies, and
6 nongovernmental organizations.

7 “(B) REQUIREMENTS.—In reviewing the
8 application of an eligible entity to receive a
9 grant under paragraph (1), the Secretary shall
10 consider—

11 “(i) the experience and expertise of
12 the entity in establishing and admin-
13 istering a statewide clean energy rebate
14 program;

15 “(ii) the annual projected energy sav-
16 ings or production increases resulting from
17 the proposed program;

18 “(iii) the environmental benefits re-
19 sulting from the proposed program; and

20 “(iv) other appropriate factors, as de-
21 termined by the Secretary.

22 “(4) MAINTENANCE OF EFFORT.—An entity
23 that receives a grant under paragraph (1) shall pro-
24 vide assurances to the Secretary that funds provided
25 to the entity under this subsection will be used to

1 supplement, not to supplant, the amount of Federal,
2 State, and local funds otherwise expended for rebate
3 programs.

4 “(5) REBATE AMOUNT.—The amount of a re-
5 bate provided from a grant under this subsection
6 shall not exceed the lower of—

7 “(A) \$10,000; or

8 “(B) 50 percent of the cost incurred to
9 purchase a renewable energy system or an en-
10 ergy efficiency improvement, as determined by
11 the Secretary.”; and

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

13 “(i) FUNDING.—Of the funds of the Commodity
14 Credit Corporation, the Secretary shall make available to
15 carry out this section, to remain available until ex-
16 pended—

17 “(1) \$60,000,000 for fiscal year 2008, of which
18 not more than \$12,000,000 shall be used to carry
19 out subsection (g);

20 “(2) \$90,000,000 for fiscal year 2009, of which
21 not more than \$18,000,000 shall be used to carry
22 out subsection (g);

23 “(3) \$130,000,000 for fiscal year 2010, of
24 which not more than \$26,000,000 shall be used to
25 carry out subsection (g);

1 “(4) \$180,000,000 for fiscal year 2011, of
2 which not more than \$36,000,000 shall be used to
3 carry out subsection (g); and

4 “(5) \$200,000,000 for each of fiscal years 2012
5 through 2014, of which not more than \$50,000,000
6 shall be used to carry out subsection (g).”.

7 **SEC. 8005. BIOMASS RESEARCH AND DEVELOPMENT.**

8 (a) **DISTRIBUTION OF FUNDING BY AND WITHIN**
9 **EACH TECHNICAL AREA.**—Section 307(g) of the Biomass
10 Research and Development Act of 2000 (7 U.S.C.
11 8606(g)) is amended in paragraphs (2) and (3) by striking
12 “2010” each place it appears and inserting “2014”.

13 (b) **FUNDING.**—Section 310 of the Biomass Research
14 and Development Act of 2000 (7 U.S.C. 8609) is amended
15 to read as follows:

16 **“SEC. 310. FUNDING.**

17 “(a) **FUNDING.**—Of the funds of the Commodity
18 Credit Corporation, the Secretary shall use to carry out
19 this section, to remain available until expended—

20 “(1) \$100,000,000 for each of fiscal years 2008
21 through 2012; and

22 “(2) \$200,000,000 for each of fiscal years 2013
23 through 2014.

24 “(b) **AUTHORIZATION OF APPROPRIATIONS.**—In ad-
25 dition to amounts transferred under subsection (a), there

1 is authorized to be appropriated to carry out this title
2 \$200,000,000 for each of fiscal years 2006 through 2015,
3 to remain available until expended.”.

4 **TITLE IX—USE OF SAVINGS FOR**
5 **DEFICIT REDUCTION**

6 **SEC. 9001. SENSE OF CONGRESS REGARDING USE OF SAV-**
7 **INGS FOR DEFICIT REDUCTION.**

8 It is the sense of Congress that any budgetary sav-
9 ings created through the implementation of this Act
10 should be used to reduce the Federal budget deficit and
11 not be used to offset other Federal spending.

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