

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 2419) TO PROVIDE
FOR THE CONTINUATION OF AGRICULTURAL PROGRAMS THROUGH FIS-
CAL YEAR 2012, AND FOR OTHER PURPOSES

JULY 26, 2007 (Legislative Day of July 25, 2007).—Referred to the House Calendar
and ordered to be printed

Mr. CARDOZA, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 574]

The Committee on Rules, having had under consideration House
Resolution 574, by a vote of 9–4, report the same to the House with
the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 2419, the Farm,
Nutrition, and Bioenergy Act of 2007, under a structured rule. The
rule provides one hour of general debate equally divided and con-
trolled by the chairman and ranking minority member of the Com-
mittee on Agriculture. The rule waives all points of order against
consideration of the bill except clauses 9 and 10 of rule XXI. The
rule provides that the amendment in the nature of a substitute rec-
ommended by the Committee on Agriculture now printed in the
bill, modified by the amendments printed in Part A of the Rules
Committee report, shall be considered as adopted in the House and
in the Committee of the Whole. The bill as amended shall be con-
sidered as an original bill for the purpose of amendment and shall
be considered as read. All points of order against provisions in the
bill, as amended, are waived.

The rule makes in order only those further amendments printed
in part B of this report and amendments en bloc described in sec-
tion 3 of the resolution. The amendments made in order may be of-
fered only in the order printed in this report, may be offered only
by a Member designated in this report, shall be considered as read,
shall be debatable for the time specified in this report equally di-
vided and controlled by the proponent and an opponent, shall not
be subject to amendment, and shall not be subject to a demand for
a division of the question in the House or in the Committee of the
Whole. Section 3 of the rule allows the Chairman of the Committee

on Agriculture to offer amendments en bloc consisting of amendments printed in part B of this report not earlier disposed of or to offer germane modifications to such. All points of order against the amendments except for clauses 9 and 10 of rule XXI are waived. The rule provides one motion to recommit with or without instructions. Finally, the rule provides that the Chair may postpone further consideration of the bill to a time designated by the Speaker.

EXPLANATION OF WAIVERS

The waiver of all points of order against consideration of the bill (except for clauses 9 and 10 of rule XXI) includes the following: a waiver of rule XIII, clause 4(a), requiring a three-day layover of the committee report; a waiver of rule XIII, clause 3(e), requiring the inclusion of a comparative print of any part of the bill or joint resolution proposing to amend the statute and of the statute or part thereof proposed to be amended; a waiver of section 306 of the Congressional Budget Act prohibiting consideration of legislation within the jurisdiction of the Committee on the Budget unless reported by the Budget Committee; and a waiver of section 401 of the Congressional Budget Act prohibiting consideration of legislation providing new entitlement authority which becomes effective during the current fiscal year.

The waiver against provisions in the bill, as amended, includes the following: a waiver of rule XXI, clause 4 prohibiting appropriations in legislative bills; and a waiver of clause 5(a) of rule XXI prohibiting tax or tariff provisions in a bill not reported by a committee with jurisdiction over revenue measures.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 249

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Dreier.

Summary of motion: To grant a modified open rule with a pre-printing requirement.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 250

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Dreier.

Summary of motion: To allow the Ways and Means Committee Ranking Member McCrery to offer a substitute to the tax provision, debatable for one hour.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay;

Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 251

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Hastings (WA).

Summary of motion: To allow the Chairman and the Ranking Member of the Committee on Natural Resources one hour to discuss revisions in the body of the last paragraph of the Manager's amendment.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 252

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Dreier.

Summary of motion: To allow for a division of the question to provide a separate vote on the Ways and Means offset provision contained in Part A of the report.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 253

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Diaz-Balart.

Summary of motion: To strike the Rangel amendment from the rule.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 254

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Diaz-Balart.

Summary of motion: To provide an open rule.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 255

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Diaz-Balart.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Fortuño (PR), #4, which would exempt all milk deficient states from paying the mandatory Dairy Promotion Assessment as determined by the Dairy Production Stabilization Act of 1983.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 256

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Diaz-Balart.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Berry (AR), #17, which strikes Title I of H.R. 2419 and replaces it with an extension of Title I of the Farm Security and Rural Investment Act of 2002 for five years, with certain exceptions.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—yea; Slaughter—Nay.

Rules Committee record vote No. 257.

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Diaz-Balart.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Gerlach (PA), #62, which amends the bill to set aside 15% of farmland protection funds for cost-share grants (25% maximum Federal share) to support eligible State agencies, county, and one or more eligible entities (local government or private entities) to purchase conservation easements.

Results: Defeated 4–9.

Vote by Members: McGovern—nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 258.

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Hastings (WA).

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Blumenauer (OR)/Flake (AZ)/Ryan, Paul (WI)/Kind (WI), #12, which provides for effective annual payment limits for farm commodity program payments and benefits. The effective limits are \$40,000 for direct payments, \$60,000 for counter-cyclical payments, and \$150,000 for marketing loan program payments and benefits. Overall, the amendment limits farm

commodity program payments and benefits to no more than \$250,000 per year. The amendment provides for direct attribution of farm commodity program payments and tightens requirements for being considered actively engaged in farming. The amendment also increases funding for certain conservation and forestry programs.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 259

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Hastings (WA).

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Ellison (MN), #34, which would require states to “opt in” and pass legislation if they wish to deny food stamp benefits to drug felons who have been released from prison. If a state does not pass such legislation, these individuals would be eligible for food stamps.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 260

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Hastings (WA).

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Hastings (WA), #49, which would authorize USDA to make payments to asparagus producers that have suffered market losses due to increased imports of Peruvian asparagus under the Andean Trade Preferences Act (ATPA).

Results: Defeated 4–8.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea.

Rules Committee record vote No. 261

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. Sessions.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Boustany (LA)/Goodlatte (VA)/Bonner (AL)/Buyer (IN)/Pence (IN)/Conaway (TX), #5, which strikes Section 4008 of the bill. That section prevents states from privatizing their food stamp eligibility determination system and other aspects of the Food Stamp Program.

Results: Defeated 4–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 262

Date: July 26, 2007 (Legislative Day of July 25, 2007).

Measure: H.R. 2419.

Motion by: Mr. McGovern.

Summary of motion: To report the rule.

Results: Adopted 9–4.

Vote by Members: McGovern—Yea; Hastings (FL)—Yea; Matsui—Yea; Cardoza—Yea; Welch—Yea; Castor—Yea; Arcuri—Yea; Sutton—Yea; Dreier—Nay; Diaz-Balart—Nay; Hastings (WA)—Nay; Sessions—Nay; Slaughter—Yea.

SUMMARY OF AMENDMENTS CONSIDERED AS ADOPTED

Summary of Reserve Fund en bloc

Food Stamps: excludes combat-related military pay from countable income. Raises the standard deduction. Lifts cap on dependent care. Indexes for inflation the asset limits for food stamp households. Excludes qualified tuition programs, Coverdell Education Savings Accounts, and retirement accounts from countable financial resources. Increases the minimum benefit. Increases to \$250 million and indexes mandatory funding for TEFAP.

Energy: Doubles funding for the biobased product designation program. Provides mandatory funding for up to \$2 billion in loan guarantees for biorefineries and biofuel production plants. Adds mandatory funding for renewable energy systems and energy efficiency improvements. Increases mandatory funding for Biomass Research and Development. Increases funding for USDA bioenergy program. Reauthorizes and funds Biodiesel Fuel Education Program. Establishes Biomass Energy Reserve and Forest Biomass for Energy program.

Summary of offset amendments

The amendment revises an existing exception to the Right to Financial Privacy Act of 1979 so that improper electronic payments can be traced and recovered. Revising the exception would permit the Federal Government to verify that the correct party is making electronic payments to, or receiving electronic payments from, the government. (CBO estimates this provision would reduce direct spending by \$118 million over five years and \$283 million over ten years.)

The amendment will prevent foreign multinational corporations that are organized in countries without tax treaties (generally countries with little or no income taxes, including Caribbean tax havens) from manipulating the U.S. tax treaty system to avoid U.S. taxes. This will not affect any U.S. based multinational and it would have little or no impact on foreign multinationals organized in countries with tax treaties. (CBO estimates that this amendment would provide \$4 billion in the first five years and a total of \$7.5 billion over 10 years.)

Summary of manager's amendment:

Commodity programs: Makes technical changes to achieve full savings from elimination of advanced direct and partial counter-cyclical payments. *Conservation:* Establishes pilot conservation program to create incentives for peanut crop rotation. Includes the Sacramento River Watershed as a priority area for RWEF. Provides air quality funding under Conservation Innovation Grants. Provides that only land enrolled in general Conservation Reserve Program sign-ups is eligible for early termination. *Trade:* Adds reporting and study requirements. Establishes authorization of food aid programs at \$2.5 billion annually. Increases authorization for Famine Prevention and Relief. Makes tobacco ineligible for MAP. *Nutrition:* Authorizes a competitive grants program to improve underserved communities access to healthy foods. Provides Sense of Congress on "food deserts". Establishes the Healthy Food Urban Enterprise Development Program. Encourages FAPRI-University partnerships related to specialty crop research. *Credit:* Authorizes the Secretary to make and insure loans to eligible purchasers of highly fractioned land. *Meat and Poultry:* Strikes Sense of Congress Regarding State Inspected Meat and Poultry Products. *Pigford Claims:* Would allow claimants who met the criteria of a civil action relating to racial discrimination by the USDA but were denied, a mechanism for redetermination based on the merits of their claims. Provides funding for claims. *Cool:* Provides that for perishable agricultural commodities and peanuts, such products may only be labeled as having a United States country of origin if the commodity is exclusively produced in the United States. *APHIS:* Strikes provision moving certain border inspection functions from the Department of Homeland Security to USDA. *National Drought Preparedness Act of 2005:* Establishes the National Drought Council. *Crop Insurance:* Provides for the Corporation to pay a portion of premiums for area revenue plans. *Dairy:* Provides for a refund of assessments on certain imported dairy products. *Food Deserts:* Expresses sense of Congress. *Wastewater infrastructure:* Requires GAO study of rural communities along U.S.-Mexico border.

Adds new language which provides mandatory (as opposed to discretionary) spending for the McGovern-Dole International Food for Education and Child Nutrition Program and helps pay for the program through additional savings in the Federal crop insurance program; Imposes a "conservation of resources fee" on oil or gas produced from certain OCS deepwater leases unless contractual agreements require royalties to be paid when market prices exceed specified thresholds. This provision would apply to production by firms that would not, under current law, voluntarily revise the terms of leases issued in 1998 and 1999 that provide royalty relief regardless of the market price of oil and gas. The amendment would also repeal provisions of the Energy Policy Act of 2004 that preclude the Bureau of Land Management from collecting certain fees, provide additional royalty relief for oil and gas produced from the Outer Continental Shelf from ultra-deep wells, very deep waters and Alaska; and authorize the Secretary of the Interior to modify the terms of oil and gas leases in the National Petroleum Reserve in Alaska. (CBO estimates that these provisions would reduce direct spending by \$2.435 billion over five years and \$6.125 billion over ten years.

SUMMARY OF AMENDMENTS MADE IN ORDER

(Summaries derived from information provided by sponsors.)

1. Kind (WI): The Fairness in Farm and Food Policy Amendment will reform the farmer safety net to work better for small farmers at lower cost, reallocate funding to nutrition, conservation, specialty crops and healthy foods, rural development, and programs that benefit socially disadvantaged farmers. (40 minutes)

2. Frank (MA)/Bachus (AL): The amendment strikes five sections from Title V of the bill (Agribusiness loan eligibility, Loan-to-asset value requirements, Population limit for single-family housing loans, Majority farmer control requirement, and Borrower stock requirement), which expand the lending authority of the Farm Credit System. (10 minutes)

3. Goodlatte (VA): The amendment streamlines and adopts one set of terms and conditions of easements for the Wetlands Reserve Program (WRP), Grasslands Reserve Program (GRP), Farmland and Ranchland Protection Program (FRPP), and Healthy Forest Reserve Program (HFRP). (10 minutes)

4. Lucas (OK): The amendment would make livestock producers eligible for livestock assistance programs regardless of whether they had Noninsured Crop Disaster Assistance (NAP) coverage. (10 minutes)

5. Cardoza (CA): The amendment requires USDA to transition Animal and Plant Health Inspection Service (APHIS) employees responsible for plant pest inspection duties back to USDA from the Department of Homeland Security in order to better serve the needs of American agriculture. (10 minutes)

6. Boustany (LA)/Alexander (LA): The amendment states that in the case of sweet potatoes, Risk Management Agency Pilot Program data shall not be considered for purposes of determining production for the 2005–2006 Farm Service Agency Crop Disaster Program. (10 minutes)

7. Jackson-Lee (TX): The amendment is intended to express the sense of Congress that the food available to schoolchildren under the school breakfast and lunch program should be selected so as to reduce the incidence of juvenile obesity and to maximize nutritional value. (10 minutes)

8. Hastings (FL): The amendment adds a new section for “Pollinator Protection” that authorizes research funding to reduce North American pollinator decline and understand Colony Collapse Disorder. This amendment also adjusts USDA conservation programs to put a greater emphasis on increasing habitat and establishing cropping and integrated pest management practices to protect native and managed pollinators. (10 minutes)

9. Arcuri (NY)/Welch (VT)/Gillibrand (NY): The amendment expresses the Sense of Congress that the Secretary of Agriculture should use existing authority when determining the Class I milk price mover to take into account the increased cost of production, including energy and feed. (10 minutes)

10. Welch (VT): The amendment encourages schools to submit plans for implementation to the Secretary that include locally grown foods, in areas where geographically available. (10 minutes)

11. Welch (VT)/Arcuri (NY): The amendment adds a provision to the review process for the Federal Milk Marketing Order Review

Commission to include an evaluation of cost of production variables, including cost of feed and cost of fuel. Additionally, it encourages the Commission to be regionally diverse, and moves up the date from 24 months to 18 months after the enactment of this bill. (10 minutes)

12. Rangel (NY): The amendment removes certain banking restrictions related to Cuba's payment for agricultural purchases from U.S. producers. It also authorizes direct transfers between Cuban banks and U.S. banks and allows visas to be issued to conduct activities related to purchasing U.S. agricultural goods. (10 minutes)

13. Boehner (OH): The amendment would replace the current daily posted county prices (PCPs) used for determining loan deficiency payment rates and repayment rates for marketing assistance loans with a monthly PCP for each crop. It would revise requirements for establishing a producer's loan deficiency payment (LDP) and loan repayment rate to be based on the month that beneficial interest is lost. The amendment aims to address farmers taking advantage of short-term market events to lock in artificially high loan deficiency payments, while actually selling the commodity later at prices well above the loan rate. (10 minutes)

14. Johnson, Eddie Bernice (TX): The amendment adds the additional point to Subtitle B of the research title that emphasis should be placed on proposals that examine the efficacy of current agriculture policies in promoting the health and welfare of economically disadvantaged populations (in addition to supporting research/health promotion to "solve the problems of nutritional inadequacy). (10 minutes)

15. Manzullo (IL): The amendment exempts the Environmental Quality Incentives Program (EQIP) from the \$60,000 and \$125,000 payment limitations, resetting it to the \$450,000 limitation that is in the current law. (10 minutes)

16. Blumenauer (OR): The amendment would make conservation easements purchased through a transferable development rights program eligible for grants under the Farm and Ranchland Protection Program. Transferable Development Rights (TDR) programs are a voluntary, market-based tool used by states and cities to protect farmland, private property rights, and taxpayer dollars by allowing the transfer of development rights from one parcel of land to another. (10 minutes)

17. Latham (IA): The amendment amends the Household Water Well System Program, which makes grants to non-profit organizations to finance the construction, refurbishing, and servicing of individually owned household water well systems in rural areas for individuals with low or moderate incomes, to allow the use of in-kind contributions to meet the required federal funding match of 10%. The amendment also clarifies that in-kind contributions used to meet the match can be for no purpose other than to administer the water well grant program. (10 minutes)

18. Berry (AR): The amendment will prohibit non-profit organizations with more than \$50 million in direct public support from receiving conservation payments. (10 minutes)

19. Davis, Danny (IL)/Kirk (IL): The amendment strikes the sugar sections in the commodity title as well as the feedstock flexi-

bility program for bioenergy producers, extending current programs until 2012. (10 minutes)

20. Terry (NE): The amendment creates a competitive demonstration project designed to provide proof of concept in supplementing corn with sweet sorghum as an ethanol feedstock. (10 minutes)

21. Udall, Mark (CO): The amendment reduces the direct payment rate for cotton by $\frac{2}{3}$ of a cent. The resulting savings would be used to fund enrollment of 224,000 additional acres in the Grasslands Reserve Program. (10 minutes)

22. Wu (OR): The amendment broadens the eligible universities by adding that universities that do work in alternative energy related fields, such as agriculture, chemistry, environmental sciences, bioengineering, biochemistry, natural resources and public policy are eligible for the biofuels from biomass internship program. (10 minutes)

23. Clay (MO): The amendment would make grants to eligible entities to assist in purchasing operating organic gardens or greenhouses in urban areas for growing fruits and vegetables. (10 minutes)

24. Israel (NY)/Doyle (PA): The amendment would eliminate the sale of random source animals for research and will prohibit the marketing of medical devices by using live animals in demonstrations to market such devices. (10 minutes)

25. Putnam (FL): The amendment prohibits individuals from receiving farm conservation payments if their income exceeds \$1 million, unless 75% of the income comes from farm income. (10 minutes)

26. Bordallo (GU): The amendment authorizes a grants program to assist the land grant institutions in the U.S. territories in upgrading facilities and equipment in the agricultural and food sciences. It authorizes appropriations for five years in the amount of \$8 million per year. It authorizes USDA to vary award amounts and to establish competitive criteria for the program. (10 minutes)

17. Cooper (TN): The amendment will comprehensively reform the federal crop insurance program, including the Administration's farm bill crop insurance proposals. This amendment saves approximately \$4 billion while adding resources to the Grassland Reserve Program. (10 minutes)

28. Emanuel (IL): The amendment directs the USDA to investigate which estates have been receiving payments in the name of dead farmers and recoup payments made in the name of deceased individuals. (10 minutes)

29. Hall, John (NY): The amendment would establish a program to encourage environmentally responsible practices on actively farmed muck soil land. (10 minutes)

30. Hodes (NH)/Arcuri (NY): The amendment authorizes a grant program for state and local communities and governments known as the Community Wood Energy Program to use low-grade wood biomass in community wood energy systems for state and locally owned businesses such as schools, town halls, and courthouses. (10 minutes)

31. Shuler (NC): The amendment allows non-industrial private forest lands to be eligible for emergency restoration funds if the

Secretary determines that insect or disease poses an imminent threat of loss or damage to those lands. (10 minutes)

PART A

TEXT OF AMENDMENTS TO BE CONSIDERED AS ADOPTED

After section 4004 of the bill, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 4005. EXCLUDING COMBAT RELATED PAY FROM COUNTABLE INCOME.

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

(1) by striking “and (18)”, and inserting “(18)”, and

(2) by inserting before the period at the end the following: “and (19) any additional payment received under Chapter 5 of title 37, United States Code, by (or as an allotment to or transfer from) a member of the United States Armed Forces deployed to a designated combat zone for the duration of the member’s deployment to or service in a combat zone if the additional pay was not received immediately prior to serving in that or another combat zone.”.

SEC. 4006. INCREASING THE STANDARD DEDUCTION.

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

(1) in subparagraph (A)(ii) by striking “not less than \$134” and all that follows through the period at the end, and inserting the following: “not less than \$145, \$248, \$205, and \$128, respectively. On October 1, 2008, and each October 1 thereafter, such standard deduction shall be an amount that is equal to the amount from the previous fiscal year adjusted to the nearest lower dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, for items other than food, for the 12 months ending the preceding June 30.”; and

(2) in subparagraph (B)(ii) by striking “not less than \$269.” and inserting the following: “not less than \$291. On October 1, 2008, and each October 1 thereafter, such standard deduction shall be an amount that is equal to the amount of the previous fiscal year adjusted to the nearest dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, for items other than food, for the 12 months ending the preceding June 30.”.

SEC. 4007. EXCLUDING DEPENDENT CARE EXPENSES.

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

SEC. 4008. ADJUSTING COUNTABLE RESOURCES FOR INFLATION.

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

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

“(g) ALLOWABLE FINANCIAL RESOURCES.—

“(1) TOTAL AMOUNT.—

“(A) IN GENERAL.—The Secretary”.

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

(A) by inserting “(as adjusted in accordance with subparagraph (B))” after “\$2,000”; and

(B) by inserting “(as adjusted in accordance with subparagraph (B))” after “\$3,000”; and

(3) by adding at the end the following:

“(B) ADJUSTMENT FOR INFLATION.—

“(i) IN GENERAL.—Beginning on October 1, 2007, and each October 1 thereafter, the amounts in subparagraph (A) shall be adjusted to the nearest \$100 increment to reflect changes for the 12-month period ending the preceding June in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

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

SEC. 4009. EXCLUDING EDUCATION ACCOUNTS FROM COUNTABLE INCOME.

Section (5)(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

“(7) EXCLUSION OF EDUCATION ACCOUNTS FROM COUNTABLE RESOURCES.—

“(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a qualified tuition program described in section 529 of the Internal Revenue Code of 1986 or in a Coverdell education savings account under section 530 of that Code.

“(B) DISCRETIONARY EXCLUSIONS.—The Secretary may also exclude from financial resources under this subsection the value of any program or account included in any successor or similar provision that is enacted and determined to be exempt from taxation under the Internal Revenue Code of 1986.”.

SEC. 4010. EXCLUDING RETIREMENT ACCOUNTS FROM COUNTABLE INCOME.

Section (5)(g) of the of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)), as amended by section 4009, is amended—

(1) in subsection (g)(2)(B)(v) by striking “or retirement account (including an individual account)” and inserting “account”; and

(2) adding at the end the following:

“(8) EXCLUSION OF RETIREMENT ACCOUNTS FROM COUNTABLE RESOURCES.—

“(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a plan, contract, or account as described in section 401(a), 403(a), 403(b), 408, 408A, 457(b), or 501(c)(18) of the Internal Revenue Code of 1986 and the value of funds in a Federal Thrift Savings Plan account as provided section 8439 of title 5, United States Code.

“(B) DISCRETIONARY EXCLUSIONS.—

“(i) The Secretary may exclude from financial resources under this subsection any other retirement plans, contracts, or accounts that have been determined to be tax qualified retirement plans, contracts, or accounts, under the Internal Revenue Code of 1986.

“(ii) The Secretary may also exclude from financial resources under this subsection the value of any program or account included in any successor or similar provision that is enacted and determined to be exempt from taxation under the Internal Revenue Code of 1986.”.

After section 4006 of the bill, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 4014. INCREASING THE MINIMUM BENEFIT.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking “\$10 per month” and inserting “10 percent of the thrifty food plan for a household containing 1 member, as determined by the Secretary under section 3(o)”.

Strike section 4021 of the bill, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 4028. EMERGENCY FOOD ASSISTANCE PROGRAM.

Section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2036(a)) is amended by—

(1) by striking “(a) PURCHASE OF COMMODITIES” and all that follows through 2007’ and inserting the following:

“(a) PURCHASE OF COMMODITIES.—

“(1) IN GENERAL.—As provided in paragraph (2), for each of the fiscal years 2008 through 2012”;

(2) by striking “\$140,000,000 of”; and

(3) by adding at the end the following:

“(2) AMOUNTS.—The following amounts are made available to carry out this subsection:

“(A) for fiscal year 2008, \$250,000,000; and

“(B) for each of the fiscal years 2009 through 2012, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2007 and June 30 of the immediately preceding fiscal year.”.

[ENERGY TITLE]

Section 9002 of the bill is amended by adding at the end the following new paragraph:

(3) by striking subsection (k)(2)(A) and inserting the following:

“(A) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use \$2,000,000 for each of fiscal years 2008 through 2012 for bio-product testing and support ongoing operations of the Designation Program, the Voluntary Labeling Program, procurement program models, procurement research, promotion, education, and awareness of the BioPreferred Program.”.

Section 9003(3) of the bill is amended by striking “subsections (d) through (h) as subsections (e) through (i), respectively” and insert-

ing “subsection (h) as subsection (j) and subsections (d) through (g) as subsections (e) through (h), respectively.”

Section 9003 of the bill is amended by striking paragraph (5) and adding at the end the following new paragraphs:

(5) by inserting after subsection (h) the following new subsection:

“(i) **CONDITION OF PROVISION OF ASSISTANCE.**—As a condition of receiving a grant or loan guarantee under this section, the eligible entity shall ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with the grant or loan guarantee, as the case may be, shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with section 3141 through 3144, 3146, and 3147 of title 40, United States Code. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F. R. 3176; 64 Stat. 1267) and section 3145 of such title.”;

(6) in subsection (j) (as so redesignated), by striking “2007” and inserting “2012”; and

(7) by adding at the end the following new subsection:

“(k) **ADDITIONAL FUNDING FOR LOAN GUARANTEES.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

- “(1) \$75,000,000 for fiscal year 2008;
- “(2) \$100,000,000 for fiscal year 2009;
- “(3) \$125,000,000 for fiscal year 2010;
- “(4) \$200,000,000 for fiscal year 2011; and
- “(5) \$300,000,000 for fiscal year 2012.”.

Section 9005(5) of the bill is amended by striking “redesignating subsections (e) and (f) as subsections (g) and (h), respectively” and inserting “redesignating subsection (e) as subsection (g) and striking subsection (f)”.

Section 9005 of the bill is amended by adding at the end the following new paragraph:

(7) by adding at the end the following new subsection:

“(h) **FUNDING.**—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available to carry out this section—

- “(1) \$50,000,000 for fiscal year 2008;
- “(2) \$75,000,000 for fiscal year 2009;
- “(3) \$100,000,000 for fiscal year 2010;
- “(4) \$125,000,000 for fiscal year 2011; and
- “(5) \$150,000,000 for fiscal year 2012.”.

Section 9007 of the bill is amended by adding at the end the following new paragraph:

(3) by striking subsection (c) and inserting the following:

“(c) **FUNDING.**—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use to carry out this section—

- “(1) \$225,000,000 for fiscal year 2008;
- “(2) \$250,000,000 for fiscal year 2009;
- “(3) \$275,000,000 for fiscal year 2010;
- “(4) \$300,000,000 for fiscal year 2011; and

“(5) \$350,000,000 for fiscal year 2012.”

Section 9008(j) of the Farm Security and Rural Investment Act of 2002, as added by section 9006 of the bill, is amended to read as follows:

“(j) FUNDING.—

“(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available to carry out this section—

“(A) \$35,000,000 for fiscal year 2008;

“(B) \$60,000,000 for fiscal year 2009;

“(C) \$75,000,000 for fiscal year 2010;

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

“(E) \$150,000,000 for fiscal year 2012.

“(2) ADDITIONAL FUNDING.—In addition to amounts transferred under paragraph (1), there are authorized to be appropriated to carry out this section \$200,000,000 for each of fiscal years 2006 through 2015.”

At the end of title IX of the bill, add the following new sections:

SEC. 9018. BIODIESEL FUEL EDUCATION PROGRAM.

Section 9004(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104(d)) is amended to read as follows:

“(d) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$2,000,000 for each of fiscal years 2008 through 2012.”

SEC. 9019. BIOMASS ENERGY RESERVE.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is amended by adding at the end the following new section:

“SEC. 9017. BIOMASS ENERGY RESERVE.

“(a) PURPOSE.—The purpose of this section is to establish a biomass energy reserve—

“(1) to encourage production of dedicated energy crops in a sustainable manner that protects the soil, air, water, and wildlife of the United States; and

“(2) to provide financial and technical assistance to owners and operators of eligible cropland to produce dedicated energy crops and crop mixes of suitable quality and in sufficient quantities to support and induce development and expansion of the use of the crop for—

“(A) bioenergy;

“(B) power or heat generation to supplement or replace nonbiobased energy sources; or

“(C) biobased products to supplement or replace non biobased products;

“(3) to establish biomass energy reserve project areas; and

“(4) to provide financial and technical assistance to owners and operators for harvesting, storing, and transporting cellulosic material.

“(b) DEFINITIONS.— In this section:

“(1) BEGINNING FARMER OR RANCHER.—The term ‘beginning farmer or rancher’ has the meaning given the term in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)).

“(2) BER.—The term ‘BER’ means the biomass energy reserve established under this section.

“(3) BER PROJECT AREA.—The term ‘BER project area’ means an area that—

“(A) has eligible cropland that—

“(i) is owned or operated by eligible participants; and

“(ii) has specified boundaries that are submitted to the Secretary by eligible participants and subsequently approved by the Secretary; and

“(B) is physically located within a 50-mile radius of a bioenergy facility.

“(4) CONSERVATION RESERVE PROGRAM.—The term ‘conservation reserve program’ means the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

“(5) CONTRACT ACREAGE.—The term ‘contract acreage’ means eligible cropland that is covered by a BER contract entered into with the Secretary.

“(6) ELIGIBLE APPLICANT.—The term ‘eligible applicant’ means—

“(A) a collective group of owners and operators producing or proposing to produce eligible dedicated energy crops;

“(B) an energy or agricultural company or refinery; and

“(C) an Agricultural Innovation Center established pursuant to section 6402 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 426; 7 U.S.C. 1621 note).

“(7) ELIGIBLE CROPLAND.—

“(A) IN GENERAL.—The term ‘eligible cropland’ means land that the applicable county committee of the Farm Service Agency determines—

“(i) is currently being tilled for the production of a crop for harvest; or

“(ii) is not currently being tilled but has been tilled in a prior crop year and is suitable for production of an eligible dedicated energy crop.

“(B) EXCLUSIONS.—The term ‘eligible cropland’ does not include—

“(i) Federally-owned land;

“(ii) land enrolled in—

“(I) the conservation reserve program;

“(II) the grassland reserve program; or

“(III) the wetlands reserve program; and

“(iii) land with greater than 50 percent cover of native nonwoody vegetation or forest land, as of the date of enactment of this section.

“(8) ELIGIBLE DEDICATED ENERGY CROP.—

“(A) IN GENERAL.—The term ‘eligible dedicated energy crop’ means any crop native to the United States, or another crop, as determined by the Secretary, grown specifically to provide raw materials for—

“(i) conversion to liquid transportation fuels or chemicals through biochemical or thermochemical processes; or

“(ii) energy generation through combustion, pyrolysis, gasification, cofiring, or other technologies, as determined by the Secretary.

“(B) EXCLUSIONS.—The term ‘eligible dedicated energy crop’ does not include—

“(i) any crop that is eligible for payments under title I or a successor title; or

“(ii) any plant that is invasive or noxious or has the potential to become invasive or noxious, as determined by the Secretary, in consultation with other appropriate Federal or State departments and agencies.

“(9) ELIGIBLE PARTICIPANT.—The term ‘eligible participant’ means an owner or operator of contract acreage that is physically located within a BER project area .

“(10) FEDERALLY-OWNED LAND.—The term ‘Federally-owned land’ means land owned by—

“(A) the Federal Government (including any department, instrumentality, bureau, or agency of the Federal Government); or

“(B) any corporation whose stock is wholly owned by the Federal Government.

“(11) FOREST LAND.—The term ‘forest land’ means an ecosystem that is at least 1 acre in size (including timberland and woodland) and that (as determined by the Secretary)—

“(A) is characterized by dense and extensive tree cover;

“(B) contains, or once contained, at least 10 percent tree crown cover; and

“(C) is not developed and planned for exclusive nonforest resource use.

“(12) GRASSLAND RESERVE PROGRAM.—The term ‘grassland reserve program’ means the grassland reserve program established under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.).

“(13) OPERATOR.—The term ‘operator’ means an individual, entity, or joint operation that is in control of the farming operations on a farm during the applicable crop year.

“(14) OWNER.—

“(A) IN GENERAL.—The term ‘owner’ means a person that has legal ownership of eligible cropland.

“(B) INCLUSION.—The term ‘owner’ includes—

“(i) a person that is buying eligible cropland under a contract for deed; and

“(ii) a person that has a life estate in eligible cropland.

“(15) QUALIFIED ORGANIZATION.—The term ‘qualified organization’ means—

“(A) an Agricultural Innovation Center established pursuant to section 6402 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 426; 7 U.S.C. 1621 note) with significant experience in the field of renewable energy, as determined by the Secretary; or

“(B) in a region not served by a center referred to in subparagraph (A)—

“(i) an entity with significant experience in the field of renewable energy that is geographically located in such region, as determined by the Secretary; or

“(ii) an accredited college or university with experience providing technical assistance in the field of renewable energy that is geographically located in such region, as determined by the Secretary.

“(16) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“(17) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term ‘socially disadvantaged farmer or rancher’ means a farmer or rancher who is a member of a socially disadvantaged group (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))).

“(18) WETLANDS RESERVE PROGRAM.—The term ‘wetlands reserve program’ means the wetlands reserve program established under subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.).

“(c) ESTABLISHMENT.— Not later than 90 days after the date of enactment of this section, the Secretary shall establish a biomass energy reserve in accordance with this section. The Secretary shall ensure the purposes in subsection (a) are met by including in the reserve projects that include a variety of harvest and post-harvest practices, including stubble height, unharvested strips (including strips for wildlife habitat), and varying harvest dates and a variety of monoculture and polyculture crop mixes, as appropriate, by project area.

“(d) PROPOSALS FOR BER PROJECT AREAS.—

“(1) SELECTION OF QUALIFIED ORGANIZATIONS.—

“(A) IN GENERAL.—The Secretary shall select not more than 10 qualified organizations to assist—

“(i) eligible applicants in submitting proposals under paragraph (2); and

“(ii) the Secretary in selecting BER project areas.

“(B) REGION.—The Secretary shall select not more than 1 qualified organization to assist eligible applicants and the Secretary in any particular region of the United States, as determined by the Secretary.

“(C) FUNDING.—The Secretary shall provide each qualified organization selected under paragraph (1) not more than \$300,000 to carry out this paragraph.

“(2) CONSULTATION WITH QUALIFIED ORGANIZATION.—An eligible applicant may consult with and submit to a qualified organization a written proposal that—

“(A) identifies the eligible cropland that will be a part of the proposed BER project area; and

“(B) indicates a strong likelihood that the proposed BER project area will generate a sufficient quantity of biomass from eligible dedicated energy crops and acres or other sources to supply an existing bioenergy facility.

“(3) MINIMUM REQUIREMENTS.—The written proposal for a proposed BER project area shall include—

“(A) a description of the eligible cropland of each eligible participant that will participate in the proposed BER project area, including—

“(i) the quantity of eligible cropland of each eligible participant;

“(ii) the physical location of the eligible cropland;

“(iii) the 1 or more eligible dedicated energy crops that will be produced on the eligible cropland; and

“(iv) the type of land use or crop that will be displaced by the eligible dedicated energy crop;

“(B)(i) the name, if available, and type, location, and description of the bioenergy facility that will use the eligible dedicated energy crops to be produced in the proposed BER project area; and

“(ii) a letter of commitment from a bioenergy facility that the facility will use the eligible dedicated energy crops intended to be produced in the proposed BER project area;

“(C) a general analysis of the anticipated local economic impact of the proposed BER project; and

“(D) any additional information needed to determine the eligibility for, and ranking of, the proposal, as determined by the Secretary.

“(4) INDIVIDUAL OWNERS AND OPERATORS.—A project area proposal may not submit an individual proposal to participate in the BER.

“(5) ELIGIBILITY CRITERIA FOR BER PROJECT AREAS.—The Secretary shall establish a system for ranking BER project areas based on the following criteria:

“(A) The probability that the eligible dedicated energy crops proposed to be produced in the proposed BER project area will be used for the purposes of the BER.

“(B) The inclusion of adequate potential feedstocks and suitable placement with respect to the bioenergy facility.

“(C) The potential for a positive economic impact in the proposed BER project area.

“(D) The availability of the ownership of the bioenergy facility in the proposed BER project area to producers and local investors.

“(E) The participation rate by beginning farmers or ranchers or socially disadvantaged farmers or ranchers.

“(F) The potential to improve soil conservation and water quality, and enhance wildlife habitat, when compared to existing land uses.

“(G) The variety of agronomic conditions the proposed eligible dedicated energy crops will be grown within a project area.

“(H) The variety of harvest and post harvest practices, including stubble height, unharvested strips (including strips for wildlife habitat), and varying harvest dates.

“(I) The variety of monoculture and polyculture crop mixes, as appropriate, by project area.

“(6) SELECTION OF PROJECTS.—

“(A) RANKING; SUBMISSION TO SECRETARY.—Each qualified organization selected by the Secretary under para-

graph (1) shall rank proposals submitted to such qualified organization under paragraph (2) using the system for ranking established by the Secretary under paragraph (6) and shall submit to the Secretary up to five of the highest ranked applications.

“(B) SECRETARY SELECTION.—The Secretary shall authorize not less than one proposal submitted to the Secretary from each qualified organization under subparagraph (A).

“(e) FOREST BIOMASS PLANNING GRANTS.—

“(1) IN GENERAL.—The Secretary shall provide forest biomass planning assistance grants to private landowners to develop forest stewardship plans that involve sustainable management of biomass from forest land of the private landowners that will preserve diversity, soil, water, or wildlife values of the land, while ensuring a steady supply of biomass material, through—

“(A) State forestry agencies, in consultation with State wildlife agencies; and

“(B) technical service provider arrangements with third-parties.

“(2) LIMITATION.—The total amount of funds used to carry out this subsection shall not exceed \$5,000,000.

“(f) DURATION OF CONTRACT.—

“(1) IN GENERAL.—Subject to paragraph (2), for purposes of carrying out the BER, the Secretary shall enter into contracts of 5 years.

“(2) EARLY TERMINATION.—The Secretary may terminate a contract early if the Secretary determines that—

“(A) contract acreage will not be used to produce an eligible dedicated energy crop;

“(B) a material breach of the contract has occurred;

“(C) the owner or operator has died; or

“(D) continuation of the contract will cause undue economic hardship.

“(g) CONTRACT ACREAGE REQUIREMENTS.—

“(1) IN GENERAL.—On approval of a BER project area by the Secretary, each eligible participant in the BER project area shall enter into a contract with the Secretary that is consistent with the BER.

“(2) ADDITIONAL ELIGIBLE PARTICIPANTS.—The Secretary may add eligible participants to a BER project area after approval of the BER project area.

“(3) CONSERVATION PRACTICES.—To ensure the sustainability of farm operations and the protection of soil, air, water and wildlife, the Secretary shall include such terms and conditions in a contract entered into under paragraph (1) as the Secretary considers necessary.

“(4) PURPOSES.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), to be eligible to participate in the BER, an eligible participant may use eligible dedicated energy crops produced on contract acreage only for the purposes described in subsection (a).

“(B) PERSONAL USE.—During the period before the commercial viability of a bioenergy facility, an eligible participant may use eligible dedicated energy crops produced by

the eligible participant on contract acreage for personal use.

“(C) SEED PRODUCTION.—During the period before the commercial viability of a bioenergy facility, an eligible participant may harvest and sell seed produced on contract acreage.

“(5) REQUIREMENTS.—To be eligible to participate in the BER, during the term of the BER contract, an eligible participant shall comply with—

“(A) the highly erodible land conservation requirements of subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

“(B) the wetland conservation requirements of subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

“(h) ADDITIONAL ELIGIBLE BIOMASS.—

“(1) IN GENERAL.—The Secretary may allow on land that is enrolled in the conservation reserve program and located within the BER project area the harvesting of biomass—

“(A) in exchange for a reduction of an applicable annual payment in an amount to be determined by the Secretary;

“(B) in accordance with an approved conservation reserve program plan, including mid-contract management and forestry maintenance activities; and

“(C) in a manner that ensures that biomass harvest activities occur outside the official nesting and brood rearing season for those plans.

“(i) DUTIES OF SECRETARY.—The Secretary shall—

“(1) establish and administer the BER;

“(2) authorize establishment of BER project areas for the purposes of the BER described in subsection (a);

“(3) develop procedures—

“(A) to monitor the compliance of eligible participants that have land enrolled in the BER with the requirements of the BER;

“(B) to measure the performance of the BER; and

“(C) to demonstrate whether the long-term eligible dedicated energy crop production goals are being achieved.

“(4) enter into a written contract with each eligible participant that elects to participate in the BER in a BER project area;

“(5) not enter into a contract under the BER with an individual owner or operator unless the land of the eligible participant is physically located in an approved BER project area; and

“(6) provide all payments under the contract directly to the eligible participant.

“(j) CONTRACTS.—A contract entered into between the Secretary and an eligible participant under the BER shall include, at a minimum, terms that cover—

“(1) requirements for the eligible participant in carrying out the contract, including requirements described in subsections (f), (g), and (1);

“(2) termination provisions;

“(3) payment terms and amounts to be provided on an annual basis;

“(4) the sales or transfer of contract acreage;

“(5) the modification of the contract;

“(6) the maximum quantity of contract acreage and an estimated schedule for how much eligible cropland will be enrolled each contract year; and

“(7) any additional terms the Secretary considers appropriate.

“(k) PAYMENTS.—

“(1) IN GENERAL.—The Secretary shall provide payments directly to eligible participants who enter into contracts described in subsection (j) in accordance with such subsection.

“(2) ESTABLISHMENT PAYMENTS.—

“(A) IN GENERAL.—The Secretary shall provide to an eligible participant who enters into a BER contract an establishment payment in an amount equal to the costs of establishing an eligible dedicated energy crop on the contract acreage covered by the contract.

“(B) ELIGIBLE ESTABLISHMENT PAYMENTS.—The costs for which an eligible owner may receive an establishment payment under this paragraph include—

“(i) the cost of seeds and stock; and

“(ii) the cost of planting the crop.

“(3) RENTAL PAYMENTS.—

“(A) IN GENERAL.—The Secretary shall make annual rental payments to an eligible participant who enters into a BER contract.

“(B) PERIOD.—An eligible participant shall receive rental payments for a period of not more than 5 years after entering into a BER contract with the Secretary on contract acreage.

“(C) REDUCTION.—The Secretary shall reduce rental payments under (A) by an amount determined to be appropriate by the Secretary, if an eligible dedicated energy crop is harvested in accordance with subsection (g)(4).

“(l) INFORMATION SHARING.—

“(1) IN GENERAL.—Owners and operators of a farm entering into a contract with the Secretary under this section shall agree to make available to the Secretary, or to an institution of higher education or other entity designated by the Secretary, such information as the Secretary considers to be appropriate to promote the production of bioenergy crops and the development of biorefinery technology; and

“(2) BEST PRACTICES DATABASE.—Subject to section 1770 of the Food Security Act of 1985 (7 U.S.C. 2276), the Secretary shall make available to the public in a database format the best practices information developed by the Secretary in providing bioenergy assistance under this section.

“(m) PAYMENTS FOR COLLECTING, HARVESTING, STORING, AND TRANSPORTING BIOMASS PRODUCED ON BER CONTRACT ACREAGE, AGRICULTURAL WASTE BIOMASS, AND SUSTAINABLY-HARVESTED AGRICULTURAL AND FOREST RESIDUES.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary may provide matching payments at a rate of \$1 for every \$1 per ton provided by the bioenergy facility, in an amount equal to not more than \$45 per ton for a period of two years—

“(A) to eligible participants for biomass produced on BER contract acreage in exchange for a reduction of the annual payment issued under subsection (k)(3), as determined by the Secretary;

“(B) to any producer of agricultural waste biomass or sustainably-harvested agricultural and forest residues in the United States for the agricultural waste or residue; and

“(C) for residue collected as a result of the removal of noxious and invasive species, in accordance with methods approved by the Secretary.

“(2) FOREST LAND OWNER ELIGIBILITY.—Owners of forest land shall be eligible to receive payments under this subsection only if such owners are acting pursuant to a forest stewardship plan.

“(n) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.”.

SEC. 9020. FOREST BIOMASS FOR ENERGY.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by adding at the end the following new section:

“SEC. 9018. FOREST BIOMASS FOR ENERGY.

“(a) IN GENERAL.—The Secretary of Agriculture, through the Forest Service, shall conduct a competitive research and development program to encourage use of forest biomass for energy.

“(b) ELIGIBLE ENTITIES.—Entities eligible to compete under this program include the Forest Service (through Research and Development), other Federal agencies, State and local governments, federally recognized Indian tribes, land grant colleges and universities, and private entities.

“(c) PRIORITY FOR PROJECT SELECTION.—The Secretary shall give priority to projects that—

“(1) develop technology and techniques to use low value forest biomass, such as byproducts of forest health treatments and hazardous fuels reduction, for the production of energy;

“(2) develop processes that integrate production of energy from forest biomass into biorefineries or other existing manufacturing streams;

“(3) develop new transportation fuels from forest biomass; and

“(4) improve the growth and yield of trees intended for renewable energy production.

“(d) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$15,000,000 for each of fiscal years 2008 through 2012.”.

At the end of the bill, add the following:

TITLE XII—PREVENTION OF TAX TREATY EXPLOITATION TO EVADE UNITED STATES TAXATION

SEC. 12001. LIMITATION ON TREATY BENEFITS FOR CERTAIN DEDUCTIBLE PAYMENTS.

(a) IN GENERAL.—Section 894 of the Internal Revenue Code of 1986 (relating to income affected by treaty) is amended by adding at the end the following new subsection:

“(d) LIMITATION ON TREATY BENEFITS FOR CERTAIN DEDUCTIBLE PAYMENTS.—

“(1) IN GENERAL.—In the case of any deductible related-party payment, the amount of any withholding tax imposed under chapter 3 (and any tax imposed under subpart A or B of this part) with respect to such payment shall not be less than the amount which would be imposed if the payment were made directly to the foreign parent corporation (taking into account any income tax treaty between the United States and the country in which the foreign parent corporation is resident).

“(2) DEDUCTIBLE RELATED-PARTY PAYMENT.—For purposes of this subsection, the term ‘deductible related-party payment’ means any payment made, directly or indirectly, by any person to any other person if the payment is allowable as a deduction under this chapter and both persons are members of the same foreign controlled group of entities.

“(3) FOREIGN CONTROLLED GROUP OF ENTITIES.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘foreign controlled group of entities’ means a controlled group of entities the common parent of which is a foreign corporation.

“(B) CONTROLLED GROUP OF ENTITIES.—The term ‘controlled group of entities’ means a controlled group of corporations as defined in section 1563(a)(1), except that—

“(i) ‘more than 50 percent’ shall be substituted for ‘at least 80 percent’ each place it appears therein, and

“(ii) the determination shall be made without regard to subsections (a)(4) and (b)(2) of section 1563.

A partnership or any other entity (other than a corporation) shall be treated as a member of a controlled group of entities if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this sentence).

“(4) FOREIGN PARENT CORPORATION.—For purposes of this subsection, the term ‘foreign parent corporation’ means, with respect to any deductible related-party payment, the common parent of the foreign controlled group of entities referred to in paragraph (3)(A).

“(5) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as are necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance which provide for—

“(A) the treatment of two or more persons as members of a foreign controlled group of entities if such persons

would be the common parent of such group if treated as one corporation, and

“(B) the treatment of any member of a foreign controlled group of entities as the common parent of such group if such treatment is appropriate taking into account the economic relationships among such entities.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after the date of the enactment of this Act.

At the end of title XI, add the following new section:

SEC. 1331 . PREVENTION AND INVESTIGATION OF PAYMENT AND FRAUD AND ERROR.

Section 1113(k) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413(k)) is amended to read as follows:

“(k) DISCLOSURE NECESSARY FOR PROPER ADMINISTRATION OF PROGRAMS OF CERTAIN GOVERNMENT AUTHORITIES.—

“(1) DISCLOSURE TO GOVERNMENT AUTHORITIES.—Nothing in this title shall apply to the disclosure by the financial institution of the financial records of any customer to the Department of the Treasury, the Social Security Administration, the Railroad Retirement Board, or any other Government authority that certifies, disburses, or collects payments, when the disclosure of such information is necessary to, and such information is used solely for the purposes of—

“(A) the proper administration of section 1441 of the Internal Revenue Code of 1986 (26 U.S.C. 1441);

“(B) the proper administration of title II of the Social Security Act (42 U.S.C. 401 et seq.);

“(C) the proper administration of the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.);

“(D) the verification of the identify of any person in connection with the issuance of a Federal payment or collection of funds by a Government authority; or

“(E) the investigation or recovery of an improper Federal payment or collection of funds, or an improperly negotiated Treasury check.

“(2) LIMITATIONS ON SUBSEQUENT DISCLOSURE.—Notwithstanding any other provision of law, any request authorized by paragraph (1), and the information contained therein, may be used by the financial institution and its agents solely for the purpose of providing the customer’s financial records to the Government authority requesting the information and shall be barred from redisclosure by the financial institution or its agents. Any Government authority receiving information pursuant to paragraph (1) may not disclose or use the information except for the purposes set forth in such paragraph.”.

[COMMODITY TITLE]

In section 1103(f)(3), strike subparagraph (B) and insert the following new subparagraph:

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

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

(ii) October 1 of the fiscal year starting in the same calendar year as the end of the marketing year.

In section 1104(h)(3), strike subparagraph (B) and insert the following new subparagraph:

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

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

(ii) October 1 of the fiscal year starting in the same calendar year as the end of the marketing year.

At the end of section 1407, add the following new subsection:

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

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

“(A) IN GENERAL.—An importer is entitled to a refund of any assessment paid under this subsection on imported dairy products imported under a contract entered into prior to July 26, 2007.

“(B) EXPIRATION.—Refunds under paragraph (A) shall expire one year after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007.”.

Page 116, line 25, strike “16” and insert “18”.

Page 117, line 19, strike “(2)(E)” and insert “(2)(C)”.

Page 117, line 24, strike “institution” and “institutions”.

Page 150, line 18, strike “2012” and insert “2011”.

[CONSERVATION TITLE]

Page 157, beginning line 22, strike subparagraph (C) relating to annual survey funding.

In section 2101, add at the end the following new subsection:

(j) EXCEPTIONS TO EARLY TERMINATION.—Section 1235(e)(2) of the Food Security Act of 1985 (16 U.S.C. 3835(e)(2)) is amended by adding at the end the following new subparagraph:

“(D) Land enrolled under continuous signup.”.

In section 2102(e), strike paragraph (3) and insert the following new paragraph:

(3) by striking subsection (f) and inserting the following new subsection:

“(f) COMPENSATION.—Compensation for easements acquired by the Secretary under this subchapter shall be made in cash in such amount as agreed to and specified in the easement agreement. Lands may be enrolled through the submission of bids under a procedure established by the Secretary. Commendation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary based on the following option that results in the lowest amount of compensation to be paid by the Secretary:

“(1) A percentage of the fair market value based on the Uniform Standards for Professional Appraisals Procedures, as determined by the Secretary or a percentage of the market value determined by an area-wide market survey.

“(2) A geographic cap, prescribed in regulations issued by the Secretary.

“(3) The offer made by the landowner.”; and

Page 194, line 10, strike “or”.

Page 194, line 11, strike the period and insert “; or”.

Page 194, after line 11, insert the following new clause:

“(iv) improve watershed health.”

Page 206, after line 2, insert the following new subsection (and redesignate the subsequent subsection as subsection (e)):

“(d) AIR QUALITY.—Of the funds made available under subsection (e)(1), the Secretary shall use \$10,000,000 for fiscal year 2008, \$15,000,000 for fiscal year 2009, \$30,000,000 for fiscal year 2010, \$40,000,000 for fiscal year 2011, and \$55,000,000 for fiscal year 2012 to support air quality improvements to help producers meet State and local regulatory requirements related to air quality. Notwithstanding the requirements under subsections (a) and (b), these funds shall be made available to a State on the basis of air quality concerns facing that producers in that State. The funds made available shall be used to provide cost-share and incentive payments to producers.”

Page 206, beginning line 24, strike paragraph (4).

Page 209, line 17, insert after “the Everglades,” the following: “the Sacramento River watershed.”

Page 219, line 23, strike “or organizational purpose”.

Page 220, line 2, strike “and technical ability”.

Page 220, beginning line 9, strike subparagraph (C).

Page 221, beginning line 1, strike subparagraphs (F) and (G).

Page 221, line 12, insert after “eligible entity,” the following: “other than a certified State.”

Page 222, line 19, strike “preserve” and insert “enforce”.

Page 238, line 13, strike “\$1,500,000,000” and insert “\$1,250,000,000”.

Page 264, line 20, strike “section 501(c)(2)” and insert “section 501(c)(3)”.

At the end of title II (page 272, after line 2), add the following new section:

SEC. 2504. PILOT PROGRAM FOR FOUR-YEAR CROP ROTATION FOR PEANUTS.

(a) CONTRACT AUTHORITY.—The Secretary of Agriculture shall enter into a contract with a peanut producer under which the producer will implement a four-year crop rotation for peanuts.

(b) CONTRACT PAYMENTS.—Under the contract, the Secretary shall pay to the producer a contract implementation payment, in an amount determined to be appropriate by the Secretary.

(c) FUNDING.—For each of fiscal years 2008 through 2012, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the provisions under this section, except that funding of the pilot program may not exceed \$10,000,000 in each of such fiscal years.

[TRADE TITLE]

Page 274, strike line 1 and all that follows through line 4 and insert the following:

(e) FOOD AID CONSULTATIVE GROUP.—

(1) REPORT TO CONGRESS.—Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following new subsection:

“(f) REPORT TO CONGRESS.—

“(1) IN GENERAL.—Not later than 180 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, and annually thereafter until December 31, 2012, the Administrator of the United States Agency for International Development, in close consultation with the Group, shall submit to the appropriate congressional committees a report on efforts taken by the United States Agency for International Development and the Department of Agriculture to develop a strategy under this section to achieve an integrated and effective food assistance program.

“(2) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

“(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.”

(2) TERMINATION.—Such section is further amended in subsection (g) (as redesignated by paragraph (1)(A)) by striking “2007” and inserting “2012”.

Page 275, line 14, insert “paragraph” before “(1)”.

Page 275, after line 14, insert the following new paragraph:

“(3) GOVERNMENT ACCOUNTABILITY OFFICE.—Not later than 270 days after the date of the submission of the report under paragraph (2), the Comptroller General of the United States shall submit to the appropriate congressional committees a report that—

“(A) reviews and comments on the report under paragraph (2); and

“(B) provides recommendations regarding any additional actions necessary to improve the monitoring and evaluation of assistance provided under this title.”

Page 275, line 15, strike “(3)” and insert “(4)”.

Page 275, line 21, strike “(4)” and insert “(5)”.

Page 276, line 3, strike the closing quotation marks and the period at the end.

Page 276, after line 3, insert the following:

“(6) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

“(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.”

Page 276, after line 12, insert the following:

(1) by striking “Funds” and inserting “(A) IN GENERAL.—Funds”;

Page 276, line 13, strike “(1)” and insert “(2)”.

Page 276, line 14, strike “and”.

Page 276, line 15, strike “(2)” and insert “(3)”.

Page 276, line 16, strike the period at the end and insert “; and”.

Page 276, after line 16, insert the following:

(4) by adding at the end the following new subparagraph:

“(B) ADDITIONAL PREPOSITIONING SITES.—

“(i) FEASIBILITY ASSESSMENT.—On or after the date of the enactment of the Farm, Nutrition, and Bio-energy Act of 2007, the Administrator is authorized to carry out assessments for the establishment of not less than two sites to determine the feasibility of and costs associated with using such sites for the purpose of storing and handling agricultural commodities for prepositioning in foreign countries.

“(ii) ESTABLISHMENT OF SITES.—Based on the results of the assessments carried out under clause (i), the Administrator is authorized to establish additional sites for pre-positioning in foreign countries.

“(iii) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subparagraph, there are authorized to be appropriated to the Administrator such sums as may be necessary for each of the fiscal years 2008 through 2012.”.

Page 277, after line 16, insert the following:

(1) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended to read as follows:

“(a) AUTHORIZATION OF APPROPRIATIONS.—For each of the fiscal years 2008 through 2012, there are authorized to be appropriated to the President—

“(1) such sums as may be necessary to carry out the concessional credit sales program established under title I,

“(2) \$2,500,000,000 to carry out the emergency and non-emergency food assistance programs under title II, and

“(3) such sums as may be necessary to carry out the grant program established under title III,

including such amounts as may be required to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs under this Act for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.”.

Page 277, strike line 17 and all that follows through line 20 and insert the following:

(m) MICRONUTRIENT FORTIFICATION PROGRAMS.—

(1) PURPOSE.—Subsection (a)(2)(C) of section 415 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g-2) is amended—

(A) by striking “using the same mechanism that was used to assess the micronutrient fortification program in” and inserting “utilizing recommendations from”; and

(B) by striking “with funds from the Bureau for Humanitarian Response of the United States Agency for International Development” and inserting “with implementation by an independent entity with proven impartiality and a mechanism that incorporates the range of stakeholders implementing programs under title II of this Act as well as other food assistance industry experts”.

(2) TERMINATION OF AUTHORITY.—Subsection (d) of such section is amended by striking “2007” and inserting “2012”.

Page 277, line 21, strike “(m)” and insert “(n)”.

Page 278, line 19, strike “(n)” and insert “(o)”.

Page 279, after line 10, insert the following new clause (and redesignate the subsequent clause as clause (iii)):

(ii) in paragraph (1), by striking “3-year period” and inserting “6-month period”.

Page 281, beginning line 9, strike subsection (c).

Page 284, strike line 6 and all that follows through line 10 and insert the following:

SEC. 3010. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.—Subsection (c) of section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by striking “Committee on International Relations” and inserting “Committee on Foreign Affairs”.

(b) FUNDING.—Subsection (a) of section 703 of such Act (7 U.S.C. 5723) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

Page 285, line 14, strike “International Relations” and insert “Foreign Affairs”.

Page 287, after line 7, insert the following:

SEC. 3015. REPORT ON EFFORTS TO IMPROVE PROCUREMENT PLANNING.

(a) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Administrator of the United States Agency for International Development and the Secretary of Agriculture shall submit to the appropriate congressional committees a report on efforts taken by both the United States Agency for International Development and the Department of Agriculture to improve planning for food and transportation procurement, including efforts to eliminate bunching of food purchases.

(b) CONTENTS.—The report required under subsection (a) should include, among other things, a description of efforts taken to—

- (1) improve coordination of food purchases by the United States Agency for International Development and the Department of Agriculture;
 - (2) increase flexibility in procurement schedules;
 - (3) increase utilization of historical analyses and forecasting;
- and
- (4) improve and streamline legal claims processes for resolving transportation disputes.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term “appropriate congressional committees” means—

- (1) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and
- (2) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 3016. INTERNATIONAL DISASTER ASSISTANCE UNDER THE FOREIGN ASSISTANCE ACT OF 1961.

For each of the fiscal years 2008 through 2012, of the amounts made available to carry out section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292), not less than \$40,000,000 for each such fiscal year is authorized be made available for the purposes of famine prevention and relief under such section.

[NUTRITION TITLE]

Page 301, beginning on line 18, strike “and Nutrition Act” and insert “Stamp”.

Page 303, line 14, insert “a” after “in the event of”.

Page 306, line 10, insert “(or fails to address)” after “addresses”.

Page 310, line 25, strike “after paragraph” and insert “inserting after subsection”.

Page 312, line 12, strike “redeem,” and insert “redeem”.

Page 319, line 17, strike “verification of” and insert “verification or”.

Page 323, strike lines 4 and 5, and insert the following:

(ii) by striking “finding of a violation and the” and inserting “finding of a violation,”.

Page 323, line 22, strike “years.” and insert “years”.

Page 324, line 21, strike lines 19 through 21, and insert the following:

“(c) TREATMENT OF DISQUALIFICATION AND PENALTY DETERMINATIONS.—The action”.

Page 325, line 24, insert “is” before “not upheld”.

Page 330, line 19, strike “low income” and insert “low-income”.

Page 332, line 14, insert “and particularly children, as well as the feasibility of replicating these programs in other locations” after “persons”.

Page 333, after line 22, insert the following:

“(iv) strategies to improve the nutritional value of food served during school hours and during after-school hours;

“(v) innovative ways to provide significant improvement to the health and wellness of children;”.

Page 333, line 23, strike “(iv)” and insert “(vi)”.

Page 336, line 16, strike “paragraph” and insert “subsection”.

Page 340, line 16, strike “Action” and insert “Act”.

Page 345, line 22, strike “(a) AMENDMENT.—”.

[CREDIT TITLE]

In section 304(c)(2)(B) of the Consolidated Farm and Rural Development Act, as proposed to be added by section 5001 of the bill, strike “\$1,000,000” and insert “\$1,000,000,000”.

In section 310F(b)(1)(C) of the Consolidated Farm and Rural Development Act, as proposed to be added by section 5004 of the bill, strike “be at” and insert “be, at”.

At the end of subtitle A of title V, insert the following:

SEC. 5005. LOANS TO PURCHASERS OF HIGHLY FRACTIONED LANDS.

Section 1 of Public Law 91–229 (25 U.S.C. 488) is amended by adding at the end the following: “The Secretary of Agriculture may make and insure loans as provided in section 309 of the Consolidated Farm and Rural Development Act to eligible purchasers of highly fractionated land pursuant to section 204(c) of the Indian Land Consolidation Act. Section 4 of this Act shall not apply to trust or restricted tribal or tribal corporation property mortgaged pursuant to the preceding sentence.”.

In section 1.9(4) of the Farm Credit Act of 1971, as proposed to be added by section 5031(a)(1)(C) of the bill, strike “under this title to a person” and insert “to a person made eligible under this paragraph if the person is”.

In section 2.4(a)(4) of the Farm Credit Act of 1971, as proposed to be added by section 5031(b)(3) of the bill, strike “under this title

to a person” and insert “to a person made eligible under this paragraph if the person is”.

Strike section 5040.

[RURAL DEVELOPMENT TITLE]

In section 6009(a)(3), strike “subparagraphs (D) and (F)” and insert “subparagraph (D)”, and strike “and” after the semicolon.

In section 6009(a)(4), strike “adding at the end” and insert “inserting after subparagraph (D) (as so redesignated)”, and strike the period after the subparagraph (E) proposed to be added and insert “; and”.

In subparagraph (E) of section 310B(e)(5) of the Consolidated Farm and Rural Development Act, as proposed to be added by section 6009(a)(4) of the bill, strike the period and insert “; and”.

At the end of section 6009(a), insert the following:

(5) in subparagraph (F), by striking “greater than” the 1st place it appears.

In section 310B(i)(2) of the Consolidated Farm and Rural Development Act, as proposed to be added by section 6011 of the bill, strike “the” after “help”.

In section 601(c)(3)(A)(ii) of the Rural Electrification Act of 1936, as proposed to be added by section 6023(b)(2) of the bill, strike “services” and insert “service”.

In section 601(l)(4)(A) of the Rural Electrification Act of 1936, as proposed to be added by section 6023(i) of the bill, strike “(b)” each place it appears and insert “(d)”.

[RESEARCH TITLE]

Page 456, line 10, strike “(c)” and insert “(e)”.

Page 456, lines 14 and 15, strike “or otherwise administered”.

Page 456, lines 17 and 18, strike “except as provided under subsection (a)(14)”.

Page 458, line 7, insert “and universities” after “colleges”.

Page 459, line 2, insert “AND UNIVERSITY” before the period.

Page 459, line 3, insert “and university” before the quotation marks.

Page 459, line 4, strike “a” and insert “an”.

Page 459, line 5, strike “as defined” and all that follows through line 7 and insert “; and”.

Page 459, strike lines 8 through 10, and insert the following:

(b) offers associate, bachelor’s, or other accredited degree programs in agricultural related fields, as determined by the Secretary.

Page 470, lines 9 and 10, strike “(8) and (12)” and insert “(7) and (11)”.

Page 474, line 17, insert “for Research, Education, and Economics” after “Secretary”.

Page 477, line 21, insert “, except that section 401(b)(3) of such Act shall not be repealed and shall remain in effect” before the period.

Page 477, line 24, strike “(c)” and insert “(d)”.

Page 495, line 10, insert “to” before “acquire”.

Page 497, line 10, strike “as defined” and all that follows through line 12, and insert “; and”.

Page 497, line 15, insert “, as determined by the Secretary” before the period.

Page 498, line 17, strike “of Agriculture”.

Page 499, lines 13 and 14, strike “of the Treasury”.

Page 500, line 7, strike “section” and insert “paragraph”.

Page 501, line 24, strike “of Agriculture”.

Page 502, line 4, strike “of Agriculture”.

Page 502, line 12, insert “EXTENSION” after “(b)”.

Page 502, line 18, strike “section 4” and insert “subparagraph (D)”.

Page 504, line 3, insert “, as defined in section 1456 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3289)” after “universities”.

Page 504, line 7, insert “, as defined in section 1456 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3289)” after “universities”.

Page 504, line 11, insert “, as defined in section 1456 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3289)” after “universities”.

Page 506, line 1, strike “**RESEARCH FACILITIES**” and insert “**ASSISTANCE PROGRAMS**”.

Page 507, after line 6, insert the following new sections:

SEC. 7234. HISPANIC SERVING INSTITUTIONS.

The text of section 1404 of the Research Act of 1977 is amended to read as follows: “The term ‘Hispanic Serving Institution’ has the meaning given that term in section 502(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)(5)).”

SEC. 7235. SPECIALTY CROPS POLICY RESEARCH INSTITUTE.

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended by adding at the end the following:

“(e) SPECIALTY CROPS POLICY RESEARCH INSTITUTE.—

“(1) ESTABLISHMENT.—The Food Agricultural Policy Research Institute shall establish a satellite institute, called the Specialty Crops Policy Research Institute, hereinafter referred to as the Institute, at accredited research universities within States with significant specialty crop industries to fulfill the objectives described in subsection (e)(3) of this section.

“(2) MANAGEMENT.—The Institute shall be coordinated and managed by an appointed university and will have the discretion to coordinate and facilitate the Institute’s economic and policy research activities and those of additional member universities and institutions.

“(3) INSTITUTE OBJECTIVES.—Consistent with the provisions of subsections (a) and (c) of this section, the Institute shall—

“(A) produce and disseminate analysis of the specialty crop sector, including the impact of changes in domestic and international markets, production, new product technologies, web-based risk management tools, alternative policies and macroeconomic conditions on specialty crop production, use, farm and retail prices, and farm income and financial stability from a national, regional, and farm-level perspective; and

“(B) produce and disseminate an annual review of the economic state of the specialty crop industry nationally, regionally, and by-state.

- “(4) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated such sums as are necessary in each fiscal year through 2012 to carry out this section.”.
- Page 521, line 12, insert “section 103 of the Agricultural Research, Extension, and Education Reform Act of 1998” after “with”.
- Page 522, line 19, insert “note” after “1621”.
- Page 523, line 13, strike “and”.
- Page 523, after line 14, insert the following:
- (G) policy and marketing; and
 - (H) specialty crop pollination;
- Page 531, line 12, strike “and”.
- Page 531, line 14, strike the period and insert “; and”.
- Page 531, after line 14, insert the following:
- (3) in subsection (c), by striking “such sums may be used to pay” and all that follows through “work.”.
- Page 531, strike lines 15 through 25.
- Page 533, strike “1444 and”.
- Page 541, strike lines 11 through 17.
- [FORESTRY TITLE]
- Page 548, beginning line 4, strike subparagraph (E).
- Page 549, beginning line 1, strike clause (viii) and insert the following new clause:
- “(viii) A representative from a State Technical Committee established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3861).”.
- Page 549, line 24, strike “sections 8005 and 8006” and insert “sections 8006 and 8007”.
- Page 551, line 14, strike “three” and insert “3”.
- Page 553, line 12, strike “\$17,000,000” and insert “\$10,000,000”.
- Page 557, after line 2, insert the following new subsection (and redesignate the subsequent subsection as subsection (d)):
- (c) DEFINITION OF HISPANIC-SERVING INSTITUTION.—In this section, the term “Hispanic-serving institution” has the meaning given that term in section 502(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)(5)).
- [ENERGY TITLE]
- Page 564, after line 19 insert the following new paragraph:
- (5) in paragraph (2)(B) of subsection (f) (as so redesignated)—
 - (A) in clause (viii), by striking “and” at the end;
 - (B) in clause ix, by striking “approaches.” and inserting “approaches; and”; and
 - (C) by adding at the end the following new clause:
 - “(x) whether the impact the distribution of funds would have on existing manufacturing and other facilities that utilize similar feedstocks would be minimal.”.
- Page 597, after line 25 insert the following new paragraph:
- (E) by adding at the end the following new paragraph:
 - “(8) RENEWAL OF CONTRACTS.—When considering the renewal of a contract under this section, the Secretary shall review such contract to determine whether the production of bioenergy at the facility under contract is economically viable and reconsider the need for the contract based on that determination.”.

In section 9002, strike subsection (d) and insert the following new subsection:

(d) AUTHORIZATION OF APPROPRIATIONS.—Paragraph (1) of section 9002(k) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(k)) is amended to read as follows:

“(1) AUTHORIZATION OF APPROPRIATIONS.—

“(A) FEDERAL PROCUREMENT.—There are authorized to be appropriated \$1,000,000 for each of fiscal years 2008 through 2013 to implement the provisions of this section other than subsection (h).

“(B) LABELING.—There are authorized to be appropriated \$1,000,000 for each of fiscal years 2008 through 2013 to implement subsection (h) of this section.”.

In section 9002(f), strike paragraph (3).

Page 598, line 4, strike “Section” and insert:

(a) WESTERN INSULAR PACIFIC CENTER.—Section 9011(d) is amended by adding at the end the following new paragraph:

“(6) WESTERN INSULAR PACIFIC CENTER.—A western insular pacific center at the University of Hawaii for the region of Alaska, Hawaii, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section Strike section 9014.

[HORTICULTURE TITLE]

Section 10102 is amended by adding at the end the following new subsection:

(e) DEFINITION OF STATE.—Section 3(2) of the Specialty Crops Competitiveness Act of 2004 (Public Law 108-465; 7 U.S.C. 1621 note) is amended by striking “and the Commonwealth of Puerto Rico” and inserting “the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands”.

In section 209(e)(2) of the Agricultural Marketing Act of 1946, as proposed to be added by section 10108 of the bill, strike “authorized” and insert “authorize”.

In section 10201(j), strike “fo” and insert “of”.

In section 7407(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c(b)), as amended by section 10302 of the bill, strike “of funds of the Commodity” and insert “of the funds of the Commodity”.

In the heading of section 10404, strike “**FARMERS’ MARKET PROMOTION PROGRAM**” and insert “**FARMER MARKETING ASSISTANCE PROGRAM**”.

Section 6(f)(1) of the Farmer-to-Consumer Direct Marketing Act of 1976, as added by section 10404 of the bill, is amended by striking “Secretary of Agriculture use” and inserting “Secretary of Agriculture shall use”.

Section 6(f)(1)(A) of the Farmer-to-Consumer Direct Marketing Act of 1976, as added by section 10404 of the bill, is amended by striking “fiscals year” and inserting “fiscal years”.

At the end of subtitle E of title X add the following new section:

SEC. ____ . HEALTHY FOOD URBAN ENTERPRISE DEVELOPMENT PROGRAM.

(a) **PURPOSE.**—The purpose of this section is to support farm and ranch income by significantly enhancing a producer’s share of the final retail product price through improved access to competitive processing and distribution systems which deliver affordable, locally and regionally produced foods to consumers, and improve food access in underserved communities.

(b) **DEFINITIONS.**—In this section:

(1) **ELIGIBLE ENTITY.**—The term “eligible entity” includes—

- (A) a small or midsized processor, distributor, wholesaler, or retail food outlet;
- (B) a group of producers operating as a legally recognized marketing alliance;
- (C) a producer-owned cooperative;
- (D) a nonprofit organization;
- (E) an economic development or community development corporation;
- (F) a unit of State or local government; and
- (G) an academic institution.

(2) **INDIAN TRIBE.**—The term “Indian tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) **SECRETARY.**—The term “Secretary” means the Secretary of Agriculture.

(4) **SOCIALLY DISADVANTAGED FARMER OR RANCHER.**—The term “socially disadvantaged farmer or rancher” has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

(5) **UNDERSERVED COMMUNITY.**—The term “underserved community” includes any community that may have, as determined by the Secretary—

- (A) limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets;
- (B) high incidences of diet-related diseases, including obesity;
- (C) high rates of hunger or food insecurity; or
- (D) severe or persistent poverty in urban or rural communities, including Indian tribal communities.

(c) **GRANT PROGRAM.**—

(1) **ESTABLISHMENT.**—The Secretary, acting through the head of the market services branch of the Agricultural Marketing Service, shall establish a program under which the Secretary shall provide grants, on a competitive basis, to eligible entities to conduct enterprise feasibility studies (including studies of consumer preference), in accordance with the purpose of this section.

(2) **APPLICATION.**—To be eligible to receive a grant under this subsection, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(3) **COORDINATION WITH OTHER AGENCIES.**—In carrying out the program under this subsection, the Secretary shall coordi-

nate, with respect to the development of the program and reviews of grant applications, with—

(A) the Cooperative State Research, Education, and Extension Service; and

(B) the Rural Business Cooperative Service.

(4) PRIORITY.—In providing grants under this subsection, the Secretary shall give priority to applications with proposed projects that—

(A) include features effectively targeting participation by socially disadvantaged farmers or ranchers or beginning farmers or ranchers;

(B) increase employment opportunities in underserved communities;

(C) support small and mid-sized farm viability and increase farming opportunities; or

(D) establish and maintain satisfactory environmental and labor standards, including worker protection.

(5) MAXIMUM AMOUNT.—The amount of a grant provided under this subsection shall not exceed \$250,000.

(6) TERM.—A grant provided under this subsection shall have a term of not more than 3 years.

(7) REPORTS.—

(A) IN GENERAL.—Each eligible entity that receives a grant under this subsection shall submit to the Secretary an annual report describing the results and progress of each feasibility study to ensure sufficient progress is achieved with respect to the goals of the projects carried out by the eligible entity.

(B) PUBLIC AVAILABILITY.—The Secretary shall ensure that any information contained in a report under subparagraph (A) relating to consumer preference or producer availability is made available to the public.

(8) FUNDING.—There are authorized to be appropriated such sums as are necessary for each of fiscal years 2008 through 2012 to carry out this section.

(d) GRANT PROGRAM REQUIREMENTS.—

(1) TECHNICAL ASSISTANCE AND OUTREACH.—

(A) IN GENERAL.—The Secretary shall—

(i) provide to the public information relating to the grant programs under this section; and

(ii) provide technical assistance to—

(I) socially disadvantaged farmers or ranchers;

(II) Indian tribal organizations;

(III) low-income populations; and

(IV) other underserved communities and producers.

(B) SERVICE PROVIDERS.—In carrying out subparagraph (A), the Secretary may enter into contracts, on a competitive basis, with entities that, as determined by the Secretary—

(i) demonstrate experience in serving socially disadvantaged farmers or ranchers and other underserved communities and producers;

- (ii) include, in the governance structure of the entity, 2 or more members representing the targeted communities served by the entity; and
- (iii) will share information developed or used by the entity with—
 - (I) researchers;
 - (II) practitioners; and
 - (III) other interested parties.

(2) LIMITATIONS.—For purposes of the programs under this section, the Secretary—

(A) shall not give preference to any entity based on an agricultural commodity produced or supported by the entity; and

(B) shall encourage, to the maximum extent practicable, projects that use infrastructure efficiently for more than 1 agricultural product.

(3) REPORT.—Not less frequently than once each year, the Secretary shall submit to Congress a report that describes the programs (including the level of participation in each program) under this section, including information relating to—

(A) projects carried out under this section;

(B) characteristics of the agricultural producers and communities served by the projects;

(C) the benefits of the projects;

(D) data necessary to comply with—

(i) section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279–1); or

(ii) section 8(b)(5)(B) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)); and

(E) outreach and technical assistance activities carried out by the Secretary under paragraph (1).

Strike section 10401.

[MISCELLANEOUS TITLE]

Strike section 11105.

Page 683, line 23, strike “production” and insert “production.”.

Page 684, strike line 5 through page 685, line 9 and insert the following:

“(3) YIELD DETERMINATION BASED ON COUNTY ACTUAL PRODUCTION HISTORY.—If an agricultural commodity ineligible for insurance as described in paragraph (2) is planted for 4 years, beginning with the fifth year in which the commodity is planted, the producer of the commodity may procure crop insurance for the commodity under this title. The yield for such crop insurance shall be determined only—

“(A) by using the actual production history for the farm; and

“(B) for each year in which the farm does not have an actual production history, by using the average actual production history for the commodity in the county in which the farm is located.”.

Page 685, line 20: strike “that” and insert “than”.

At the end of subtitle A of title XI (page 687, after line 19), add the following new sections:

SEC. 11013. NATIONAL DROUGHT COUNCIL AND DROUGHT PREPAREDNESS PLANS.

(a) DEFINITIONS.—In this section:

(1) COUNCIL.—The term “Council” means the National Drought Council established by this section.

(2) CRITICAL SERVICE PROVIDER.—The term “critical service provider” means an entity that provides power, water (including water provided by an irrigation organization or facility), sewer services, or wastewater treatment.

(3) DROUGHT.—The term “drought” means a natural disaster that is caused by a deficiency in precipitation—

(A) that may lead to a deficiency in surface and subsurface water supplies (including rivers, streams, wetlands, ground water, soil moisture, reservoir supplies, lake levels, and snow pack); and

(B) that causes or may cause—

(i) substantial economic or social impacts; or

(ii) physical damage or injury to individuals, property, or the environment.

(4) FUND.—The term “Fund” means the Drought Assistance Fund established by this section.

(5) INDIAN TRIBE.—The term “Indian tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(6) INTERSTATE WATERSHED.—The term “interstate watershed” means a watershed that transcends State or Tribal boundaries, or both.

(7) MEMBER.—The term “member”, with respect to the National Drought Council, means a member of the Council specified or appointed under this section or, in the absence of the member, the member’s designee.

(8) MITIGATION.—The term “mitigation” means a short- or long-term action, program, or policy that is implemented in advance of or during a drought to minimize any risks and impacts of drought.

(9) NEIGHBORING COUNTRY.—The term “neighboring country” means Canada and Mexico.

(10) OFFICE.—The term “Office” means the National Office of Drought Preparedness established under this section.

(11) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(12) STATE.—The term “State” means the several States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, and the United States Virgin Islands.

(13) TRIGGER.—The term “trigger” means the thresholds or criteria that must be satisfied before mitigation or emergency assistance may be provided to an area—

(A) in which drought is emerging; or

(B) that is experiencing a drought.

(14) UNDER SECRETARY.—The term “Under Secretary” means the Under Secretary of Agriculture for Natural Resources and Environment.

(15) WATERSHED.—The term “watershed” means a region or area with common hydrology, an area drained by a waterway

that drains into a lake or reservoir, the total area above a given point on a stream that contributes water to the flow at that point, or the topographic dividing line from which surface streams flow in two different directions. In no case shall a watershed be larger than a river basin.

(16) WATERSHED GROUP.—The term “watershed group” means a group of individuals, formally recognized by the appropriate State or States, who represent the broad scope of relevant interests within a watershed and who work together in a collaborative manner to jointly plan the management of the natural resources contained within the watershed.

(b) EFFECT OF SECTION.—This section does not affect—

(1) the authority of a State to allocate quantities of water under the jurisdiction of the State; or

(2) any State water rights established as of the date of enactment of this Act.

(c) NATIONAL DROUGHT COUNCIL.—

(1) ESTABLISHMENT.—There is established in the Office of the Secretary of Agriculture a council to be known as the “National Drought Council”.

(2) MEMBERSHIP.—

(A) COMPOSITION.—The Council shall be composed of—

(i) the Secretary (or the designee of the Secretary);

(ii) the Secretary of Commerce (or the designee of the Secretary of Commerce);

(iii) the Secretary of the Army (or the designee of the Secretary of the Army);

(iv) the Secretary of the Interior (or the designee of the Secretary of the Interior);

(v) the Director of the Federal Emergency Management Agency (or the designee of the Director);

(vi) the Administrator of the Environmental Protection Agency (or the designee of the Administrator);

(vii) 4 members appointed by the Secretary, in coordination with the National Governors Association, each of whom shall be the Governor of a State (or the designee of the Governor) and who collectively shall represent the geographic diversity of the Nation;

(viii) 1 member appointed by the Secretary, in coordination with the National Association of Counties;

(ix) 1 member appointed by the Secretary, in coordination with the United States Conference of Mayors;

(x) 1 member appointed by the Secretary of the Interior, in coordination with Indian tribes, to represent the interests of tribal governments; and

(xi) 1 member appointed by the Secretary, in coordination with the National Association of Conservation Districts, to represent local soil and water conservation districts.

(B) DATE OF APPOINTMENT.—The appointment of each member of the Council shall be made not later than 120 days after the date of enactment of this Act.

(3) TERM; VACANCIES.—

- (A) TERM.—A non-Federal member of the Council appointed under paragraph (2) shall be appointed for a term of two years.
- (B) VACANCIES.—A vacancy on the Council—
- (i) shall not affect the powers of the Council; and
 - (ii) shall be filled in the same manner as the original appointment was made.
- (C) TERMS OF MEMBERS FILLING VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.
- (4) MEETINGS.—
- (A) IN GENERAL.—The Council shall meet at the call of the co-chairs.
- (B) FREQUENCY.—The Council shall meet at least semi-annually.
- (5) QUORUM.—A majority of the members of the Council shall constitute a quorum, but a lesser number may hold hearings or conduct other business.
- (6) COUNCIL LEADERSHIP.—
- (A) IN GENERAL.—There shall be a Federal co-chair and non-Federal co-chair of the Council.
- (B) APPOINTMENT.—
- (i) FEDERAL CO-CHAIR.—The Secretary shall be Federal co-chair.
 - (ii) NON-FEDERAL CO-CHAIR.—The non-Federal members of the Council shall select, on a biannual basis, a non-Federal co-chair of the Council from among the members appointed under paragraph (2)
- (7) DIRECTOR OF THE OFFICE.—
- (A) IN GENERAL.—The Director of the Office shall serve as Secretary of the Council.
- (B) DUTIES.—The Director of the Office shall serve the interests of all members of the Council.
- (d) DUTIES OF THE COUNCIL.—
- (1) IN GENERAL.—The Council shall—
- (A) not later than one year after the date of the first meeting of the Council, develop a comprehensive National Drought Policy Action Plan that—
 - (i)(I) delineates and integrates responsibilities for activities relating to drought (including drought preparedness, mitigation, research, risk management, training, and emergency relief) among Federal agencies; and
 - (II) ensures that those activities are coordinated with the activities of the States, local governments, Indian tribes, and neighboring countries;
 - (ii) is consistent with—
 - (I) this Act and other applicable Federal laws; and
 - (II) the laws and policies of the States for water management;

(iii) is integrated with drought management programs of the States, Indian tribes, local governments, watershed groups, and private entities; and

(iv) avoids duplicating Federal, State, tribal, local, watershed, and private drought preparedness and monitoring programs in existence on the date of enactment of this Act;

(B) evaluate Federal drought-related programs in existence on the date of enactment of this Act and make recommendations to Congress and the President on means of eliminating—

(i) discrepancies between the goals of the programs and actual service delivery;

(ii) duplication among programs; and

(iii) any other circumstances that interfere with the effective operation of the programs;

(C) make recommendations to the President, Congress, and appropriate Federal Agencies on—

(i) the establishment of common interagency triggers for authorizing Federal drought mitigation programs; and

(ii) improving the consistency and fairness of assistance among Federal drought relief programs;

(D) encourage and facilitate the development of drought preparedness plans under subtitle C, including establishing the guidelines under this section;

(E) based on a review of drought preparedness plans, develop and make available to the public drought planning models to reduce water resource conflicts relating to water conservation and droughts;

(F) develop and coordinate public awareness activities to provide the public with access to understandable, and informative materials on drought, including—

(i) explanations of the causes of drought, the impacts of drought, and the damages from drought;

(ii) descriptions of the value and benefits of land stewardship to reduce the impacts of drought and to protect the environment;

(iii) clear instructions for appropriate responses to drought, including water conservation, water reuse, and detection and elimination of water leaks;

(iv) information on State and local laws applicable to drought; and

(v) opportunities for assistance to resource-dependent businesses and industries in times of drought; and

(G) establish operating procedures for the Council.

(2) CONSULTATION.—In carrying out this subsection, the Council shall consult with groups affected by drought emergencies.

(3) REPORTS TO CONGRESS.—

(A) ANNUAL REPORT.—

(i) IN GENERAL.—Not later than one year after the date of the first meeting of the Council, and annually thereafter, the Council shall submit to Congress a report on the activities carried out under this section.

(ii) INCLUSIONS.—

(I) IN GENERAL.—The annual report shall include a summary of drought preparedness plans.

(II) INITIAL REPORT.—The initial report submitted under subparagraph (A) shall include any recommendations of the Council.

(B) FINAL REPORT.—Not later than seven years after the date of enactment of this Act, the Council shall submit to Congress a report that recommends—

(i) amendments to this section; and

(ii) whether the Council should continue.

(e) POWERS OF THE COUNCIL.—

(1) HEARINGS.—The Council may hold hearings, meet and act at any time and place, take any testimony and receive any evidence that the Council considers advisable to carry out this section.

(2) INFORMATION FROM FEDERAL AGENCIES.—

(A) IN GENERAL.—The Council may obtain directly from any Federal agency any information that the Council considers necessary to carry out this section.

(B) PROVISION OF INFORMATION.—

(i) IN GENERAL.—Except as provided in clause (ii), on request of the Secretary or the non-Federal co-chair of the Council, the head of a Federal agency may provide information to the Council.

(ii) LIMITATION.—The head of a Federal agency shall not provide any information to the Council that the Federal agency head determines the disclosure of which may cause harm to national security interests.

(3) POSTAL SERVICES.—The Council may use the United States mail in the same manner and under the same conditions as other agencies of the Federal Government.

(4) GIFTS.—The Council may accept, use, and dispose of gifts or donations of services or property.

(f) COUNCIL PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—

(A) NON-FEDERAL EMPLOYEES.—A member of the Council who is not an officer or employee of the Federal Government shall serve without compensation.

(B) FEDERAL EMPLOYEES.—A member of the Council who is an officer or employee of the United States shall serve without compensation in addition to the compensation received for services of the member as an officer or employee of the Federal Government.

(2) TRAVEL EXPENSES.—A member of the Council shall be allowed travel expenses at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Council.

(g) TERMINATION OF COUNCIL.—The Council shall terminate at the end of the eighth fiscal year beginning on or after the date of the enactment of this Act.

(h) NATIONAL OFFICE OF DROUGHT PREPAREDNESS.—

- (1) ESTABLISHMENT.—The Secretary shall establish an office to be known as the “National Office of Drought Preparedness” to provide assistance to the Council.
- (2) DIRECTOR OF THE OFFICE.—
- (A) APPOINTMENT.—
- (i) IN GENERAL.—The Under Secretary shall appoint a Director of the Office under sections 3371 through 3375 of title 5, United States Code.
- (ii) QUALIFICATIONS.—The Director of the Office shall be a person who has experience in—
- (I) public administration; and
- (II) drought mitigation or drought management.
- (B) POWERS.—The Director of the Office may hire such other additional personnel or contract for services with other entities as necessary to carry out the duties of the Office.
- (3) DETAIL OF GOVERNMENT EMPLOYEES.—
- (A) IN GENERAL.—Except for the requirements of section 204, an employee of the Federal Government may be detailed to the Office without reimbursement, unless the Secretary, on the recommendation of the Director of the Office, determines that reimbursement is appropriate.
- (B) CIVIL SERVICE STATUS.—The detail of an employee shall be without interruption or loss of civil service status or privilege.
- (i) DROUGHT ASSISTANCE FUND.—
- (1) ESTABLISHMENT.—There is established within the Department of Agriculture a fund to be known as the “Drought Assistance Fund”.
- (2) PURPOSE.—The Fund shall be used to pay the costs of—
- (A) providing technical and financial assistance (including grants and cooperative assistance) to States, Indian tribes, local governments, watershed groups, and critical service providers for the development and implementation of drought preparedness plans;
- (B) providing to States, Indian tribes, local governments, watershed groups, and critical service providers the Federal share, as determined by the Secretary, in consultation with the other members of the Council, of the cost of mitigating the overall risk and impacts of droughts;
- (C) assisting States, Indian tribes, local governments, watershed groups, and critical service providers in the development of mitigation measures to address environmental, economic, and human health and safety issues relating to drought; and
- (D) expanding the technology transfer of drought and water conservation strategies and innovative water supply techniques.
- (3) GUIDELINES.—
- (A) IN GENERAL.—The Secretary, in consultation with the non-Federal co-chair of the Council and with the concurrence of the Council, shall develop and promulgate guidelines to implement this subsection.
- (B) REQUIREMENTS.—The guidelines shall address the following:

(i) Ensure the distribution of amounts from the Fund within a reasonable period of time.

(ii) Take into consideration regional differences.

(iii) Take into consideration all impacts of drought in a balanced manner.

(iv) Prohibit the use of amounts from the Fund for Federal salaries that are not directly related to the provision of drought assistance.

(v) Require that distribution of amounts from the Fund granted to States, local governments, watershed groups, and critical service providers to meet the requirements of this subsection be coordinated with and managed by the State in which such local government or critical service provider is located, consistent with the drought preparedness priorities and relevant water management plans within the State.

(vi) Require that distribution of amounts from the Fund granted to Indian tribes to meet the requirements of this subsection be used to implement plans that are, to the extent practicable, in coordination with each State in which lands of the Indian tribe are located and consistent with existing drought preparedness and water management plans of such States.

(vii) Require that a State, Indian tribe, local government, watershed group, or critical service provider that receives Federal funds under paragraph (2) or (3) of subsection (b) cover not less than 25 percent of the overall cost incurred in carrying out the project for which the Federal funds are provided. This cost sharing requirement may be satisfied using non-Federal grants or cash donations made by non-Federal third parties.

(4) SPECIAL REQUIREMENT FOR INTERSTATE WATERSHEDS.—

(A) DEVELOPMENT OF DROUGHT PREPAREDNESS PLANS.—

In order to receive funds under this subsection to develop drought preparedness plans for interstate watersheds, the guidelines shall also require the relevant States, Indian tribes, or both, in which the watershed is located, to coordinate in the development of the drought preparedness plan. The development of such plans shall—

(i) be consistent with the relevant States' and Tribal water laws, policies, and agreements;

(ii) be consistent and coordinated with any existing interstate stream compacts;

(iii) include the participation of any relevant watershed groups located in the relevant States, Indian tribes, or both; and

(iv) recognize that implementation of the interstate drought preparedness plan will involve further coordination among the relevant States, Indian tribes, or both, except that each State and Indian tribe has sole jurisdiction over implementation of that portion of the watershed that exists within their boundaries.

(B) IMPLEMENTATION OF DROUGHT PREPAREDNESS PLANS.—In order to receive funds under this subsection to

implement drought preparedness plans for interstate watersheds, the guidelines shall also require, to the extent practicable, the relevant States, Indian tribes, or both, in which the watershed is located, to coordinate in the implementation of the drought preparedness plan, recognizing the sovereignty of the States and Indian tribes. Implementation of interstate drought preparedness plans shall—

- (i) be contingent upon the existence of a drought preparedness plan, but not require the distribution of funds to all States and Indian tribes in which the watershed is located;
- (ii) consider the level of impact within the watershed on each of the relevant States, Indian tribes, or both; and
- (iii) not impede on State water rights established as of the date of enactment of this Act.

(j) DROUGHT PREPAREDNESS PLANS.—

(1) IN GENERAL.—The Secretary shall—

(A) with the concurrence of the Council, jointly develop guidelines for administering a national program to provide technical and financial assistance to States, Indian tribes, local governments, watershed groups, and critical service providers for the development, maintenance, and implementation of drought preparedness plans; and

(B) promulgate the guidelines developed under subparagraph (A).

(2) REQUIREMENTS.—To build on the experience and avoid duplication of efforts of Federal, State, local, tribal, and regional drought plans in existence on the date of enactment of this Act, the guidelines may recognize and incorporate those plans.

(3) FEDERAL PLANS.—

(A) IN GENERAL.—The Secretary and other appropriate Federal agency heads shall develop and implement Federal drought preparedness plans for agencies under the jurisdiction of the appropriate Federal agency head.

(B) REQUIREMENTS.—The Federal plans—

- (i) shall be integrated with each other;
- (ii) may be included as components of other Federal planning requirements;
- (iii) shall be integrated with drought preparedness plans of State, tribal, and local governments that are affected by Federal projects and programs; and
- (iv) shall be completed not later than two years after the date of the enactment of this Act.

(4) STATE AND TRIBAL PLANS.—States and Indian tribes may develop and implement State and tribal drought preparedness plans that—

- (A) address monitoring of resource conditions that are related to drought;
- (B) identify areas that are at a high risk for drought;
- (C) describes mitigation strategies to address and reduce the vulnerability of an area to drought; and
- (D) are integrated with State, tribal, and local water plans in existence on the date of enactment of this Act.

(5) REGIONAL AND LOCAL PLANS.—Local governments, watershed groups, and regional water providers may develop and implement drought preparedness plans that—

(A) address monitoring of resource conditions that are related to drought;

(B) identify areas that are at a high risk for drought;

(C) describe mitigation strategies to address and reduce the vulnerability of an area to drought; and

(D) are integrated with corresponding State plans.

(6) PLAN ELEMENTS.—A drought preparedness plan—

(A) shall be consistent with Federal and State laws, contracts, and policies;

(B) shall allow each State to continue to manage water and wildlife in the State;

(C) shall address the health, safety, and economic interests of those persons directly affected by drought;

(D) shall address the economic impact on resource-dependent businesses and industries, including regional tourism;

(E) may include—

(i) provisions for water management strategies to be used during various drought or water shortage thresholds, consistent with State water law;

(ii) provisions to address key issues relating to drought (including public health, safety, economic factors, and environmental issues such as water quality, water quantity, protection of threatened and endangered species, and fire management);

(iii) provisions that allow for public participation in the development, adoption, and implementation of drought plans;

(iv) provisions for periodic drought exercises, revisions, and updates;

(v) a hydrologic characterization study to determine how water is being used during times of normal water supply availability to anticipate the types of drought mitigation actions that would most effectively improve water management during a drought;

(vi) drought triggers;

(vii) specific implementation actions for droughts;

(viii) a water shortage allocation plan, consistent with State water law; and

(ix) comprehensive insurance and financial strategies to manage the risks and financial impacts of droughts; and

(F) shall take into consideration—

(i) the financial impact of the plan on the ability of the utilities to ensure rate stability and revenue stream; and

(ii) economic impacts from water shortages.

(k) AUTHORIZATION OF APPROPRIATIONS.—

(1) COUNCIL.—There is authorized to be appropriated to carry out the activities of the Council \$2,000,000 for fiscal year 2008 and for each of the subsequent seven fiscal years.

(2) FUND.—There are authorized to be appropriated to the Fund such sums as are necessary to carry out subsection (i).

SEC. 11014. PAYMENT OF PORTION OF PREMIUM FOR AREA REVENUE PLANS.

Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended—

(1) in paragraph (2), in the matter preceding subparagraph (A), by striking “paragraph (4)” and inserting “paragraphs (4), (6), and (7)”; and

(2) by adding at the end the following:

“(6) PREMIUM SUBSIDY FOR AREA REVENUE PLANS.—Subject to paragraph (4), in the case of a policy or plan of insurance that covers losses due to a reduction in revenue in an area, the amount of the premium paid by the Corporation shall be as follows:

“(A) In the case of additional area coverage equal to or greater than 70 percent, but less than 75 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

“(i) 59 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

“(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

“(B) In the case of additional area coverage equal to or greater than 75 percent, but less than 85 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

“(i) 55 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

“(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

“(C) In the case of additional area coverage equal to or greater than 85 percent, but less than 90 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

“(i) 49 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

“(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

“(D) In the case of additional area coverage equal to or greater than 90 percent of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

“(i) 44 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

“(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

“(7) PREMIUM SUBSIDY FOR AREA YIELD PLANS.—Subject to paragraph (4), in the case of a policy or plan of insurance that covers losses due to a loss of yield or prevented planting in an area, the amount of the premium paid by the Corporation shall be as follows:

“(A) In the case of additional area coverage equal to or greater than 70 percent, but less than 80 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

“(i) 59 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

“(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

“(B) In the case of additional area coverage equal to or greater than 80 percent, but less than 90 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

“(i) 55 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

“(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

“(C) In the case of additional area coverage equal to or greater than 90 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

“(i) 51 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

“(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.”.

Page 715, strike lines 13 through 25 and insert the following:

“(A) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity that is beef, lamb, pork, or goat may designate the covered commodity as exclusively having a United States country of origin only if the covered commodity is derived from an animal that was—

“(i) exclusively born, raised, and slaughtered in the United States;

“(ii) born and raised in Alaska or Hawaii and transported for a period of not more than 60 days through Canada to the United States and slaughtered in the United States; or

“(iii) present in the United States on or before January 1, 2008.”.

Page 718, strike lines 16 through 22 and insert the following:

“(4) DESIGNATION OF COUNTRY OF ORIGIN FOR PERISHABLE AGRICULTURAL COMMODITIES AND PEANUTS.—

“(A) IN GENERAL.—A retailer of a covered commodity that is a perishable agricultural commodity or peanut may designate the covered commodity as having a United States country of origin only if the covered commodity is exclusively produced in the United States.

“(B) STATE, REGION, LOCALITY OF THE UNITED STATES.—With respect to a covered commodity that is a perishable agricultural commodity produced exclusively in the United States, designation by a retailer of the State, region, or locality of the United States where such commodity was produced shall be sufficient to identify the United States as the country of origin.”; and

Page 720, line 22 strike “; and” and insert “.”.

Page 720, strike line 23 and all that follows through page 721, line 9.

Page 724, line 11, strike “farmers and rancher” and insert “farmers and ranchers”.

Page 725, beginning line 8, strike clause (ii) regarding matching funds.

Page 727, beginning line 8, strike subsection (b).

Page 733, line 22, strike “and”.

Page 734, line 2, strike the period and insert “; and”.

Page 734, after line 2, insert the following:

(3) the coordination of the outreach activities among the various agencies within the Department.

(c) REPORT.—After the relocation described in this section is completed, the Secretary shall submit to Congress a report that includes information describing the new location of the program.

Page 734, line 23, strike “and”.

Page 735, line 2, strike the period and insert “; and”.

Page 735, beginning line 2, insert the following new paragraph:

(7) review ongoing efforts toward outreach in the agencies and programs of the Department.

Redesignate sections 11308, 11309, and 11310 as sections 11307, 11308, and 11309, respectively.

Page 739, line 24, strike “teach” and insert “each”.

At the end of title XI, add the following new sections:

SEC. 11310. SENSE OF CONGRESS REGARDING FOOD DESERTS, GEOGRAPHICALLY ISOLATED NEIGHBORHOODS AND COMMUNITIES WITH LIMITED OR NO ACCESS TO MAJOR CHAIN GROCERY STORES.

It is the sense of Congress that the Secretary of Agriculture, in conjunction with the National Institutes of Health, the Centers for Disease Control, the Institute of Medicine and faith-based organizations, should—

(1) conduct a national assessment of food deserts in the United States, namely those geographically isolated neighborhoods and communities with limited or no access to major-chain grocery stores; and

(2) develop recommendations for eliminating food deserts.

SEC. 11311. PIGFORD CLAIMS.

(a) **IN GENERAL.**—Any Pigford claimant who has not previously obtained a determination on the merits of a Pigford claim may, in a civil action, obtain that determination.

(b) **LIMITATION.**—Notwithstanding any other provision of law—

(1) All payments or debt relief (including any limitation on foreclosure under subsection (f)) made pursuant to an action commenced under subsection (a) shall be made exclusively from funds made available pursuant to subsection (h), Provided that the total amount of payments and debt relief pursuant to an action commenced under subsection (a) shall not exceed \$100,000,000; and,

(2) In no event may such payments or debt relief be made from the Judgement Fund established by 31 U.S.C. 1304.

(c) **INTENT OF CONGRESS AS TO REMEDIAL NATURE OF SECTION.**—It is the intent of Congress that this section be liberally construed so as to effectuate its remedial purpose of giving a full determination on the merits for each Pigford claim denied that determination.

(d) **LOAN DATA.**—

(1) **REPORT TO PERSON SUBMITTING PETITION.**—Not later than 60 days after the Secretary of Agriculture receives notice of a complaint filed by a claimant under subsection (a), the Secretary shall provide to the claimant a report on farm credit loans made within the claimant's county or adjacent county by the Department during the period beginning on January 1 of the year preceding the year or years covered by the complaint and ending on December 31 of year following such year or years. Such report shall contain information on all persons whose application for a loan was accepted, including—

(A) the race of the applicant;

(B) the date of application;

(C) the date of the loan decision;

(D) the location of the office making the loan decision;

and

(E) all data relevant to the process of deciding on the loan.

(2) **NO PERSONALLY IDENTIFIABLE INFORMATION.**—The reports provided pursuant to paragraph (1) shall not contain any information that would identify any person that applied for a loan from the Department of Agriculture.

(e) **EXPEDITED RESOLUTIONS AUTHORIZED.**—Any person filing a complaint under this Act for discrimination in the application for, or making or servicing of, a farm loan, at his or her discretion, may seek liquidated damages of \$50,000, discharge of the debt that was incurred under, or affected by, the discrimination that is the subject of the person's complaint, and a tax payment in the amount equal to 25 percent of the liquidated damages and loan principal discharged, in which case—

(1) if only such damages, debt discharge, and tax payment are sought, the complainant shall be able to prove his or her case by substantial evidence; and

(2) the court shall decide the case based on a review of documents submitted by the complainant and defendant relevant to the issues of liability and damages.

(f) **LIMITATION ON FORECLOSURES.**—The Secretary of Agriculture may not begin acceleration on or foreclosure of a loan if a borrower is a Pigford claimant and, in an appropriate administrative proceeding, makes a prima facie case that the foreclosure is related to a Pigford claim.

(g) **DEFINITIONS.**—In this Act—

(1) the term “Pigford claimant” means an individual who previously submitted a late-filing request under section 5(g) of the consent decree in the case of *Pigford v. Glickman*, approved by the United States District Court for the District of Columbia on April 14, 1999; and

(2) the term “Pigford claim” means a discrimination complaint, as defined by section 1(h) of that consent decree and documented under section 5(b) of that consent decree.

(h) **FUNDING.**—Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$100,000,000 for fiscal year 2008, to remain available until expended, for payments and debt relief in satisfaction of claims against the United States under subsection (a), and for any actions made pursuant to subsection (f).

SEC. 11312. COMPTROLLER GENERAL STUDY OF WASTEWATER INFRASTRUCTURE NEAR UNITED STATES-MEXICO BORDER.

The Comptroller General shall conduct a study of the state of wastewater infrastructure in rural communities within 150 miles of the United States-Mexico border to determine what the Federal Government can do to assist border rural communities in bringing wastewater infrastructure up to date.

Page 189, line 8, strike “1,000,000” and insert “1,340,000”.

Strike section 3005 (relating to McGovern-Dole International Food for Education and Child Nutrition Program) and insert the following:

SEC. 3005. REAUTHORIZATION OF MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

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

(1) in subsection (d), in the matter preceding paragraph (1), by striking “The President shall designate 1 or more Federal agencies to” and inserting “The Secretary shall”;

(2) in subsection (f)(2), in the matter preceding subparagraph (A), by striking “implementing agency” and inserting “Secretary”; and

(3) in subsections (c)(2)(B), (f)(1), (h)(1) and (2), and (i), by striking “President” each place it appears and inserting “Secretary”.

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

(1) by striking paragraphs (1) and (2) and inserting the following:

“(1) **USE OF COMMODITY CREDIT CORPORATION FUNDS.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

“(A) \$0 for fiscal year 2008;

“(B) \$140,000,000 for fiscal year 2009;

“(C) \$170,000,000 for fiscal year 2010;

“(D) \$230,000,000 for fiscal year 2011;

“(E) \$300,000,000 for fiscal year 2012; and

“(F) \$0 for fiscal year 2013.”;

(2) by redesignating paragraph (3) as paragraph (2); and

(3) in paragraph (2) (as redesignated by paragraph (2)), by striking “any Federal agency implementing or assisting” and inserting “the Department of Agriculture or any other Federal agency assisting”.

Strike section 11001.

At the end of subtitle A of title XI add the following new section:

SEC. 1101 . SHARE OF RISK.

(a) IN GENERAL.—Section 508(k)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(3)) is amended—

(1) by striking “require the” and inserting “require—

“(A) the”;

(2) by striking the period at the end and inserting “; and”;

and

(3) by adding at the end the following:

“(B)(i) the cumulative underwriting gain or loss, and the associated premium and losses with such amount, calculated under any reinsurance agreement (except live-stock) ceded to the Corporation by each approved insurance provider to be not less than 12.5 percent; and

“(ii) the Corporation to pay a ceding commission to reinsured companies of 2 percent of the premium used to define the loss ratio for the approved insurance provider’s book of business that is described in clause (i).”.

(b) CONFORMING AMENDMENTS.—Section 516(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(2)) is amended by adding at the end the following new subparagraph:

“(E) Costs associated with the ceding commissions described in section 508(k)(3)(B)(ii).”.

(c) EFFECTIVE DATE.—This section shall take effect on the first June 30th after the date of the enactment of this Act.

At the end of title XI add the following new section:

SEC. 113 . ELIMINATION OF STATUTE OF LIMITATIONS APPLICABLE TO COLLECTION OF DEBT BY ADMINISTRATIVE OFFSET.

(a) ELIMINATION.—Section 3716(e) of title 31, United States Code, is amended to read as follows:

“(e)(1) Notwithstanding any other provision of law, regulation, or administrative limitation, no limitation on the period within which an offset may be initiated or taken pursuant to this section shall be effective.

“(2) This section does not apply when a statute explicitly prohibits using administrative offset or setoff to collect the claim or type of claim involved.”.

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply to any debt outstanding on or after the date of the enactment of this Act.

At the end of the bill add the following new title:

TITLE XII—ADDITIONAL OFFSETS

Subtitle A—Conservation of Resources Fees and Repeal of Royalty Relief

SEC. 12001. CONSERVATION OF RESOURCES FEES.

(a) CONSERVATION OF RESOURCES FEES.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of the Interior by regulation shall establish a conservation of resources fee for producing Federal oil and gas leases in the Gulf of Mexico.

(2) FEE TERMS.—The fee under paragraph (1)—

(A) subject to subparagraph (C), shall apply to covered leases that are producing leases;

(B) shall be set at \$9 per barrel for oil and \$1.25 per million Btu for gas, respectively, in 2005 dollars; and

(C) shall apply only to production of oil or gas occurring—

(i) in any calendar year in which the arithmetic average of the daily closing prices for light sweet crude oil on the New York Mercantile Exchange (NYMEX) exceeds \$34.73 per barrel for oil and \$4.34 per million Btu for gas in 2005 dollars; and

(ii) on or after October 1, 2006.

(3) TREATMENT OF RECEIPTS.—Amounts received by the United States as fees under this subsection shall be treated as offsetting receipts.

(b) COVERED LEASE DEFINED.—In this section the term “covered lease” means a lease for oil or gas production in the Gulf of Mexico that is—

(1) in existence on the date of enactment of this Act;

(2) issued by the Department of the Interior under section 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (43 U.S.C. 1337 note; Public Law 104–58); and

(3) not subject to limitations on royalty relief based on market price that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

SEC. 12002. REPEAL OF CERTAIN TAXPAYER SUBSIDIZED ROYALTY RELIEF FOR THE OIL AND GAS INDUSTRY.

(a) REPEAL OF PROVISIONS OF ENERGY POLICY ACT OF 2005.—The following provisions of the Energy Policy Act of 2005 (Public Law 109–58) are repealed:

(1) Section 344 (42 U.S.C. 15904; relating to incentives for natural gas production from deep wells in shallow waters of the Gulf of Mexico).

(2) Section 345 (42 U.S.C. 15905; relating to royalty relief for deep water production in the Gulf of Mexico).

(3) Subsection (i) of section 365 (42 U.S.C. 15924; relating to the prohibition on drilling-related permit application cost recovery fees).

(b) PROVISIONS RELATING TO PLANNING AREAS OFFSHORE ALASKA.—Section 8(a)(3)(B) of the Outer Continental Shelf Lands Act

(43 U.S.C. 1337(a)(3)(B)) is amended by striking “and in the Planning Areas offshore Alaska” after “West longitude”.

(c) PROVISIONS RELATING TO NAVAL PETROLEUM RESERVE IN ALASKA.—Section 107 of the Naval Petroleum Reserves Production Act of 1976 (as transferred, redesignated, moved, and amended by section 347 of the Energy Policy Act of 2005 (119 Stat. 704)) is amended—

- (1) in subsection (i) by striking paragraphs (2) through (6); and
- (2) by striking subsection (k).

SEC. 12003. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “114.50 percent” and inserting “115.75 percent”.

Subtitle B—Allocation of Offsets

SEC. 12011. REPORT ON FUNDS; RATE OF FEDERAL CROP INSURANCE.

(a) REPORT.—Not later than the September 15 preceding each fiscal year, the Secretary of the Interior shall report to the Secretary of Agriculture the total amount expected to be received in the fiscal year as a result of the changes in subtitle A.

(b) RATE.— Notwithstanding section 508(k)(4)(A)(ii) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)(ii)), the reimbursement rate established for each of the reinsurance years 2012 through 2017 shall be the lesser of—

- (1) the rate established in such section; and
- (2) the product of—
 - (A) the rate established in such section; and
 - (B) the factor calculated in subsection (c).

(c) CALCULATION.—In carrying out subsection (b), the Secretary of the Interior shall calculate the appropriate factor by dividing the amount calculated under subsection (a) for the fiscal year by the amount calculated under subsection (a) for fiscal year 2012.

Page 667, line 26, strike “2” and insert “2.9”.

PART B

TEXT OF AMENDMENTS MADE IN ORDER UNDER THE RULE

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE KIND OF WISCONSIN, OR HIS DESIGNEE, DEBATABLE FOR 40 MINUTES

[COMMODITY TITLE]

In section 1102, strike subsection (b) and insert the following new subsection:

(b) PAYMENT RATE.—

(1) 2008 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2008 crop year are as follows:

- (A) Wheat, \$0.52 per bushel.
- (B) Corn, \$0.14 per bushel.
- (C) Grain sorghum, \$0.25 per bushel.
- (D) Barley, \$0.17 per bushel.
- (E) Oats, \$0.02 per bushel.

- (F) Upland cotton, \$0.05 per pound.
- (G) Rice, \$1.65 per hundredweight.
- (H) Soybeans, \$0.22 per bushel.
- (I) Other oilseeds, \$0.01 per pound.
- (J) Peanuts, \$25.20 per ton.

(2) 2009 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2009 crop year are as follows:

- (A) Wheat, \$0.52 per bushel.
- (B) Corn, \$0.13 per bushel.
- (C) Grain sorghum, \$0.23 per bushel.
- (D) Barley, \$0.16 per bushel.
- (E) Oats, \$0.02 per bushel.
- (F) Upland cotton, \$0.04 per pound.
- (G) Rice, \$1.53 per hundredweight.
- (H) Soybeans, \$0.20 per bushel.
- (I) Other oilseeds, \$0.01 per pound.
- (J) Peanuts, \$23.40 per ton.

(3) 2010 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2010 crop year are as follows:

- (A) Wheat, \$0.52 per bushel.
- (B) Corn, \$0.11 per bushel.
- (C) Grain sorghum, \$0.21 per bushel.
- (D) Barley, \$0.14 per bushel.
- (E) Oats, \$0.02 per bushel.
- (F) Upland cotton, \$0.04 per pound.
- (G) Rice, \$1.41 per hundredweight.
- (H) Soybeans, \$0.18 per bushel.
- (I) Other oilseeds, \$0.01 per pound.
- (J) Peanuts, \$21.60 per ton.

(4) 2011 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2011 crop year are as follows:

- (A) Wheat, \$0.49 per bushel.
- (B) Corn, \$0.10 per bushel.
- (C) Grain sorghum, \$0.35 per bushel.
- (D) Barley, \$0.13 per bushel.
- (E) Oats, \$0.02 per bushel.
- (F) Upland cotton, \$0.04 per pound.
- (G) Rice, \$1.29 per hundredweight.
- (H) Soybeans, \$0.15 per bushel.
- (I) Other oilseeds, \$0.01 per pound.
- (J) Peanuts, \$19.80 per ton.

(5) 2012 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2012 crop year are as follows:

- (A) Wheat, \$0.47 per bushel.
- (B) Corn, \$0.08 per bushel.
- (C) Grain sorghum, \$0.18 per bushel.
- (D) Barley, \$0.12 per bushel.
- (E) Oats, \$0.02 per bushel.
- (F) Upland cotton, \$0.03 per pound.
- (G) Rice, \$1.18 per hundredweight.
- (H) Soybeans, \$0.13 per bushel.

(I) Other oilseeds, \$0.01 per pound.

(J) Peanuts, \$18.00 per ton.

(6) LIMITED RESOURCE FARMERS.—Notwithstanding paragraphs (2), (3), (4), and (5), the payment rates specified in paragraph (1) shall be used for each of the 2008 through 2012 crop years in the case of a limited resource farmer, as defined by the Secretary.

Section 1102 is amended by adding at the end the following:

“(e) CONSERVATION ENHANCED PAYMENT OPTION.—

“(1) IN GENERAL.—All producers on a farm that meet the eligibility requirements of paragraph (2) may, in lieu of direct payments otherwise provided in this section, make a one time election to receive enhanced direct payments through crop year 2012 in accordance with this subsection.

“(2) ELIGIBILITY.—To be eligible to obtain an enhanced direct payment for a covered commodity for a crop year under this subsection, the producers on a farm shall enter into a contract with the secretary under which the producers of the farm agree, for each crop year—

“(A) to forgo all counter-cyclical payments under this subtitle and all marketing assistance loans and all loan deficiency payments under subtitle B for the farm subject to a contract under this subsection;

“(B) to carry out conservation practices on the farm that are at least equivalent to the requirements for land enrolled under the a conservation security contract entered into under section 1238A of the Food Security Act of 1985 (16 U.S.C. 3838a); and

“(C) to meet such other requirements as are established by the Secretary.

“(3) AMOUNT.—The amount of an enhanced direct payment to be paid to the producers on a farm for a covered commodity for a crop year that enter into a contract with the secretary under this subsection shall be equal to the product obtained by multiplying—

“(A) the amount of the direct payment the producers on a farm would otherwise be eligible to receive under subsection (c); and

“(B) 110

“(4) ONE TIME ENROLLMENT.—Producers on a farm shall have one period of time (as determined by the Secretary) in which to enter into a contract for a conservation enhanced payment.

“(5) DE MINIMIS PAYMENTS.—A payment under this section that is less than \$25.00 in amount shall not be tendered to a producer on a farm”.

Section 1103 is amended to read as follows:

SEC. 1103. COUNTER-CYCLICAL PAYMENTS.

Section 1103 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7913) is amended to read as follows:

“SEC. 1103. COUNTER-CYCLICAL PAYMENTS.

“(a) PAYMENT REQUIRED.—The Secretary shall make counter-cyclical payments to producers on farms for which payment yields and base acres are established with respect to a covered commodity, if the Secretary determines that the national actual rev-

enue per acre for the covered commodity (except for other oilseeds) is less than the national target revenue per acre for the covered commodity, as determined in this section.

“(b) NATIONAL ACTUAL REVENUE PER ACRE.—For each covered commodity (except for other oilseeds) for the applicable year, the Secretary shall establish a national actual revenue per acre by multiplying the national average yield for the given year by the higher of:

“(1) the national average market price received by producers during the 12-month marketing year established by the Secretary; or

“(2) the loan rate.

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

“(1) Wheat, \$140.42.

“(2) Corn, \$344.12.

“(3) Grain Sorghum, \$131.28.

“(4) Barley, \$123.13.

“(5) Oats, \$88.36.

“(6) Upland cotton, \$516.86.

“(7) Rice, \$548.06.

“(8) Soybeans, \$219.58 .

“(9) Peanuts, \$683.83.

“(d) NATIONAL PAYMENT YIELD.—The national payment yield shall be as follows:

“(1) Wheat, 36.1 bushels per acre.

“(2) Corn, 114.2 bushels per acre.

“(3) Grain Sorghum, 58.1 bushels per acre.

“(4) Barley, 48.7 bushels per acre.

“(5) Oats, 49.8 bushels per acre.

“(6) Upland cotton, 636 pounds per acre.

“(7) Rice, 51.24 hundredweight per acre.

“(8) Soybeans, 34.1 bushels per acre.

“(9) Peanuts, 1.495 tons per acre.

“(e) NATIONAL PAYMENT RATE.—The national payment rate used to make counter-cyclical payments for a crop year shall be the result of—

“(1) the difference between the national target revenue per acre for the covered commodity and the national actual revenue per acre for the covered commodity; divided by

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

“(f) PAYMENT AMOUNT.—If counter-cyclical payments are required to be paid for any of the 2008 through 2012 crop years of a covered commodity, the amount of the counter-cyclical payment to be paid to the producers on a farm for that crop year for the covered commodity shall be equal to the product of —

“(1) the national payment rate for the covered commodity;

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

“(3) the payment yield for counter-cyclical payments for the covered commodity.

“(g) TIME FOR PAYMENTS.—

“(1) GENERAL RULE.—If the Secretary determines that counter-cyclical payments are required to be made under this section for the crop of a covered commodity, the Secretary shall

make the counter-cyclical payments for the crop as soon as practicable after the end of the 12-month marketing year for the covered commodity.

“(2) AVAILABILITY OF PARTIAL PAYMENTS.—If, before the end of the 12-month marketing year for a covered commodity, the Secretary estimates that counter-cyclical payments will be required for the crop of the covered commodity, the Secretary shall give producers on a farm the option to receive partial payments of the counter-cyclical payment projected to be made for that crop of the covered commodity.

“(3) TIME FOR PARTIAL PAYMENTS.—When the Secretary makes partial payments available under paragraph (2) for a covered commodity—

“(A) the first partial payment for the crop year shall be made not earlier than October 1, and, to the maximum extent practicable, not later than October 31, of the calendar year in which the crop of the covered commodity is harvested;

“(B) the second partial payment shall be made not earlier than February 1 of the next calendar year; and

“(C) the final partial payment shall be made as soon as practicable after the end of the 12-month marketing year for the covered commodity.

“(4) AMOUNT OF PARTIAL PAYMENTS.—

“(A) FIRST PARTIAL PAYMENT.—The first partial payment under paragraph (3) to the producers on a farm may not exceed 35 percent of the projected counter-cyclical payment for the covered commodity for the crop year, as determined by the Secretary.

“(B) SECOND PARTIAL PAYMENT.—The second partial payment under paragraph (3) for a covered commodity for a crop year may not exceed the difference between—

“(i) 70 percent of the projected counter-cyclical payment (including any revision thereof) for the crop of the covered commodity; and

“(ii) the amount of the payment made under subparagraph (A).

“(C) FINAL PAYMENT.—The final payment for the crop year shall be equal to the difference between—

“(i) the actual counter-cyclical payment to be made to the producers for the covered commodity for that crop year; and

“(ii) the amount of the partial payments made to the producers on a farm under subparagraphs (A) and (B) for that crop year.

“(5) REPAYMENT.—Producers on a farm that receive a partial payment under this subsection for a crop year shall repay to the Secretary the amount, if any, by which the total of the partial payments exceed the actual counter-cyclical payment to be made for the covered commodity for that crop year.

“(h) DE MINIMIS PAYMENTS.—A payment under this section that is less than \$25.00 in amount shall not be tendered to a producer on a farm.”.

In section 1105(a)(1)(D) insert “, residential” after “commercial” and after the period at the end insert the following: “In the case

of a parcel of land that at anytime subsequent to the enactment of the Federal Agriculture Improvement and Reform Act of 1996 is subdivided, transferred to a new owner and used for the construction of a new residence, the base acres for covered commodities for the farm shall be eliminated, unless the owner of such residence receives at least \$10,000 of gross income from farming or ranching and the owner of such residence receives gross income from farming or ranching exceeding at least half of their adjusted gross income.”

Section 1201(a)(1) is amended by striking “For each of” and all that follows through “loan commodity, the” and inserting “The”

Section 1201(b) is amended to read as follows:

(b) ELIGIBLE PRODUCTION.—

(1) IN GENERAL.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a loan commodity produced on the farm. In addition, such producers must have beneficial interest, as determined under paragraph (2), in the commodity at the time the commodity is tendered as collateral for such loan.

(2) BENEFICIAL INTEREST.—In order to have beneficial interest in a commodity, a producer shall:

(A) be the producer of the commodity;

(B) possess and maintain ownership and control of the commodity;

(C) not have received any payment from any party with respect to the commodity; and

(D) satisfy other criteria, as determined by the Secretary.

(3) INELIGIBLE PRODUCTION.—A crop of a loan commodity shall be ineligible for a marketing assistance loan if the crop was produced on land of a farm that has been subject to a land transaction covered under section 1101(c).

Section 1201(e) is amended to read as follows:

(e) ADJUSTMENTS OF LOANS.—

(1) ADJUSTMENT AUTHORITY.—The Secretary may make appropriate adjustments in the loan rates for any commodity for differences in grade, type, quality, location, and other factors.

(2) MANNER OF ADJUSTMENT.—The adjustments under the authority of this section shall, to the maximum extent practicable, be made in such manner that the national average loan rate for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this title.

(f) HANDLING AND STORAGE CHARGES.—All payments for storage, handling or other charges associated with a loan commodity subject to a marketing assistance loan or loan deficiency payment under this subtitle are the responsibility of the producer and shall not be paid by the Secretary.

Section 1202 is amended to read as follows:

SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) IN GENERAL.—Except as provided in subsection (b), the loan rate for each crop of a loan commodity shall be equal to the amount determined by multiplying:

(1) .85; and

(2) the average of the national average market price received by producers during the five preceding marketing years, excluding the highest and lowest prices determined for such years, as determined by the Secretary.

(b) LOAN RATES.—The loan rate determined under (a) shall not exceed, in the case of—

- (1) wheat, \$2.58 per bushel;
- (2) corn, \$1.89 per bushel;
- (3) grain sorghum, \$1.89 per bushel;
- (4) barley, \$1.70 per bushel;
- (5) oats, \$1.21 per bushel;
- (6) upland cotton, \$0.5192 per pound;
- (7) extra long staple cotton, \$0.7965 per pound;
- (8) rice, \$6.50 per hundredweight;
- (9) soybeans, \$4.92 per bushel;
- (10) other oilseeds, \$0.087 per pound;
- (11) graded wool, \$1.00 per pound;
- (12) nongraded wool, \$0.40 per pound;
- (13) mohair, \$4.20 per pound;
- (14) honey, \$0.60 per pound;
- (15) dry peas, \$6.22 per hundredweight;
- (16) lentils, \$11.72 per hundredweight;
- (17) small chickpeas, \$7.43 per hundredweight; and
- (18) peanuts, \$350.00 per ton.

Section 1204(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7934) is amended to read as follows:

(a) GENERAL RULE.—

(1) REPAYMENT OF COMMODITY LOANS.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for a loan commodity (other than upland cotton, rice, extra long staple cotton, confectionary and each other kind of sunflower seed (other than oil sunflower seed)) at a rate that is the lesser of—

(A) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(B) a rate that the Secretary determines will—

- (i) minimize potential loan forfeitures;
- (ii) minimize the accumulation of stocks of the commodity by the Federal Government;
- (iii) minimize the cost incurred by the Federal Government in storing the commodity;
- (iv) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally; and
- (v) minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries.

(2) RATE ADJUSTMENTS.—

(A) IN GENERAL.—Subject to subparagraph (B) and except as provided in subsection (b), repayment rates established under this section shall be adjusted by the Secretary no more than once every month for all loan commodities.

(B) MONTHLY REPAYMENT RATE.—In establishing the monthly repayment rates with respect to wheat, corn, grain sorghum, barley, oats and soybeans, the rates shall be established by using the rates determined for five days in the previous month as determined in regulations issued by the Secretary, which shall—

(i) exclude the rates for days that represent the highest and lowest rates for the 5 day period; and

(ii) use the average of the three remaining rates to establish the monthly repayment rate.

(3) DATE FOR DETERMINING REPAYMENT RATE.—With respect to the monthly repayment rates established under paragraph (2) and subsection (b) and (c), the rate shall be—

(A) in the case of a producer who, as determined by the Secretary, loses beneficial interest immediately upon repayment of the loan, the monthly repayment rate determined under paragraph (2) and subsection (b) and (c) that is in effect on the date beneficial interest is lost; and

(B) in the case of other producers who did not lose beneficial interest upon repayment of the loan, the repayment rate in effect on the earlier of:

(i) the month in which the loan matures; or

(ii) the last month of the marketing year established by the Secretary for the commodity.

(4) REPAYMENT OF CONFECTIONARY AND OTHER KINDS OF SUNFLOWER SEEDS LOANS.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for confectionary and each other kind of sunflower seed (other than oil sunflower seed) at a rate that is the lesser of—

(A) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(B) the repayment rate established for oil sunflower seed.

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

Section 1204(e) is amended to read as follows:

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—During the period beginning on the date of the enactment of this Act through July 31, 2012, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(1) the adjusted prevailing world market price for upland cotton is less than 115 percent of the loan rate for upland cotton established under section 1202, as determined by the Secretary; and

(2) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the “Northern Europe price”).

Section 1204 is amended by striking subsections (f) through (h).
 Section 1205(a) is amended by inserting after paragraph (1) the following new paragraph (and redesignating succeeding paragraphs accordingly):

(2) BENEFICIAL INTEREST.—At the time producers request payments under this section, the producers must have beneficial interest, as defined in section 1201(b)(2), in the commodity for which such payment is requested.

Section 1205(c) is amended to read as follows:

(c) PAYMENT RATE.—

(1) LOAN COMMODITIES.—

(A) IN GENERAL.—With respect to all loan commodities except extra long staple cotton, the payment rate shall be determined as of the day the producer loses beneficial interest in the commodity.

(B) FORMULA.—The payment rate under subparagraph (A) shall be the amount that equals the difference between—

(i) the loan rate established under section 1202 for the loan commodity; and

(ii) the monthly repayment rate determined for the commodity under section 1204.

(2) UNSHORN PELTS.—In the case of unshorn pelts, the payment rate shall be the amount that equals the difference between—

(A) the loan rate established under section 1202 for ungraded wool; and

(B) the rate at which ungraded wool may be redeemed under section 1204.

(3) HAY, SILAGE, FEED AND SIMILAR USES.—

(A) IN GENERAL.—In the case of a commodity that would otherwise be eligible to be pledged as collateral for a marketing assistance loan at the time of harvest of the commodity, but cannot be pledged due to the normal commercial state of the commodity, the payment rate shall be the average of the monthly repayment rates established for the first three months of the marketing year of the commodity, as determined by the Secretary.

(B) INCLUSIONS.—Commodities covered by subparagraph (A) shall be determined by the Secretary, and shall include hay, silage, cracked corn, and corn stored in a commingled manner by feedlots.

In section 1206(d) strike “A 2002 through 2007 crop of” and inserting “A crop of”.

In section 1207 strike subsection (b) and redesignate subsection (c) as subsection (b).

Section 1208 of Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7938) is amended

(1) by striking the section;

(2) by redesignating section 1209 as section 1208;

(3) in section 1208 (as redesignated in paragraph (2)) (A) in subsection (a)(1) by striking “For each of the 2002 through 2007 crops of” and inserting “For each crop of” (B) in subsection (b) by striking “For each of the 2002 through 2007

crops of” and inserting “For each crop of”; and (C) by striking subsection (d).

In subtitle C strike sections 1301, 1302, and 1303 and insert the following:

SEC. 1301. SUGAR PROGRAM.

Section 156(j) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(j)) is amended by striking “2007” and inserting “2012”.

SEC. 1302. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended in the matter preceding subparagraph (A) by striking “2007” and inserting “2012”.

Section 1409 is amended to read as follows:

SEC. 1409. FEDERAL DAIRY COMMISSION.

(a) ESTABLISHMENT.—The secretary of agriculture shall establish a commission to be known as the “federal dairy commission”, in this section referred to as the “commission”, which shall conduct a comprehensive review and evaluation of—

- (1) the current Federal and non-Federal milk marketing order systems;
- (2) the milk income loss contracting program;
- (3) the forward contracting program;
- (4) the 9.90 dairy price support system; and
- (5) programs in the European Union and other major dairy exporting countries that may have a trade distorting effect.

(b) ELEMENT OF REVIEW AND EVALUATION.—As part of the review and evaluation under this section, the commission shall evaluate how well the programs accomplish the following goals, providing legislative and regulatory recommendations for achieving these goals

- (1) ensuring the competitiveness of dairy products;
- (2) enhancing the competitiveness of American dairy products in world markets;
- (3) increasing the responsiveness of dairy programs to market forces;
- (4) ensuring an adequate safety net for dairy farmers;
- (5) streamlining, simplifying, and expediting the administration of these programs; and
- (6) continuing to serve the interest of the public, dairy processors, and dairy farmers;
- (7) operating in a manner to minimize costs to taxpayers;
- (8) ensuring that we meet our trade obligations; and
- (9) ensuring the safety of our dairy supply.

(c) MEMBERSHIP.—

- (1) COMPOSITION.—The commission shall consist of 16 members and shall include the following representation:
 - (A) Geographical diversity.
 - (B) Diversity in size of operation.
 - (C) At least one State with a Federal marketing order.
 - (D) At least one State with a state marketing order.
 - (E) At least one State with no marketing order.
 - (F) At least two dairy producers.
 - (G) At least two dairy processors.
 - (H) At least one trade experts.

- (I) At least one State official.
- (J) At least one Federal official.
- (K) At least one nongovernmental organization.
- (L) At least one economist.
- (M) At least one representative of a land grant university.

(2) APPOINTMENTS.—Within 3 months of the date of enactment, commission members shall be appointed as follows:

(A) Two members appointed by the Majority Leader of the Senate, in consultation with the Chair and ranking member of the Committee on Agriculture of the House of Representatives.

(B) Two members appointed by the Speaker of the House of Representatives, in consultation with the Chair and ranking member of the Senate Committee on Agriculture, Nutrition and Forestry of the Senate.

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

(3) CHAIR.—The commission shall elect one of its members to serve as chairperson during the duration of the commission's proceedings.

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

(5) COMPENSATION.—Members of the commission shall serve without compensation, but shall be reimbursed by the Secretary from existing budgetary resources for necessary and reasonable expenses incurred in the performance of the duties of the commission.

(d) REPORT.—Not later than three years after the date of establishment of the commission, the commission shall submit to Congress and the Secretary of Agriculture a report setting forth the results of the review and evaluation conducted under this section, including recommendations regarding legislative and regulatory options for accomplishing the goals under subsection (____). The report findings shall reflect, to the greatest extent possible, a consensus opinion of the commission members, but shall include majority and minority findings and their supporters regarding those matters for which consensus was not reached.

(e) ADVISORY NATURE.—The commission is wholly advisory in nature and bound by the requirements of the FACA.

(f) NO EFFECT ON EXISTING PROGRAMS.—The Secretary shall not allow the existence of the commission to impede, delay, or otherwise affect any regulatory decisionmaking.

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

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(i) TERMINATION.—The commission shall terminate 60 days after submission of the report under subparagraph (D), during which time it will remain available to answer question of Congress and the Secretary regarding the report.

Strike sections 1503 and 1504 and insert the following:

SEC. 1503. PAYMENT LIMITATIONS.

Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

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

“(1) ENTITY.—

“(A) IN GENERAL.—THE TERM ‘ENTITY’ MEANS.—

“(i) an organization that (subject to the requirements of this section and section 1001A) is eligible to receive a payment under a provision of law referred to in subsection (b) or (c);

“(ii) a corporation, joint stock company, association, limited partnership, limited liability company, limited liability partnership, charitable organization, estate, irrevocable trust, a grantor of a revocable trust, or other similar entity (as determined by the Secretary); and

“(iii) an organization that is participating in a farming operation as a partner in a general partnership or as a participant in a joint venture.

“(B) EXCLUSION.—Except in section 1001F, the term ‘entity’ does not include a general partnership or joint venture.

“(C) ESTATES.—In defining the term entities as it will apply to estates, the Secretary shall ensure that fair and equitable treatment is given to estates and the beneficiaries thereof.

“(D) IRREVOCABLE TRUSTS.—In defining the term entities as it will apply to irrevocable trusts, the Secretary shall ensure that irrevocable trusts are legitimate entities and have not been created for the purpose of avoiding the payment limitation.

“(2) INDIVIDUAL.—The term ‘individual’ means—

“(A) a natural person, and any minor child of the natural person (as determined by the Secretary), who, subject to the requirements of this section and section 1001A, is eligible to receive a payment under a provision of law referred to in subsection (b), (c), or (d); and

“(B) a natural person participating in a farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or a participant in a similar entity (as determined by the Secretary).

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.”.

(2) by striking subsections (b) through (f) and inserting the following:

“(b) LIMITATION ON DIRECT PAYMENTS.—The total amount of direct payments that an individual or entity may receive, directly or indirectly, during any crop year under subtitle A or C of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911 et seq.) for 1 or more covered commodities or peanuts shall not exceed \$20,000.

“(c) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that an individual or entity may receive, directly or indirectly, during any crop year under subtitle A or C of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911 et seq.) for 1 or more covered commodities or peanuts shall not exceed \$30,000.

“(d) LIMITATIONS ON MARKETING LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—The total amount of the following gains and payments that an individual or entity may receive during any crop year may not exceed \$75,000.

“(1)(A) Any gain realized by a producer from repaying a marketing assistance loan for 1 or more loan commodities or peanuts under subtitle B of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7931 et seq.) at a lower level than the original loan rate established for the loan commodity under that subtitle.

“(B) In the case of settlement of a marketing assistance loan for 1 or more loan commodities under that subtitle by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

“(2) Any loan deficiency payments received for 1 or more loan commodities under that subtitle.

“(3) Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation for 1 or more loan commodities, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under that subtitle or section 1307 of that Act (7 U.S.C. 7957).

“(e) PAYMENT TO INDIVIDUALS AND ENTITIES.—Notwithstanding subsections (b) through (d), an individual or entity, directly or indirectly through all ownership interests of the individual or entity from all sources, may received payments for a fiscal or corresponding crop year up to but not exceeding twice the limitations established under subsections (b) through (d).

“(f) SINGLE FARMING OPERATION.—Notwithstanding subsections (b) through (d), subject to paragraph (2), an individual or entity that participates only in a single farming operation and receives, directly or indirectly, any payment or gain covered by this section through the farming operation, may receive payments for a fiscal or corresponding crop year up to but not exceeding twice the limitations established under subsections (b) through (d).

“(g) SPOUSAL EQUITY.—

“(1) IN GENERAL.—Notwithstanding subsections (b), (c), (d), (e) and (f) except as provided in paragraph (2), if an individual and the spouse of the individual are covered by paragraph (2) and receive, directly or indirectly, any payment or gain covered by this section, the total amount of payments or gains (as applicable) covered by this section that the individual and spouse may jointly receive during any crop year may not exceed an amount equal to twice the applicable dollar amounts specified in subsections (b), (c), and (d).

“(2) EXCEPTIONS.—

“(A) SEPARATE FARMING OPERATIONS.—In the case of a married couple in which each spouse, before the marriage, was separately engaged in an unrelated farming operation, each spouse shall be treated as a separate individual with respect to a farming operation brought into the marriage by a spouse, subject to the condition that the farming operation shall remain a separate farming operation, as determined by the Secretary.

“(B) ELECTION TO RECEIVE SEPARATE PAYMENTS.—A married couple may elect to receive payments separately in the name of each spouse if the total amount of payments and benefits described in subsections (b), (c), and (d) that the married couple receives, directly or indirectly, does not exceed an amount equal to twice the applicable dollar amounts specified in those subsections.

“(h) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.

“(i) TIME LIMITS; RELIANCE.—Regulations of the Secretary shall establish time limits for the various steps involved with notice, hearing, decision, and the appeals procedure in order to ensure expeditious handling and settlement of payment limitation disputes. Notwithstanding any other provision of law, actions taken by an individual or other entity in good faith on action or advice of an authorized representative of the Secretary may be accepted as meeting the requirement under this section or section 1001A, to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.”.

SEC. 1504. PAYMENTS LIMITED TO ACTIVE FARMERS.

Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended—

(1) by striking the section designation and heading and all that follows through the end of subsection (a) and inserting the following:

“(a) SUBSTANTIVE CHANGE.—

“(1) IN GENERAL.—For purposes of the application of limitations under this section, the Secretary shall not approve any change in a farming operation that otherwise would increase the number of individuals or entities (as defined in section 1001(a)) to which the limitations under this section apply, unless the Secretary determines that the change is bona fide and substantive.

“(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member (as defined in subsection (b)(2)(A)) to a farming operation under the criteria established under subsection (b)(3)(B) shall be considered to be a bona fide and substantive change in the farming operation.

“(3) PRIMARY CONTROL.—To prevent a farm from reorganizing in a manner that is inconsistent with the purposes of this Act, the Secretary shall promulgate such regulations as the Secretary determines to be necessary to simultaneously attribute payments for a farming operation to more than one individual or entity, including the individual or entity that exer-

cises primary control over the farming operation, including to respond to —

“(A)(i) any instance in which ownership of a farming operation is transferred to an individual or entity under an arrangement that provides for the sale or exchange of any asset or ownership interest in 1 or more entities at less than fair market value; and

“(ii) the transferor is provided preferential rights to repurchase the asset or interest at less than fair market value; or

“(B) a sale or exchange of any asset or ownership interest in 1 or more entities under an arrangement under which rights to exercise control over the asset or interest are retained, directly or indirectly, by the transferor.”

(2) in subsection (b)—

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

“(1) IN GENERAL.—To be eligible to receive, directly or indirectly, payments or benefits described as being subject to limitation in subsection (b) or (c) of section 1001 with respect to a particular farming operation, an individual or entity (as defined in section 1001(a)) shall be actively engaged in farming with respect to the farming operation, in accordance with paragraphs (2), (3), and (4).”;

(B) in paragraph (2)—

(i) by striking subparagraphs (A), (B), and (C) and inserting the following:

“(A) DEFINITIONS.—In this paragraph:

“(i) ACTIVE PERSONAL MANAGEMENT.—The term ‘active personal management’ means with respect to an individual, administrative duties carried out by the individual for a farming operation—

“(I) that are personally provided by the individual on a regular, substantial, and continuing basis; and

“(II) relating to the supervision and direction of—

“(aa) activities and labor involved in the farming operation; and

“(bb) onsite services directly related and necessary to the farming operation.

“(ii) FAMILY MEMBER.—The term ‘family member’, with respect to an individual participating in a farming operation, means an individual who is related to the individual as a lineal ancestor, a lineal descendant, or a sibling (including a spouse of such and individual).

“(B) ACTIVE ENGAGEMENT.—Except as provided in paragraph (3), for purposes of paragraph (1), the following shall apply:

“(i) An individual shall be considered to be actively engaged in farming with respect to a farming operation if—

“(I) the individual makes a significant contribution, as determined under subparagraph (E)

(based on the total value of the farming operation), to the farming operation of—

“(aa) capital, equipment, or land; and

“(bb) personal labor and active personal management;

“(II) the share of the individual of the profits or losses from the farming operation is commensurate with the contributions of the individual to the operation; and

“(III) a contribution of the individual is at risk.

“(ii) An entity shall be considered to be actively engaged in farming with respect to a farming operation if—

“(I) the entity makes a significant contribution, as determined under subparagraph (E) (based on the total value of the farming operation), to the farming operation of capital, equipment, or land;

“(II)(aa) the stockholders or members that collectively own at least 51 percent of the combined beneficial interest in the entity each make a significant contribution of personal labor and active personal management to the operation; or

“(bb) in the case of an entity in which all of the beneficial interests are held by family members, any stockholder or member (or household comprised of a stockholder or member and the spouse of the stockholder or member) who owns at least 10 percent of the beneficial interest in the entity makes a significant contribution of personal labor or active personal management; and

“(III) the entity meets the requirements of subclauses (II) and (III) of clause (i).

“(C) ENTITIES MAKING SIGNIFICANT CONTRIBUTIONS.—If a general partnership, joint venture, or similar entity (as determined by the Secretary) separately makes a significant contribution (based on the total value of the farming operation involved) of capital, equipment, or land, the partners or members making a significant contribution of personal labor or active personal management and meeting the standards provided in subclauses (II) and (III) of subparagraph (B)(i), shall be considered to be actively engaged in farming with respect to the farming operation”; and

(ii) by adding at the end the following:

“(E) SIGNIFICANT CONTRIBUTION OF PERSONAL LABOR OR ACTIVE PERSONAL MANAGEMENT.—

“(i) IN GENERAL.—Subject to clause (ii), for purposes of subparagraph (B), an individual shall be considered to be providing, on behalf of the individual or an entity, a significant contribution of personal labor or active personal management, if the total contribution of personal labor and active personal management is at least equal to the lesser of—

“(I) 1,000 hours; and

“(II) a period of time equal to—

“(aa) 50 percent of the commensurate share of the total number of hours of personal labor and active personal management required to conduct the farming operation; or

“(bb) in the case of a stockholder or member (or household comprised of a stockholder or member and the spouse of the stockholder or member) that owns at least 10 percent of the beneficial interest in an entity in which all of the beneficial interests are held by family members, 50 percent of the commensurate share of hours of the personal labor and active personal management of all family members required to conduct the farming operation.

“(ii) MINIMUM LABOR HOURS.—For the purpose of clause (i), the minimum number of labor hours required to produce a commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to the commensurate share of an individual or entity in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State in which the farming operation is located, as determined by the Secretary.”

(C) in paragraph (3) by striking subparagraphs (A), (B), and (C) and inserting the following:

“(A) LANDOWNERS.—An individual or entity that is a landowner contributing owned land, and that meets the requirements of subclauses (II) and (III) of paragraph (2)(B)(i), if as determined by the Secretary —

“(i) the landowner share-rents the land at a rate that is usual and customary; and

“(ii) the share received by the landowner is commensurate with the share of the crop or income received as rent.

“(B) FAMILY MEMBERS.—With respect to a farming operation conducted by individuals who are family members, or an entity the majority of whose stockholders or members are family members, an adult family member who makes a significant contribution (based on the total value of the farming operation) of active personal management or personal labor and, with respect to such contribution, who meets the requirements of subclauses (II) and (III) of paragraph (2)(B)(i).

“(C) SHARECROPPERS.—A sharecropper who makes a significant contribution of personal labor to the farming operation and, with respect to such contribution, who meets the requirements of subclauses (II) and (III) of paragraph (2)(B)(i), and who was receiving payments from the landowner as a sharecropper prior to the effective date of this Act.”

(D) in paragraph (4)—

(i) in the paragraph heading, by striking “PERSONS” and inserting “INDIVIDUALS AND ENTITIES”;

(ii) in the matter preceding subparagraph (A), by striking “persons” and inserting “individuals and entities”; and

(iii) by striking subparagraph (B) and inserting the following:

“(B) OTHER INDIVIDUALS AND ENTITIES.—Any other individual or entity, or class of individuals or entities, that fails to meet the requirements of paragraphs (2) and (3), as determined by the Secretary.”

(E) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

(F) by inserting after paragraph (4) the following:

“(5) PERSONAL LABOR AND ACTIVE PERSONAL MANAGEMENT.—No stockholder or member may provide personal labor or active personal management to meet the requirements of this subsection for individuals or entities that collectively receive, directly or indirectly, an amount equal to more than twice the applicable limits under subsections (b), (c), and (d) of section 1001.”

(G) In paragraph (6) (as redesignated by subparagraph (e))

(i) in the first sentence—

(I) by striking “A person” and inserting “An individual or entity”; and

(II) by striking “such person” and inserting “the individual or entity”; and

(ii) by striking the second sentence; and

(3) by adding at the end the following:

“(c) NOTIFICATION BY ENTITIES.—To facilitate the administration of this section, each entity that receives payments or benefits described as being subject to limitation in subsection (b), (c), or (d) of section 1001 with respect to a particular farming operation shall—

“(1) notify each individual or other entity that acquires or holds a beneficial interest in the farming operation of the requirements and limitations under this section; and

“(2) provide to the Secretary, at such times and in such manner as the Secretary may require, the name and social security number of each individual, or the name and taxpayer identification number of each entity, that holds or acquires such a beneficial interest.

“(4) FOUR LEVELS OF ATTRIBUTION FOR EMBEDDED ENTITIES.—

“(A) IN GENERAL.—Attribution of payments made to legal entities shall be traced through four levels of ownership in entities.

“(B) FIRST LEVEL.—Any payments made to a legal entity (a first-tier entity) that is owned in whole or in part by a person shall be attributed to the person in an amount that represents the direct ownership in the first-tier entity by the person.

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

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

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

SEC. 1505. SCHEMES OR DEVICES.

Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended—

(1) by inserting “(a) IN GENERAL.—” before “if”;

(2) in subsection (a) (as designated by paragraph (1)), by striking “person” each place it appears and inserting “individual or entity”; and

(3) by adding at the end the following:

“(b) FRAUD.—If fraud is committed by an individual or entity in connection with a scheme or device to evade, or that has the purpose of evading, section 1001, 1001A, or 1001C, the individual or entity shall be ineligible to receive farm program payments described as being subject to limitation in subsection (b), (c), or (d) of section 1001 for—

“(1) the crop year for which the scheme or device is adopted; and

“(2) the succeeding 5 crop years.

“(c) JOINT AND SEVERAL LIABILITY.—All individuals and entities who participate in a scheme or device described in subsection (a) or (b) shall be jointly and severally liable for any and all overpayments resulting from the scheme or device, and subject to program ineligibility resulting from the scheme or device, regardless of whether a particular individual or entity was or was not a payment recipient.

“(d) WAIVER AUTHORITY.—The Secretary may fully or partially release an individual or entity from liability for repayment of program proceeds under subsection (a)(2) if the individual or entity cooperates with the Department of Agriculture by disclosing a scheme or device to evade section 1001, 1001A, or 1001C or any other provision of law administered by the Secretary that imposes a payment limitation. The decision of the Secretary under this subsection is vested in the sole discretion of the Secretary.”.

SEC. 1506. FOREIGN INDIVIDUALS AND ENTITIES MADE INELIGIBLE FOR PROGRAM BENEFITS.

Section 1001C of the Food Security Act of 1985 (7 U.S.C. 1308–3) is amended—

(1) in the section heading, by striking “persons” and inserting “individuals and entities”;

- (2) in subsection (a), by striking “person” each place it appears and inserting “individual”; and
- (3) in subsection (b)—
 - (A) in the subsection heading, by striking “CORPORATION OR OTHER”; and
 - (B) by striking “a corporation or other entity” and inserting “an entity”.

SEC. 1507. ADJUSTED GROSS INCOME LIMITATION.

- (a) EXTENSION OF ADJUSTED GROSS INCOME LIMITATION.—
- (b) MODIFICATION OF LIMITATION.—Section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is amended—

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

“(1) CAPS.—

“(A) UPPER LIMIT.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) during a crop year and no benefits shall be provided on land owned by an individual or entity if the average adjusted gross income of the entity or individual combined with the income of the individual’s spouse exceeds \$250,000.

“(B) PRODUCER EXEMPTION.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) and no benefits shall be provided on land owned by an individual or entity during a crop year if the average adjusted gross income of the entity or individual combined with the income of the individual’s spouse exceeds \$125,000, unless not less than 66.66 percent of the average adjusted gross income of the entity or individual combined with the income of the individual’s spouse is derived from farming, ranching, or forestry operations, as determined by the Secretary.”;

(2) in paragraph (2), by striking subparagraph (C); and

(3) by adding at the end the following new paragraph:

“(3) INCOME DERIVED FROM FARMING, RANCHING OR FORESTRY OPERATIONS.—In determining what portion of the average adjusted gross income of an individual or entity is derived from farming, ranching, or forestry operations, the Secretary shall include income derived from the following:

“(A) The production of crops, livestock, or unfinished raw forestry products.

“(B) The sale, including the sale of easements and development rights, of farm, ranch, or forestry land or water rights.

“(C) The sale, but not as a dealer, of equipment purchased to conduct farm, ranch, or forestry operations when the equipment is otherwise subject to depreciation expense.

“(D) The rental of land used for farming, ranching, or forestry operations.

“(E) The provision of production inputs and services to farmers, ranchers, and foresters.

“(F) The processing, storing, and transporting of farm, ranch, and forestry commodities.

“(G) The sale of land that has been used for agriculture.”.

SEC. 1508. REGULATIONS.

(a) **IN GENERAL.**—The Secretary of Agriculture may promulgate such regulations as are necessary to implement this Act and the amendment made to this Act.

(b) **PROCEDURE.**—The promulgation of the regulations and administration of this Act and the amendments made by this Act shall be made without regard to

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

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

(c) **CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.**—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, 21 United States Code.

Strike section 1512 (title I, page 109, beginning line 1), relating to mandatory reporting for peanuts

At the end of title I insert the following:

Subtitle F—Risk Management Accounts

SEC. 1601. ESTABLISHMENT OF RISK MANAGEMENT ACCOUNTS.

(a) **IN GENERAL.**—The Secretary shall establish optional Risk Management Accounts for all eligible farmers and offer incentives to encourage farmers to save money during years of high profits to use during years of low profits, and for retirement.

(b) **DEFINITIONS.**—For purposes of this section—

(1) **OPERATOR.**—The term “operator” means an individual or entity that—

(A) either—

(i) during each of the preceding 5 taxable years, filed a schedule F of the Federal income tax returns or a comparable tax form related to the agricultural operations of the individual or entity, as approved by the Secretary; or

(ii) is a beginning farmer or rancher, as determined by the Secretary; and

(B) earned—

(i) at least \$10,000 in average adjusted gross revenue for the preceding 5 taxable years;

(ii) less than such amount, but is a limited resource farmer or rancher, as determined by the Secretary; or

(iii) at least \$10,000 in estimated income from all agricultural operations for the applicable year, as determined by the Secretary, and is a beginning farmer or rancher under subparagraph (A)(ii).

(2) **FARM.**—The term “farm” is land used for production of crops, livestock and other agricultural products of which the operator has more than de-minimis control or ownership.

(3) **ADJUSTED GROSS REVENUE.**—The term “adjusted gross revenue” means the adjusted gross income as determined by the Secretary, from the sale of agricultural crops grown, dairy products produced, and livestock raised as part of an agricultural operation—

(A) by taking into account gross receipts from the sale of agricultural crops, eligible livestock and dairy products on the agricultural operation, including insurance indemnities;

(B) by including all farm payments paid by the Secretary or any other government entity for the agricultural operation related to agricultural crops, eligible livestock and dairy products;

(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on the agricultural operation;

(D) by excluding revenues that do not arise from the sale of crops grown, dairy products produced or livestock raised on an agricultural operation, such as revenues associated with the packaging, merchandising, marketing and reprocessing of the agricultural product beyond that typically undertaken by a producer of the crop, dairy products or livestock as determined by the Secretary;

(E) by using with such adjustments, additions and additional documentation as the Secretary determines is appropriate, information presented on—

(i) a schedule F of the Federal income tax returns of the producer; or

(ii) a comparable tax form related to the agricultural operations of the producer, as approved by the Secretary.

(c) **ESTABLISHMENT.**—Any operator of a farm, including dairy farms and “specialty crop” farms, may establish a Risk Management Account in the name of the farm to be jointly administered by the Secretary and a private banking institution, credit union, or other approved lender.

(d) **VOLUNTARY CONTRIBUTIONS.**—An operator of a farm may make voluntary contributions to their Risk Management Account up to the limits specified in section 219(b)(5)(A) of the Internal Revenue Code of 1986, as amended.

(e) **INCENTIVES FOR CONTRIBUTIONS.**—For producers eligible for Direct Payments under Subtitle A of this Act, for each dollar contributed to the account by the producer, up to the full amount of the Direct Payment received in that year, the Secretary shall make a matching contribution of 5 percent.

(f) **WITHDRAWALS.**—An operator who establishes an account may withdraw funds under the following conditions and amounts:

(1) In a year when the farm’s adjusted gross revenue is less than 95 percent of the five-year average adjusted gross revenue, the producer may withdraw funds up to the amount of the difference.

(2) Up to 10 percent of the account balance for investments in rural enterprises that contribute to the agricultural economy, as defined by the Secretary, no more than once in any five-year period.

(3) When withdrawals are necessary to protect the solvency of the farm, as determined by the Secretary.

(4) To purchase revenue or crop insurance.

(5) Without restriction once the farmer has retired from farming, as determined by the farmer's no longer filing a Schedule F Income Tax Return.

(g) VIOLATIONS.—If an operator fails to meet the conditions established for a contribution to an account, the operator shall refund to the Secretary an amount equal to the contribution in any fiscal year in which a violation occurred.

(h) SALE OR TRANSFER.—If an operator sells or transfers a farm, the operator may elect to—

(1) transfer all or a portion of the account to another farm in which the operator has a controlling ownership interest or acquires a controlling ownership interest within two years of the sale or transfer of the original agricultural operation;

(2) transfer the account to the purchaser of the farm if the operator is not already a holder of an account; or

(3) rollover the account into an Individual Retirement Account pursuant to section 408 of the Internal Revenue Code of 1986 of the operator, if the operator is a natural person, or, if the operator is an entity, into the accounts of any natural person who has a substantial beneficial interest in the farm that is the subject of the account.

(i) CONSERVATION COMPLIANCE.—Any operator and any holder of a beneficial interest in a farm subject to an account shall—

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

(2) comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

[CONSERVATION TITLE]

In the matter proposed to be inserted by section 2103 strike “2012” and inserting “2009”.

[Section 2104 is amended in subsection (b) by striking “by striking paragraph (1)” and all that follows through “2012” and inserting in paragraph (1), by striking “2,000,000 acres” and inserting “5,000,000 acres”.]

In section 2104 redesignate subsections (d) and (e) as subsections (e) and (f) and insert after subsection (c) the following:

(d) GRASSLAND RESERVE PROGRAM.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking paragraph (5) and inserting the following new paragraph:

“(5) For each of fiscal years 2008 through 2012, the grassland reserve program under subchapter C of chapter 2”.

Add at the end of section 2104 insert the following:

(e) EXTENSION AND FUNDING.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking paragraph (5) and inserting the following new paragraph:

“(5) For each of fiscal years 2008 through 2012, the grassland reserve program under subchapter C of chapter 2”.

(f) ENROLLMENT GOALS.—Section 1238N(b) of such Act (16 U.S.C. 3838N(b)) is amended in paragraph (1), by striking “2,000,000 acres” and inserting “5,000,000 acres”.

In the matter to be inserted by section 2301 strike subparagraphs (A) through (E) and insert the following:

- (A) \$20,000,000.
- (B) \$40,000,000.
- (C) \$50,000,000.
- (D) \$90,000,000.
- (E) "\$100,000,000.

At the end of subtitle C of title I insert the following:

SEC. 2303. COMMUNITY FORESTS AND OPEN SPACE CONSERVATION PROGRAM.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States Forest Service projects that 44 million acres of privately owned forested land will be developed in the United States by 2030, including many of the most important remaining forested parcels within and adjacent to communities.

(2) There is an urgent need to assist local governments in raising the funds necessary to purchase the most important of these parcels of privately owned forested land as they come up for sale.

(3) The breakup of forested land into smaller parcels has resulted in an increasing number of owners of privately owned forested land, but many of these owners have little or no experience in forest stewardship.

(4) In fast growing communities of all sizes across the United States, the remaining parcels of privately owned forested land play an essential role in protecting public water supplies, which has led many local governments to purchase these lands for municipal or county ownership.

(5) Rising rates of obesity and other public health problems related to inactivity have been shown to be ameliorated by improving public access to safe and pleasing areas for outdoor recreation, which has led many local governments to purchase lands for recreational purposes under municipal or county ownership.

(6) Across the United States, many communities of diverse types and sizes are deriving significant financial benefit from owning and managing municipal or county forestlands as a source of local revenue that also contributes significantly to the health of the forest products economy at the local and national levels.

(7) The access to privately owned forested land for hunting, fishing, and trapping has declined, and the number of persons participating in these activities has likewise declined, as these lands are divided into smaller parcels and more owners of privately owned forested land post their land against public use, which has led many local governments to purchase forestlands to guarantee access for hunting, fishing, and trapping.

(8) There is a national interest and an urgent need to assist local governments in raising the funds necessary to purchase important privately owned forested land that will maintain the diverse public benefits of forestlands close to or within all manner of communities nationwide, from close-knit rural communities to fast growing suburban and exurban areas.

(b) ESTABLISHMENT OF PROGRAM.—The Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) is amended by adding at the end the following new section:

“SEC. 21. FORESTS AND OPEN SPACE CONSERVATION PROGRAM.

“(a) ESTABLISHMENT AND PURPOSE.—The Secretary of Agriculture shall establish within the Forest Service a program to be known as the ‘Community Forests and Open Space Conservation Program’ (in this section referred to as the ‘Program’) for the purpose of assisting local governments in a State selected to participate in the Program to acquire forested land that—

“(1) is economically, culturally, and environmentally important to the locality in which the land is located;

“(2) is threatened by conversion to non-forest uses; and

“(3) will conserve public access to and benefit from the land for a wide variety of public purposes, including model forest stewardship, sustainable timber production, forest-based educational and cultural activities, wildlife habitat protection, watershed protection, or outdoor recreation, including hunting and fishing.

“(b) SELECTION OF PARTICIPATING STATES.—

“(1) SELECTION.—Not later than one year after the date of the enactment of this section, the Secretary shall select at least one State in each of the New England, Mid-Atlantic, Midwest, South, West, and Pacific Northwest regions of the United States to participate in the Program. The Secretary shall make the selections from among applications submitted by willing States. No State shall be compelled to participate in the Program.

“(2) IMPLEMENTATION.—Authority for implementation of the Program in a participating State shall lie with the State forester, equivalent State official, or other appropriate State natural resource management agency designated by the Governor of the State.

“(c) ELIGIBILITY AND RANKING CRITERIA.—

“(1) STATE ASSESSMENT OF NEED.—Each participating State shall prepare an assessment of need that identifies the geographic areas within the State that will be the focus of land acquisition activities under the Program and priority objectives for conservation, based on conditions and public needs in the State. This requirement may be satisfied by inclusion of the assessment as part of an integrated State-wide forest planning process for application of Federal programs in the State.

“(2) ESTABLISHMENT OF CRITERIA.—Not later than one year after the date of the enactment of this section, the Secretary shall establish eligibility and ranking criteria for the selection of land acquisition proposals to receive funding under the Program. The Secretary shall establish the criteria in consultation with State Forest Stewardship Advisory Committees, State Urban and Community Forestry Advisory Committees, and similar organizations.

“(3) PRIORITIES.—In establishing the eligibility and ranking criteria under paragraph (2), the Secretary shall give priority to the acquisition of lands that—

“(A) meet identified local open space and natural resource needs, as expressed in town plans, regional plans, or other relevant local planning documents;

“(B) can be effectively managed to model good forest stewardship for private landowners and support forest-based educational programs, including vocational education in forestry;

“(C) provide significant protection of public water supplies or other waterways;

“(D) can offer long-term economic benefit to communities through forestry;

“(E) contain important wildlife habitat;

“(F) provide convenient public access for outdoor recreation, including hunting and fishing; and

“(G) are most threatened with conversion to nonforest uses.

“(d) APPLICATION AND RANKING OF PROPOSALS.—

“(1) PREPARATION AND CONTENTS.—A local government in a participating State may prepare an application for assistance under the Program in the acquisition of forested land within the geographic program focus area in the State identified under subsection (c)(1). The application shall include certification by the appropriate unit or units of local government that the proposed land acquisition is consistent with any comprehensive plans for development adopted by the unit of local government and include such other information as the Secretary may prescribe.

“(2) SUBMISSION.—Participating States shall rank all applications according to priority and submit the applications to the Secretary at such times and in such form as the Secretary may prescribe.

“(3) NATIONAL LIST.—The Secretary shall maintain a national list of all submitted applications, ranked according to the criteria established pursuant to subsection (c).

“(e) OWNERSHIP OF LAND.—

“(1) GOVERNMENT OWNERSHIP.—Except as provided in paragraph (2), all land acquired in whole or in part using funds provided under the Program shall be owned in fee simple by a local government, such as a municipality or county.

“(2) NONPROFIT ORGANIZATION OWNERSHIP.—Upon the request of a participating State, designated nonprofit organizations operating within that State may also own land acquired using funds provided under the Program, subject to the condition that the land is open for public access consistent with the purposes and criteria of the Program.

“(3) EFFECT OF VIOLATION.—If the owner of land acquired in whole or in part using funds provided under the Program sells the land, the owner shall reimburse the Secretary for the full amount of the funds provided under the Program, plus a penalty equal to 50 percent of the sale price or appraised value of the land at the time of the sale, whichever is greater. The local government or designated nonprofit organization that sold the land shall no longer be eligible for assistance under the Program.

“(f) DUTIES OF OWNERS.—

“(1) USE AND PROHIBITION ON CONVERSION.—The owner of land acquired in whole or in part using funds provided under the Program shall manage the land in a manner that is consistent with the purposes for which the land was purchased under the Program and shall not convert the property to other nonforest uses. Public access for compatible recreational uses, as determined by the owner, shall be required.

“(2) MANAGEMENT PLAN.—Not later than two years after the closing date on the purchase of land using funds under the Program, the owner of the land shall complete a management plan for the land, which shall be subject to the approval of the responsible State agency. Management plans shall be created through a public process that allows for community participation and input.

“(g) COST SHARING REQUIREMENTS.—

“(1) COST SHARING.—In accordance with such terms and conditions as the Secretary may prescribe, costs for the acquisition of land under the Program, and other costs associated with the Program, shall be shared among participating entities, including State, county, municipal, and other governmental units, landowners, corporations, or private organizations. Such costs may include costs associated with planning, administration, property acquisition, and property management. The Secretary may authorize in-kind contributions.

“(2) FEDERAL COST SHARE.—The Federal share of the cost to acquire land under the Program shall not exceed 50 percent of the total cost to acquire the land. Payments under this section shall be made in accordance with Federal appraisal and acquisition standards and procedures.

“(3) ADMINISTRATION AND TECHNICAL ASSISTANCE.—In order to assist local governments in achieving model stewardship of land acquired under the Program, 10 percent of all funds appropriated for a fiscal year for the Program shall be allocated to the responsible State agencies in participating States to administer the Program and to provide technical assistance to local governments for forest stewardship, including development and implementation of management plans required by subsection (f)(2).

“(h) PRIVATE PROPERTY PROTECTIONS.—

“(1) ACCESS.—Nothing in this section—

“(A) requires a private property owner to permit public access (including Federal, State, or local government access) to private property; or

“(B) modifies any provision of Federal, State, or local law with regard to public access to, or use of, private land.

“(2) LIABILITY.—Nothing in this section creates any liability, or has any effect on liability under any other law, of a private property owner with respect to any persons injured on the private property.

“(3) RECOGNITION OF AUTHORITY TO CONTROL LAND USE.—Nothing in this section modifies any authority of Federal, State, or local governments to regulate land use.

“(4) PARTICIPATION OF PRIVATE PROPERTY OWNERS.—Nothing in this section requires a private property owner to participate in the Program.

“(i) AUTHORIZATION OF APPROPRIATIONS.—Of the funds available through the Commodity Credit Corporation, The Secretary shall use to carry out the Program \$10,000,000 for each of the fiscal years 2008 through 2012.”

In the matter to be inserted by section 2401(b) strike “2011” and insert “2008” and before clause (i) insert the following (and redesignate subsequent clauses accordingly):

- “(i) \$200,000,000 for fiscal year 2009;
- “(ii) \$350,000,000 for fiscal year 2010;
- “(iii) \$500,000,000 for fiscal year 2011;”.

In the matter to be inserted by section 2401(d) strike subparagraphs (A) through (D) and insert the following:

- “(A) \$1,675,000,000 in fiscal year 2008;
- “(B) \$1,840,000,000 in fiscal year 2009;
- “(C) \$1,840,000,000 in fiscal year 2010;
- “(D) \$1,940,000,000 in fiscal year 2011; and”.

Section 2401(e) is amended to read as follows:

(e) WILDLIFE HABITAT INCENTIVES PROGRAM.—Paragraph (7) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended to read as follows:

“(7) The wildlife habitat incentives program under section 1240N, using, to the maximum extent practicable—

- “(A) \$85,000,000 in fiscal year 2008;
- “(B) \$100,000,000 in fiscal year 2009;
- “(C) \$140,000,000 in fiscal year 2010;
- “(D) \$150,000,000 in fiscal years 2011 and 2012.”.

[TRADE TITLE]

Strike section 3005 (relating to the McGovern-Dole International Food for Education and Child Nutrition Program) and insert the following:

SEC. 3005. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

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

(1) in subsection (d), in the matter preceding paragraph (1), by striking “The President shall designate 1 or more Federal agencies to” and inserting “The Secretary shall”;

(2) in subsection (f)(2), in the matter preceding subparagraph (A), by striking “implementing agency” and inserting “Secretary”; and

(3) in subsections (c)(2)(B), (f)(1), (h)(1) and(2), and (i), by striking “President” each place it appears and inserting “Secretary”.

(b) FUNDING.—Subsection (1) of such section is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

“(1) USE OF COMMODITY CREDIT CORPORATION FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

- “(A) \$140,000,000 for fiscal year 2008;
- “(B) \$180,000,000 for fiscal year 2009;
- “(C) \$220,000,000 for fiscal year 2010;
- “(D) \$260,000,000 for fiscal year 2011; and
- “(E) \$300,000,000 for fiscal year 2012.”;

(2) by redesignating paragraph (3) as paragraph (2); and
 (3) in paragraph (2) (as redesignated by paragraph (2)), by striking “any Federal agency implementing or assisting” and inserting “the Department of Agriculture or any other Federal department or agency assisting”.

[NUTRITION TITLE]

In title IV of the bill, strike section 4008 (relating to Adjusting Countable Resources for Inflation), as added to the bill by the En Bloc Amendment adopted, and insert the following (and make such technical and conforming changes as may be appropriate).

SEC. 4008. ADJUSTING COUNTABLE RESOURCES FOR INFLATION.

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

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

“(g) ALLOWABLE FINANCIAL RESOURCES.—

“(1) TOTAL AMOUNT.—

“(A) IN GENERAL.—The Secretary”.

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

(A) by striking “\$2,000” and inserting “\$2,700 (as adjusted in accordance with subparagraph (B))”; and

(B) by striking “\$3,000” and inserting “\$3,900 (as adjusted in accordance with subparagraph (B))”; and

(3) by adding at the end the following:

“(B) ADJUSTMENT FOR INFLATION.—

“(i) IN GENERAL.—Beginning on October 1, 2008, and each October 1 thereafter, the amounts in subparagraph (A) shall be adjusted to the nearest \$100 increment to reflect changes for the 12-month period ending the preceding June in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

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

At appropriate places throughout title IV, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. ____ . EXCLUDING COMBAT RELATED PAY FROM COUNTABLE INCOME.

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

(1) by striking “and (18)”, and inserting “(18)”, and

(2) by inserting before the period at the end the following: “and (19) any additional payment received under Chapter 5 of title 37, United States Code, by (or as an allotment to or transfer from) a member of the United States Armed Forces deployed to a designated combat zone for the duration of the member’s deployment to or service in a combat zone if the additional pay was not received immediately prior to serving in that or another combat zone.”.

SEC. ____ . INCREASING THE STANDARD DEDUCTION.

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

(1) in subparagraph (A)(ii) by striking “not less than \$134” and all that follows through the period at the end, and inserting the following: “not less than \$156, \$267, \$220, and \$137, respectively. On October 1, 2008, and each October 1 thereafter, such standard deduction shall be an amount that is equal to the amount from the previous fiscal year adjusted to the nearest lower dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, for items other than food, for the 12 months ending the preceding June 30.”; and

(2) in subparagraph (B)(ii) by striking “not less than \$269.” and inserting the following: “not less than \$313. On October 1, 2008, and each October 1 thereafter, such standard deduction shall be an amount that is equal to the amount of the previous fiscal year adjusted to the nearest dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, for items other than food, for the 12 months ending the preceding June 30.”.

SEC. ____ . EXCLUDING DEPENDENT CARE EXPENSES.

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

SEC. ____ . ADJUSTING COUNTABLE RESOURCES FOR INFLATION.

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

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

“(g) ALLOWABLE FINANCIAL RESOURCES.—

“(1) TOTAL AMOUNT.—

“(A) IN GENERAL.—The Secretary”.

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

(A) by inserting “(as adjusted in accordance with subparagraph (B))” after “\$2,000”; and

(B) by inserting “(as adjusted in accordance with subparagraph (B))” after “\$3,000”; and

(3) by adding at the end the following:

“(B) ADJUSTMENT FOR INFLATION.—

“(i) IN GENERAL.—Beginning on October 1, 2007, and each October 1 thereafter, the amounts in subparagraph (A) shall be adjusted to the nearest \$100 increment to reflect changes for the 12-month period ending the preceding June in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

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

SEC. ____ . EXCLUDING EDUCATION ACCOUNTS FROM COUNTABLE INCOME.

Section (5)(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

“(7) EXCLUSION OF EDUCATION ACCOUNTS FROM COUNTABLE RESOURCES.—

“(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a qualified tuition program described in section 529 of the Internal Revenue Code of 1986 or in a Coverdell education savings account under section 530 of that Code.

“(B) DISCRETIONARY EXCLUSIONS.—The Secretary may also exclude from financial resources under this subsection the value of any program or account included in any successor or similar provision that is enacted and determined to be exempt from taxation under the Internal Revenue Code of 1986.”.

SEC. ____ . EXCLUDING RETIREMENT ACCOUNTS FROM COUNTABLE INCOME.

Section (5)(g) of the of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)), as amended by the preceding section, is amended—

(1) in subsection (g)(2)(B)(v) by striking “or retirement account (including an individual account)” and inserting “account”; and

(2) adding at the end the following:

“(8) EXCLUSION OF RETIREMENT ACCOUNTS FROM COUNTABLE RESOURCES.—

“(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a plan, contract, or account as described in section 401(a), 403(a), 403(b), 408, 408A, 457(b), or 501(c)(18) of the Internal Revenue Code of 1986 and the value of funds in a Federal Thrift Savings Plan account as provided section 8439 of title 5, United States Code.

“(B) DISCRETIONARY EXCLUSIONS.—

“(i) The Secretary may exclude from financial resources under this subsection any other retirement plans, contracts, or accounts that have been determined to be tax qualified retirement plans, contracts, or accounts, under the Internal Revenue Code of 1986.

“(ii) The Secretary may also exclude from financial resources under this subsection the value of any program or account included in any successor or similar provision that is enacted and determined to be exempt from taxation under the Internal Revenue Code of 1986.”.

SEC. ____ . INCREASING THE MINIMUM BENEFIT.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking “\$10 per month” and inserting “10 percent of the thrifty food plan for a household containing 1 member, as determined by the Secretary under section 3(o)”.

SEC. ____ . EMERGENCY FOOD ASSISTANCE PROGRAM.

Section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2036(a)) is amended by—

(1) by striking “(a) PURCHASE OF COMMODITIES” and all that follows through 2007’ and inserting the following:

“(a) PURCHASE OF COMMODITIES.—

“(1) IN GENERAL.—As provided in paragraph (2), for each of the fiscal years 2008 through 2012”;

(2) by striking “\$140,000,000 of”; and

(3) by adding at the end the following:

“(2) AMOUNTS.—The following amounts are made available to carry out this subsection:

“(A) for fiscal year 2008, \$250,000,000; and

“(B) for each of the fiscal years 2009 through 2012, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2007 and June 30 of the immediately preceding fiscal year.”.

SEC. ____ . FRUIT AND VEGETABLE NUTRITION PROMOTION PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture, acting through the Administrator of the Agricultural Marketing Service, shall establish and carry out a program to provide assistance to eligible trade organizations described in paragraph (3) to increase the consumption of fruits and vegetables in the United States to meet Federal health guidelines.

(b) REQUIREMENTS FOR PARTICIPATION.—To be eligible for assistance under this section, an eligible trade organization shall—

(1) prepare and submit a plan to increase the consumption of fruits and vegetables in the United States to the Administrator of the Agricultural Marketing Service that meets any guidelines governing such plans established by the Administrator; and

(2) meet any other requirements established by the Administrator.

(c) ELIGIBLE TRADE ORGANIZATIONS.—An eligible trade organization referred to in paragraph (1) means any of the following:

(1) A nonprofit fruit and vegetable trade organizations in the United States.

(2) A nonprofit State or regional fruit and vegetable organization.

(3) A fruit and vegetable agricultural cooperative in the United States.

(4) A commodity board or commission in the United States.

(5) A small business engaged in the fruit and vegetable industry in the United States.

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

(1) in the case of an organization described in paragraphs (1) through (5) of subsection (c), 90 percent of the cost of the plan to increase the consumption of fruits and vegetables in the United States submitted under paragraph (b)(1); and

(2) in the case of an organization described in paragraph (c)(5), 50 percent of the cost of the plan to increase the con-

sumption of fruits and vegetables in the United States submitted under paragraph (b)(1).

(e) FUNDING.—Of the funds of the Commodity Credit Corporation, the Administrator of the Agricultural Marketing Service shall use \$15,000,000 in each of fiscal years 2008 through 2012 to carry out this section.

In section 4020(a), strike paragraph (4) and insert the following:
(4) by inserting after subsection (f) the following:

“(g) FUNDING.—For each of the fiscal years 2008 through 2012, the Secretary shall use \$30 million of the funds, facilities and authorities of the Commodity Credit Corporation to carry out this section.”.

In section 4303(4)(A), strike clause (ii) and insert the following:
(ii) by striking “\$9,000,000” and inserting “\$100,000,000”.

At the end of subtitle C of title IV, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. ____ . HUNGER-FREE COMMUNITIES.

(a) DEFINITIONS.—In this section:

(1) DOMESTIC HUNGER GOAL.—The term “domestic hunger goal” means—

(A) the goal of reducing hunger in the United States to at or below 2 percent by 2010; or

(B) the goal of reducing food insecurity in the United States to at or below 6 percent by 2010.

(2) EMERGENCY FEEDING ORGANIZATION.—The term “emergency feeding organization” has the meaning given the term in section 201A of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501).

(3) FOOD SECURITY.—The term “food security” means the state in which an individual has access to enough food for an active, healthy life.

(4) HUNGER-FREE COMMUNITIES GOAL.—The term “hunger-free communities goal” means any of the 14 goals described in the H. Con. Res. 302 (102nd Congress).

(b) HUNGER REPORTS.—

(1) STUDY.—

(A) TIMELINE.—

(i) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall conduct a study of major matters relating to the problem of hunger in the United States, as determined by the Secretary.

(ii) UPDATE.—Not later than 5 years after the date on which the study under clause (i) is conducted, the Secretary shall update the study.

(B) MATTERS TO BE ASSESSED.—The matters to be assessed by the Secretary in the study and update under this paragraph shall include—

(i) data on hunger and food insecurity in the United States;

(ii) measures carried out during the previous year by Federal, State, and local governments to achieve domestic hunger goals and hunger-free communities goals;

(iii) measures that could be carried out by Federal, State, and local governments to achieve domestic hunger goals and hunger-free communities goals; and

(iv) the impact of hunger and household food insecurity on obesity, in the context of poverty and food assistance programs.

(2) RECOMMENDATIONS.—The Secretary shall develop recommendations on—

(A) removing obstacles to achieving domestic hunger goals and hunger-free communities goals; and

(B) otherwise reducing domestic hunger.

(3) REPORT.—The Secretary shall submit to the President and Congress—

(A) not later than 1 year after the date of enactment of this Act, a report that contains—

(i) a detailed statement of the results of the study, or the most recent update to the study, conducted under paragraph (1)(A); and

(ii) the most recent recommendations of the Secretary under paragraph (2); and

(B) not later than 5 years after the date of submission of the report under subparagraph (A), an update of the report.

(c) HUNGER-FREE COMMUNITIES COLLABORATIVE GRANTS.—

(1) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term “eligible entity” means a public food program service provider or a nonprofit organization, including but not limited to an emergency feeding organization, that demonstrates the organization has collaborated, or will collaborate, with 1 or more local partner organizations to achieve at least 1 hunger-free communities goal.

(2) PROGRAM AUTHORIZED.—

(A) IN GENERAL.—The Secretary shall use not more than 55 percent of any funds made available under subsection (f) to make grants to eligible entities to pay the Federal share of the costs of an activity described in paragraph (4).

(B) FEDERAL SHARE.—The Federal share of the cost of carrying out an activity under this subsection shall not exceed 80 percent.

(C) NON-FEDERAL SHARE.—

(i) CALCULATION.—The non-Federal share of the cost of an activity under this subsection may be provided in cash or in kind, fairly evaluated, including facilities, equipment, or services.

(ii) SOURCES.—Any entity may provide the non-Federal share of the cost of an activity under this subsection through a State government, a local government, or a private source.

(3) APPLICATION.—

(A) IN GENERAL.—To receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at the time and in the manner and accompanied by any information the Secretary may require.

(B) CONTENTS.—Each application submitted under subparagraph (A) shall—

(i) identify any activity described in paragraph (4) that the grant will be used to fund;

(ii) describe the means by which an activity identified under clause (i) will reduce hunger in the community of the eligible entity;

(iii) list any partner organizations of the eligible entity that will participate in an activity funded by the grant;

(iv) describe any agreement between a partner organization and the eligible entity necessary to carry out an activity funded by the grant; and

(v) if an assessment described in paragraph (4)(A) has been performed, include—

(I) a summary of that assessment; and

(II) information regarding the means by which the grant will help reduce hunger in the community of the eligible entity.

(C) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to eligible entities that—

(i) demonstrate in the application of the eligible entity that the eligible entity makes collaborative efforts to reduce hunger in the community of the eligible entity; and

(ii)(I) serve a predominantly rural and geographically underserved area;

(II) serve communities in which the rates of food insecurity, hunger, poverty, or unemployment are demonstrably higher than national average rates;

(III) provide evidence of long-term efforts to reduce hunger in the community;

(IV) provide evidence of public support for the efforts of the eligible entity; or

(V) demonstrate in the application of the eligible entity a commitment to achieving more than 1 hunger-free communities goal.

(4) USE OF FUNDS.—

(A) ASSESSMENT OF HUNGER IN THE COMMUNITY.—

(i) IN GENERAL.—An eligible entity in a community that has not performed an assessment described in clause (ii) may use a grant received under this subsection to perform the assessment for the community.

(ii) ASSESSMENT.—The assessment referred to in clause (ii) shall include—

(I) an analysis of the problem of hunger in the community served by the eligible entity;

(II) an evaluation of any facility and any equipment used to achieve a hunger-free communities goal in the community;

(III) an analysis of the effectiveness and extent of service of existing nutrition programs and emergency feeding organizations; and

(IV) a plan to achieve any other hunger-free communities goal in the community.

(B) ACTIVITIES.—An eligible entity in a community that has submitted an assessment to the Secretary shall use a

grant received under this subsection for any fiscal year for activities of the eligible entity, including—

(i) meeting the immediate needs of people in the community served by the eligible entity who experience hunger by—

(I) distributing food;

(II) providing community outreach; or

(III) improving access to food as part of a comprehensive service;

(ii) developing new resources and strategies to help reduce hunger in the community;

(iii) establishing a program to achieve a hunger-free communities goal in the community, including—

(I) a program to prevent, monitor, and treat children in the community experiencing hunger or poor nutrition; or

(II) a program to provide information to people in the community on hunger, domestic hunger goals, and hunger-free communities goals; and

(iv) establishing a program to provide food and nutrition services as part of a coordinated community-based comprehensive service.

(d) HUNGER-FREE COMMUNITIES INFRASTRUCTURE GRANTS.—

(1) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term “eligible entity” means an emergency feeding organization (as defined in section 201A(4) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501(4))).

(2) PROGRAM AUTHORIZED.—

(A) IN GENERAL.—The Secretary shall use not more than 45 percent of any funds made available under subsection (f) to make grants to eligible entities to pay the Federal share of the costs of an activity described in paragraph (4).

(B) FEDERAL SHARE.—The Federal share of the cost of carrying out an activity under this subsection shall not exceed 80 percent.

(3) APPLICATION.—

(A) IN GENERAL.—To receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at the time and in the manner and accompanied by any information the Secretary may require.

(B) CONTENTS.—Each application submitted under subparagraph (A) shall—

(i) identify any activity described in paragraph (4) that the grant will be used to fund; and

(ii) describe the means by which an activity identified under clause (i) will reduce hunger in the community of the eligible entity.

(C) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to eligible entities the applications of which demonstrate 2 or more of the following:

(i) The eligible entity serves a predominantly rural and geographically underserved area.

(ii) The eligible entity serves a community in which the rates of food insecurity, hunger, poverty, or unem-

ployment are demonstrably higher than national average rates.

(iii) The eligible entity serves a community that has carried out long-term efforts to reduce hunger in the community.

(iv) The eligible entity serves a community that provides public support for the efforts of the eligible entity.

(v) The eligible entity is committed to achieving more than 1 hunger-free communities goal.

(4) USE OF FUNDS.—An eligible entity shall use a grant received under this subsection for any fiscal year to carry out activities of the eligible entity, including—

(A) constructing, expanding, or repairing a facility or equipment to support hunger relief agencies in the community;

(B) assisting an emergency feeding organization in the community in obtaining locally-produced produce and protein products; and

(C) assisting an emergency feeding organization in the community to process and serve wild game.

(e) REPORT.—Not later than September 30, 2013, the Secretary shall submit to Congress a report describing—

(1) each grant made under this section, including—

(A) a description of any activity funded by such a grant; and

(B) the degree of success of each activity funded by such a grant in achieving hunger-free communities goals; and

(2) the degree of success of all activities funded by grants under this section in achieving domestic hunger goals.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$50,000,000 for each of fiscal years 2008 through 2013.

In subsection (a)(1) of the amendment made by section 4401(a) of the bill, strike “\$15,000,000” and insert “\$45,000,000” .

In subsection (a) of the amendment made by section 4401(a) of the bill, strike paragraph (2) and insert the following:

(2) There is authorized to be appropriated \$100,000,000 for each of fiscal years 2008 through 2012 to carry out and expand the senior farmers’ market nutrition programs.

At the end of subtitle D of title IV, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. ____ . GRANTS FOR LOCAL FARMERS AND COMMUNITY FARMING.

(a) GRANTS TO ASSIST MUNICIPALITIES TO HELP LOCAL FARMERS TO GROW FOOD TO BE SOLD LOCALLY.—

(1) IN GENERAL.—The Secretary of Agriculture may make a grant in accordance with this subsection to a municipality to enable the municipality to facilitate the ability of local farmers to grow food crops or raise beef, poultry, or other consumable agricultural products to be sold to the local community.

(2) MAXIMUM AMOUNT OF GRANT.—The amount of a grant under this subsection shall not exceed \$100,000.

(3) USE OF GRANTS.—

(A) IN GENERAL.—A municipality to which a grant is made under this subsection shall use the grant, subject to subparagraph (B), to establish a community supported agriculture project, by—

- (i) leasing municipal land to a participating farmer;
- (ii) providing a loan guarantee for a loan made for the purchase or lease of equipment or facilities to be used by a participating farmer;
- (iii) establish a kitchen certified by relevant health authorities for use by the participating farmer and other farmers operating, as determined by the municipality, locally or regionally; or
- (iv) establish a beef, poultry or other agricultural product processing plant certified by relevant health authorities for use by the participating farmer or other farmers operating, as determined by the municipality, locally or regionally.

(B) REQUIREMENTS RELATING TO MINIMUM OUTPUT, LOCAL SALE, AND UNDER-SERVED COMMUNITIES.—

(i) IN GENERAL.—A lease entered into or a loan guarantee provided pursuant to this subsection shall provide that the municipality may terminate the lease or rescind the loan guarantee, as the case may be, if, during each year for which the lease or loan guarantee is in effect—

(I) the total value of the crops, beef, poultry, or other consumable agricultural products produced from the land involved is less than \$5,000;

(II) at least 30 percent of the crops, beef, poultry, or other consumable agricultural products are not made available for sale in an under-served community; or

(III) at least 70 percent of the crops, beef, poultry, or other consumable agricultural products are not made available for sale locally or regionally.

(ii) LOCAL OR REGIONAL SALE.—An agricultural product shall be considered to be made available for sale locally or regionally for purposes of this subsection if the product is distributed within the locality or region where produced, in a manner which—

(I) ensures that information regarding the product origin, production practices, or other similar information which is a source of value to the end-use consumer is typically conveyed;

(II) facilitates the likelihood that the income of the community supported agriculture operation is increased through maximization of the share of the retail food price retained by the producer;

(III) ensures that consumers are provided with an affordable product produced, processed, and distributed in the locality or region where the end-use consumers acquire the product; and

(IV) ensures that the product has traveled less than half of the current average distance of all

food produced and consumed in the United States, as determined by the Secretary.

(C) PUBLIC BIDDING REQUIRED.—The municipality shall solicit bids from the general public for the leases and loan guarantees to be provided by the municipality pursuant to this subsection. The municipality shall conduct the bidding in a manner that creates a primary preference for minority and socially-disadvantaged farmers and ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003 (e))) and a secondary preference for participating farmers who will farm the land organically.

(4) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated to the Secretary not more than \$40,000,000 for each of fiscal years 2008 through 2013.

(b) GRANTS TO SUPPORT THE FORMATION OF COMMUNITY-SUPPORTED AGRICULTURAL PROJECTS.—

(1) IN GENERAL.—The Secretary of Agriculture may make a grant to enable a local nongovernmental farming association that promotes community-based farming or to a qualified farmer to provide technical, advisory, and other assistance to support the formation of a municipally-based community-supported agricultural project.

(2) MAXIMUM AMOUNT OF GRANT.—The amount of a grant under this subsection shall not exceed \$25,000.

(3) USE OF GRANTS.—A grant recipient shall use the grant to—

(A) provide public information about the assistance available pursuant to this section;

(B) provide technical and advisory assistance to participating farmers who enter into a lease or receive a loan guarantee from a municipality pursuant to section 1; or

(C) conduct training sessions on subjects relevant to starting, operating, maintaining, or marketing crops produced by participating farmers.

(4) DEFINITION.—In this subsection, the term “qualified farmer” means a farmer who demonstrated expertise in setting up a profit-making enterprise, such as a farm, a community supported agriculture operation, or a farmers market that has been in operation at least five years.

(5) DISPUTE RESOLUTION.—In the event of a landlord-tenant dispute, dispute concerning ownership rights to improved infrastructure, or other dispute between a municipality and a participating farmer, the parties shall utilize the services of the Certified State Agricultural Mediation Program is administered by the Farm Service Agency.

(6) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated to the Secretary not more than \$10,000,000 for each of fiscal years 2008 through 2013.

(c) GRANTS TO PROVIDE START-UP FUNDS TO FARMERS WHO MUST DIVERSIFY THEIR OPERATIONS IN ORDER TO PARTICIPATE IN COMMUNITY-SUPPORTED AGRICULTURAL PROJECTS.—

(1) IN GENERAL.—The Secretary of Agriculture may make a one-time grant to provide start-up funding to an agricultural producer who must diversify the agricultural operations of the producer in order to participate in a community-supported agricultural project.

(2) MAXIMUM AMOUNT OF GRANT.—The amount of a grant under this subsection shall not exceed \$5,000.

(3) USE OF GRANTS.—An agricultural producer to whom a grant is made under this subsection shall use the grant to begin a new agricultural operation.

(4) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated to the Secretary not more than \$2,000,000 for each of fiscal years 2008 through 2013.

(d) MARKETING ASSISTANCE FOR COMMUNITY SUPPORTED AGRICULTURE PROJECTS.—The Secretary of Agriculture shall provide marketing assistance to a participating farmer who has received a lease or loan guarantee under section 1 that has not been terminated, to assist the farmer in marketing to community institutions, including schools, child care centers, and senior centers.

(e) DEFINITIONS.—In this section:

(1) COMMUNITY-SUPPORTED AGRICULTURAL PROJECT.—The term “community-supported agricultural project” means a contract under which a group of consumers, a nonprofit organization, or a public agency which represents consumers is obligated to purchase a specified amount of 1 or more agricultural products directly from 1 or more agricultural producers during a specific period.

(2) FARM VENDOR.—The term ‘farm vendor’ means a farmer, a member of the farmer’s family, or employee of the farmer, who sells their products at a farmers market. The farm vendor must offer for sale at the market only the food or other items that are grown or produced by that farm.

(3) MARKETING ALLIANCE.—The term “marketing alliance” means a legally recognized entity, such as the National Farmers Market Coalition, from which growers and farmers market managers can obtain technical support on farmers market issues.

(4) MUNICIPALITY.—The term “municipality” includes any city, town, borough, county, parish, district, transportation district, assessment jurisdiction, or other public body, or any other political subdivision within the territorial limits of the United States, created by or pursuant to State law or the law of an Indian tribe or tribal organization, with the authority to impose a tax, charge, or fee.

(5) NONGOVERNMENTAL FARMING ASSOCIATION.—The term “nongovernmental farming association” means any of the following entities that has legal standing:

(A) A group of agricultural producers that operates as a marketing alliance.

(B) A cooperative association, each of whose owners and members is an agricultural producer.

(C) A group of 2 or more agricultural producers or farm vendors who sell an agricultural product through a common distribution channel.

(D) A nonprofit organization with expertise in farming.

(E) A network or association of agricultural producers.

(6) PARTICIPATING FARMER.—The term “participating farmer” means an agricultural producer who has made a binding commitment to participate in a community-supported agricultural project.

(7) STATE.—The term “State” includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, and American Samoa.

(8) UNDER-SERVED COMMUNITY.—The term “under-served community” means an urban, rural, or tribal community which has—

(A) limited access to affordable, healthy foods, including fresh fruits and vegetables, in retail grocery stores or farmer-to-consumer direct markets;

(B) a high incidence of diet-related diseases, including obesity;

(C) a high rate of hunger or food insecurity; or

(D) severe or persistent poverty.

(f) REGULATIONS.—The Secretary of Agriculture shall prescribe such regulations as may be necessary to carry out this section.

[RURAL DEVELOPMENT TITLE]

Strike section 6013 and insert the following:

SEC. 6013. RURAL ENTREPRENEUR AND MICROENTERPRISE ASSISTANCE PROGRAM.

Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 364 (7 U.S.C. 2006f) the following:

“SEC. 365. RURAL ENTREPRENEUR AND MICROENTERPRISE ASSISTANCE PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) ECONOMICALLY DISADVANTAGED MICROENTREPRENEUR.—The term ‘economically disadvantaged microentrepreneur’ means an owner, majority owner, or developer of a microenterprise that has the ability to compete in the private sector but has been impaired because of diminished capital and credit opportunities, as compared to other microentrepreneurs in the industry involved.

“(2) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(3) INTERMEDIARY.—The term ‘intermediary’ means a nonprofit entity that has a demonstrated capacity to provide assistance—

“(A) to a microenterprise development organization; or

“(B) for a microenterprise development program.

“(4) LOW-INCOME INDIVIDUAL.—The term ‘low-income individual’ means an individual with an income (adjusted for family size) of not more than the greatest of—

“(A) 80 percent of median income of the non-metropolitan statistical area in which the individual resides;

“(B) 80 percent of the statewide non-metropolitan area median income; or

“(C) 80 percent of the national median income.

“(5) MICROCREDIT.—The term ‘microcredit’ means a business loan or loan guarantee of not more than \$50,000 that is provided to a rural entrepreneur.

“(6) MICROENTERPRISE.—The term ‘microenterprise’ means—

“(A) a self-employed individual; or

“(B) a business entity with not more than 10 full-time-equivalent employees.

“(7) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—The term ‘microenterprise development organization’ means a private, nonprofit entity that—

“(A) provides training and technical assistance to rural entrepreneurs;

“(B) facilitates access to capital or another service described in subsection (b) for rural entrepreneurs; and

“(C) has a demonstrated record of delivering services to economically disadvantaged microentrepreneurs, or an effective plan to develop a program to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary.

“(8) MICROENTERPRISE DEVELOPMENT PROGRAM.—The term ‘microenterprise development program’ means a program administered by an organization serving a rural area.

“(9) MICROENTREPRENEUR.—The term ‘microentrepreneur’ means the owner, operator, or developer of a microenterprise.

“(10) PROGRAM.—The term ‘Program’ means the rural entrepreneur and microenterprise program established under subsection (b)(1).

“(11) QUALIFIED ORGANIZATION.—The term ‘qualified organization’ means—

“(A) an intermediary;

“(B) a microenterprise development organization or microenterprise development program that—

“(i) has a demonstrated record of delivering microenterprise services to rural entrepreneurs; or

“(ii) has an effective plan to develop a program to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary; or

“(C) an Indian tribe, the tribal government of which certifies to the Secretary that no microenterprise development organization or microenterprise development program exists under the jurisdiction of the Indian tribe;

“(D) a group of 2 or more organizations or Indian tribes described in subparagraph (A) or (B) that agree to act jointly as a qualified organization under this section; or

“(E) for purposes of subsection (b), a public college or university.

“(12) RURAL CAPACITY-BUILDING SERVICE.—The term ‘rural capacity-building service’ means a service provided to an organization that—

“(A) is, or is in the process of becoming, a microenterprise development organization or microenterprise development program; and

“(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other related services to rural entrepreneurs.

“(13) RURAL ENTREPRENEUR.—The term ‘rural entrepreneur’ means a microentrepreneur, or prospective microentrepreneur—

“(A) the principal place of business of which is in a rural area; and

“(B) that is unable to obtain sufficient training, technical assistance, or microcredit elsewhere, as determined by the Secretary.

“(14) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture, acting through the Rural Business and Cooperative Development Service.

“(15) TRIBAL GOVERNMENT.—The term ‘tribal government’ means the governing body of an Indian tribe.

“(b) RURAL ENTREPRENEURSHIP AND MICROENTERPRISE PROGRAM.—

“(1) ESTABLISHMENT.—The Secretary shall establish a rural entrepreneurship and microenterprise program.

“(2) PURPOSE.—The purpose of the Program shall be to provide low-income individuals and moderate-income individuals with—

“(A) the skills necessary to establish new microenterprises in rural areas; and

“(B) continuing technical and financial assistance as individuals and business starting or operating microenterprises.

“(3) GRANTS.—

“(A) IN GENERAL.—The Secretary may make a grant under the Program to a qualified organization or intermediary—

“(i) to provide training, operational support, or a rural capacity-building service to another qualified organization to assist the other organization in developing microenterprise training, technical assistance, market development assistance, and other related services, for microenterprise, with an emphasis on those that—

“(I) have 5 or fewer full-time equivalent employees;

“(II) serve low income individuals; or

“(III) serve areas that have lost population;

“(ii) to assist in researching and developing the best practices in delivering training, technical assistance, and microcredit to rural entrepreneurs; and

“(iii) to carry out such other projects and activities as the Secretary determines to be consistent with the purposes of this section.

“(B) SUBGRANTS.—Subject to such regulations as the Secretary may promulgate, a qualified organization that receives a grant under this paragraph may use the grant to provide assistance to other qualified organizations, such as small or emerging qualified organizations.

“(C) DIVERSITY.—In making grants under this paragraph, the Secretary shall ensure, to the maximum extent practicable, that grant recipients include qualified organizations—

“(i) of varying sizes; and

“(ii) that serve racially and ethnically diverse populations.

“(D) MATCHING REQUIREMENT.—

“(i) IN GENERAL.—As a condition of any grant made under this paragraph, the Secretary shall require the grantee to expend for the project involved, from non-Federal sources, not less than 25 percent of the total amount of the grant.

“(ii) FORM OF CONTRIBUTION.—The non-Federal share of the cost of a project described in clause (i) may be provided—

“(I) in cash (including through fees, grants (including community development block grants), and gifts); or

“(II) in-kind.

“(4) RURAL MICROLOAN PROGRAM.—

“(A) ESTABLISHMENT.—In carrying out the Program, the Secretary may carry out a rural microloan program.

“(B) PURPOSE.—The purpose of the rural microloan program shall be to provide technical and financial assistance to microenterprises in rural areas and rural entrepreneurs, with an emphasis on those that—

“(i) have 5 or fewer full-time equivalent employees;

“(ii) serve low income individuals; or

“(iii) serve areas that have lost population.

“(C) AUTHORITY OF SECRETARY.—In carrying out the rural microloan program, the Secretary may—

“(i) make loans to qualified organizations for the purpose of making short-term, fixed interest rate microloans to startup, newly established, and growing microenterprises in rural areas; and

“(ii) in conjunction with the loans, provide grants in accordance with subparagraph (E) to the qualified organizations for the purpose of providing intensive marketing, management, and technical assistance to microenterprises in rural areas that are borrowers under this subsection.

“(D) LOAN DURATION; INTEREST RATES; CONDITIONS.—

“(i) LOAN DURATION.—A loan made by the Secretary under this paragraph shall be for a term not to exceed 20 years.

“(ii) APPLICABLE INTEREST RATES.—A loan made by the Secretary under this paragraph shall bear an annual interest rate of at least 1 percent.

“(E) GRANT AMOUNTS.—

“(i) IN GENERAL.—Except as otherwise provided in this section, each qualified organization that receives a loan under this paragraph shall be eligible to receive a grant to provide marketing, management, and technical assistance to microenterprises in rural areas that are borrowers or potential borrowers under this subsection.

“(ii) MAXIMUM AMOUNT OF GRANT FOR MICROENTERPRISE DEVELOPMENT ORGANIZATIONS.—The amount of

the grant referred to in clause (i) shall be not more than 25 percent of the total outstanding balance of loans made by the microenterprise development organization under this paragraph as of the date of provision of the grant, except that for the first loan made to a microenterprise development organization, the Secretary may make a grant not to exceed 25 percent of the outstanding balance of the loan.

“(iii) MATCHING REQUIREMENT.—

“(I) IN GENERAL.—As a condition of any grant made to a qualified organization under this subparagraph, the Secretary shall require the organization to expend for the grant project involved, from non-Federal sources, not less than 15 percent of the total amount of the grant.

“(II) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project described in subclause (I) may be provided—

“(aa) in cash; or

“(bb) in-kind.

“(c) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the assistance received by a qualified organization for a fiscal year under this section may be used to pay administrative expenses.

“(d) FUNDING.—

“(1) MANDATORY FUNDING.—

“(A) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$40,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.

“(B) ALLOCATION OF FUNDS.—Of the amount made available by subparagraph (A) for each fiscal year—

“(i) not less than \$24,000,000 shall be available for use in carrying out subsection (b)(3); and

“(ii) not less than \$16,000,000 shall be available for use in carrying out subsection (b)(4), of which not more than \$6,000,000 shall be used to support loans.

“(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under paragraph (1), there are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.”.

In section 231(b)(5)(A) of the Agricultural Risk Protection Act of 2000, as proposed to be added by section 6027(b)(1) of the bill—

(1) strike “10” and insert “15”;

(2) insert “(i)” after “benefit”;

(3) strike “or socially” and insert “, (ii) socially”; and

(4) insert “, or (iii) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))” before the period.

In section 6045(g)(1) of the Farm Security and Rural Investment Act of 2002, as proposed to be amended by section 6027(b) of the bill, strike “\$30,000,000” and insert “\$50,000,000”.

[RESEARCH TITLE]

In section 7310, strike subsections (f) and (g) and insert the following:

(f) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available \$25,000,000 for each of fiscal years 2008 through 2012.

In section 7411, strike subsections (g) and (h) that appear within quotation marks and insert the following:

“(g) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$100,000,000 for each of fiscal years 2008 through 2012.”.

[ENERGY TITLE]

Strike section 9013.

At the end of title IX, add the following new section:

SEC. ____ . VOLUNTARY RENEWABLE FUELS CERTIFICATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency, shall establish a program to certify biomass crops that meet sustainable growing standards designed to reduce greenhouse gases, protect wildlife habitat, and protect air, soil, and water quality.

(b) CERTIFICATION REQUIREMENTS.—To qualify for certification under the program established under subsection (a), a biomass crop shall be inspected and certified as meeting the standards adopted under subsection (c) by an inspector referred to in subsection (d).

(c) PRODUCTION STANDARDS.—The Secretary shall adopt standards for the certification of biomass crops under subsection (b) that provide measurement of a numerical reduction in greenhouse gases and soil and water pollutants, based upon the recommendations of an advisory committee jointly established by the Secretary and the Administrator.

(d) INSPECTORS.—The Secretary shall designate inspectors that the Secretary determines are qualified to certify biomass crops under this section to carry out inspections under subsection (b).

(e) DESIGNATION OF CERTIFIED PRODUCTS.—A product produced from a biomass crop that is certified under this section may be designated as having been produced from a certified biomass crop if the producer of the product verifies the product was produced from such crop and the verification includes a copy of the certification under subsection (b).

[HORTICULTURE TITLE]

At the end of subtitle C of title X, add the following new section:

SEC. ____ . PESTICIDES.

(a) RECORDKEEPING AND REPORTING.—

(1) AMENDMENT.—Section 1491 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 136i–1) is amended to read as follows:

“SEC. 1491. PESTICIDE RECORDKEEPING.

“(a) REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency, shall require certified commercial applicators and private applicators of pesticides (whether for general use or restricted use) to maintain—

“(A) records comparable to records maintained by commercial applicators of pesticides, as required by the State in which the pesticide is used, or

“(B) if there is no State requirement for the maintenance of records, records that contain the product and chemical name, the registration number assigned to the pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, amount, date and time of application, and location of application of each such pesticide used in agricultural production, for a period of 20 years after the pesticide is used.

“(2) PROVISION OF RECORDS TO CERTAIN PERSONS.—Within 30 days of a pesticide application, a certified commercial applicator shall provide a copy of records maintained under paragraph (1) to the person for whom such application was provided.

“(3) PROVISION OF RECORDS TO SECRETARY.—Within 30 days of a pesticide application, a certified commercial applicator or private applicator shall provide a copy of records maintained under paragraph (1) to—

“(A) any State agency designated by the State for such purpose; and

“(B) the Secretary of Agriculture.

“(4) MAINTENANCE BY SECRETARY.—

“(A) REQUIREMENT.—Subject to subparagraph (B), the Secretary of Agriculture shall maintain records submitted to the Secretary under paragraph (3) for a period of at least 20 years after the pesticide is used.

“(B) EXCEPTION.—The Secretary of Agriculture is not required to maintain records pursuant to subparagraph (A) if the Secretary determines that the State in which the pesticide is used will maintain such records for a period of at least 20 years after such use.

“(b) ACCESS TO RECORDS.—

“(1) IN GENERAL.—Upon request, records maintained under subsection (a) shall be made available by applicators and by the Secretary of Agriculture to the following:

“(A) A Federal or State agency that deals with pesticide use or any health, occupational safety, or environmental issue related to the use of pesticides.

“(B) Health care professionals treating persons who reasonably believe that they have been exposed to pesticides.

“(C) Agricultural workers who reasonably believe they have been exposed to pesticides, their immediate family members, and their representatives.

“(D) Researchers conducting studies on pesticides, occupational safety or health, or environmental conditions.

“(2) AGENCIES.—In the case of Federal agencies, such access to records maintained under subsection (a) shall be through the Secretary of Agriculture, or the Secretary’s designee. State agency requests for access to records maintained under subsection (a) shall be through the lead State agency so designated by the State.

“(3) HEALTH CARE PERSONNEL.—When a health professional determines that pesticide information maintained under this section is necessary to provide medical treatment or first aid to an individual who may have been exposed to pesticides for which the information is maintained, upon request applicators

and the Secretary of Agriculture shall promptly provide applicable records maintained under subsection (a) and available label information to that health professional. In the case of an emergency, such records and information shall be provided immediately.

“(4) AGRICULTURAL WORKERS.—When an agricultural worker reasonably believes he or she has been exposed to pesticides, upon request applicators and the Secretary of Agriculture shall provide applicable records maintained under subsection (a) to such worker, the worker’s family member, or the worker’s representative within 5 business days of the request. In the case of an emergency, such records shall be provided immediately.

“(5) RESEARCHERS.—When a researcher is conducting a study on a pesticide, occupational safety or health, or environmental conditions, upon request applicators and the Secretary of Agriculture shall provide applicable records maintained under subsection (a) to such researcher within 30 days of the request.

“(c) ACCESS TO CONTACT INFORMATION.—Upon request, the person for whom a pesticide application was provided shall provide the name and contact information of the applicator to a health care professional described in subsection (b)(3) or an agricultural worker, family member, or representative described in subsection (b)(4).

“(d) SURVEYS AND ANALYSES.—Each Federal agency described in subsection (b)(1)(A) shall conduct surveys and record the data from individual applicators to facilitate statistical analysis for environmental and agronomic purposes, but in reports based on survey data the Federal agency shall not release data, including the location from which the data was derived, that would directly or indirectly reveal the identity of individual producers.

“(e) PENALTY.—The Secretary of Agriculture shall be responsible for the enforcement of subsections (a), (b), and (c). A violation of subsection (a) or (b) by an applicator, or a violation of subsection (c) by a person described in such subsection, shall—

“(1) in the case of the first offense, be subject to a fine of not more than \$ 1,000; and

“(2) in the case of subsequent offenses, be subject to a fine of not less than \$ 2,000 for each violation, except that the penalty shall be less than \$1,000 if the Secretary determines that the applicator or person made a good faith effort to comply with such subsection.

“(f) FEDERAL OR STATE PROVISIONS.—The requirements of this section shall not affect provisions of other Federal or State laws.

“(g) SURVEYS AND REPORTS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency shall survey the records maintained under subsection (a) to develop and maintain a database that is sufficient to enable the Secretary and the Administrator to publish comprehensive reports, at least on an annual basis, concerning agricultural and nonagricultural pesticide use. The Secretary and Administrator shall enter into a memorandum of understanding to define their respective responsibilities under this subsection in order to avoid duplication of effort. Such reports shall be transmitted to Congress not later than April 1 of each year.

“(h) REGULATIONS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency shall promulgate

revised regulations on their respective areas of responsibility implementing this section not later than 180 days after the enactment of the NOURISH Act of 2007.”

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on the date that is 180 days after the enactment of the NOURISH Act of 2007.

(b) INCLUSION OF LONG-TERM ADVERSE HEALTH EFFECTS IN LABELING.—Paragraph (2) of section 2(q) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(q)) is amended—

(1) in subparagraph (C), by striking “and” at the end;

(2) in subparagraph (D)(iii), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(E) the pesticide is registered for an agricultural use and its labeling does not include information on long-term adverse health effects associated with exposure to the pesticide, such as cancer in individuals so exposed and their children, birth defects, adverse reproductive effects such as infertility or still births, and neurological damage.”

(c) RESEARCH BY CDC.—

(1) INCREASED RISKS AMONG FARM WORKERS.—

(A) IN GENERAL.—The Director of the Centers for Disease Control and Prevention shall conduct or support research on increased risks of cancer or birth defects among farm workers who have occupational exposure to pesticide and their children.

(B) AUTHORIZATION OF APPROPRIATIONS.—To carry out this paragraph, there is authorized to be appropriated \$5,000,000 for fiscal year 2008.

(2) BIOLOGICAL INDICATORS AND CLINICAL TESTS.—

(A) IN GENERAL.—The Director of the Centers for Disease Control and Prevention shall conduct or support research to identify objective biological indicators, and to develop new and additional inexpensive clinical tests, to enable clinicians to diagnose overexposure to pesticides.

(B) AUTHORIZATION OF APPROPRIATIONS.—To carry out this paragraph, there is authorized to be appropriated \$5,000,000 for fiscal year 2008.

(d) RESEARCH BY USDA.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct or support research on alternatives to agricultural pesticides that have been associated with cancer, birth defects, adverse reproductive effects, or severe neurological disorders in animal studies or epidemiological research.

(2) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there is authorized to be appropriated \$5,000,000 for fiscal year 2008.

(e) RESEARCH BY EPA.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency shall conduct or support research to develop field level tests to determine when pesticide-treated fields are safe to reenter.

(2) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there is authorized to be appropriated \$7,500,000 for fiscal year 2008.

Section 10301(1) is amended by striking “\$22,000,000” and inserting “\$25,000,000”.

Section 10303(f) is amended by striking the text and inserting the following: “Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$50,000,000 for each of fiscal years 2008 through 2012 to carry out this section. Such funds shall remain available until expended.”

Section 10102 is amended by striking subsection (b) and inserting the following new subsection:

(b) AVAILABILITY OF FUNDS.—Subsection (i) of section 101 of the Specialty Crops Competitiveness Act of 2004 is amended to read as follows:

“(i) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make grants under this section, using—

“(1) \$110,000,000 in fiscal year 2008;

“(2) \$115,000,000 in fiscal year 2009;

“(3) \$120,000,000 in fiscal year 2010;

“(4) \$125,000,000 in fiscal year 2011; and

“(5) \$145,000,000 in fiscal year 2012.”

In section 6(f)(1) of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005), as added by section 10404(b)(4) of the bill, strike “Secretary of Agriculture use to carry out this section” and all that follows and insert “Secretary of Agriculture shall use to carry out this section \$20,000,000 for each of fiscal years 2008 through 2012.”

[MISCELLANEOUS TITLE]

At the end of subtitle A of title XI add the following new sections:

SEC. ____ . SHARE OF RISK.

Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)) is amended by striking paragraph (3) and inserting the following:

“(3) SHARE OF RISK.—The reinsurance agreements of the Corporation with the reinsured companies shall require the reinsured companies to cede to the Corporation 30 percent of its cumulative underwriting gain or loss.”

SEC. ____ . REIMBURSEMENT RATE.

Section 508(k)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)) is amended by striking clause (ii) and inserting the following:

“(ii) for each of the 2008 and subsequent reinsurance years, 15 percent of the premium used to define loss ratio.”

Subparagraph (D) of section 2501(a)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(2)), as added by section 11201(a)(1)(B)(ii) of the bill, is amended to read as follows:

“(D) ADDITIONAL CONTRACTING AUTHORITY.—Any agency of the Department of Agriculture may make grants and enter into contracts and cooperative agreements with a community-based organization that meets the definition of an eligible entity under subsection (e) in order to utilize the community-based organization to provide outreach and technical assistance.”

Section 2501(a)(4)(A) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(4)(A)), as amended by section 11201(a)(1)(C)(i) of the bill, is amended by striking “\$15,000,000” and inserting “\$35,000,000”.

At the end of subtitle C of title XI add the following new section:

SEC. ____ . MORATORIUM ON FORECLOSURES.

(a) **MORATORIUM.**—The Secretary of Agriculture shall, except for the purposes referred to in subsection (c), immediately issue a moratorium on all current, pending, and future foreclosures, loan accelerations, and adverse actions, with respect to Department of Agriculture loans to any farm or ranch owned or operated by a socially disadvantaged farmer or ranchers (as defined in section 355(e)(2) of the Consolidated Farm and Rural Development Act). The Secretary shall waive the accrual of interest and offsets on all loans affected by this section for the full period of the moratorium or review shall issue write offs of accrued interest and may take such additional actions as recommended by the Commission established in subsection (b).

(a) **SOCIALLY DISADVANTAGED FARMERS AND RANCHERS COMMISSION.**—

(1) **IN GENERAL.**—The Secretary of shall establish in the Department of Agriculture a commission to be known as the “USDA Socially Disadvantaged Farmers and Ranchers Commission” (in this section referred to as the “Commission”).

(2) **DUTIES.**—The Commission shall review all actions covered by the moratorium under subsection (a) to—

(A) determine whether Federal, State, or local government actions or inactions contributed to the conditions leading to foreclosure;

(B) determine whether the acceleration of foreclosure by the Department of Agriculture of loans on farm land owned by socially disadvantaged farmers and ranchers was in accordance with applicable laws or regulations;

(C) improve upon the credibility and accuracy of all Department of Agriculture programs land foreclosure process and procedures;

(D) recommend to the Secretary actions for the fair resolution of cases reviewed; and

(E) submit to the Committee on Agriculture and the Committee on Oversight and Government Reform of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Government Reform and Homeland Security of the Senate a report on programmatic inefficiencies and possible remedies to address any land loss directly resulting from illegal or manifestly unfair acts of the Department of Agriculture.

Strike section 10202 and add at the end of title XI the following:

SEC. ____ . MULTI-SPECIES FRUIT FLY RESEARCH AND STERILE FLY PRODUCTION.

(a) **CONSTRUCTION.**—The Secretary of Agriculture shall construct a warehouse and irradiation containment facility in Waimanalo, Hawaii, to support fruit fly rearing and sterilization activities.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated—

(1) \$15,000,000 for the construction of a warehouse and irradiation containment facility pursuant to subsection (a); and

(2) \$1,000,000 for fiscal year 2008 and each subsequent fiscal year for maintenance to the facilities constructed pursuant to this section.

Strike section 11305.

At the end of subtitle A of title XI add the following new section:

SEC. ____ . PARITY FOR ORGANIC CROP ACRES PRICE ELECTIONS, DOLLAR AMOUNTS OF INSURANCE, AND PREMIUM DETERMINATION.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by adding at the end the following new paragraph:

“(9) **ORGANICS.**—Notwithstanding any other provision of this title, the Secretary may not charge a premium, deductible, or other fee for an insurance policy or plan on crops that are certified organic or transitioning to organic production that is more than the premium, deductible, or other fee for an insurance policy or plan on crops that are not certified organic or transitioning to organic production.”.

At the end of subtitle C of title XI, add the following new sections:

SEC. ____ . MCINTIRE-STENNIS COOPERATIVE FORESTRY ACT.

Section 2 of Public Law 87-788 (16 U.S.C. 582a-1) is amended—

(1) by inserting “and 1890 Institutions,” before “and (b)”;

(2) by adding at the end the following: “In States that have both 1862 Institutions and 1890 Institutions eligible for and receiving funds under this Act, the institutions shall, to the maximum extent practicable, develop complementary plans for forestry research in the State. In this section, the terms ‘1862 Institutions’ and ‘1890 Institutions’ have the same meanings as in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601(2)).”.

SEC. ____ . ANIMAL HEALTH AND DISEASE RESEARCH PROGRAM.

Section 1434(b) of the National Agriculture Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(b)) is amended by inserting after “universities” the following: “(including 1890 Institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601(2))).”.

SEC. ____ . CHILDREN, YOUTH, AND FAMILIES EDUCATION AND RESEARCH NETWORK (CYFERNET) PROGRAM.

(a) **IN GENERAL.**— In carrying out the Children, Youth, and Families Education and Research Network Program under section 3(d) of the Smith-Lever Act (7 U.S.C. 343(d)), the Secretary shall include 1890 Institutions as eligible program applicants and participants.

(b) **1890 INSTITUTIONS DEFINED.**—In this section, the term “1890 Institutions” has the meaning given the term in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601(2)).

SEC. ____ . SOCIALLY DISADVANTAGED PRODUCERS ACCESS PROGRAM.

(a) **ESTABLISHMENT; PURPOSE.**—

(1) ESTABLISHMENT.—The Secretary of Agriculture shall establish and carry out, for each of fiscal years 2008 through 2013, a program to enhance the viability of minority and socially disadvantaged farmer and ranchers who own or operate agricultural operations by assisting such farmer and ranchers to reduce their risks, improve their access to markets, and better utilize the programs and services of the Department of Agriculture.

(2) IMPROVED ACCESS.—One of the purposes of the program shall be to ensure the viability and success of minority and socially disadvantaged farmers and ranchers by promoting the involvement of socially disadvantaged farmers and ranchers in the full range of services to ensure producer access to commodity, credit, risk management and disaster protection, conservation, marketing, nutrition, value-added, rural development, and other programs and services of the Department.

(3) ACCURATE REFLECTION OF CONTRIBUTIONS.—Another of the purposes of the program shall be to assure that the number and economic contributions of socially disadvantaged farmers and ranchers are accurately reflected in the census of agriculture.

(b) ELIGIBILITY.—

(1) IN GENERAL.—To be eligible to participate in programs made available under this title, a producer shall—

(A) be a socially disadvantaged farmer or rancher;

(B) be a producer who, as an owner, operator, landlord, tenant, sharecropper or enrolled member of an Indian tribe—

(i) shares in the risk of producing any crop or livestock; and

(ii) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced) or produces more than 50 percent of the food needed for family consumption;

(C) enter into a risk management and market access contract with the Secretary to carry out the risk management and market access plan.

(2) DEFINITIONS.—In this section:

(A) SOCIALLY DISADVANTAGED.—The term “socially disadvantaged” means, with respect to a farmer or rancher, that the farmer or rancher is a member of a socially disadvantage group.

(B) SOCIALLY DISADVANTAGED GROUP DEFINED.—The term “socially disadvantaged group” means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

(c) PRODUCER PAYMENT STRUCTURE.—

(1) PRODUCER DEVELOPMENT PAYMENTS.—The Secretary is authorized to provide direct payments to the producers defined under subsection (b) if risk management and market access plans are implemented within any fiscal year pursuant to a plan developed in a fiscal year prior to payment by the Secretary.

(2) ENROLLMENT PROCEDURE.—To enroll in this program, an eligible producer must—

(A) complete and maintain the practices in the qualification level in paragraph (3)(A)(i);

(B) describe the tier of the risk management and market access plan, and the particular risk management and market access practices to be implemented in accordance with this subsection; and

(C) identify the qualified technical assistance provider who will serve as a liaison to the Department and supply technical assistance to assure completion of the plan.

(3) PAYMENT STRUCTURE.—The Secretary shall make annual producer payments under this title for participation at 1 of the following levels for a period not to exceed a total of 7 years, as follows:

(A) USDA ACCESS PAYMENTS.—The qualification level payment shall be not more than \$5,000 with up to \$2,500 paid up front if, within the first year, the producer—

(i) files an IRS schedule F or a qualified substitute for enrolled members of Indian Tribes;

(ii) registers at the Farm Service Agency office as a farm or rancher, or informs the Secretary the reason for which registration was not allowed;

(iii) signs up for any crop insurance or NAP programs for which the producer is qualified, or provides a plan to achieve qualification or inform the Secretary if no plan or program exists for the form of production on the farm or ranch; and

(iv) receives technical assistance to be included in the Minority Farm Registry and complete the next Census of Agriculture.

The Secretary shall provide to the National Agriculture Statistics Service information sufficient for inclusion of each producer who qualifies under this section in the next census of agriculture.

(B) PROGRAM ACCESS PAYMENTS.—Program access payments shall at least \$5000 and not more than \$10,000 annually for up to 3 years if the producer provides, develops, and implements a plan to complete at least two of following practices in each year:

(i) a farm and home plan;

(ii) an estate plan;

(iii) a risk management plan, including accessing family health insurance;

(iv) a conservation plan;

(v) enters into a contract for purchase or sale of farm land;

(vi) acquires a computer, high-speed internet access, and software, and training in the use of these tools;

(vii) prepares a plan to transition to another crop or crops;

(viii) applies for at least one farm program of the Department; or

(ix) other practices as determined by the Secretary.

(C) MARKET ACCESS AND RISK PROTECTION PAYMENTS.—

(i) TIER ONE.—Market Access and Risk Protection Payments shall be at least \$10,000 and not more than \$25,000 annually for up to three years if the producer develops and implements at least two of the following practices in each year:

(I) Mentor another farmer.

(II) Seek nomination and election to a Conservation District Board or FSA County Committee.

(III) Meet standards for Good Agricultural Practices, Organic Certification or other market certifications.

(IV) Develop and implement a marketing plan or a business plan.

(V) Access liability or other expanded insurance, including revenue insurance.

(VI) Access farmers markets or improved marketing contracts.

(VII) Participate in farmers market nutrition, school food or other nutrition programs.

(VIII) Develop and implement plan to meet regulatory requirements, including labor, workers compensation, and pesticide health and safety standards, Livestock and Animal ID.

(IX) Seek irrigation and other production assistance, Land or waste management.

(X) Other practices as determined by the Secretary.

(iii) TIER TWO.—Market Access and Risk Protection Payments shall be not more than to \$35,000 annually for up to three years if the producer completes at least two of the following practices in each year:

(I) Develop or participate in a cooperative or marketing association.

(II) Develop a value-added enterprise.

(III) Implements improve marketing strategies, including development of brands and innovative forms of marketing by web or other means.

(IV) Develop infrastructure or processing capacity.

(V) Enhance the participation of a cooperative or a group of farmers in nutrition and health programs.

(VI) Construct or improve housing for farmworkers.

(VII) Enter into direct contracts to secure adequate labor to meet production needs.

(VIII) Protect of land use and development rights.

(IX) Other practices as determined by the Secretary.

(d) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—For each of fiscal years 2008 through 2013, the Secretary shall provide technical assistance through qualified technical assistance providers to producers for the develop-

ment and implementation of a risk management and market access plans at each tier.

(2) TECHNICAL ASSISTANCE PROVIDER.—In this section, the term “technical assistance provider” is an organization or educational institutions that qualifies as an eligible entity under section 2501(e)(5) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)(5)).

(3) QUALIFIED TECHNICAL ASSISTANCE PROVIDER.—In this section, the term “qualified technical assistance provider” means a technical assistance provider that has been recognized by the Risk Management Agency as qualified to provide the service in this program.

(4) LIMITATIONS.—A qualified technical service provider shall not receive payment for services in excess of—

- (A) \$2,000, for services under subsection (c)(3)(A);
- (B) \$3,000, for services under subsection (c)(3)(B); or
- (C) \$4,000, for services under subsection (c)(3)(C).

(f) DUTIES OF THE SECRETARY.—

(1) OFFICE OF SMALL FARMS COORDINATION.—The Secretary of Agriculture shall establish an office of Small Farm Coordination, which shall be led by the Small Farms Coordinator, who shall be a career employee.

(2) DUTIES.—The Secretary may delegate to the Small Farms Coordinator responsibility for the following:

(A) Administering the program established under subsection (a).

(B) Administering the activities established under Departmental Regulation 9700-1 issued on August 3, 2006, in coordination with any other office, agency, or mission area as deemed necessary by the Secretary to facilitate the implementation of the programs under this section, and other such duties as assigned to assure the Department best understands, meets, and prioritizes the needs of small, socially disadvantaged, and beginning and new entry farmers.

(C) Other duties deemed appropriate by the Secretary.

(3) OUTREACH.—The Secretary shall use not less than \$1,000,000 annually from funding under this section to support consultation, training, and liaison activities with qualified technical assistance providers under subsection (b).

(4) STAFFING AND ADMINISTRATION.—The Secretary shall provide not less than 10 staff positions within the Office of Small Farms Coordination at headquarters in Washington and not less than 10 field staff for the Office as the Secretary deems necessary to implement this program, with additional field staff provided in States where the number of applicants exceeds 500 to conduct administration of this program.

(5) REGULATIONS.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to carry out this subsection.

(g) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$80,000,000 to carry out this section for each of fiscal years 2008 through 2012.

At the end of title XI, insert the following new section:

SEC. ____ . SENSE OF CONGRESS ON USE OF SAVINGS FOR DEFICIT REDUCTION.

It is the sense of the Congress that any budgetary savings created as a result of this Act will be used to reduce the Federal budget deficit and not used to offset other Federal spending.

Strike the title of the bill entitled "PREVENTION OF TAX TREATY EXPLOITATION TO EVADE UNITED STATES TAXATION".

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FRANK OF MASSACHUSETTS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike sections 5031, 5032, 5033, 5035, and 5036.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GOODLATTE OF VIRGINIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of subtitle A of title II (conservation), add the following new section:

SEC. 2409. COMMON EASEMENT AUTHORITIES.

(a) IN GENERAL.—The Food Security Act of 1985 is amended by inserting after section 1230 (16 U.S.C. 3801) the following new section:

"SEC. 1230A. COMMON EASEMENT AUTHORITIES.

"(a) IN GENERAL.—

"(1) PROGRAM.—In this section the term 'program' means the applicable program described in paragraph (2).

"(2) APPLICABILITY.—This section shall apply to the terms and conditions of all easements purchased under authorities of this subtitle:

"(A) The wetlands reserve program under subchapter C.

"(B) The farmland protection program under subchapter B of Chapter 2.

"(C) The grassland reserve program under subchapter C of Chapter 2.

"(D) The healthy forests reserve program, sections 501–508 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6571–6578).

"(3) ENROLLMENT.—The Secretary may either directly, or through an eligible entity, obtain an interest in eligible land through—

"(A) a 30-year or permanent easement; or

"(B) in a State that imposes a maximum duration for easements, an easement for the maximum duration allowed under State law.

"(4) HOLDER OF EASEMENT TITLE.—The title holder of an easement obtained under one of the programs described in paragraph (2), in addition to the Secretary, or in lieu of the Secretary, may be an eligible entity.

"(5) ESTABLISHING EASEMENT.—To become eligible to enroll land in the program through an easement, the landowner or eligible entity, as applicable, shall—

“(A) create and record an appropriate deed restriction in accordance with applicable State law;

“(B) provide proof of unencumbered title to the underlying fee interest in the land that is subject of the easement;

“(C) grant the easement to either the Secretary or an eligible entity;

“(D) comply with the terms of the easement and any restoration agreement; and

“(E) explicitly consent in writing to granting a security interest in the land to either the Secretary or an eligible entity.

“(6) WETLANDS RESERVE PROGRAM DEEDS.—A deed used to record an easement under the wetlands reserve program in subchapter C shall provide for sufficient protection of the functions and values of the wetland or floodplain, as determined by the Secretary.

“(7) DEED FOR OTHER EASEMENT PROGRAMS.—A deed used to record an easement under all programs described in paragraph (2) other than the wetlands reserve program shall be in the form of a negative restrictive deed that—

“(A) is in a format prescribed by the Secretary;

“(B) details the rights obtained by the easement; and

“(C) allows for specific uses of the land, if the use is consistent with the long-term protection of the purposes for which the easement was established.

“(8) ACCEPTANCE OF CONTRIBUTIONS.—The Secretary may accept and use contributions of non-Federal funds to carry out the administration or purpose the program.

“(9) MODIFICATION, TRANSFER, OR TERMINATION OF EASEMENT.—

“(A) MODIFICATION.—The Secretary may modify an easement acquired from, or a related agreement with, an owner or eligible entity under one of the programs described under paragraph (2) if—

“(i) the parties involved with the easement on the land agree to such modification; and

“(ii) the Secretary determines that such modification is desirable—

“(I) to carry out the program;

“(II) to facilitate administration of the program;

or

“(III) to achieve such other goals as the Secretary determines are appropriate.

“(B) TITLE TRANSFER.—The Secretary may transfer title of ownership of an easement to an eligible entity to hold and enforce, in lieu of the Secretary, subject to the right of the Secretary to conduct periodic inspections and enforce the easement, if—

“(i) the Secretary determines that granting the transfer would promote the protection of eligible land;

“(ii) the owner authorizes the eligible entity to hold and enforce the easement;

“(iii) the eligible entity assuming the title agrees to assume the costs incurred in administering and en-

forcing the easement, including the costs of restoration or rehabilitation of the land as specified by the owner and the eligible entity; and

“(iv) the eligible entity, except for an eligible entity under section 1238H(a)(1), has a commitment to protect the conservation purpose of the easement and has the resources to enforce the easement.

“(C) TERMINATION.—The Secretary may terminate an easement if—

“(i) the parties involved with such easement agree to such termination; and

“(ii) the Secretary determines that such termination would be in the public interest.

“(10) VIOLATION.—Upon the violation of the terms or conditions of an easement or other agreement entered into under this section—

“(A) the easement shall remain in force; and

“(B) the Secretary may require the owner to refund all or part of any payments received by the owner under the program, with interest on the payments as determined appropriate by the Secretary.

“(b) EASEMENTS HELD BY SECRETARY.—

“(1) PERMANENT EASEMENT VALUATION.—In return for the granting of a permanent easement or an easement for the maximum duration allowed under applicable State law by a landowner under one of the programs described in subsection (a)(2), the Secretary shall make payments to the landowner as authorized under subparagraphs (A) and (B).

“(A) VALUATION METHODS.—The method of valuation shall be determined under the specific program involved.

“(B) COST OF RESTORATION.—The Secretary shall tender a monetary amount to the landowner that is not greater than an amount corresponding to 100 percent of the eligible costs of restoration.

“(2) 30 YEAR EASEMENT VALUATION.—In return for granting a 30 year easement by a landowner, the Secretary shall make payments to the landowner in an amount equal to—

“(A) not more than 75 percent of the amount that would apply in paragraph (1)(A); and

“(B) not more than 75 percent of the eligible costs of restoration.

“(3) MONETARY DONATION.—A private landowner may make a monetary donation equivalent to any amount of the actual value of the easement.

“(c) EASEMENTS ACQUIRED THROUGH ELIGIBLE ENTITIES.—

“(1) EASEMENT HELD BY ELIGIBLE ENTITY.—The Secretary shall offer the opportunity to eligible entities to enter into agreements for the purposes of purchasing and holding easements for eligible lands in the program.

“(2) EASEMENT VALUATION.—When enrolling eligible land through an eligible entity, the share of the cost of the Secretary to purchase a conservation easement or other interest in eligible land shall not exceed 50 percent of the fair market value based on an appraisal of the conservation easement,

using an industry approved methodology determined by the entity.

“(3) PAYMENTS; DONATIONS.—

“(A) LANDOWNER.—A private landowner may make a monetary donation of up to 25 percent of the appraised fair market value of the conservation easement or other interest in eligible land.

“(B) ELIGIBLE ENTITY.—An eligible entity shall make a monetary payment of at least 25 percent of the appraised fair market value of the conservation easement or other interest in eligible land.

“(4) TYPE OF DEED.—An eligible entity obtaining an easement under this subtitle shall use a negative restrictive deed that provides for—

“(A) rights of all parties subject to the easement;

“(B) permissible uses of the land, if the use is consistent with the purposes for which the easement was established; and

“(C) terms and conditions of the eligible entity such as purposes and administration of the easement, if the Secretary finds that the terms and conditions are—

“(i) consistent with the purposes of the program; and

“(ii) provide for effective enforcement of the conservation purposes of the conservation easement.

“(d) FEDERAL CONTINGENT RIGHT OF ENFORCEMENT.—The Secretary may require the inclusion of a Federal contingent right of enforcement or executory limitation in a conservation easement or other interest in land for conservation purposes purchased with Federal funds provided under the program, in order to preserve the easement as a party of last resort. The inclusion of such a right or interest shall not be considered to be the Federal acquisition of real property and the Federal standards and procedures for land acquisition shall not apply to the inclusion of the right or interest.”.

(b) CONFORMING AMENDMENTS.—The following provisions of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.) are repealed:

- (1) Subsections (c) through (g) of section 1237A.
- (2) Section 1237C(b)(2).
- (3) Section 1237E.
- (4) Subsections (a)(1), (d), and (e) of section 1238O.
- (5) Subsections (a)(2), (b)(1), and (c) of section 1238P.
- (6) Section 1238Q.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LUCAS OF OKLAHOMA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of subtitle A of title XI, insert the following new section:

SEC. 11013. LIVESTOCK ASSISTANCE.

Notwithstanding any other provision of law, the purchase of a Non-insured Assistance Program policy shall not be a requirement to receive any Federal livestock disaster assistance.

5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CARDOZA OF CALIFORNIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of subtitle E of title X add the following new section:

SEC. ____ . RESTORATION OF IMPORT AND ENTRY AGRICULTURAL INSPECTION FUNCTIONS TO THE DEPARTMENT OF AGRICULTURE.

(a) **REPEAL OF TRANSFER OF FUNCTIONS.**—Section 421 of the Homeland Security Act of 2002 (6 U.S.C. 231) is repealed.

(b) **CONFORMING AMENDMENT TO FUNCTIONS OF SECRETARY OF HOMELAND SECURITY.**—Section 402 of the Homeland Security Act of 2002 (6 U.S.C. 202) is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraph (8) as paragraph (7).

(c) **TRANSFER AGREEMENT.**—

(1) **IN GENERAL.**—Not later than the effective date specified in subsection (g), the Secretary of Agriculture and the Secretary of Homeland Security shall enter into an agreement to effectuate the return of functions required by the amendments made by this section.

(2) **USE OF CERTAIN EMPLOYEES.**—The agreement may include authority for the Secretary of Agriculture to use employees of the Department of Homeland Security to carry out authorities delegated to the Animal and Plant Health Inspection Service regarding the protection of domestic livestock and plants.

(d) **RESTORATION OF DEPARTMENT OF AGRICULTURE EMPLOYEES.**—Not later than the effective date specified in subsection (g), all full-time equivalent positions of the Department of Agriculture transferred to the Department of Homeland Security under section 421(g) of the Homeland Security Act of 2002 (6 U.S.C. 231(g)) (as in effect on the day before such effective date) shall be restored to the Department of Agriculture.

(e) **AUTHORITY OF APHIS.**—

(1) **ESTABLISHMENT OF PROGRAM.**—The Secretary of Agriculture shall establish within the Animal and Plant Health Inspection Service a program, to be known as the “International Agricultural Inspection Program”, under which the Administrator of the Animal and Plant Health Inspection Service (referred to in this subsection as the “Administrator”) shall carry out import and entry agricultural inspections.

(2) **INFORMATION GATHERING AND INSPECTIONS.**—In carrying out the program under paragraph (1), the Administrator shall have full access to—

(A) each secure area of any terminal for screening passengers or cargo under the control of the Department of Homeland Security on the day before the date of enactment of this Act for purposes of carrying out inspections and gathering information; and

(B) each database (including any database relating to cargo manifests or employee and business records) under the control of the Department of Homeland Security on the day before the date of enactment of this Act for purposes of gathering information.

(3) INSPECTION ALERTS.—The Administrator may issue inspection alerts, including by indicating cargo to be held for immediate inspection.

(4) INSPECTION USER FEES.—The Administrator may, as applicable—

(A) continue to collect any agricultural quarantine inspection user fee; and

(B) administer any reserve account for the fees.

(5) CAREER TRACK PROGRAM.—

(A) IN GENERAL.—The Administrator shall establish a program, to be known as the “import and entry agriculture inspector career track program”, to support the development of long-term career professionals with expertise in import and entry agriculture inspection.

(B) STRATEGIC PLAN AND TRAINING.—In carrying out the program under this paragraph, the Administrator, in coordination with the Secretary of Agriculture, shall—

(i) develop a strategic plan to incorporate import and entry agricultural inspectors into the infrastructure protecting food, fiber, forests, bioenergy, and the environment of the United States from animal and plant pests, diseases, and noxious weeds; and

(ii) as part of the plan under clause (i), provide training for import and entry agricultural inspectors participating in the program not less frequently than once each year to improve inspection skills.

(f) DUTIES OF SECRETARY OF AGRICULTURE.—

(1) OPERATING PROCEDURES AND TRACKING SYSTEM.—The Secretary of Agriculture shall—

(A) develop standard operating procedures for inspection, monitoring, and auditing relating to import and entry agricultural inspections, in accordance with recommendations from the Comptroller General of the United States and reports of interagency advisory groups, as applicable; and

(B) ensure that the Animal and Plant Health Inspection Service has a national electronic system with real-time tracking capability for monitoring, tracking, and reporting inspection activities of the Service.

(2) FEDERAL AND STATE COOPERATION.—

(A) COMMUNICATION SYSTEM.—The Secretary of Agriculture shall develop and maintain an integrated, real-time communication system with respect to import and entry agricultural inspections to alert State departments of agriculture of significant inspection findings of the Animal and Plant Health Inspection Service.

(3) FUNDING.—The Secretary of Agriculture shall pay the costs of each import and entry agricultural inspector employed by the Animal and Plant Health Inspection Service from amounts made available to the Department of Agriculture for the applicable fiscal year.

(g) REPORT.—Not later than one year after the date of the enactment of this Act, and at least annually thereafter, the Secretary shall submit to Congress a report containing an assessment of—

(1) the resource needs for import and entry agricultural inspection, including the number of inspectors required;

(2) the adequacy of—

(A) inspection and monitoring procedures and facilities in the United States; and

(B) the strategic plan developed under subsection (e)(5)(B)(i); and

(3) new and potential technologies and practices, including recommendations regarding the technologies and practices, to improve import and entry agricultural inspection.

(h) **EFFECTIVE DATE.**—The amendments made by this section take effect on the date that is 180 days after the date of enactment of this Act.

6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BOUSTANY OF LOUISIANA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of subtitle A of title XI, add the following new section:

SEC. 11013. DETERMINATION OF CERTAIN SWEET POTATO PRODUCTION.

In the case of sweet potatoes, Risk Management Agency Pilot Program data shall not be considered for purposes of determining production for the 2005–2006 Farm Service Agency Crop Disaster Program.

7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JACKSON-LEE OF TEXAS, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

At an appropriate place in title IV, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. ____ SENSE OF THE CONGRESS.

It is the sense of the Congress that food items provided pursuant to the Federal school breakfast and school lunch program should be selected so as to reduce the incidence of juvenile obesity and to maximize nutritional value.

8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HASTINGS OF FLORIDA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title XI add the following new section:

SEC. ____ POLLINATOR PROTECTION.

(a) **SHORT TITLE.**—This section may be cited as the “Pollinator Protection Act of 2007”.

(b) **FINDINGS.**—Congress finds that—

(1) many of the crops that humans and livestock consume rely on pollinators for healthy growth;

(2) pollination by honey and native bees adds more than \$18,000,000,000 annually to the value of United States crops;

(3) $\frac{1}{3}$ of the food supply of the United States depends on bee pollination, which makes the management and protection of pollinators an issue of paramount importance to the security of the United States food supply system;

(4) colony collapse disorder is the name that has been given to the latest die-off of honey bee colonies, exacerbating the continual decline of pollinators in North America;

(5) honey bee colonies in more than 23 states have been affected by colony collapse disorder;

(6) if the current rate of decline continues, the United States will be forced to rely more heavily on imported foods, which will destabilize the food security of the United States through adverse affects on the availability, price, and quality of the many fruits, vegetables, and other products that depend on animal pollination; and

(7) enhanced funding for research on honey bees, native bees, parasites, pathogens, toxins, and other environmental factors affecting bees and pollination of cultivated and wild plants will result in methods of response to colony collapse disorder and other factors causing the decline of pollinators in North America.

(c) AUTHORIZATIONS OF APPROPRIATIONS.—

(1) AGRICULTURAL RESEARCH SERVICE.—There is authorized to be appropriated to the Secretary of Agriculture, acting through the Agricultural Research Service—

(A) \$3,000,000 for each of fiscal years 2008 through 2012, to be used for new personnel, facilities improvement, and additional research at Department of Agriculture Bee Research Laboratories;

(B) \$2,500,000 for each of fiscal years 2008 and 2009, to be used for research on honey and native bee physiology, insect pathology, insect chemical ecology, and honey and native bee toxicology at other Department of Agriculture facilities in New York, Florida, California, Utah, and Texas; and

(C) \$1,750,000 for each of fiscal years 2008 through 2010, to be used for an area-wide research program to identify causes and solutions for colony collapse disorder in affected States.

(2) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—There is authorized to be appropriated to the Secretary of Agriculture, acting through the Cooperative State Research, Education, and Extension Service, \$10,000,000 for each of fiscal years 2008 through 2012 to be used to fund Department of Agriculture extension and research grants to investigate—

(A) honey bee biology, immunology, and ecology;

(B) honey bee genomics;

(C) honey bee bioinformatics;

(D) native bee crop pollination and habitat conservation;

(E) native bee taxonomy and ecology;

(F) pollination biology;

(G) sublethal effects of insecticides, herbicides, and fungicides on honey bees, native pollinators, and other beneficial insects;

(H) the effects of genetically-modified crops, including the interaction of genetically-modified crops with honey bees and other native pollinators; and

(I) honey, bumble, and other native bee parasites and pathogens and effects on other native pollinators.

(3) ANIMAL AND PLANT HEALTH INSPECTION SERVICE.—There is authorized to be appropriated to the Secretary of Agriculture, acting through the Animal and Plant Health Inspection Service, \$2,250,000 for each of fiscal years 2008 through 2012 to conduct a nationwide honey bee pest and pathogen surveillance program.

(d) ANNUAL REPORTS.—The Secretary of Agriculture, acting through the Agricultural Research Service and the Cooperative State Research, Education, and Extension Service, shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the status and progress of bee research projects that are carried out by the Secretary.

(e) GIVING POLLINATOR HABITAT AND PROTECTION A PRIORITY IN CONSERVATION PROGRAMS.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended by adding at the end the following new subsection:

“(c) NATIVE AND MANAGED POLLINATORS.—In carrying out any conservation program administered by the Secretary, except the farmland protection program, the Secretary shall establish a priority and provide incentives for—

“(1) increasing habitat for native and managed pollinators, especially native habitat; and

“(2) establishing cropping systems, integrated pest management regimes, and other practices to protect native and managed pollinators.”.

9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ARCURI OF NEW YORK, OR HIS DESIGNEE, DEBATABLE FOR _____ MINUTES

At the end of subtitle D of title I, add the following new section:

SEC. 2410. ADJUSTMENT OF CLASS I MILK PRICE MOVER TO REFLECT ENERGY AND ANIMAL FEED COST INCREASES.

It is the sense of Congress that the Secretary of Agriculture should use existing authority when determining the Class I milk price mover to take into account the increased cost of production, including energy and feed.

10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WELCH OF VERMONT, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Section 4303 is further amended by striking paragraph (2) and inserting the following:

(2) in paragraph (3)(A)—

(A) in the matter preceding clause (i) by striking “paragraph (1)(B)” and inserting “paragraph (1)”;

(B) in clause (iii) by striking “and” at the end;

(C) in clause (iv) by striking the period at the end and inserting “; and”; and

(D) by adding at the end the following:

“(v) encourage plans for implementation that include locally grown foods, where geographically available, in accordance with section 9(j).”.

11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WELCH OF VERMONT, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 1409(b), insert after paragraph (6) the following new paragraph (and redesignate subsequent paragraphs):

(7) evaluating cost of production variables, including cost of feed and cost of fuel;

In section 1409(c)(3)(D), insert before the period at the end the following: “, including the Northeast, Southeast, Midwest, and Western regions of the country”.

In section 1409(d), strike “Not later than two years after the date of the first meeting of the commission,” and insert “Not later than 18 months after the date of the enactment of this Act,”.

12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE RANGEL OF NEW YORK, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the appropriate place in the bill, insert the following new sections:

SEC. ____ . CLARIFICATION OF PAYMENT TERMS UNDER THE TRADE SANCTIONS REFORM AND EXPORT ENHANCEMENT ACT OF 2000.

Section 908(b)(4) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7207(b)(4)) is amended—

(1) in subparagraph (B), by striking “and” at the end;

(2) in subparagraph (C), by striking the period at the end and inserting “, and”; and

(3) by adding at the end the following:

“(D) the term ‘payment of cash in advance’ means, notwithstanding any other provision of law, the payment by the purchaser of an agricultural commodity or product and the receipt of such payment by the seller prior to—

“(i) the transfer of title of such commodity or product to the purchaser; and

“(ii) the release of control of such commodity or product to the purchaser.”.

SEC. ____ . AUTHORIZATION OF DIRECT TRANSFERS BETWEEN CUBAN AND UNITED STATES FINANCIAL INSTITUTIONS UNDER THE TRADE SANCTIONS REFORM AND EXPORT ENHANCEMENT ACT OF 2000.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, the President may not restrict direct transfers from a Cuban depository institution to a United States depository institution executed in payment for a product authorized for sale under the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7201 et seq.).

(b) **DEPOSITORY INSTITUTION DEFINED.**—In this section, the term “depository institution” means any entity that is engaged primarily in the business of banking (including a bank, savings bank, savings association, credit union, trust company, or bank holding company).

SEC. ____ . ISSUANCE OF VISAS TO CONDUCT ACTIVITIES IN ACCORDANCE WITH THE TRADE SANCTIONS REFORM AND EXPORT ENHANCEMENT ACT OF 2000.

Notwithstanding any other provision of law, in the case of a Cuban national whose itinerary documents an intent to conduct ac-

tivities, including phytosanitary inspections, related to purchasing United States agricultural goods under the provisions of the Trade Sanctions Reform and Export Enhancement Act of 2000, a consular officer (as defined in section 101(a)(9) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(9))) may issue a nonimmigrant visa under section 101(a)(15)(B) of such Act (8 U.S.C. 1101(a)(15)(B)) to the national, if the national is not inadmissible to the United States under section 212 of such Act (8 U.S.C. 1182).

13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BOEHNER OF OHIO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 1204, add at the end the following new subsection:

(i) RATE ADJUSTMENTS; DATE FOR DETERMINING REPAYMENT RATE.—

(1) NO MORE THAN MONTHLY RATE ADJUSTMENTS.—Repayment rates established under this section shall be adjusted by the Secretary no more than once every month for all loan commodities.

(2) DATE FOR DETERMINING REPAYMENT RATE.—With respect to the monthly repayment rates established under this section, the rate shall be—

(A) in the case of a producer who, as determined by the Secretary, loses beneficial interest immediately upon repayment of the loan, the monthly repayment rate that is in effect on the date beneficial interest is lost; and

(B) in the case of other producers who did not lose beneficial interest upon repayment of the loan, the repayment rate in effect on the earlier of—

(i) the month in which the loan matures; or

(ii) the last month of the marketing year established by the Secretary for the commodity.

In section 1205(e), add at the end the following new sentence: “However, the producers must have beneficial interest in the commodity for which a payment is requested under this section as of the date on which the producers request the payment.”.

14. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BERNICE-JOHNSON OF TEXAS, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of subtitle B of title VII, insert the following:

SEC. 7234. EMPHASIS OF HUMAN NUTRITION INITIATIVE.

Section 1424(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(b)) is amended—

(1) in paragraph (1), by striking “and,”;

(2) in paragraph (2), by striking the comma and inserting “; and”;

(3) by adding at the end the following:

“(3) proposals that examine the efficacy of current agriculture policies in promoting the health and welfare of economically disadvantaged populations.”.

15. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MANZULLO OF ILLINOIS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike subsection (a) of section 1246 of the Food Security Act of 1985, as added by section 2409(a) of the bill, and insert the following:

“(a) PAYMENTS FOR CONSERVATION PRACTICES.—The total amount of payments that a person or a legal entity (except a joint venture or a general partnership) may receive, directly or indirectly, in any fiscal year shall not exceed—

“(1) \$60,000 from any single program under this title (other than the environmental quality incentives program) or as agricultural management assistance under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 524(b));

“(2) \$125,000 from more than one program under this title (other than the environmental quality incentives program) or as agricultural management assistance under section 524(b) of the Federal Crop Insurance Act; or

“(3) \$450,000 from the environmental quality incentives program.

16. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BLUMENAUER OF OREGON, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 1238I of the Food Security Act of 1985, as amended by section 2110, insert at the end of subsection (b) the following new sentence: “Grants may also be made for purchase of conservation easements or other interests in land pursuant to a transferable development rights program in which the entity acquiring the interests sells them for development in an urban area consistent with local land use plans, but grant funds may not be used to reduce the cost of development rights.”.

17. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LATHUM OF IOWA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 6008—

(1) insert “(a) AUTHORIZATION OF APPROPRIATIONS.—” before “Section” ; and

(2) add at the end the following:

(b) ADDITIONAL PRIORITY IN AWARDING GRANTS.—Section 306E(c) of such Act (7 U.S.C. 1926e(c)) is amended by inserting “, and to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water. The ability of an applicant to provide matching funds shall not be taken into account in determining any priority in awarding grants under this section. The payment by a grantee of audit fees, business insurance, salary, wages, employee benefits, printing costs, postage costs, and legal fees associated with providing the assistance described in paragraph (1) shall be

considered the provision of matching funds by the grantee for purposes of this section” before the period.

18. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BERRY OF ARKANSAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title II, add the following new section:

SEC. 25 . PROHIBITION ON CERTAIN NONPROFIT ORGANIZATIONS RECEIVING GOVERNMENT CONSERVATION PAYMENTS.

A non-profit organization with more than \$50,000,000 in direct public support (as listed on IRS form 990) may not receive any Government conservation payments under title XII of the Food Security Act Of 1985, this Act, or any other conservation program of the Department of Agriculture.

19. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DAVIS OF ILLINOIS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike the three sections in subtitle C of title I, and insert the following new sections:

SEC. 1301. SUGAR PROGRAM.

(a) FORFEITURE PENALTY.—Section 156(g) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(g)) is amended by adding at the end the following new paragraph:

“(3) FORFEITURE PENALTY.—The Secretary shall assess a penalty on the forfeiture of sugar pledged as collateral for a non-recourse loan under this section. The penalty shall be 1 cent per pound for raw cane sugar and an equivalent amount, as determined by the Secretary, for refined beet sugar.”.

(b) EFFECTIVE PERIOD.—Section 156(j) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(j)) is amended by striking “2007” and inserting “2012”.

SEC. 1302. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended in the matter preceding subparagraph (A) by striking “2007” and inserting “2012”.

Strike section 9013.

20. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TERRY OF NEBRASKA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title IX, add the following new section:

SEC. . SUPPLEMENTING CORN AS AN ETHANOL FEEDSTOCK.

(a) RESEARCH AND DEVELOPMENT PROGRAM.—The Secretary of Agriculture shall establish a program to make grants of not to exceed \$1,000,000 each to no more than 10 universities for a 3-year program of demonstration of supplementing corn as an ethanol feedstock with sweet sorghum.

(b) PROGRAM GOALS.—The goals of the program under this section shall be to—

(1) enhance agronomic efficiency of the crop on marginal lands by—

- (A) developing best management practices for maintaining high sorghum yields while using less water and nitrogen than corn;
- (B) identifying and selecting plants with a high sugar content; and
- (C) developing cold-tolerant sweet sorghum varieties to enable two crops to be grown per season;
- (2) enhance ethanol processing potential in the crop by—
 - (A) developing a robust technology for centralized ethanol production facilities that pair high-performing sweet sorghum lines with different yeasts to produce the best process for converting sweet sorghum juice into ethanol;
 - (B) conducting process and chemical analyses of sweet sorghum sap fermentation;
 - (C) introducing cellulosic hydrolyzing enzymes into sweet sorghum to promote biomass conversion; and
 - (D) performing life-cycle analysis of sweet sorghum ethanol, including analysis of energy yield, efficiency, and greenhouse gas reduction;
- (3) establish a sweet sorghum production system optimized for the region of the university conducting the research;
- (4) improve sweet sorghum lines with higher sugar production and performance with minimal agricultural inputs;
- (5) optimize sugar fermentation using selected yeast strains;
- (6) develop sweet sorghum lines with improved cold tolerance and cellulosic degradation; and
- (7) develop agricultural models for predicting agricultural performance and ethanol yield under various growing conditions.
- (c) AWARD CRITERIA.—The Secretary shall award grants under this section only to universities that—
 - (1) have access to multiple lines of sweet sorghum for research; and
 - (2) are located in a State where sweet sorghum is anticipated to grow well on marginal lands.
- (d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for carrying out this section \$10,000,000.

21. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE UDALL OF COLORADO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 1102(b)(6), strike “\$0.0667” and insert “\$0.06”.

In section 2104 strike subsection (b) and insert the following new subsection:

(b) ENROLLMENT OF ACREAGE.—Subsection (b)(1) of section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n(1)) is amended by striking “2,000,000 acres” and inserting “2,224,000 acres”.

In section 2401, insert after subsection (c) the following new subsection (and redesignate subsequent subsections accordingly):

(d) GRASSLAND RESERVE PROGRAM.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking paragraph (5) and inserting the following new paragraph:

“(5) For each of fiscal years 2008 through 2012, the grass-land reserve program under subchapter C of chapter 2.”.

22. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WU OF OREGON, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 603, line 18, insert after “economies” the following: “or universities with fields of study capable of developing renewable energy technology or policy”.

Page 604, line 7, insert after “economy” the following: “, or at a university with fields of study capable of developing renewable energy technology or policy (including agriculture-related studies, chemistry, environmental sciences, bioengineering, biochemistry, natural resources, and public policy),”.

23. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CLAY OF MISSOURI, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In subtitle B of title X, insert after section 10103 the following new section 10103A (and amend the tables of content accordingly):

SEC. 10103A ADDITIONAL SECTION 32 FUNDS TO PROVIDE GRANTS FOR THE PURCHASE AND OPERATION OF URBAN GARDENS GROWING ORGANIC FRUITS AND VEGETABLES FOR THE LOCAL POPULATION.

(a) GRANTS.—The Secretary of Agriculture may make grants to eligible entities to assist in purchasing and operating organic gardens or greenhouses in urban areas for growing fruits and vegetables. In making such grants, the Secretary will ensure such fruits and vegetables are sold to local grocery stores.

(b) LIMITATIONS.—Grants provided to any eligible entity under this section may not exceed \$25,000 for any given year.

(c) ELIGIBLE ENTITIES.—

(1) INDIVIDUALS.—An individual shall be eligible to receive a grant under subsection (a) if the individual is a resident of the neighborhood in which the urban garden or greenhouse is located, or will be located.

(2) COOPERATIVES.—A cooperative shall be eligible to receive a grant under subsection (a) if every individual member or owner of the cooperative is a resident of the neighborhood in which the urban garden or greenhouse is located, or will be located.

(d) SELECTION OF ELIGIBLE ENTITIES.—The Secretary shall develop criteria for the selection of eligible entities to receive grants under this section.

(e) FUNDING.—The Secretary shall award such grants using, of the funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), \$20,000,000 in fiscal year 2008 and each fiscal year thereafter.

24. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ISRAEL OF NEW YORK, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title XI add the following new sections:

SEC. ____ . PROHIBITION ON USE OF LIVE ANIMALS FOR MARKETING MEDICAL DEVICES; FINES UNDER THE ANIMAL WELFARE ACT.

(a) PROHIBITION ON USE OF ANIMALS FOR MARKETING OF MEDICAL DEVICES.—The Animal Welfare Act (7 U.S.C. 2131 et seq.) is amended by inserting after section 17 the following new section:

“PROHIBITION ON USE OF LIVE ANIMALS FOR MARKETING MEDICAL DEVICES

“SEC. 18. (a) IN GENERAL.—No person may use a live animal to—

“(1) demonstrate a medical device or product to a sales representative for the purpose of marketing such medical device or product;

“(2) train a sales representative to use a medical device or product;

“(3) demonstrate a medical device or product in a workshop or training session for the purpose of marketing a medical device or product; or

“(4) create a multimedia recording (including a video recording) for the purpose of marketing a medical device or product.

“(b) EXCEPTION.—Subsection (a) shall not apply to the training of medical personnel for a purpose other than marketing a medical device or product.

“(c) DEVICE DEFINED.—In this section, the term ‘device’ has the meaning given the term in section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h)).”

(b) FINES FOR VIOLATIONS OF THE ANIMAL WELFARE ACT.—Section 19(b) of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended—

(1) in the first sentence by striking “not more than \$2,500 for each such violation” and inserting “not more than \$10,000 for each such violation”; and

(2) by striking the second sentence and inserting the following: “Each violation, each day during which a violation continues, and, in the case of a violation with respect to animals, each animal that is the subject of such a violation shall be a separate offense.”

(c) REPORTS ON ACTIVITIES UNDER THE ANIMAL WELFARE ACT.—The Animal Welfare Act (7 U.S.C. 2131 et seq.) is further amended by striking section 25 and inserting the following new section:

“ANNUAL REPORT

“SEC. 25. Not later than March 1 of each year, the Secretary shall submit to Congress a report containing—

“(1) an identification of all research facilities, exhibitors, and other persons and establishments licensed by the Secretary under section 3 and section 12;

“(2) an identification of all research facilities, intermediate handlers, carriers, and exhibitors registered under section 6;

“(3) the nature and place of all investigations and inspections conducted by the Secretary under section 16, and all reports received by the Secretary under section 13;

“(4) recommendations for legislation to improve the administration of this Act or any provisions of this Act; and

“(5) recommendations and conclusions concerning the aircraft environment as it relates to the carriage of live animals in air transportation.”.

SEC. ____ . PROTECTION OF PETS.

(a) **SHORT TITLE.**—This section may be cited as the “Pet Safety and Protection Act of 2007”.

(b) **RESEARCH FACILITIES.**—Section 7 of the Animal Welfare Act (7 U.S.C. 2137) is amended to read as follows:

“SEC. 7. SOURCES OF DOGS AND CATS FOR RESEARCH FACILITIES.

“(a) **DEFINITION OF PERSON.**—In this section, the term ‘person’ means any individual, partnership, firm, joint stock company, corporation, association, trust, estate, pound, shelter, or other legal entity.

“(b) **USE OF DOGS AND CATS.**—No research facility or Federal research facility may use a dog or cat for research or educational purposes if the dog or cat was obtained from a person other than a person described in subsection (d).

“(c) **SELLING, DONATING, OR OFFERING DOGS AND CATS.**—No person, other than a person described in subsection (d), may sell, donate, or offer a dog or cat to any research facility or Federal research facility.

“(d) **PERMISSIBLE SOURCES.**—A person from whom a research facility or a Federal research facility may obtain a dog or cat for research or educational purposes under subsection (b), and a person who may sell, donate, or offer a dog or cat to a research facility or a Federal research facility under subsection (c), shall be—

“(1) a dealer licensed under section 3 that has bred and raised the dog or cat;

“(2) a publicly owned and operated pound or shelter that—

“(A) is registered with the Secretary;

“(B) is in compliance with section 28(a)(1) and with the requirements for dealers in subsections (b) and (c) of section 28; and

“(C) obtained the dog or cat from its legal owner, other than a pound or shelter;

“(3) a person that is donating the dog or cat and that—

“(A) bred and raised the dog or cat; or

“(B) owned the dog or cat for not less than 1 year immediately preceding the donation;

“(4) a research facility licensed by the Secretary; and

“(5) a Federal research facility licensed by the Secretary.

“(e) **PENALTIES.**—

“(1) **IN GENERAL.**—A person that violates this section shall be fined \$1,000 for each violation.

“(2) **ADDITIONAL PENALTY.**—A penalty under this subsection shall be in addition to any other applicable penalty.

“(f) **NO REQUIRED SALE OR DONATION.**—Nothing in this section requires a pound or shelter to sell, donate, or offer a dog or cat to a research facility or Federal research facility.”.

(c) **FEDERAL RESEARCH FACILITIES.**—Section 8 of the Animal Welfare Act (7 U.S.C. 2138) is amended—

(1) by striking “Sec. 8. No department” and inserting the following:

“SEC. 8. FEDERAL RESEARCH FACILITIES.

“Except as provided in section 7, no department”;

(2) by striking “research or experimentation or”; and

(3) by striking “such purposes” and inserting “that purpose”.

(d) CERTIFICATION.—Section 28(b)(1) of the Animal Welfare Act (7 U.S.C. 2158(b)(1)) is amended by striking “individual or entity” and inserting “research facility or Federal research facility”.

(e) EFFECTIVE DATE.—The amendments made by subsections (b), (c), and (d) take effect on the date that is 90 days after the date of the enactment of this Act.

25. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PUTNAM OF FLORIDA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the appropriate place in the conservation title, add the following new section:

SEC. 2 ____ . ADJUSTED GROSS INCOME LIMITATION REGARDING PAYMENTS UNDER CONSERVATION PROGRAMS.

Section 1001D(b)(1) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)(1)), as amended by section 1504 [and the manager’s amendment, pages 34 and 35], is further amended by adding at the end the following new subparagraph:

“(C) SPECIAL RULE FOR CONSERVATION PROGRAMS.—Notwithstanding subparagraphs (A) and (B), in the case of covered benefits described in paragraph (2)(C), an individual or entity shall not be eligible to receive any benefit described in such paragraph (2) during a crop year if the average adjusted gross income of the individual or entity exceeds \$1,000,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.”.

26. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BORDALLO OF GUAM, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

After section 7233, insert the following new section (and conform the table of contents accordingly):

SEC. 7234. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AT INSULAR AREA LAND-GRANT INSTITUTIONS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1447A the following:

“SEC. 1447B. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AND EQUIPMENT AT INSULAR AREA LAND-GRANT INSTITUTIONS.

“(a) PURPOSE.—It is declared to be the intent of Congress to assist the land grant institutions in the insular areas in efforts to acquire, alter, or repair facilities or relevant equipment necessary for conducting agricultural research.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out the provisions

of this section \$8,000,000 for each of fiscal years 2008 through 2012.

“(c) METHOD OF AWARDING GRANTS.—Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

“(d) REGULATIONS.—The Secretary may promulgate such rules and regulations as the Secretary may consider necessary to carry out the provisions of this section.”

27. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE COOPER OF TENNESSEE, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill, insert the following new title:

TITLE XII—CROP INSURANCE

SEC. 1201. CONTROLLING CROP INSURANCE PROGRAM COSTS.

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

“(A) BASIC FEE.—

“(i) IN GENERAL.—Except as provided in clause (ii), each producer shall pay an administrative fee for catastrophic risk protection in an amount which is, as determined by the Corporation, equal to 25 percent of the premium amount for catastrophic risk protection established under subsection (d)(2)(A) per crop per county.

“(ii) MAXIMUM AMOUNT.—The total amount of administrative fees for catastrophic risk protection payable by a producer under clause (i) shall not exceed \$5,000 for all crops in all counties.”

(b) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended—

(1) in subparagraph (B)(i), by striking “67 percent” and inserting “62 percent”;

(2) in subparagraph (C)(i), by striking “64 percent” and inserting “59 percent”;

(3) in subparagraph (D)(i), by striking “59 percent” and inserting “54 percent”;

(4) in subparagraph (E)(i), by striking “55 percent” and inserting “53 percent”;

(5) in subparagraph (F)(i), by striking “48 percent” and inserting “46 percent”; and

(6) in subparagraph (G)(i), by striking “38 percent” and inserting “36 percent”.

(c) REDUCTION IN PORTION OF THE PREMIUM PAID BY THE CORPORATION.—Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(3)) is amended by adding at the end the following:

“(6) PREMIUM PAYMENT INCENTIVE.—The Corporation may increase payment of a part of the premium from the amounts

provided under subsection (e)(2) by not more than 5 percent for a policy or plan of insurance that is not based on individual yield to provide an additional incentive to create broader use of such policies.”

(d) **SHARE OF RISK.**—Section 508(k)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(3)) is amended by striking paragraph (3) and inserting the following:

“(3) **SHARE OF RISK.**—The reinsurance agreements of the Corporation with the reinsured companies shall require the reinsured companies to cede to the Corporation 22 percent of its cumulative underwriting gain or loss.”

SEC. 1202. CROP INSURANCE PROGRAM COMPLIANCE.

(a) **USE OF UNUSED FUNDING TO IMPROVE PROGRAM INTEGRITY.**—Section 522(e)(3) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)(3)) is amended by striking “the Corporation may use” through the end of the paragraph and inserting the following: “the Corporation may use—”

“(A) not more than \$10,000,000 for each fiscal year to improve program integrity, such as

“(i) increasing the number of compliance personnel;

“(ii) increasing compliance related training;

“(iii) improving analysis tools and technology related to compliance;

“(iv) identifying, utilizing, and expanding innovative compliance strategies and technology; and

“(v) developing and maintaining the information management system developed pursuant to section 10706(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8002(b)); and

“(B) any excess amounts to carry out other activities authorized under this section.”

(b) **CONFORMING AMENDMENT REGARDING VIOLATION OF HIGHLY ERODIBLE LAND CONSERVATION REQUIREMENTS.**—Section 1211(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3811(a)(1)) is amended—

(1) by striking “or” at the end of subparagraph (C);

(2) by inserting “or” at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

SEC. 1203. REAUTHORIZATION OF, AND INCREASED ENROLLMENT AUTHORITY FOR GRASSLAND RESERVE PROGRAM.

(a) **EXTENSION AND FUNDING.**—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking paragraph (5) and inserting the following new paragraph:

“(5) For each of fiscal years 2002 through 2013, the grassland reserve program under sub chapter C of chapter 2.”

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

28. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE EMANUEL OF ILLINOIS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of subtitle E of title I, add the following new section:

SEC. 1512. PREVENTION OF DECEASED PERSONS RECEIVING PAYMENTS UNDER FARM COMMODITY PROGRAMS.

(a) IDENTIFICATION OF ERRONEOUS PAYMENTS MADE TO DECEASED PERSONS.—The Secretary of Agriculture shall—

- (1) undertake a study to identify any estate of a deceased person that continued to receive payments under this title for more than two crop years after the death of the person; and
- (2) submit a report containing the results of the study to Congress.

(b) NOTIFICATION.—The Secretary shall issue regulations that specify deadlines by which a legal entity must notify the Secretary of any change in ownership of such entity, including the death of a person with a direct or indirect ownership interest in the entity, that may affect the entity's eligibility to receive payments or other benefits under this title. The Secretary may deny the issuance of such payments or benefits to an entity that fails to comply with such regulations.

(c) RECOUPMENT.—If the Secretary determines that the estate of a deceased person failed to timely notify the Farm Service Agency of the death, the Secretary shall recoup the erroneous payments made on behalf of the deceased person. The Secretary shall withhold payments that would otherwise be made under this title to farming operations in which the deceased person was actively engaged in farming before death until the funds have been recouped.

(d) COORDINATION.—The Secretary shall, twice a year, reconcile individual tax identification numbers with the Internal Revenue Service for recipients of payments under this title to determine recipients' living status.

29. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HALL OF NEW YORK, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of subtitle C of title II, add the following new section:

SEC. 2303. MUCK SOILS CONSERVATION.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Agriculture shall carry out a conservation program under which the Secretary makes payments to assist owners and operators of eligible land specified in subsection (b) to conserve and improve the soil, water, and wildlife resources of such land.

(b) ELIGIBLE LAND.—To be eligible for inclusion in the program established under this section, the land must—

- (1) be comprised of soil that qualifies as muck, as determined by the Secretary;
- (2) be used for production of an agricultural crop;
- (3) have a spring cover crop planted in conjunction with the primary agricultural crop referred to in paragraph (2);
- (4) have a winter crop planted; and
- (5) have ditch banks seeded with grass that is maintained on a year-round basis.

(c) PAYMENT AMOUNTS.—The Secretary may provide payments of not less than \$300, but not more than \$500, per acre per year under the program.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out the program \$50,000,000 for each of fiscal years 2008 through 2012.

30. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HODES OF NEW HAMPSHIRE, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title IX add the following new section:

SEC. ____ . COMMUNITY WOOD ENERGY PROGRAM.

(a) FINDINGS.— Congress finds that—

(1) the United States' over-reliance on fossil fuel energy has placed undue strain on the nation by compromising our economy and national security;

(2) the United States' over-reliance on fossil fuel energy has also created new strains on our natural systems, including carbon emissions that contribute to climate change;

(3) transportation of energy, such as heating oil, adds to carbon emissions associated with meeting our community energy needs and therefore further feeds climate change;

(4) it is in the national interest to conserve energy and support adoption of new local, sustainable, efficient, and carbon neutral energy sources, such as wood energy, for community energy needs;

(5) communities can save as much as 50 percent over natural gas, 80 percent over propane, 80 percent over electric heat, and 50 percent over oil heat by switching to wood energy for heating schools and other public buildings;

(6) in fast growing communities of all sizes across the United States, municipal and country-owned forest land is playing an essential role in meeting many public needs and could also be used to help support sustainable forestry and local wood energy applications; and

(7) the rapidly expanding base of private forest land owners nationwide includes many individuals with no experience in forest stewardship who could be given technical assistance to provide locally sourced wood supply through sustainable forest management for local wood energy applications.

(b) PURPOSE.—The purpose of this section is to provide grants for community wood energy systems that are intended to—

(1) meet community energy needs with reduced carbon intensity versus fossil fuel systems;

(2) promote energy conservation and development of new renewable energy sources;

(3) aid local budgets by reducing municipal and county energy costs;

(4) increase utilization of low value wood supplies and waste, thereby strengthening the forest products economy for the benefit of forest workers and private forest land owners; and

(5) increase awareness of energy conservation and consumption and the multiple-use values of forests among community members, especially young people.

(c) GRANT PROGRAM.—The Secretary of Agriculture, acting through the Forest Service, shall establish a program to be known as the Community Wood Energy Program to provide grants to

State and local governments to acquire community wood energy systems for public buildings and to implement a community wood energy plan.

(d) USE IN PUBLIC BUILDINGS.—A State or local government receiving a grant under subsection (c) shall use a community wood energy system acquired in whole or in part with the use of grant funds for primary use in a public facility owned by such State or local government.

(e) LIMITATION.—A community wood energy system acquired with grant funds provided under subsection (c) shall not exceed an output of—

(1) 50,000,000 BTU per hour for heating; and

(2) 2 megawatts for electric power production.

(f) COMMUNITY WOOD ENERGY PLAN.—Within 18 months of receiving assistance under this section, communities shall utilize the technical assistance of the State forester to create a community wood energy plan identifying how local forests can be accessed in a sustainable manner to help meet the wood supply needs of systems purchased under this section.

(g) MATCHING FUNDS.—A State or local government receiving a grant under subsection (c) shall contribute an amount of non-Federal funds towards the acquisition of community wood energy systems that is at least equal to the amount of grant funds received by such State or local government

(h) COMMUNITY WOOD ENERGY SYSTEM DEFINED.—The term “community wood energy system” includes single facility central heating, district heating, combined heat and energy systems, and other related biomass energy systems that service schools, town halls, libraries, and other public buildings.

(i) APPROPRIATION.— There are authorized to be appropriated such sums as may be necessary to carry out this section.

31. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SHULER OF NORTH CAROLINA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 404 of the Agricultural Credit Act of 1978, as added by section 8102, insert after subsection (c) the following new subsection (and redesignate subsequent subsections):

“(d) INSECT AND DISEASE THREATS.—Notwithstanding subsection (c)(1), non-industrial private forest lands are eligible under this section if the Secretary determines that the lands are under an imminent threat of loss or damage by insect or disease and immediate action would help to avoid the loss or damage.