

Union Calendar No. 481

112TH CONGRESS
2^D SESSION

H. R. 6083

[Report No. 112-669]

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2017, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2012

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

SEPTEMBER 13, 2012

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

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

[For text of introduced bill, see copy of bill as introduced on July 9, 2012]

A BILL

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2017, and for other purposes.

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

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

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Federal Agriculture Reform and Risk Management Act of*
 6 *2012”.*

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

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Secretary of Agriculture.

TITLE I—COMMODITIES

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Sec. 1101. Repeal of direct payments.

Sec. 1102. Repeal of counter-cyclical payments.

Sec. 1103. Repeal of average crop revenue election program.

Sec. 1104. Definitions.

Sec. 1105. Base acres.

Sec. 1106. Payment yields.

Sec. 1107. Farm risk management election.

Sec. 1108. Producer agreements.

Sec. 1109. Period of effectiveness.

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Sec. 1201. Availability of nonrecourse marketing assistance loans for loan com-
modities.

Sec. 1202. Loan rates for nonrecourse marketing assistance loans.

Sec. 1203. Term of loans.

Sec. 1204. Repayment of loans.

Sec. 1205. Loan deficiency payments.

Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.

Sec. 1207. Special marketing loan provisions for upland cotton.

Sec. 1208. Special competitive provisions for extra long staple cotton.

Sec. 1209. Availability of recourse loans for high moisture feed grains and seed
cotton.

Sec. 1210. Adjustments of loans.

Subtitle C—Sugar

Sec. 1301. Sugar program.

*Subtitle D—Dairy**PART I—DAIRY PRODUCER MARGIN PROTECTION AND DAIRY MARKET STABILIZATION PROGRAMS*

- Sec. 1401. Definitions.*
Sec. 1402. Calculation of average feed cost and actual dairy producer margins.

SUBPART A—DAIRY PRODUCER MARGIN PROTECTION PROGRAM

- Sec. 1411. Establishment of dairy producer margin protection program.*
Sec. 1412. Participation of dairy producers in margin protection program.
Sec. 1413. Production history of participating dairy producers.
Sec. 1414. Basic margin protection.
Sec. 1415. Supplemental margin protection.
Sec. 1416. Effect of failure to pay administrative fees or premiums.

SUBPART B—DAIRY MARKET STABILIZATION PROGRAM

- Sec. 1431. Establishment of dairy market stabilization program.*
Sec. 1432. Threshold for implementation and reduction in dairy producer payments.
Sec. 1433. Producer milk marketing information.
Sec. 1434. Calculation and collection of reduced dairy producer payments.
Sec. 1435. Remitting monies to the Secretary and use of monies.
Sec. 1436. Suspension of reduced payment requirement.
Sec. 1437. Enforcement.
Sec. 1438. Audit requirements.

SUBPART C—COMMODITY CREDIT CORPORATION

- Sec. 1451. Use of Commodity Credit Corporation.*

SUBPART D—INITIATION AND DURATION

- Sec. 1461. Rulemaking.*
Sec. 1462. Duration.

PART II—REPEAL OR REAUTHORIZATION OF OTHER DAIRY-RELATED PROVISIONS

- Sec. 1481. Repeal of dairy product price support and milk income loss contract programs.*
Sec. 1482. Repeal of dairy export incentive program.
Sec. 1483. Extension of dairy forward pricing program.
Sec. 1484. Extension of dairy indemnity program.
Sec. 1485. Extension of dairy promotion and research program.
Sec. 1486. Repeal of Federal Milk Marketing Order Review Commission.

PART III—EFFECTIVE DATE

- Sec. 1491. Effective date.*

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

- Sec. 1501. Supplemental agricultural disaster assistance.*

Subtitle F—Administration

- Sec. 1601. Administration generally.*
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- Sec. 1603. Payment limitations.*
- Sec. 1604. Adjusted gross income limitation.*
- Sec. 1605. Geographically disadvantaged farmers and ranchers.*
- Sec. 1606. Personal liability of producers for deficiencies.*
- Sec. 1607. Prevention of deceased individuals receiving payments under farm commodity programs.*
- Sec. 1608. Technical corrections.*
- Sec. 1609. Assignment of payments.*
- Sec. 1610. Tracking of benefits.*
- Sec. 1611. Signature authority.*
- Sec. 1612. Implementation.*

*TITLE II—CONSERVATION**Subtitle A—Conservation Reserve Program*

- Sec. 2001. Extension and enrollment requirements of conservation reserve program.*
- Sec. 2002. Farmable wetland program.*
- Sec. 2003. Duties of owners and operators.*
- Sec. 2004. Duties of the Secretary.*
- Sec. 2005. Payments.*
- Sec. 2006. Contract requirements.*
- Sec. 2007. Conversion of land subject to contract to other conserving uses.*
- Sec. 2008. Effective date.*

Subtitle B—Conservation Stewardship Program

- Sec. 2101. Conservation stewardship program.*

Subtitle C—Environmental Quality Incentives Program

- Sec. 2201. Purposes.*
- Sec. 2202. Establishment and administration.*
- Sec. 2203. Evaluation of applications.*
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- Sec. 2301. Agricultural conservation easement program.*

Subtitle E—Regional Conservation Partnership Program

- Sec. 2401. Regional conservation partnership program.*

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- Sec. 2501. Conservation of private grazing land.*
- Sec. 2502. Grassroots source water protection program.*
- Sec. 2503. Voluntary public access and habitat incentive program.*
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Sec. 4020. Authorization of appropriations.
Sec. 4021. Limitation on use of block grant to Puerto Rico.
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Sec. 4023. Emergency food assistance.
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- Sec. 5101. Eligibility for farm operating loans.*
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Sec. 5103. Authority to waive personal liability for youth loans due to circumstances beyond borrower control.
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Sec. 5303. Loan authorization levels.
Sec. 5304. Priority for participation loans.
Sec. 5305. Loan fund set-asides.
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- Sec. 6013. Simplified applications.*
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- Sec. 7109. Nutrition education program.*
- Sec. 7110. Continuing animal health and disease research programs.*
- Sec. 7111. Repeal of appropriations for research on national or regional problems.*
- Sec. 7112. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.*
- Sec. 7113. Grants to upgrade agriculture and food science facilities and equipment at insular area land-grant institutions.*
- Sec. 7114. Repeal of national research and training virtual centers.*
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- Sec. 7117. Repeal of research equipment grants.*
- Sec. 7118. University research.*
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- Sec. 7120. Auditing, reporting, bookkeeping, and administrative requirements.*
- Sec. 7121. Supplemental and alternative crops.*
- Sec. 7122. Capacity building grants for NLGCA institutions.*
- Sec. 7123. Aquaculture assistance programs.*
- Sec. 7124. Rangeland research programs.*
- Sec. 7125. Special authorization for biosecurity planning and response.*
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- Sec. 7203. Sustainable agriculture technology development and transfer program.*
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- Sec. 7205. National Genetics Resources Program.*
- Sec. 7206. Repeal of National Agricultural Weather Information System.*
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- Sec. 7208. Repeal of agricultural genome initiative.*
- Sec. 7209. High-priority research and extension initiatives.*
- Sec. 7210. Repeal of nutrient management research and extension initiative.*
- Sec. 7211. Organic agriculture research and extension initiative.*
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- Sec. 7213. Farm business management.*
- Sec. 7214. Regional centers of excellence.*
- Sec. 7215. Repeal of red meat safety research center.*
- Sec. 7216. Assistive technology program for farmers with disabilities.*
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Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

- Sec. 7301. Relevance and merit of agricultural research, extension, and education funded by the Department.*
- Sec. 7302. Integrated research, education, and extension competitive grants program.*
- Sec. 7303. Repeal of coordinated program of research, extension, and education to improve viability of small and medium size dairy, livestock, and poultry operations.*

- Sec. 7304. Repeal of Bovine Johne's disease control program.*
Sec. 7305. Grants for youth organizations.
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Sec. 7513. Budget submission and funding.
Sec. 7514. Repeal of research and education grants for the study of antibiotic-resistant bacteria.
Sec. 7515. Repeal of farm and ranch stress assistance network.
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Sec. 7519. Repeal of study and report on food deserts.
Sec. 7520. Repeal of agricultural and rural transportation research and education.
Sec. 7521. Conveyance of land comprising Subtropical Horticulture Research Station.
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- Sec. 8001. Forest land enhancement program.*
- Sec. 8002. Watershed forestry assistance program.*
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- Sec. 8004. Hispanic-serving institution agricultural land national resources leadership program.*
- Sec. 8005. Tribal watershed forestry assistance program.*
- Sec. 8006. Separate Forest Service decisionmaking and appeals process.*

Subtitle B—Reauthorization of Cooperative Forestry Assistance Act of 1978 Programs

- Sec. 8101. Forest Legacy Program.*
- Sec. 8102. Community forest and open space conservation program.*

Subtitle C—Reauthorization of Other Forestry-Related Laws

- Sec. 8201. Rural revitalization technologies.*
- Sec. 8202. Office of International Forestry.*
- Sec. 8203. Change in funding source for healthy forests reserve program.*
- Sec. 8204. Stewardship end result contracting project authority.*

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- Sec. 8302. Designation of critical areas.*
- Sec. 8303. Application of expedited procedures and activities of the Healthy Forests Restoration Act of 2003 to critical areas.*
- Sec. 8304. Good neighbor authority.*

Subtitle E—Miscellaneous Provisions

- Sec. 8401. Revision of strategic plan for forest inventory and analysis.*
- Sec. 8402. Forest Service participation in ACES Program.*

TITLE IX—ENERGY

- Sec. 9001. Definition of renewable energy system.*
- Sec. 9002. Biobased markets program.*
- Sec. 9003. Biorefinery Assistance.*
- Sec. 9004. Repeal of repowering assistance program and transfer of remaining funds.*
- Sec. 9005. Bioenergy Program for Advanced Biofuels.*
- Sec. 9006. Biodiesel Fuel Education Program.*
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- Sec. 9008. Biomass Research and Development.*
- Sec. 9009. Feedstock Flexibility Program for Bioenergy Producers.*
- Sec. 9010. Biomass Crop Assistance Program.*
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- Sec. 10001. Specialty crops market news allocation.*

- Sec. 10002. Repeal of grant program to improve movement of specialty crops.*
- Sec. 10003. Farmers market and local food promotion program.*
- Sec. 10004. Organic agriculture.*
- Sec. 10005. Investigations and enforcement of the Organic Foods Production Act of 1990.*
- Sec. 10006. Food safety education initiatives.*
- Sec. 10007. Specialty crop block grants.*
- Sec. 10008. Report on specialty crop production by certain farmers.*
- Sec. 10009. Report on honey.*
- Sec. 10010. Bulk shipments of apples to Canada.*
- Sec. 10011. Inclusion of olive oil in import controls under the Agricultural Adjustment Act.*
- Sec. 10012. Petitions to determine organism not a plant pest.*
- Sec. 10013. Consolidation of plant pest and disease management and disaster prevention programs.*
- Sec. 10014. Authority for regulation of plants.*
- Sec. 10015. Report to Congress on regulation of biotechnology.*
- Sec. 10016. Pesticide Registration Improvement.*
- Sec. 10017. Modification, cancellation, or suspension on basis of a biological opinion.*
- Sec. 10018. Use and discharges of authorized pesticides.*
- Sec. 10019. Inclusion of Bed Bugs in Definition of Vector Organisms.*
- Sec. 10020. Effective date.*

TITLE XI—CROP INSURANCE

- Sec. 11001. Information sharing.*
- Sec. 11002. Publication of information on violations of prohibition on premium adjustments.*
- Sec. 11003. Supplemental coverage option.*
- Sec. 11004. Premium amounts for catastrophic risk protection.*
- Sec. 11005. Repeal of performance-based discount.*
- Sec. 11006. Permanent enterprise unit subsidy.*
- Sec. 11007. Enterprise units for irrigated and nonirrigated crops.*
- Sec. 11008. Data collection.*
- Sec. 11009. Adjustment in actual production history to establish insurable yields.*
- Sec. 11010. Submission and review of policies.*
- Sec. 11011. Equitable relief for specialty crop policies.*
- Sec. 11012. Budget limitations on renegotiation of the standard reinsurance agreement.*
- Sec. 11013. Crop production on native sod.*
- Sec. 11014. Coverage levels by practice.*
- Sec. 11015. Beginning farmer and rancher provisions.*
- Sec. 11016. Stacked income protection plan for producers of upland cotton.*
- Sec. 11017. Peanut revenue crop insurance.*
- Sec. 11018. Authority to correct errors.*
- Sec. 11019. Implementation.*
- Sec. 11020. Research and development priorities.*
- Sec. 11021. Additional research and development contracting requirements.*
- Sec. 11022. Pilot programs.*
- Sec. 11023. Limitation on expenditures for livestock pilot programs.*
- Sec. 11024. Noninsured crop assistance program.*
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- Sec. 12101. *National Sheep Industry Improvement Center.*
 Sec. 12102. *Trichinae certification program.*
 Sec. 12103. *National Aquatic Animal Health Plan.*
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 Sec. 12105. *Repeal of certain regulations under the Packers and Stockyards Act, 1921.*
 Sec. 12106. *Meat and poultry processing report.*

Subtitle B—Socially Disadvantaged Producers and Limited Resource Producers

- Sec. 12201. *Outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.*
 Sec. 12202. *Office of Advocacy and Outreach.*

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- Sec. 12301. *Grants to improve supply, stability, safety, and training of agricultural labor force.*
 Sec. 12302. *Evaluation required for purposes of prohibition on closure or relocation of county offices for the Farm Service Agency.*
 Sec. 12303. *Prohibition on attending an animal fight or causing a minor to attend an animal fight.*
 Sec. 12304. *Program benefit eligibility status for participants in high plains water study.*
 Sec. 12305. *Office of Tribal Relations.*
 Sec. 12306. *Military Veterans Agricultural Liaison.*
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 Sec. 12308. *Prohibition against interference by State and local governments with production or manufacture of items in other States.*
 Sec. 12309. *Increased protection for agricultural interests in the Missouri River basin.*

1 **SEC. 2. DEFINITION OF SECRETARY OF AGRICULTURE.**

2 *In this Act, the term “Secretary” means the Secretary*
 3 *of Agriculture.*

4 **TITLE I—COMMODITIES**5 **Subtitle A—Repeals and Reforms**6 **SEC. 1101. REPEAL OF DIRECT PAYMENTS.**

7 *(a) REPEAL.—Sections 1103 and 1303 of the Food,*
 8 *Conservation, and Energy Act of 2008 (7 U.S.C. 8713,*
 9 *8753) are repealed.*

1 **(b) CONTINUED APPLICATION FOR 2012 CROP YEAR.**—
 2 *Sections 1103 and 1303 of the Food, Conservation, and En-*
 3 *ergy Act of 2008 (7 U.S.C. 8713, 8753), as in effect on the*
 4 *day before the date of enactment of this Act, shall continue*
 5 *to apply through the 2012 crop year with respect to all cov-*
 6 *ered commodities (as defined in section 1001 of that Act*
 7 *(7 U.S.C. 8702)) and peanuts on a farm.*

8 **SEC. 1102. REPEAL OF COUNTER-CYCLICAL PAYMENTS.**

9 **(a) REPEAL.**—*Sections 1104 and 1304 of the Food,*
 10 *Conservation, and Energy Act of 2008 (7 U.S.C. 8714,*
 11 *8754) are repealed.*

12 **(b) CONTINUED APPLICATION FOR 2012 CROP YEAR.**—
 13 *Sections 1104 and 1304 of the Food, Conservation, and En-*
 14 *ergy Act of 2008 (7 U.S.C. 8714, 8754), as in effect on the*
 15 *day before the date of enactment of this Act, shall continue*
 16 *to apply through the 2012 crop year with respect to all cov-*
 17 *ered commodities (as defined in section 1001 of that Act*
 18 *(7 U.S.C. 8702)) and peanuts on a farm.*

19 **SEC. 1103. REPEAL OF AVERAGE CROP REVENUE ELECTION**
 20 **PROGRAM.**

21 **(a) REPEAL.**—*Section 1105 of the Food, Conservation,*
 22 *and Energy Act of 2008 (7 U.S.C. 8715) is repealed.*

23 **(b) CONTINUED APPLICATION FOR 2012 CROP YEAR.**—
 24 *Section 1105 of the Food, Conservation, and Energy Act*
 25 *of 2008 (7 U.S.C. 8715), as in effect on the day before the*

1 *date of enactment of this Act, shall continue to apply*
2 *through the 2012 crop year with respect to all covered com-*
3 *modities (as defined in section 1001 of that Act (7 U.S.C.*
4 *8702)) and peanuts on a farm for which the irrevocable*
5 *election under section 1105 of that Act was made before the*
6 *date of enactment of this Act.*

7 **SEC. 1104. DEFINITIONS.**

8 *In this subtitle and subtitle B:*

9 (1) *ACTUAL COUNTY REVENUE.—The term “ac-*
10 *tual county revenue”, with respect to a covered com-*
11 *modity for a crop year, means the amount determined*
12 *by the Secretary under section 1107(c)(4) to deter-*
13 *mine whether revenue loss coverage payments are re-*
14 *quired to be provided for that crop year.*

15 (2) *BASE ACRES.—The term “base acres”, with*
16 *respect to a covered commodity and cotton on a farm,*
17 *means the number of acres established under section*
18 *1101 and 1302 of the Farm Security and Rural In-*
19 *vestment Act of 2002 (7 U.S.C. 7911, 7952) or section*
20 *1101 and 1302 of the Food, Conservation, and Energy*
21 *Act of 2008 (7 U.S.C. 8711, 8752), as in effect on*
22 *September 30, 2012, subject to any adjustment under*
23 *section 1105 of this Act.*

24 (3) *COUNTY REVENUE LOSS COVERAGE TRIG-*
25 *GER.—The term “county revenue loss coverage trig-*

1 *ger*”, with respect to a covered commodity for a crop
2 *year, means the amount determined by the Secretary*
3 *under section 1107(c)(5) to determine whether revenue*
4 *loss coverage payments are required to be provided for*
5 *that crop year.*

6 (4) *COVERED COMMODITY.*—*The term “covered*
7 *commodity” means wheat, oats, and barley (including*
8 *wheat, oats, and barley used for haying and grazing),*
9 *corn, grain sorghum, long grain rice, medium grain*
10 *rice, pulse crops, soybeans, other oilseeds, and pea-*
11 *nuts.*

12 (5) *EFFECTIVE PRICE.*—*The term “effective*
13 *price”, with respect to a covered commodity for a*
14 *crop year, means the price calculated by the Secretary*
15 *under section 1107(b)(2) to determine whether price*
16 *loss coverage payments are required to be provided for*
17 *that crop year.*

18 (6) *EXTRA LONG STAPLE COTTON.*—*The term*
19 *“extra long staple cotton” means cotton that—*

20 (A) *is produced from pure strain varieties*
21 *of the Barbadosense species or any hybrid of the*
22 *species, or other similar types of extra long sta-*
23 *ple cotton, designated by the Secretary, having*
24 *characteristics needed for various end uses for*
25 *which United States upland cotton is not suit-*

1 able and grown in irrigated cotton-growing re-
2 gions of the United States designated by the Sec-
3 retary or other areas designated by the Secretary
4 as suitable for the production of the varieties or
5 types; and

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

9 (7) *FARM BASE ACRES*.—The term “farm base
10 acres” means the sum of the base acreage for all cov-
11 ered commodities and cotton on a farm in effect as
12 of September 30, 2012, and subject to any adjustment
13 under section 1105.

14 (8) *MEDIUM GRAIN RICE*.—The term “medium
15 grain rice” includes short grain rice.

16 (9) *MIDSEASON PRICE*.—The term “midseason
17 price” means the applicable national average market
18 price received by producers for the first 5 months of
19 the applicable marketing year, as determined by the
20 Secretary.

21 (10) *OTHER OILSEED*.—The term “other oilseed”
22 means a crop of sunflower seed, rapeseed, canola, saf-
23 flower, flaxseed, mustard seed, crambe, sesame seed, or
24 any oilseed designated by the Secretary.

25 (11) *PAYMENT ACRES*.—

1 (A) *IN GENERAL.*—*Except as provided in*
2 *subparagraphs (B) through (D), the term “pay-*
3 *ment acres”, with respect to the provision of*
4 *price loss coverage payments and revenue loss*
5 *coverage payments, means—*

6 (i) *85 percent of total acres planted for*
7 *the year to each covered commodity on a*
8 *farm; and*

9 (ii) *30 percent of approved total acres*
10 *prevented from being planted for the year to*
11 *each covered commodity on a farm.*

12 (B) *MAXIMUM.*—*The total quantity of pay-*
13 *ment acres determined under subparagraph (A)*
14 *shall not exceed the farm base acres.*

15 (C) *REDUCTION.*—*If the sum of all payment*
16 *acres for a farm exceeds the limits established*
17 *under subparagraph (B), the Secretary shall re-*
18 *duce the payment acres applicable to each crop*
19 *proportionately.*

20 (D) *EXCLUSION.*—*The term “payment*
21 *acres” does not include any crop subsequently*
22 *planted during the same crop year on the same*
23 *land for which the first crop is eligible for pay-*
24 *ments under this subtitle, unless the crop was*

1 *approved for double cropping in the county, as*
2 *determined by the Secretary.*

3 (12) *PAYMENT YIELD.*—*The term “payment*
4 *yield” means the yield established for counter-cyclical*
5 *payments under section 1102 or 1302 of the Farm Se-*
6 *curity and Rural Investment Act of 2002 (7 U.S.C.*
7 *7912, 7952), section 1102 of the Food, Conservation,*
8 *and Energy Act of 2008 (7 U.S.C. 8712), as in effect*
9 *on September 30, 2012, or under section 1106 of this*
10 *Act, for a farm for a covered commodity.*

11 (13) *PRICE LOSS COVERAGE.*—*The term “price*
12 *loss coverage” means coverage provided under section*
13 *1107(b).*

14 (14) *PRODUCER.*—

15 (A) *IN GENERAL.*—*The term “producer”*
16 *means an owner, operator, landlord, tenant, or*
17 *sharecropper that shares in the risk of producing*
18 *a crop and is entitled to share in the crop avail-*
19 *able for marketing from the farm, or would have*
20 *shared had the crop been produced.*

21 (B) *HYBRID SEED.*—*In determining wheth-*
22 *er a grower of hybrid seed is a producer, the Sec-*
23 *retary shall—*

24 (i) *not take into consideration the ex-*
25 *istence of a hybrid seed contract; and*

1 (ii) ensure that program requirements
2 do not adversely affect the ability of the
3 grower to receive a payment under this
4 title.

5 (15) *PULSE CROP*.—The term “pulse crop”
6 means dry peas, lentils, small chickpeas, and large
7 chickpeas.

8 (16) *REFERENCE PRICE*.—The term “reference
9 price”, with respect to a covered commodity for a
10 crop year, means the following:

11 (A) Wheat, \$5.50 per bushel.

12 (B) Corn, \$3.70 per bushel.

13 (C) Grain sorghum, \$3.95 per bushel.

14 (D) Barley, \$4.95 per bushel.

15 (E) Oats, \$2.40 per bushel.

16 (F) Long grain rice, \$14.00 per hundred-
17 weight.

18 (G) Medium grain rice, \$14.00 per hun-
19 dredweight.

20 (H) Soybeans, \$8.40 per bushel.

21 (I) Other oilseeds, \$20.15 per hundred-
22 weight.

23 (J) Peanuts \$535.00 per ton.

24 (K) Dry peas, \$11.00 per hundredweight.

25 (L) Lentils, \$19.97 per hundredweight.

1 (M) *Small chickpeas, \$19.04 per hundred-*
2 *weight.*

3 (N) *Large chickpeas, \$21.54 per hundred-*
4 *weight.*

5 (17) *REVENUE LOSS COVERAGE.*—*The term “rev-*
6 *enue loss coverage” means coverage provided under*
7 *section 1107(c).*

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

10 (19) *STATE.*—*The term “State” means—*

11 (A) *a State;*

12 (B) *the District of Columbia;*

13 (C) *the Commonwealth of Puerto Rico; and*

14 (D) *any other territory or possession of the*
15 *United States.*

16 (20) *TRANSITIONAL YIELD.*—*The term “transi-*
17 *tional yield” has the meaning given the term in sec-*
18 *tion 502(b) of the Federal Crop Insurance Act (7*
19 *U.S.C. 1502(b)).*

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

23 (22) *UNITED STATES PREMIUM FACTOR.*—*The*
24 *term “United States Premium Factor” means the*
25 *percentage by which the difference in the United*

1 *States loan schedule premiums for Strict Middling*
2 *(SM) 1¹/₈-inch upland cotton and for Middling (M)*
3 *1³/₃₂-inch upland cotton exceeds the difference in the*
4 *applicable premiums for comparable international*
5 *qualities.*

6 **SEC. 1105. BASE ACRES.**

7 *(a) ADJUSTMENT OF BASE ACRES.—*

8 *(1) IN GENERAL.—The Secretary shall provide*
9 *for an adjustment, as appropriate, in the base acres*
10 *for covered commodities and cotton for a farm when-*
11 *ever any of the following circumstances occurs:*

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

16 *(B) Cropland is released from coverage*
17 *under a conservation reserve contract by the Sec-*
18 *retary.*

19 *(C) The producer has eligible oilseed acreage*
20 *as the result of the Secretary designating addi-*
21 *tional oilseeds, which shall be determined in the*
22 *same manner as eligible oilseed acreage under*
23 *section 1101(a)(1)(D) of the Food, Conservation,*
24 *and Energy Act of 2008 (7 U.S.C.*
25 *8711(a)(1)(D)).*

1 (2) *SPECIAL CONSERVATION RESERVE ACREAGE*
2 *PAYMENT RULES.*—*For the crop year in which a base*
3 *acres adjustment under subparagraph (A) or (B) of*
4 *paragraph (1) is first made, the owner of the farm*
5 *shall elect to receive price loss coverage or revenue loss*
6 *coverage with respect to the acreage added to the farm*
7 *under this subsection or a prorated payment under*
8 *the conservation reserve contract, but not both.*

9 (b) *PREVENTION OF EXCESS BASE ACRES.*—

10 (1) *REQUIRED REDUCTION.*—*If the sum of the*
11 *base acres for a farm, together with the acreage de-*
12 *scribed in paragraph (2) exceeds the actual cropland*
13 *acreage of the farm, the Secretary shall reduce the*
14 *base acres for 1 or more covered commodities or cot-*
15 *ton for the farm so that the sum of the base acres and*
16 *acreage described in paragraph (2) does not exceed*
17 *the actual cropland acreage of the farm.*

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

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

1 (B) Any other acreage on the farm enrolled
2 in a Federal conservation program for which
3 payments are made in exchange for not pro-
4 ducing an agricultural commodity on the acre-
5 age.

6 (C) If the Secretary designates additional
7 oilseeds, any eligible oilseed acreage, which shall
8 be determined in the same manner as eligible oil-
9 seed acreage under subsection (a)(1)(C).

10 (3) *SELECTION OF ACRES.*—The Secretary shall
11 give the owner of the farm the opportunity to select
12 the base acres for a covered commodity or cotton for
13 the farm against which the reduction required by
14 paragraph (1) will be made.

15 (4) *EXCEPTION FOR DOUBLE-CROPPED ACRE-*
16 *AGE.*—In applying paragraph (1), the Secretary shall
17 make an exception in the case of double cropping, as
18 determined by the Secretary.

19 (c) *REDUCTION IN BASE ACRES.*—

20 (1) *REDUCTION AT OPTION OF OWNER.*—

21 (A) *IN GENERAL.*—The owner of a farm
22 may reduce, at any time, the base acres for any
23 covered commodity or cotton for the farm.

1 (B) *EFFECT OF REDUCTION.*—*A reduction*
2 *under subparagraph (A) shall be permanent and*
3 *made in a manner prescribed by the Secretary.*

4 (2) *REQUIRED ACTION BY SECRETARY.*—

5 (A) *IN GENERAL.*—*The Secretary shall pro-*
6 *portionately reduce base acres on a farm for cov-*
7 *ered commodities and cotton for land that has*
8 *been subdivided and developed for multiple resi-*
9 *dential units or other nonfarming uses if the size*
10 *of the tracts and the density of the subdivision*
11 *is such that the land is unlikely to return to the*
12 *previous agricultural use, unless the producers*
13 *on the farm demonstrate that the land—*

14 (i) *remains devoted to commercial ag-*
15 *ricultural production; or*

16 (ii) *is likely to be returned to the pre-*
17 *vious agricultural use.*

18 (B) *REQUIREMENT.*—*The Secretary shall*
19 *establish procedures to identify land described in*
20 *subparagraph (A).*

21 **SEC. 1106. PAYMENT YIELDS.**

22 (a) *ESTABLISHMENT AND PURPOSE.*—*For the purpose*
23 *of making payments under this subtitle, the Secretary shall*
24 *provide for the establishment of a yield for each farm for*
25 *any designated oilseed for which a payment yield was not*

1 *established under section 1102 of the Food, Conservation,*
2 *and Energy Act of 2008 (7 U.S.C. 8712) in accordance with*
3 *this section.*

4 *(b) PAYMENT YIELDS FOR DESIGNATED OILSEEDS.—*

5 *(1) DETERMINATION OF AVERAGE YIELD.—In the*
6 *case of designated oilseeds, the Secretary shall deter-*
7 *mine the average yield per planted acre for the des-*
8 *ignated oilseed on a farm for the 1998 through 2001*
9 *crop years, excluding any crop year in which the*
10 *acreage planted to the designated oilseed was zero.*

11 *(2) ADJUSTMENT FOR PAYMENT YIELD.—*

12 *(A) IN GENERAL.—The payment yield for a*
13 *farm for a designated oilseed shall be equal to the*
14 *product of the following:*

15 *(i) The average yield for the designated*
16 *oilseed determined under paragraph (1).*

17 *(ii) The ratio resulting from dividing*
18 *the national average yield for the designated*
19 *oilseed for the 1981 through 1985 crops by*
20 *the national average yield for the designated*
21 *oilseed for the 1998 through 2001 crops.*

22 *(B) NO NATIONAL AVERAGE YIELD INFOR-*
23 *MATION AVAILABLE.—To the extent that national*
24 *average yield information for a designated oil-*
25 *seed is not available, the Secretary shall use such*

1 *information as the Secretary determines to be*
2 *fair and equitable to establish a national average*
3 *yield under this section.*

4 (3) *USE OF COUNTY AVERAGE YIELD.—If the*
5 *yield per planted acre for a crop of a designated oil-*
6 *seed for a farm for any of the 1998 through 2001 crop*
7 *years was less than 75 percent of the county yield for*
8 *that designated oilseed, the Secretary shall assign a*
9 *yield for that crop year equal to 75 percent of the*
10 *county yield for the purpose of determining the aver-*
11 *age under paragraph (1).*

12 (4) *NO HISTORIC YIELD DATA AVAILABLE.—In*
13 *the case of establishing yields for designated oilseeds,*
14 *if historic yield data is not available, the Secretary*
15 *shall use the ratio for dry peas calculated under para-*
16 *graph (2)(A)(ii) in determining the yields for des-*
17 *ignated oilseeds, as determined to be fair and equi-*
18 *table by the Secretary.*

19 (c) *EFFECT OF LACK OF PAYMENT YIELD.—*

20 (1) *ESTABLISHMENT BY SECRETARY.—If no pay-*
21 *ment yield is otherwise established for a farm for*
22 *which a covered commodity is planted and eligible to*
23 *receive price loss coverage payments, the Secretary*
24 *shall establish an appropriate payment yield for the*
25 *covered commodity on the farm under paragraph (2).*

1 (2) *USE OF SIMILARLY SITUATED FARMS.*—Not-
2 withstanding any other provision of law, to establish
3 an appropriate payment yield for a covered com-
4 modity on a farm as required by paragraph (1), the
5 Secretary shall take into consideration the farm pro-
6 gram payment yields applicable to that covered com-
7 modity for similarly situated farms.

8 (d) *SINGLE OPPORTUNITY TO UPDATE YIELDS USED*
9 *TO DETERMINE PRICE LOSS COVERAGE PAYMENTS.*—

10 (1) *ELECTION TO UPDATE.*—At the sole discre-
11 tion of the owner of a farm, the owner of a farm shall
12 have a 1-time opportunity to update the payment
13 yields on a covered commodity-by-covered commodity
14 basis that would otherwise be used in calculating any
15 price loss coverage payment for covered commodities
16 on the farm.

17 (2) *TIME FOR ELECTION.*—The election under
18 paragraph (1) shall be made at a time and manner
19 to be in effect for the 2013 crop year as determined
20 by the Secretary.

21 (3) *METHOD OF UPDATING YIELDS.*—If the
22 owner of a farm elects to update yields under this
23 subsection, the payment yield for a covered com-
24 modity on the farm, for the purpose of calculating
25 price loss coverage payments only, shall be equal to

1 90 percent of the average of the yield per planted acre
2 for the crop of the covered commodity on the farm for
3 the 2008 through 2012 crop years, as determined by
4 the Secretary, excluding any crop year in which the
5 acreage planted to the crop of the covered commodity
6 was zero.

7 (4) *USE OF COUNTY AVERAGE YIELD.*—If the
8 yield per planted acre for a crop of the covered com-
9 modity for a farm for any of the 2008 through 2012
10 crop years was less than 75 percent of the average of
11 the 2008 through 2012 county yield for that com-
12 modity, the Secretary shall assign a yield for that
13 crop year equal to 75 percent of the average of the
14 2008 through 2012 county yield for the purposes of
15 determining the average yield under paragraph (3).

16 (5) *EFFECT OF LACK OF PAYMENT YIELD.*—

17 (A) *ESTABLISHMENT BY SECRETARY.*—For
18 purposes of this subsection, if no payment yield
19 is otherwise established for a covered commodity
20 on a farm, the Secretary shall establish an ap-
21 propriate updated payment yield for the covered
22 commodity on the farm under subparagraph (B).

23 (B) *USE OF SIMILARLY SITUATED FARMS.*—
24 Notwithstanding any other provision of law, to
25 establish an appropriate updated payment yield

1 *for a covered commodity on a farm as required*
2 *by subparagraph (A), the Secretary shall take*
3 *into consideration the farm program payment*
4 *yields applicable to that covered commodity for*
5 *similarly situated farms, but before the yields for*
6 *the similarly situated farms are updated as pro-*
7 *vided in this subsection.*

8 **SEC. 1107. FARM RISK MANAGEMENT ELECTION.**

9 *(a) IN GENERAL.—*

10 *(1) PAYMENTS REQUIRED.—Except as provided*
11 *in paragraph (2), if the Secretary determines that*
12 *payments are required under subsection (b)(1) or*
13 *(c)(2) for a covered commodity, the Secretary shall*
14 *make payments for that covered commodity available*
15 *under such subsection to producers on a farm pursu-*
16 *ant to the terms and conditions of this section.*

17 *(2) PROHIBITION ON PAYMENTS; EXCEPTIONS.—*
18 *Notwithstanding any other provision of this title, a*
19 *producer on a farm may not receive price loss cov-*
20 *erage payments or revenue loss coverage payments if*
21 *the sum of the planted acres of covered commodities*
22 *on the farm is 10 acres or less, as determined by the*
23 *Secretary, unless the producer is—*

24 *(A) a socially disadvantaged farmer or*
25 *rancher (as defined in section 355(e) of the Con-*

1 *solidated Farm and Rural Development Act (7*
2 *U.S.C. 2003(e)); or*

3 *(B) a limited resource farmer or rancher, as*
4 *defined by the Secretary.*

5 *(b) PRICE LOSS COVERAGE.—*

6 *(1) PAYMENTS.—For each of the 2013 through*
7 *2017 crop years, the Secretary shall make price loss*
8 *coverage payments to producers on a farm for a cov-*
9 *ered commodity if the Secretary determines that—*

10 *(A) the effective price for the covered com-*
11 *modity for the crop year; is less than*

12 *(B) the reference price for the covered com-*
13 *modity for the crop year.*

14 *(2) EFFECTIVE PRICE.—The effective price for a*
15 *covered commodity for a crop year shall be the higher*
16 *of—*

17 *(A) the midseason price; or*

18 *(B) the national average loan rate for a*
19 *marketing assistance loan for the covered com-*
20 *modity in effect for crop years 2013 through*
21 *2017 under subtitle B.*

22 *(3) PAYMENT RATE.—The payment rate shall be*
23 *equal to the difference between—*

24 *(A) the reference price for the covered com-*
25 *modity; and*

1 (B) the effective price determined under
2 paragraph (2) for the covered commodity.

3 (4) *PAYMENT AMOUNT.*—If price loss coverage
4 payments are required to be provided under this sub-
5 section for any of the 2013 through 2017 crop years
6 for a covered commodity, the amount of the price loss
7 coverage payment to be paid to the producers on a
8 farm for the crop year shall be equal to the product
9 obtained by multiplying—

10 (A) the payment rate for the covered com-
11 modity under paragraph (3);

12 (B) the payment yield for the covered com-
13 modity; and

14 (C) the payment acres for the covered com-
15 modity.

16 (5) *TIME FOR PAYMENTS.*—If the Secretary de-
17 termines under this subsection that price loss coverage
18 payments are required to be provided for the covered
19 commodity, the payments shall be made beginning
20 October 1, or as soon as practicable thereafter, after
21 the end of the applicable marketing year for the cov-
22 ered commodity.

23 (6) *SPECIAL RULE.*—In determining the effective
24 price for barley in paragraph (2), the Secretary shall
25 use the all-barley price.

1 (c) *REVENUE LOSS COVERAGE.*—

2 (1) *AVAILABLE AS AN ALTERNATIVE.*—As an al-
3 ternative to receiving price loss coverage payments
4 under subsection (b) for a covered commodity, all of
5 the owners of the farm may make a one-time, irrev-
6 ocable election on a covered commodity-by-covered
7 commodity basis to receive revenue loss coverage pay-
8 ments for each covered commodity in accordance with
9 this subsection. If any of the owners of the farm make
10 different elections on the same covered commodity on
11 the farm, all of the owners of the farm shall be deemed
12 to have not made the election available under this
13 paragraph.

14 (2) *PAYMENTS.*—In the case of owners of a farm
15 that make the election described in paragraph (1) for
16 a covered commodity, the Secretary shall make rev-
17 enue loss coverage payments available under this sub-
18 section for each of the 2013 through 2017 crop years
19 if the Secretary determines that—

20 (A) the actual county revenue for the crop
21 year for the covered commodity; is less than

22 (B) the county revenue loss coverage trigger
23 for the crop year for the covered commodity.

24 (3) *TIME FOR PAYMENTS.*—If the Secretary de-
25 termines under this subsection that revenue loss cov-

1 *erage payments are required to be provided for the*
2 *covered commodity, payments shall be made begin-*
3 *ning October 1, or as soon as practicable thereafter,*
4 *after the end of the applicable marketing year for the*
5 *covered commodity.*

6 (4) *ACTUAL COUNTY REVENUE.—The amount of*
7 *the actual county revenue for a crop year of a covered*
8 *commodity shall be equal to the product obtained by*
9 *multiplying—*

10 (A) *the actual county yield, as determined*
11 *by the Secretary, for each planted acre for the*
12 *crop year for the covered commodity; and*

13 (B) *the higher of—*

14 (i) *the midseason price; or*

15 (ii) *the national average loan rate for*
16 *a marketing assistance loan for the covered*
17 *commodity in effect for crop years 2013*
18 *through 2017 under subtitle B.*

19 (5) *COUNTY REVENUE LOSS COVERAGE TRIG-*
20 *GER.—*

21 (A) *IN GENERAL.—The county revenue loss*
22 *coverage trigger for a crop year for a covered*
23 *commodity on a farm shall equal 85 percent of*
24 *the benchmark county revenue.*

25 (B) *BENCHMARK COUNTY REVENUE.—*

1 (i) *IN GENERAL.*—*The benchmark*
2 *county revenue shall be the product obtained*
3 *by multiplying—*

4 (I) *subject to clause (ii), the aver-*
5 *age historical county yield as deter-*
6 *mined by the Secretary for the most re-*
7 *cent 5 crop years, excluding each of the*
8 *crop years with the highest and lowest*
9 *yields; and*

10 (II) *subject to clause (iii), the av-*
11 *erage national marketing year average*
12 *price for the most recent 5 crop years,*
13 *excluding each of the crop years with*
14 *the highest and lowest prices.*

15 (ii) *YIELD CONDITIONS.*—*If the histor-*
16 *ical county yield in clause (i)(I) for any of*
17 *the 5 most recent crop years, as determined*
18 *by the Secretary, is less than 70 percent of*
19 *the transitional yield, as determined by the*
20 *Secretary, the amounts used for any of those*
21 *years in clause (i)(I) shall be 70 percent of*
22 *the transitional yield.*

23 (iii) *REFERENCE PRICE.*—*If the na-*
24 *tional marketing year average price in*
25 *clause (i)(II) for any of the 5 most recent*

1 *crop years is lower than the reference price*
2 *for the covered commodity, the Secretary*
3 *shall use the reference price for any of those*
4 *years for the amounts in clause (i)(II).*

5 (6) *PAYMENT RATE.*—*The payment rate shall be*
6 *equal to the lesser of—*

7 (A) *the difference between—*

8 (i) *the county revenue loss coverage*
9 *trigger for the covered commodity; and*

10 (ii) *the actual county revenue for the*
11 *crop year for the covered commodity; or*

12 (B) *10 percent of the benchmark county rev-*
13 *enue for the crop year for the covered commodity.*

14 (7) *PAYMENT AMOUNT.*—*If revenue loss coverage*
15 *payments under this subsection are required to be*
16 *provided for any of the 2013 through 2017 crop years*
17 *of a covered commodity, the amount of the revenue*
18 *loss coverage payment to be provided to the producers*
19 *on a farm for the crop year shall be equal to the prod-*
20 *uct obtained by multiplying—*

21 (A) *the payment rate under paragraph (6);*

22 *and*

23 (B) *the payment acres of the covered com-*
24 *modity on the farm.*

1 (8) *DUTIES OF THE SECRETARY.*—*In providing*
2 *revenue loss coverage payments under this subsection,*
3 *the Secretary—*

4 (A) *shall ensure that producers on a farm*
5 *do not reconstitute the farm of the producers to*
6 *void or change the election made under para-*
7 *graph (1);*

8 (B) *to the maximum extent practicable,*
9 *shall use all available information and analysis,*
10 *including data mining, to check for anomalies in*
11 *the provision of revenue loss coverage payments;*

12 (C) *to the maximum extent practicable,*
13 *shall calculate a separate county revenue loss*
14 *coverage trigger for irrigated and nonirrigated*
15 *covered commodities and a separate actual coun-*
16 *ty revenue for irrigated and nonirrigated covered*
17 *commodities;*

18 (D) *shall assign a benchmark county yield*
19 *for each planted acre for the crop year for the*
20 *covered commodity on the basis of the yield his-*
21 *tory of representative farms in the State, region,*
22 *or crop reporting district, as determined by the*
23 *Secretary, if—*

24 (i) *the Secretary cannot establish the*
25 *benchmark county yield for each planted*

1 acre for a crop year for a covered com-
 2 modity in the county in accordance with
 3 paragraph (5); or

4 (ii) the yield determined under para-
 5 graph (5) is an unrepresentative average
 6 yield for the county (as determined by the
 7 Secretary); and

8 (E) to the maximum extent practicable,
 9 shall ensure that in order to be eligible for a
 10 payment under this subsection, the producers on
 11 the farm suffered an actual loss on the covered
 12 commodity for the crop year for which payment
 13 is sought.

14 **SEC. 1108. PRODUCER AGREEMENTS.**

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

16 (1) *REQUIREMENTS.*—Before the producers on a
 17 farm may receive price loss coverage payments or rev-
 18 enue loss coverage payments with respect to the farm,
 19 the producers shall agree, during the crop year for
 20 which the payments are made and in exchange for the
 21 payments—

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

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

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

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

12 (3) MODIFICATION.—At the request of the trans-
13 feree or owner, the Secretary may modify the require-
14 ments of this subsection if the modifications are con-
15 sistent with the objectives of this subsection, as deter-
16 mined by the Secretary.

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

18 (1) TERMINATION.—

19 (A) IN GENERAL.—Except as provided in
20 paragraph (2), a transfer of (or change in) the
21 interest of the producers on a farm for which
22 price loss coverage payments or revenue loss cov-
23 erage payments are provided shall result in the
24 termination of the price loss coverage and rev-
25 enue loss coverage, unless the transferee or owner

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

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

6 *(2) EXCEPTION.—If a producer entitled to a*
7 *price loss coverage payment or revenue loss coverage*
8 *payment dies, becomes incompetent, or is otherwise*
9 *unable to receive the payment, the Secretary shall*
10 *make the payment in accordance with rules issued by*
11 *the Secretary.*

12 *(c) ACREAGE REPORTS.—As a condition on the receipt*
13 *of any benefits under this subtitle or subtitle B, the Sec-*
14 *retary shall require producers on a farm to submit to the*
15 *Secretary annual acreage reports with respect to all crop-*
16 *land on the farm.*

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

20 *(e) SHARING OF PAYMENTS.—The Secretary shall pro-*
21 *vide for the sharing of price loss coverage payments and*
22 *revenue loss coverage payments among the producers on a*
23 *farm on a fair and equitable basis.*

1 **SEC. 1109. PERIOD OF EFFECTIVENESS.**

2 *This subtitle shall be effective beginning with the 2013*
 3 *crop year of each covered commodity through the 2017 crop*
 4 *year.*

5 ***Subtitle B—Marketing Loans***

6 **SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING**
 7 **ASSISTANCE LOANS FOR LOAN COMMOD-**
 8 **ITIES.**

9 *(a) DEFINITION OF LOAN COMMODITY.—In this sub-*
 10 *title, the term “loan commodity” means wheat, corn, grain*
 11 *sorghum, barley, oats, upland cotton, extra long staple cot-*
 12 *ton, long grain rice, medium grain rice, peanuts, soybeans,*
 13 *other oilseeds, graded wool, nongraded wool, mohair, honey,*
 14 *dry peas, lentils, small chickpeas, and large chickpeas.*

15 *(b) NONRECOURSE LOANS AVAILABLE.—*

16 *(1) IN GENERAL.—For each of the 2013 through*
 17 *2017 crops of each loan commodity, the Secretary*
 18 *shall make available to producers on a farm non-*
 19 *recourse marketing assistance loans for loan commod-*
 20 *ities produced on the farm.*

21 *(2) TERMS AND CONDITIONS.—The marketing as-*
 22 *sistance loans shall be made under terms and condi-*
 23 *tions that are prescribed by the Secretary and at the*
 24 *loan rate established under section 1202 for the loan*
 25 *commodity.*

1 (c) *ELIGIBLE PRODUCTION.*—*The producers on a farm*
2 *shall be eligible for a marketing assistance loan under sub-*
3 *section (b) for any quantity of a loan commodity produced*
4 *on the farm.*

5 (d) *COMPLIANCE WITH CONSERVATION AND WET-*
6 *LANDS REQUIREMENTS.*—*As a condition of the receipt of*
7 *a marketing assistance loan under subsection (b), the pro-*
8 *ducer shall comply with applicable conservation require-*
9 *ments under subtitle B of title XII of the Food Security*
10 *Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland*
11 *protection requirements under subtitle C of title XII of that*
12 *Act (16 U.S.C. 3821 et seq.) during the term of the loan.*

13 (e) *SPECIAL RULES FOR PEANUTS.*—

14 (1) *IN GENERAL.*—*This subsection shall apply*
15 *only to producers of peanuts.*

16 (2) *OPTIONS FOR OBTAINING LOAN.*—*A mar-*
17 *keting assistance loan under this section, and loan de-*
18 *ficiency payments under section 1205, may be ob-*
19 *tained at the option of the producers on a farm*
20 *through—*

21 (A) *a designated marketing association or*
22 *marketing cooperative of producers that is ap-*
23 *proved by the Secretary; or*

24 (B) *the Farm Service Agency.*

1 (3) *STORAGE OF LOAN PEANUTS.*—*As a condi-*
2 *tion on the approval by the Secretary of an indi-*
3 *vidual or entity to provide storage for peanuts for*
4 *which a marketing assistance loan is made under this*
5 *section, the individual or entity shall agree—*

6 (A) *to provide the storage on a nondiscrim-*
7 *inatory basis; and*

8 (B) *to comply with such additional require-*
9 *ments as the Secretary considers appropriate to*
10 *accomplish the purposes of this section and pro-*
11 *mote fairness in the administration of the bene-*
12 *fits of this section.*

13 (4) *STORAGE, HANDLING, AND ASSOCIATED*
14 *COSTS.*—

15 (A) *IN GENERAL.*—*To ensure proper storage*
16 *of peanuts for which a loan is made under this*
17 *section, the Secretary shall pay handling and*
18 *other associated costs (other than storage costs)*
19 *incurred at the time at which the peanuts are*
20 *placed under loan, as determined by the Sec-*
21 *retary.*

22 (B) *REDEMPTION AND FORFEITURE.*—*The*
23 *Secretary shall—*

24 (i) *require the repayment of handling*
25 *and other associated costs paid under sub-*

1 paragraph (A) for all peanuts pledged as
2 collateral for a loan that is redeemed under
3 this section; and

4 (ii) pay storage, handling, and other
5 associated costs for all peanuts pledged as
6 collateral that are forfeited under this sec-
7 tion.

8 (5) *MARKETING*.—A marketing association or co-
9 operative may market peanuts for which a loan is
10 made under this section in any manner that conforms
11 to consumer needs, including the separation of pea-
12 nuts by type and quality.

13 (6) *REIMBURSABLE AGREEMENTS AND PAYMENT*
14 *OF ADMINISTRATIVE EXPENSES*.—The Secretary may
15 implement any reimbursable agreements or provide
16 for the payment of administrative expenses under this
17 subsection only in a manner that is consistent with
18 those activities in regard to other loan commodities.

19 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**
20 **ASSISTANCE LOANS.**

21 (a) *IN GENERAL*.—For purposes of each of the 2013
22 through 2017 crop years, the loan rate for a marketing as-
23 sistance loan under section 1201 for a loan commodity shall
24 be equal to the following:

25 (1) In the case of wheat, \$2.94 per bushel.

- 1 (2) *In the case of corn, \$1.95 per bushel.*
- 2 (3) *In the case of grain sorghum, \$1.95 per bush-*
3 *el.*
- 4 (4) *In the case of barley, \$1.95 per bushel.*
- 5 (5) *In the case of oats, \$1.39 per bushel.*
- 6 (6) *In the case of base quality of upland cotton,*
7 *for the 2013 and each subsequent crop year, the sim-*
8 *ple average of the adjusted prevailing world price for*
9 *the 2 immediately preceding marketing years, as de-*
10 *termined by the Secretary and announced October 1*
11 *preceding the next domestic plantings, but in no case*
12 *less than \$0.47 per pound or more than \$0.52 per*
13 *pound.*
- 14 (7) *In the case of extra long staple cotton,*
15 *\$0.7977 per pound.*
- 16 (8) *In the case of long grain rice, \$6.50 per hun-*
17 *dredweight.*
- 18 (9) *In the case of medium grain rice, \$6.50 per*
19 *hundredweight.*
- 20 (10) *In the case of soybeans, \$5.00 per bushel.*
- 21 (11) *In the case of other oilseeds, \$10.09 per hun-*
22 *dredweight for each of the following kinds of oilseeds:*
- 23 (A) *Sunflower seed.*
- 24 (B) *Rapeseed.*
- 25 (C) *Canola.*

1 (D) *Safflower.*

2 (E) *Flaxseed.*

3 (F) *Mustard seed.*

4 (G) *Crambe.*

5 (H) *Sesame seed.*

6 (I) *Other oilseeds designated by the Sec-*
7 *retary.*

8 (12) *In the case of dry peas, \$5.40 per hundred-*
9 *weight.*

10 (13) *In the case of lentils, \$11.28 per hundred-*
11 *weight.*

12 (14) *In the case of small chickpeas, \$7.43 per*
13 *hundredweight.*

14 (15) *In the case of large chickpeas, \$11.28 per*
15 *hundredweight.*

16 (16) *In the case of graded wool, \$1.15 per pound.*

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

19 (18) *In the case of mohair, \$4.20 per pound.*

20 (19) *In the case of honey, \$0.69 per pound.*

21 (20) *In the case of peanuts, \$355 per ton.*

22 (b) *SINGLE COUNTY LOAN RATE FOR OTHER OIL-*
23 *SEEDS.—The Secretary shall establish a single loan rate in*
24 *each county for each kind of other oilseeds described in sub-*
25 *section (a)(11).*

1 **SEC. 1203. TERM OF LOANS.**

2 (a) *TERM OF LOAN.*—*In the case of each loan com-*
3 *modity, a marketing assistance loan under section 1201*
4 *shall have a term of 9 months beginning on the first day*
5 *of the first month after the month in which the loan is*
6 *made.*

7 (b) *EXTENSIONS PROHIBITED.*—*The Secretary may*
8 *not extend the term of a marketing assistance loan for any*
9 *loan commodity.*

10 **SEC. 1204. REPAYMENT OF LOANS.**

11 (a) *GENERAL RULE.*—*The Secretary shall permit the*
12 *producers on a farm to repay a marketing assistance loan*
13 *under section 1201 for a loan commodity (other than up-*
14 *land cotton, long grain rice, medium grain rice, extra long*
15 *staple cotton, peanuts and confectionery and each other*
16 *kind of sunflower seed (other than oil sunflower seed)) at*
17 *a rate that is the lesser of—*

18 (1) *the loan rate established for the commodity*
19 *under section 1202, plus interest (determined in ac-*
20 *cordance with section 163 of the Federal Agriculture*
21 *Improvement and Reform Act of 1996 (7 U.S.C.*
22 *7283));*

23 (2) *a rate (as determined by the Secretary)*
24 *that—*

1 (A) is calculated based on average market
2 prices for the loan commodity during the pre-
3 ceding 30-day period; and

4 (B) will minimize discrepancies in mar-
5 keting loan benefits across State boundaries and
6 across county boundaries; or

7 (3) a rate that the Secretary may develop using
8 alternative methods for calculating a repayment rate
9 for a loan commodity that the Secretary determines
10 will—

11 (A) minimize potential loan forfeitures;

12 (B) minimize the accumulation of stocks of
13 the commodity by the Federal Government;

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

16 (D) allow the commodity produced in the
17 United States to be marketed freely and competi-
18 tively, both domestically and internationally;
19 and

20 (E) minimize discrepancies in marketing
21 loan benefits across State boundaries and across
22 county boundaries.

23 (b) *REPAYMENT RATES FOR UPLAND COTTON, LONG*
24 *GRAIN RICE, AND MEDIUM GRAIN RICE.*—The Secretary
25 shall permit producers to repay a marketing assistance loan

1 *under section 1201 for upland cotton, long grain rice, and*
2 *medium grain rice at a rate that is the lesser of—*

3 *(1) the loan rate established for the commodity*
4 *under section 1202, plus interest (determined in ac-*
5 *cordance with section 163 of the Federal Agriculture*
6 *Improvement and Reform Act of 1996 (7 U.S.C.*
7 *7283)); or*

8 *(2) the prevailing world market price for the*
9 *commodity, as determined and adjusted by the Sec-*
10 *retary in accordance with this section.*

11 *(c) REPAYMENT RATES FOR EXTRA LONG STAPLE*
12 *COTTON.—Repayment of a marketing assistance loan for*
13 *extra long staple cotton shall be at the loan rate established*
14 *for the commodity under section 1202, plus interest (deter-*
15 *mined in accordance with section 163 of the Federal Agri-*
16 *culture Improvement and Reform Act of 1996 (7 U.S.C.*
17 *7283)).*

18 *(d) PREVAILING WORLD MARKET PRICE.—For pur-*
19 *poses of this section and section 1207, the Secretary shall*
20 *prescribe by regulation—*

21 *(1) a formula to determine the prevailing world*
22 *market price for each of upland cotton, long grain*
23 *rice, and medium grain rice; and*

1 (2) *a mechanism by which the Secretary shall*
2 *announce periodically those prevailing world market*
3 *prices.*

4 (e) *ADJUSTMENT OF PREVAILING WORLD MARKET*
5 *PRICE FOR UPLAND COTTON, LONG GRAIN RICE, AND ME-*
6 *DIUM GRAIN RICE.—*

7 (1) *RICE.—The prevailing world market price*
8 *for long grain rice and medium grain rice determined*
9 *under subsection (d) shall be adjusted to United*
10 *States quality and location.*

11 (2) *COTTON.—The prevailing world market price*
12 *for upland cotton determined under subsection (d)—*

13 (A) *shall be adjusted to United States qual-*
14 *ity and location, with the adjustment to in-*
15 *clude—*

16 (i) *a reduction equal to any United*
17 *States Premium Factor for upland cotton of*
18 *a quality higher than Middling (M) 1³/₃₂-*
19 *inch; and*

20 (ii) *the average costs to market the*
21 *commodity, including average transpor-*
22 *tation costs, as determined by the Secretary;*
23 *and*

24 (B) *may be further adjusted, during the pe-*
25 *riod beginning on the date of enactment of this*

1 *Act and ending on July 31, 2018, if the Sec-*
2 *retary determines the adjustment is necessary—*

3 *(i) to minimize potential loan forfeit-*
4 *ures;*

5 *(ii) to minimize the accumulation of*
6 *stocks of upland cotton by the Federal Gov-*
7 *ernment;*

8 *(iii) to ensure that upland cotton pro-*
9 *duced in the United States can be marketed*
10 *freely and competitively, both domestically*
11 *and internationally; and*

12 *(iv) to ensure an appropriate transi-*
13 *tion between current-crop and forward-crop*
14 *price quotations, except that the Secretary*
15 *may use forward-crop price quotations*
16 *prior to July 31 of a marketing year only*
17 *if—*

18 *(I) there are insufficient current-*
19 *crop price quotations; and*

20 *(II) the forward-crop price*
21 *quotation is the lowest such quotation*
22 *available.*

23 (3) *GUIDELINES FOR ADDITIONAL ADJUST-*
24 *MENTS.—In making adjustments under this sub-*
25 *section, the Secretary shall establish a mechanism for*

1 *determining and announcing the adjustments in*
2 *order to avoid undue disruption in the United States*
3 *market.*

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

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

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

17 *(g) PAYMENT OF COTTON STORAGE COSTS.—Effective*
18 *for each of the 2013 through 2017 crop years, the Secretary*
19 *shall make cotton storage payments available in the same*
20 *manner, and at the same rates as the Secretary provided*
21 *storage payments for the 2006 crop of cotton, except that*
22 *the rates shall be reduced by 10 percent.*

23 *(h) REPAYMENT RATE FOR PEANUTS.—The Secretary*
24 *shall permit producers on a farm to repay a marketing as-*

1 *sistance loan for peanuts under subsection (a) at a rate that*
 2 *is the lesser of—*

3 *(1) the loan rate established for peanuts under*
 4 *subsection (b), plus interest (determined in accord-*
 5 *ance with section 163 of the Federal Agriculture Im-*
 6 *provement and Reform Act of 1996 (7 U.S.C. 7283));*

7 *or*

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

9 *(A) minimize potential loan forfeitures;*

10 *(B) minimize the accumulation of stocks of*
 11 *peanuts by the Federal Government;*

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

14 *(D) allow peanuts produced in the United*
 15 *States to be marketed freely and competitively,*
 16 *both domestically and internationally.*

17 *(i) AUTHORITY TO TEMPORARILY ADJUST REPAYMENT*
 18 *RATES.—*

19 *(1) ADJUSTMENT AUTHORITY.—In the event of a*
 20 *severe disruption to marketing, transportation, or re-*
 21 *lated infrastructure, the Secretary may modify the re-*
 22 *payment rate otherwise applicable under this section*
 23 *for marketing assistance loans under section 1201 for*
 24 *a loan commodity.*

1 (2) *DURATION.*—*Any adjustment made under*
2 *paragraph (1) in the repayment rate for marketing*
3 *assistance loans for a loan commodity shall be in ef-*
4 *fect on a short-term and temporary basis, as deter-*
5 *mined by the Secretary.*

6 **SEC. 1205. LOAN DEFICIENCY PAYMENTS.**

7 (a) *AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.*—

8 (1) *IN GENERAL.*—*Except as provided in sub-*
9 *section (d), the Secretary may make loan deficiency*
10 *payments available to producers on a farm that, al-*
11 *though eligible to obtain a marketing assistance loan*
12 *under section 1201 with respect to a loan commodity,*
13 *agree to forgo obtaining the loan for the commodity*
14 *in return for loan deficiency payments under this sec-*
15 *tion.*

16 (2) *UNSHORN PELTS, HAY, AND SILAGE.*—

17 (A) *MARKETING ASSISTANCE LOANS.*—*Sub-*
18 *ject to subparagraph (B), nongraded wool in the*
19 *form of unshorn pelts and hay and silage derived*
20 *from a loan commodity are not eligible for a*
21 *marketing assistance loan under section 1201.*

22 (B) *LOAN DEFICIENCY PAYMENT.*—*Effective*
23 *for the 2013 through 2017 crop years, the Sec-*
24 *retary may make loan deficiency payments*
25 *available under this section to producers on a*

1 *farm that produce unshorn pelts or hay and si-*
2 *lage derived from a loan commodity.*

3 **(b) COMPUTATION.**—*A loan deficiency payment for a*
4 *loan commodity or commodity referred to in subsection*
5 *(a)(2) shall be equal to the product obtained by multi-*
6 *plying—*

7 *(1) the payment rate determined under sub-*
8 *section (c) for the commodity; by*

9 *(2) the quantity of the commodity produced by*
10 *the eligible producers, excluding any quantity for*
11 *which the producers obtain a marketing assistance*
12 *loan under section 1201.*

13 **(c) PAYMENT RATE.**—

14 **(1) IN GENERAL.**—*In the case of a loan com-*
15 *modity, the payment rate shall be the amount by*
16 *which—*

17 *(A) the loan rate established under section*
18 *1202 for the loan commodity; exceeds*

19 *(B) the rate at which a marketing assist-*
20 *ance loan for the loan commodity may be repaid*
21 *under section 1204.*

22 **(2) UNSHORN PELTS.**—*In the case of unshorn*
23 *pelts, the payment rate shall be the amount by*
24 *which—*

1 (A) the loan rate established under section
2 1202 for ungraded wool; exceeds

3 (B) the rate at which a marketing assist-
4 ance loan for ungraded wool may be repaid
5 under section 1204.

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

9 (A) the loan rate established under section
10 1202 for the loan commodity from which the hay
11 or silage is derived; exceeds

12 (B) the rate at which a marketing assist-
13 ance loan for the loan commodity may be repaid
14 under section 1204.

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

18 (e) *EFFECTIVE DATE FOR PAYMENT RATE DETER-*
19 *MINATION.*—The Secretary shall determine the amount of
20 the loan deficiency payment to be made under this section
21 to the producers on a farm with respect to a quantity of
22 a loan commodity or commodity referred to in subsection
23 (a)(2) using the payment rate in effect under subsection (c)
24 as of the date the producers request the payment.

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

3 (a) *ELIGIBLE PRODUCERS.—*

4 (1) *IN GENERAL.—Effective for the 2013 through*
5 *2017 crop years, in the case of a producer that would*
6 *be eligible for a loan deficiency payment under sec-*
7 *tion 1205 for wheat, barley, or oats, but that elects to*
8 *use acreage planted to the wheat, barley, or oats for*
9 *the grazing of livestock, the Secretary shall make a*
10 *payment to the producer under this section if the pro-*
11 *ducer enters into an agreement with the Secretary to*
12 *forgo any other harvesting of the wheat, barley, or*
13 *oats on that acreage.*

14 (2) *GRAZING OF TRITICALE ACREAGE.—Effective*
15 *for the 2013 through 2017 crop years, with respect to*
16 *a producer on a farm that uses acreage planted to*
17 *triticale for the grazing of livestock, the Secretary*
18 *shall make a payment to the producer under this sec-*
19 *tion if the producer enters into an agreement with the*
20 *Secretary to forgo any other harvesting of triticale on*
21 *that acreage.*

22 (b) *PAYMENT AMOUNT.—*

23 (1) *IN GENERAL.—The amount of a payment*
24 *made under this section to a producer on a farm de-*
25 *scribed in subsection (a)(1) shall be equal to the*
26 *amount determined by multiplying—*

1 (A) the loan deficiency payment rate deter-
2 mined under section 1205(c) in effect, as of the
3 date of the agreement, for the county in which
4 the farm is located; by

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

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

11 (ii)(I) the payment yield in effect for
12 the calculation of price loss coverage under
13 subtitle A with respect to that loan com-
14 modity on the farm; or

15 (II) in the case of a farm without a
16 payment yield for that loan commodity, an
17 appropriate yield established by the Sec-
18 retary in a manner consistent with section
19 1106(c) of this Act.

20 (2) *GRAZING OF TRITICALE ACREAGE.*—The
21 amount of a payment made under this section to a
22 producer on a farm described in subsection (a)(2)
23 shall be equal to the amount determined by multi-
24 plying—

1 (A) the loan deficiency payment rate deter-
2 mined under section 1205(c) in effect for wheat,
3 as of the date of the agreement, for the county in
4 which the farm is located; by

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

7 (i) the quantity of the grazed acreage
8 on the farm with respect to which the pro-
9 ducer elects to forgo harvesting of triticale;
10 and

11 (ii)(I) the payment yield in effect for
12 the calculation of price loss coverage under
13 subtitle A with respect to wheat on the
14 farm; or

15 (II) in the case of a farm without a
16 payment yield for wheat, an appropriate
17 yield established by the Secretary in a man-
18 ner consistent with section 1106(c) of this
19 Act.

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

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

25 (2) *AVAILABILITY.*—

1 (A) *IN GENERAL.*—*The Secretary shall es-*
2 *tablish an availability period for the payments*
3 *authorized by this section.*

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

10 (d) *PROHIBITION ON CROP INSURANCE INDEMNITY OR*
11 *NONINSURED CROP ASSISTANCE.*—*A 2013 through 2017*
12 *crop of wheat, barley, oats, or triticale planted on acreage*
13 *that a producer elects, in the agreement required by sub-*
14 *section (a), to use for the grazing of livestock in lieu of any*
15 *other harvesting of the crop shall not be eligible for an in-*
16 *demnity under a policy or plan of insurance authorized*
17 *under the Federal Crop Insurance Act (7 U.S.C. 1501 et*
18 *seq.) or noninsured crop assistance under section 196 of the*
19 *Federal Agriculture Improvement and Reform Act of 1996*
20 *(7 U.S.C. 7333).*

21 **SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR UP-**
22 **LAND COTTON.**

23 (a) *SPECIAL IMPORT QUOTA.*—

24 (1) *DEFINITION OF SPECIAL IMPORT QUOTA.*—*In*
25 *this subsection, the term “special import quota”*

1 *means a quantity of imports that is not subject to the*
2 *over-quota tariff rate of a tariff-rate quota.*

3 (2) *ESTABLISHMENT.*—

4 (A) *IN GENERAL.*—*The President shall*
5 *carry out an import quota program during the*
6 *period beginning on August 1, 2013, and ending*
7 *on July 31, 2018, as provided in this subsection.*

8 (B) *PROGRAM REQUIREMENTS.*—*Whenever*
9 *the Secretary determines and announces that for*
10 *any consecutive 4-week period, the Friday*
11 *through Thursday average price quotation for the*
12 *lowest-priced United States growth, as quoted for*
13 *Middling (M) 1³/₃₂-inch cotton, delivered to a de-*
14 *finable and significant international market, as*
15 *determined by the Secretary, exceeds the pre-*
16 *vailing world market price, there shall imme-*
17 *diately be in effect a special import quota.*

18 (3) *QUANTITY.*—*The quota shall be equal to the*
19 *consumption during a 1-week period of cotton by do-*
20 *mestic mills at the seasonally adjusted average rate of*
21 *the most recent 3 months for which official data of the*
22 *Department of Agriculture are available or, in the ab-*
23 *sence of sufficient data, as estimated by the Secretary.*

24 (4) *APPLICATION.*—*The quota shall apply to up-*
25 *land cotton purchased not later than 90 days after the*

1 *date of the Secretary's announcement under para-*
2 *graph (2) and entered into the United States not later*
3 *than 180 days after that date.*

4 (5) *OVERLAP.*—*A special quota period may be*
5 *established that overlaps any existing quota period if*
6 *required by paragraph (2), except that a special*
7 *quota period may not be established under this sub-*
8 *section if a quota period has been established under*
9 *subsection (b).*

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

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

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

17 (C) *section 503(d) of the Trade Act of 1974*
18 *(19 U.S.C. 2463(d)); and*

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

21 (7) *LIMITATION.*—*The quantity of cotton entered*
22 *into the United States during any marketing year*
23 *under the special import quota established under this*
24 *subsection may not exceed the equivalent of 10 week's*
25 *consumption of upland cotton by domestic mills at*

1 *the seasonally adjusted average rate of the 3 months*
2 *immediately preceding the first special import quota*
3 *established in any marketing year.*

4 **(b) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND**
5 **COTTON.—**

6 **(1) DEFINITIONS.—***In this subsection:*

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

9 *(i) the average seasonally adjusted an-*
10 *nual rate of domestic mill consumption of*
11 *cotton during the most recent 3 months for*
12 *which official data of the Department of Ag-*
13 *riculture are available or, in the absence of*
14 *sufficient data, as estimated by the Sec-*
15 *retary; and*

16 *(ii) the larger of—*

17 *(I) average exports of upland cot-*
18 *ton during the preceding 6 marketing*
19 *years; or*

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

24 **(B) LIMITED GLOBAL IMPORT QUOTA.—***The*
25 *term “limited global import quota” means a*

1 *quantity of imports that is not subject to the*
2 *over-quota tariff rate of a tariff-rate quota.*

3 (C) *SUPPLY.*—*The term “supply” means,*
4 *using the latest official data of the Department*
5 *of Agriculture—*

6 (i) *the carry-over of upland cotton at*
7 *the beginning of the marketing year (ad-*
8 *justed to 480-pound bales) in which the*
9 *quota is established;*

10 (ii) *production of the current crop; and*

11 (iii) *imports to the latest date avail-*
12 *able during the marketing year.*

13 (2) *PROGRAM.*—*The President shall carry out an*
14 *import quota program that provides that whenever*
15 *the Secretary determines and announces that the av-*
16 *erage price of the base quality of upland cotton, as de-*
17 *termined by the Secretary, in the designated spot*
18 *markets for a month exceeded 130 percent of the aver-*
19 *age price of the quality of cotton in the markets for*
20 *the preceding 36 months, notwithstanding any other*
21 *provision of law, there shall immediately be in effect*
22 *a limited global import quota subject to the following*
23 *conditions:*

24 (A) *QUANTITY.*—*The quantity of the quota*
25 *shall be equal to 21 days of domestic mill con-*

1 *sumption of upland cotton at the seasonally ad-*
2 *justed average rate of the most recent 3 months*
3 *for which official data of the Department of Ag-*
4 *riculture are available or, in the absence of suffi-*
5 *cient data, as estimated by the Secretary.*

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

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

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

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

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

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

3 (D) *QUOTA ENTRY PERIOD.*—*When a quota*
4 *is established under this subsection, cotton may*
5 *be entered under the quota during the 90-day pe-*
6 *riod beginning on the date the quota is estab-*
7 *lished by the Secretary.*

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

12 (c) *ECONOMIC ADJUSTMENT ASSISTANCE TO USERS*
13 *OF UPLAND COTTON.*—

14 (1) *IN GENERAL.*—*Subject to paragraph (2), the*
15 *Secretary shall, on a monthly basis, make economic*
16 *adjustment assistance available to domestic users of*
17 *upland cotton in the form of payments for all docu-*
18 *mented use of that upland cotton during the previous*
19 *monthly period regardless of the origin of the upland*
20 *cotton.*

21 (2) *VALUE OF ASSISTANCE.*—*Effective beginning*
22 *on August 1, 2012, the value of the assistance pro-*
23 *vided under paragraph (1) shall be 3 cents per pound.*

24 (3) *ALLOWABLE PURPOSES.*—*Economic adjust-*
25 *ment assistance under this subsection shall be made*

1 *available only to domestic users of upland cotton that*
2 *certify that the assistance shall be used only to ac-*
3 *quire, construct, install, modernize, develop, convert,*
4 *or expand land, plant, buildings, equipment, facili-*
5 *ties, or machinery.*

6 (4) *REVIEW OR AUDIT.*—*The Secretary may con-*
7 *duct such review or audit of the records of a domestic*
8 *user under this subsection as the Secretary determines*
9 *necessary to carry out this subsection.*

10 (5) *IMPROPER USE OF ASSISTANCE.*—*If the Sec-*
11 *retary determines, after a review or audit of the*
12 *records of the domestic user, that economic adjustment*
13 *assistance under this subsection was not used for the*
14 *purposes specified in paragraph (3), the domestic user*
15 *shall be—*

16 (A) *liable for the repayment of the assist-*
17 *ance to the Secretary, plus interest, as deter-*
18 *mined by the Secretary; and*

19 (B) *ineligible to receive assistance under*
20 *this subsection for a period of 1 year following*
21 *the determination of the Secretary.*

22 **SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
23 **LONG STAPLE COTTON.**

24 (a) *COMPETITIVENESS PROGRAM.*—*Notwithstanding*
25 *any other provision of law, during the period beginning on*

1 *the date of enactment of this Act through July 31, 2018,*
2 *the Secretary shall carry out a program—*

3 *(1) to maintain and expand the domestic use of*
4 *extra long staple cotton produced in the United*
5 *States;*

6 *(2) to increase exports of extra long staple cotton*
7 *produced in the United States; and*

8 *(3) to ensure that extra long staple cotton pro-*
9 *duced in the United States remains competitive in*
10 *world markets.*

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

14 *(1) for a consecutive 4-week period, the world*
15 *market price for the lowest priced competing growth*
16 *of extra long staple cotton (adjusted to United States*
17 *quality and location and for other factors affecting*
18 *the competitiveness of such cotton), as determined by*
19 *the Secretary, is below the prevailing United States*
20 *price for a competing growth of extra long staple cot-*
21 *ton; and*

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

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

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

10 (d) *PAYMENT AMOUNT.*—Payments under this section
11 shall be based on the amount of the difference in the prices
12 referred to in subsection (b)(1) during the fourth week of
13 the consecutive 4-week period multiplied by the amount of
14 documented purchases by domestic users and sales for ex-
15 port by exporters made in the week following such a con-
16 secutive 4-week period.

17 **SEC. 1209. AVAILABILITY OF RECOURSE LOANS FOR HIGH**
18 **MOISTURE FEED GRAINS AND SEED COTTON.**

19 (a) *HIGH MOISTURE FEED GRAINS.*—

20 (1) *DEFINITION OF HIGH MOISTURE STATE.*—In
21 this subsection, the term “high moisture state” means
22 corn or grain sorghum having a moisture content in
23 excess of Commodity Credit Corporation standards
24 for marketing assistance loans made by the Secretary
25 under section 1201.

1 (2) *RECOURSE LOANS AVAILABLE.*—*For each of*
2 *the 2013 through 2017 crops of corn and grain sor-*
3 *ghum, the Secretary shall make available recourse*
4 *loans, as determined by the Secretary, to producers on*
5 *a farm that—*

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

9 (B) *present—*

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

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

23 (C) *certify that the producers on the farm*
24 *were the owners of the feed grain at the time of*
25 *delivery to, and that the quantity to be placed*

1 *under loan under this subsection was in fact*
2 *harvested on the farm and delivered to, a feedlot,*
3 *feed mill, or commercial or on-farm high-mois-*
4 *ture storage facility, or to a facility maintained*
5 *by the users of corn and grain sorghum in a*
6 *high moisture state; and*

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

12 (3) *ELIGIBILITY OF ACQUIRED FEED GRAINS.—*

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

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

20 *(B) the lower of the farm program payment*
21 *yield used to make payments under subtitle A or*
22 *the actual yield on a field, as determined by the*
23 *Secretary, that is similar to the field from which*
24 *the corn or grain sorghum was obtained.*

1 (b) *RECOURSE LOANS AVAILABLE FOR SEED COT-*
2 *TON.*—*For each of the 2013 through 2017 crops of upland*
3 *cotton and extra long staple cotton, the Secretary shall make*
4 *available recourse seed cotton loans, as determined by the*
5 *Secretary, on any production.*

6 (c) *REPAYMENT RATES.*—*Repayment of a recourse*
7 *loan made under this section shall be at the loan rate estab-*
8 *lished for the commodity by the Secretary, plus interest (de-*
9 *termined in accordance with section 163 of the Federal Ag-*
10 *riculture Improvement and Reform Act of 1996 (7 U.S.C.*
11 *7283)).*

12 **SEC. 1210. ADJUSTMENTS OF LOANS.**

13 (a) *ADJUSTMENT AUTHORITY.*—*Subject to subsection*
14 *(e), the Secretary may make appropriate adjustments in*
15 *the loan rates for any loan commodity (other than cotton)*
16 *for differences in grade, type, quality, location, and other*
17 *factors.*

18 (b) *MANNER OF ADJUSTMENT.*—*The adjustments*
19 *under subsection (a) shall, to the maximum extent prac-*
20 *ticable, be made in such a manner that the average loan*
21 *level for the commodity will, on the basis of the anticipated*
22 *incidence of the factors, be equal to the level of support de-*
23 *termined in accordance with this subtitle and subtitle C.*

24 (c) *ADJUSTMENT ON COUNTY BASIS.*—

1 (1) *IN GENERAL.*—*The Secretary may establish*
2 *loan rates for a crop for producers in individual*
3 *counties in a manner that results in the lowest loan*
4 *rate being 95 percent of the national average loan*
5 *rate, if those loan rates do not result in an increase*
6 *in outlays.*

7 (2) *PROHIBITION.*—*Adjustments under this sub-*
8 *section shall not result in an increase in the national*
9 *average loan rate for any year.*

10 *(d) ADJUSTMENT IN LOAN RATE FOR COTTON.*—

11 (1) *IN GENERAL.*—*The Secretary may make ap-*
12 *propriate adjustments in the loan rate for cotton for*
13 *differences in quality factors.*

14 (2) *TYPES OF ADJUSTMENTS.*—*Loan rate adjust-*
15 *ments under paragraph (1) may include—*

16 (A) *the use of non-spot market price data,*
17 *in addition to spot market price data, that*
18 *would enhance the accuracy of the price informa-*
19 *tion used in determining quality adjustments*
20 *under this subsection;*

21 (B) *adjustments in the premiums or dis-*
22 *counts associated with upland cotton with a sta-*
23 *ple length of 33 or above due to micronaire with*
24 *the goal of eliminating any unnecessary artifi-*

1 *cial splits in the calculations of the premiums or*
2 *discounts; and*

3 *(C) such other adjustments as the Secretary*
4 *determines appropriate, after consultations con-*
5 *ducted in accordance with paragraph (3).*

6 (3) *CONSULTATION WITH PRIVATE SECTOR.—*

7 *(A) PRIOR TO REVISION.—In making ad-*
8 *justments to the loan rate for cotton (including*
9 *any review of the adjustments) as provided in*
10 *this subsection, the Secretary shall consult with*
11 *representatives of the United States cotton indus-*
12 *try.*

13 *(B) INAPPLICABILITY OF FEDERAL ADVI-*
14 *SORY COMMITTEE ACT.—The Federal Advisory*
15 *Committee Act (5 U.S.C. App.) shall not apply*
16 *to consultations under this subsection.*

17 (4) *REVIEW OF ADJUSTMENTS.—The Secretary*
18 *may review the operation of the upland cotton quality*
19 *adjustments implemented pursuant to this subsection*
20 *and may make further adjustments to the administra-*
21 *tion of the loan program for upland cotton, by revok-*
22 *ing or revising any adjustment taken under para-*
23 *graph (2).*

24 (e) *RICE.—The Secretary shall not make adjustments*
25 *in the loan rates for long grain rice and medium grain*

1 rice, except for differences in grade and quality (including
2 milling yields).

3 **Subtitle C—Sugar**

4 **SEC. 1301. SUGAR PROGRAM.**

5 (a) CONTINUATION OF CURRENT PROGRAM AND LOAN
6 RATES.—

7 (1) SUGARCANE.—Section 156(a)(5) of the Fed-
8 eral Agriculture Improvement and Reform Act of
9 1996 (7 U.S.C. 7272(a)(5)) is amended by striking
10 “the 2012 crop year” and inserting “each of the 2012
11 through 2017 crop years”.

12 (2) SUGAR BEETS.—Section 156(b)(2) of the
13 Federal Agriculture Improvement and Reform Act of
14 1996 (7 U.S.C. 7272(b)(2)) is amended by striking
15 “2012” and inserting “2017”.

16 (3) EFFECTIVE PERIOD.—Section 156(i) of the
17 Federal Agriculture Improvement and Reform Act of
18 1996 (7 U.S.C. 7272(i)) is amended by striking
19 “2012” and inserting “2017”.

20 (b) FLEXIBLE MARKETING ALLOTMENTS FOR
21 SUGAR.—

22 (1) SUGAR ESTIMATES.—Section 359b(a)(1) of
23 the Agricultural Adjustment Act of 1938 (7 U.S.C.
24 1359bb(a)(1)) is amended by striking “2012” and in-
25 serting “2017”.

1 (2) *EFFECTIVE PERIOD.*—Section 359l(a) of the
2 *Agricultural Adjustment Act of 1938 (7 U.S.C.*
3 *1359ll(a)) is amended by striking “2012” and insert-*
4 *ing “2017”.*

5 ***Subtitle D—Dairy***

6 ***PART I—DAIRY PRODUCER MARGIN PROTECTION*** 7 ***AND DAIRY MARKET STABILIZATION PROGRAMS***

8 ***SEC. 1401. DEFINITIONS.***

9 *In this part:*

10 (1) *ACTUAL DAIRY PRODUCER MARGIN.*—*The*
11 *term “actual dairy producer margin” means the dif-*
12 *ference between the all-milk price and the average feed*
13 *cost, as calculated under section 1402.*

14 (2) *ALL-MILK PRICE.*—*The term “all-milk price”*
15 *means the average price received, per hundredweight*
16 *of milk, by dairy producers for all milk sold to plants*
17 *and dealers in the United States, as determined by*
18 *the Secretary.*

19 (3) *ANNUAL PRODUCTION HISTORY.*—*The term*
20 *“annual production history” means the production*
21 *history determined for a participating dairy producer*
22 *under section 1413(b) whenever the dairy producer*
23 *purchases supplemental margin protection.*

24 (4) *AVERAGE FEED COST.*—*The term “average*
25 *feed cost” means the average cost of feed used by a*

1 *dairy operation to produce a hundredweight of milk,*
2 *determined under section 1402 using the sum of the*
3 *following:*

4 (A) *The product determined by multiplying*
5 *1.0728 by the price of corn per bushel.*

6 (B) *The product determined by multiplying*
7 *0.00735 by the price of soybean meal per ton.*

8 (C) *The product determined by multiplying*
9 *0.0137 by the price of alfalfa hay per ton.*

10 (5) *BASIC PRODUCTION HISTORY.—The term*
11 *“basic production history” means the production his-*
12 *tory determined for a participating dairy producer*
13 *under section 1413(a) for provision of basic margin*
14 *protection.*

15 (6) *CONSECUTIVE TWO-MONTH PERIOD.—The*
16 *term “consecutive two-month period” refers to the*
17 *two-month period consisting of the months of Janu-*
18 *ary and February, March and April, May and June,*
19 *July and August, September and October, or Novem-*
20 *ber and December, respectively.*

21 (7) *DAIRY PRODUCER.—*

22 (A) *IN GENERAL.—Subject to subparagraph*
23 (B), *the term “dairy producer” means an indi-*
24 *vidual or entity that directly or indirectly (as*
25 *determined by the Secretary)—*

1 (i) shares in the risk of producing
2 milk; and

3 (ii) makes contributions (including
4 land, labor, management, equipment, or
5 capital) to the dairy operation of the indi-
6 vidual or entity that are at least commensu-
7 rate with the share of the individual or en-
8 tity of the proceeds of the operation.

9 (B) *ADDITIONAL OWNERSHIP STRUC-*
10 *TURES.—The Secretary shall determine addi-*
11 *tional ownership structures to be covered by the*
12 *definition of dairy producer.*

13 (8) *HANDLER.—*

14 (A) *IN GENERAL.—The term “handler”*
15 *means the initial individual or entity making*
16 *payment to a dairy producer for milk produced*
17 *in the United States and marketed for commer-*
18 *cial use.*

19 (B) *PRODUCER-HANDLER.—The term in-*
20 *cludes a “producer-handler” when the producer*
21 *satisfies the definition in subparagraph (A).*

22 (9) *MARGIN PROTECTION PROGRAM.—The term*
23 *“margin protection program” means the dairy pro-*
24 *ducer margin protection program required by subpart*
25 *A.*

1 (10) *PARTICIPATING DAIRY PRODUCER.*—*The*
2 *term “participating dairy producer” means a dairy*
3 *producer that—*

4 (A) *signs up under section 1412 to partici-*
5 *pate in the margin protection program under*
6 *subpart A; and*

7 (B) *as a result, also participates in the sta-*
8 *bilization program under subpart B.*

9 (11) *STABILIZATION PROGRAM.*—*The term “sta-*
10 *bilization program” means the dairy market sta-*
11 *bilization program required by subpart B for all par-*
12 *ticipating dairy producers.*

13 (12) *STABILIZATION PROGRAM BASE.*—*The term*
14 *“stabilization program base”, with respect to a par-*
15 *ticipating dairy producer, means the stabilization*
16 *program base calculated for the producer under sec-*
17 *tion 1431(b).*

18 (13) *UNITED STATES.*—*The term “United*
19 *States”, in a geographical sense, means the 50 States,*
20 *the District of Columbia, American Samoa, Guam,*
21 *the Commonwealth of the Northern Mariana Islands,*
22 *the Commonwealth of Puerto Rico, the Virgin Islands*
23 *of the United States, and any other territory or pos-*
24 *session of the United States.*

1 **SEC. 1402. CALCULATION OF AVERAGE FEED COST AND AC-**
2 **TUAL DAIRY PRODUCER MARGINS.**

3 (a) *CALCULATION OF AVERAGE FEED COST.*—The Sec-
4 retary shall calculate the national average feed cost for each
5 month using the following data:

6 (1) *The price of corn for a month shall be the*
7 *price received during that month by farmers in the*
8 *United States for corn, as reported in the monthly*
9 *Agricultural Prices report by the Secretary.*

10 (2) *The price of soybean meal for a month shall*
11 *be the central Illinois price for soybean meal, as re-*
12 *ported in the Market News-Monthly Soybean Meal*
13 *Price Report by the Secretary.*

14 (3) *The price of alfalfa hay for a month shall be*
15 *the price received during that month by farmers in*
16 *the United States for alfalfa hay, as reported in the*
17 *monthly Agricultural Prices report by the Secretary.*

18 (b) *CALCULATION OF ACTUAL DAIRY PRODUCER MAR-*
19 *GINS.*—

20 (1) *MARGIN PROTECTION PROGRAM.*—For use in
21 the margin protection program under subpart A, the
22 Secretary shall calculate the actual dairy producer
23 margin for each consecutive two-month period by sub-
24 tracting—

1 (A) *the average feed cost for that consecutive*
2 *two-month period, determined in accordance*
3 *with subsection (a); from*

4 (B) *the all-milk price for that consecutive*
5 *two-month period.*

6 (2) *STABILIZATION PROGRAM.—For use in the*
7 *stabilization program under subpart B, the Secretary*
8 *shall calculate each month the actual dairy producer*
9 *margin for the preceding month by subtracting—*

10 (A) *the average feed cost for that preceding*
11 *month, determined in accordance with subsection*
12 *(a); from*

13 (B) *the all-milk price for that preceding*
14 *month.*

15 (3) *TIME FOR CALCULATIONS.—The calculations*
16 *required by paragraphs (1) and (2) shall be made as*
17 *soon as practicable each month using the full month*
18 *price of the applicable reference month, but in no case*
19 *shall the calculation be made later than the last busi-*
20 *ness day of the month.*

1 **Subpart A—Dairy Producer Margin Protection**

2 **Program**

3 **SEC. 1411. ESTABLISHMENT OF DAIRY PRODUCER MARGIN**

4 **PROTECTION PROGRAM.**

5 *The Secretary shall establish and administer a dairy*
6 *producer margin protection program for the purpose of pro-*
7 *tecting dairy producer income by paying participating*
8 *dairy producers—*

9 (1) *basic margin protection payments when ac-*
10 *tual dairy producer margins are less than the thresh-*
11 *old levels for such payments; and*

12 (2) *supplemental margin protection payments if*
13 *purchased by a participating dairy producer.*

14 **SEC. 1412. PARTICIPATION OF DAIRY PRODUCERS IN MAR-**

15 **GIN PROTECTION PROGRAM.**

16 (a) *ELIGIBILITY.—All dairy producers in the United*
17 *States are eligible to participate in the margin protection*
18 *program, except that a dairy producer must sign up with*
19 *the Secretary before the producer may receive—*

20 (1) *basic margin protection payments under sec-*
21 *tion 1414; and*

22 (2) *if the dairy producer purchases supplemental*
23 *margin protection under section 1415, supplemental*
24 *margin protection payments under such section.*

25 (b) *SIGN-UP PROCESS.—*

1 (1) *IN GENERAL.*—*The Secretary shall allow all*
2 *interested dairy producers to sign up to participate*
3 *in the margin protection program. The Secretary*
4 *shall specify the manner and form by which a dairy*
5 *producer must sign up to participate in the margin*
6 *protection program.*

7 (2) *TREATMENT OF MULTI-PRODUCER OPER-*
8 *ATIONS.*—*If a dairy operation consists of more than*
9 *one dairy producer, all of the dairy producers of the*
10 *operation shall be treated as a single dairy producer*
11 *for purposes of—*

12 (A) *registration to receive basic margin pro-*
13 *tection and purchase supplemental margin pro-*
14 *tection;*

15 (B) *payment of the administrative fee*
16 *under subsection (e) and producer premiums*
17 *under section 1415; and*

18 (C) *participation in the stabilization pro-*
19 *gram under subpart B.*

20 (3) *TREATMENT OF PRODUCERS WITH MULTIPLE*
21 *DAIRY OPERATIONS.*—*If a dairy producer operates*
22 *two or more dairy operations, each dairy operation*
23 *of the producer shall require a separate registration*
24 *to receive basic margin protection and purchase sup-*
25 *plemental margin protection. Only those dairy oper-*

1 *ations so registered shall be subject to the stabilization*
2 *program.*

3 *(c) TIME FOR SIGN UP.—*

4 *(1) EXISTING DAIRY PRODUCERS.—During the*
5 *one-year period beginning on the date of the initi-*
6 *ation of the sign-up period for the margin protection*
7 *program, a dairy producer that is actively engaged in*
8 *a dairy operation as of such date may sign up with*
9 *the Secretary—*

10 *(A) to receive basic margin protection; and*

11 *(B) if the producer elects, to purchase sup-*
12 *plemental margin protection.*

13 *(2) NEW ENTRANTS.—A dairy producer that has*
14 *no existing interest in a dairy operation as of the*
15 *date of the initiation of the sign-up period for the*
16 *margin protection program, but that, after such date,*
17 *establishes a new dairy operation, may sign up with*
18 *the Secretary during the one year period beginning*
19 *on the date on which the dairy operation first mar-*
20 *kets milk commercially—*

21 *(A) to receive basic margin protection; and*

22 *(B) if the producer elects, to purchase sup-*
23 *plemental margin protection.*

24 *(d) RETROACTIVITY PROVISION.—*

1 (1) *NOTICE OF AVAILABILITY OF RETROACTIVE*
2 *PROTECTION.*—*Not later than 30 days after the effec-*
3 *tive date of this subtitle, the Secretary shall publish*
4 *a notice in the Federal Register to inform dairy pro-*
5 *ducers of the availability of retroactive basic margin*
6 *protection and retroactive supplemental margin pro-*
7 *tection, subject to the condition that interested pro-*
8 *ducers must file a notice of intent (in such form and*
9 *manner as the Secretary specifies in the Federal Reg-*
10 *ister notice)—*

11 (A) *to participate in the margin protection*
12 *program and receive basic margin protection;*
13 *and*

14 (B) *at the election of the producer under*
15 *paragraph (3), to also obtain supplemental mar-*
16 *gin protection.*

17 (2) *RETROACTIVE BASIC MARGIN PROTECTION.*—

18 (A) *AVAILABILITY.*—*If a dairy producer*
19 *files a notice of intent under paragraph (1) to*
20 *participate in the margin protection program*
21 *before the initiation of the sign-up period for the*
22 *margin protection program and subsequently*
23 *signs up for the margin protection program, the*
24 *producer shall receive basic margin protection*
25 *retroactive to the effective date of this subtitle.*

1 (B) *DURATION.*—*Retroactive basic margin*
2 *protection under this paragraph for a dairy pro-*
3 *ducer shall apply from the effective date of this*
4 *subtitle until the date on which the producer*
5 *signs up for the margin protection program.*

6 (3) *RETROACTIVE SUPPLEMENTAL MARGIN PRO-*
7 *TECTION.*—

8 (A) *AVAILABILITY.*—*Subject to subpara-*
9 *graphs (B) and (C), if a dairy producer files a*
10 *notice of intent under paragraph (1) to partici-*
11 *pate in the margin protection program and ob-*
12 *tain supplemental margin protection and subse-*
13 *quently signs up for the margin protection pro-*
14 *gram, the producer shall receive supplemental*
15 *margin protection, in addition to the basic mar-*
16 *gin protection under paragraph (2), retroactive*
17 *to the effective date of this subtitle.*

18 (B) *DEADLINE FOR SUBMISSION.*—*A notice*
19 *of intent to obtain retroactive supplemental mar-*
20 *gin protection must be filed with the Secretary*
21 *no later than the earlier of the following:*

22 (i) *150 days after the date on which*
23 *the Secretary publishes the notice in the*
24 *Federal Register required by paragraph (1).*

1 (ii) *The date on which the Secretary*
2 *initiates the sign up period for the margin*
3 *protection program.*

4 (C) *ELECTION OF COVERAGE LEVEL AND*
5 *PERCENTAGE OF COVERAGE.—To be sufficient to*
6 *obtain retroactive supplemental margin protec-*
7 *tion, the notice of intent to participate filed by*
8 *a dairy producer must specify—*

9 (i) *a selected coverage level that is*
10 *higher, in any increment of \$0.50, than the*
11 *payment threshold for basic margin protec-*
12 *tion specified in section 1414(b), but not to*
13 *exceed \$6.00; and*

14 (ii) *the percentage of coverage, subject*
15 *to limits imposed in section 1415(c).*

16 (D) *DURATION.—The coverage level and*
17 *percentage specified in the notice of intent to*
18 *participate filed by a dairy producer shall apply*
19 *from the effective date of this subtitle until the*
20 *later of the following:*

21 (i) *October 1, 2013.*

22 (ii) *The date on which the Secretary*
23 *initiates the sign-up period for the margin*
24 *protection program.*

1 (4) *NOTICE OF INTENT AND OBLIGATION TO PAR-*
2 *TICIPATE IN MARGIN PROTECTION PROGRAM.—In no*
3 *way does filing a notice of intent under this sub-*
4 *section obligate a dairy producer to sign up for the*
5 *margin protection program once the program rules*
6 *are final, but if a producer does file a notice of intent*
7 *and subsequently signs up for the margin protection*
8 *program, that dairy producer is obligated to pay fees*
9 *and premiums for any retroactive basic margin pro-*
10 *tection or retroactive supplemental margin protection*
11 *selected in the notice of intent.*

12 (e) *ADMINISTRATIVE FEE.—*

13 (1) *ADMINISTRATIVE FEE REQUIRED.—A dairy*
14 *producer shall pay an administrative fee under this*
15 *subsection to sign up to participate in the margin*
16 *protection program. The participating dairy producer*
17 *shall pay the administrative fee annually thereafter to*
18 *continue to participate in the margin protection pro-*
19 *gram.*

20 (2) *FEE AMOUNT.—The administrative fee for a*
21 *participating dairy producer for a calendar year is*
22 *based on the pounds of milk (in millions) marketed*
23 *by the dairy producer in the previous calendar year,*
24 *as follows:*

<i>Pounds Marketed (in millions)</i>	<i>Admin. Fee</i>
<i>less than 1</i>	<i>\$100</i>
<i>1 to 10</i>	<i>\$250</i>
<i>more than 10 to 40</i>	<i>\$500</i>
<i>more than 40</i>	<i>\$1000</i>

1 (3) *DEPOSIT OF FEES.*—*All administrative fees*
2 *collected under this subsection shall be credited to the*
3 *fund or account used to cover the costs incurred to ad-*
4 *minister the margin protection program and the sta-*
5 *bilization program and shall be available to the Sec-*
6 *retary, without further appropriation and until ex-*
7 *pended, for use or transfer as provided in paragraph*
8 (4).

9 (4) *USE OF FEES.*—*The Secretary shall use ad-*
10 *ministrative fees collected under this subsection—*

11 (A) *to cover administrative costs of the*
12 *margin protection program and stabilization*
13 *program; and*

14 (B) *to the extent funds remain available*
15 *after operation of subparagraphs (A), to cover*
16 *costs of the Department of Agriculture relating to*
17 *reporting of dairy market news and to carry out*
18 *section 273 of the Agricultural Marketing Act of*
19 *1946 (7 U.S.C. 1637b).*

20 (f) *RECONSTITUTION.*—*The Secretary shall prohibit a*
21 *dairy producer from reconstituting a dairy operation for*
22 *the sole purpose of the dairy producer—*

- 1 (1) *receiving basic margin protection;*
2 (2) *purchasing supplemental margin protection;*
3 *or*
4 (3) *avoiding participation in the stabilization*
5 *program.*

6 (g) *PRIORITY CONSIDERATION.*—*A dairy operation*
7 *that participates in the margin protection program shall*
8 *be eligible to participate in the livestock gross margin for*
9 *dairy program under the Federal Crop Insurance Act (7*
10 *U.S.C. 1501 et seq.) only after operations that are not par-*
11 *ticipating in the production margin protection program are*
12 *enrolled.*

13 **SEC. 1413. PRODUCTION HISTORY OF PARTICIPATING**
14 **DAIRY PRODUCERS.**

15 (a) *PRODUCTION HISTORY FOR BASIC MARGIN PRO-*
16 *TECTION.*—

17 (1) *DETERMINATION REQUIRED.*—*For purposes*
18 *of providing basic margin protection, the Secretary*
19 *shall determine the basic production history of the*
20 *dairy operation of each participating dairy producer*
21 *in the margin protection program.*

22 (2) *CALCULATION.*—*Except as provided in para-*
23 *graph (3), the basic production history of a partici-*
24 *parting dairy producer for basic margin protection is*
25 *equal to the highest annual milk marketings of the*

1 dairy producer during any one of the three calendar
2 years immediately preceding the calendar year in
3 which the dairy producer first signed up to partici-
4 pate in the margin protection program.

5 (3) *ELECTION BY NEW PRODUCERS.*—If a par-
6 ticipating dairy producer has been in operation for
7 less than a year, the dairy producer shall elect one of
8 the following methods for the Secretary to determine
9 the basic production history of the dairy producer:

10 (A) *The volume of the actual milk mar-*
11 *ketings for the months the dairy producer has*
12 *been in operation extrapolated to a yearly*
13 *amount.*

14 (B) *An estimate of the actual milk mar-*
15 *ketings of the dairy producer based on the herd*
16 *size of the producer relative to the national roll-*
17 *ing herd average data published by the Sec-*
18 *retary.*

19 (4) *NO CHANGE IN PRODUCTION HISTORY FOR*
20 *BASIC MARGIN PROTECTION.*—Once the basic produc-
21 tion history of a participating dairy producer is de-
22 termined under paragraph (2) or (3), the basic pro-
23 duction history shall not be subsequently changed for
24 purposes of determining the amount of any basic

1 *margin protection payments for the dairy producer*
2 *made under section 1414.*

3 *(b) ANNUAL PRODUCTION HISTORY FOR SUPPLE-*
4 *MENTAL MARGIN PROTECTION.—*

5 *(1) DETERMINATION REQUIRED.—For purposes*
6 *of providing supplemental margin protection for a*
7 *participating dairy producer that purchases supple-*
8 *mental margin protection for a year under section*
9 *1415, the Secretary shall determine the annual pro-*
10 *duction history of the dairy operation of the dairy*
11 *producer under paragraph (2).*

12 *(2) CALCULATION.—The annual production his-*
13 *tory of a participating dairy producer for a year is*
14 *equal to the actual milk marketings of the dairy pro-*
15 *ducer during the preceding calendar year.*

16 *(3) NEW PRODUCERS.—Subsection (a)(3) shall*
17 *apply with respect to determining the annual produc-*
18 *tion history of a participating dairy producer that*
19 *has been in operation for less than a year.*

20 *(c) REQUIRED INFORMATION.—A participating dairy*
21 *producer shall provide all information that the Secretary*
22 *may require in order to establish—*

23 *(1) the basic production history of the dairy op-*
24 *eration of the dairy producer under subsection (a);*
25 *and*

1 (2) *the production history of the dairy operation*
2 *of the dairy producer whenever the producer pur-*
3 *chases supplemental margin protection under section*
4 *1415.*

5 (d) *TRANSFER OF PRODUCTION HISTORIES.—*

6 (1) *TRANSFER BY SALE OR LEASE.—In promul-*
7 *gating the rules to initiate the margin protection pro-*
8 *gram, the Secretary shall specify the conditions under*
9 *which and the manner by which the production his-*
10 *tory of a dairy operation may be transferred by sale*
11 *or lease.*

12 (2) *COVERAGE LEVEL.—*

13 (A) *BASIC MARGIN PROTECTION.—A pur-*
14 *chaser or lessee to whom the Secretary transfers*
15 *a basic production history under this subsection*
16 *shall not obtain a different level of basic margin*
17 *protection than the basic margin protection cov-*
18 *erage held by the seller or lessor from whom the*
19 *transfer was obtained.*

20 (B) *SUPPLEMENTAL MARGIN PROTEC-*
21 *TION.—A purchaser or lessee to whom the Sec-*
22 *retary transfers an annual production history*
23 *under this subsection shall not obtain a different*
24 *level of supplemental margin protection coverage*
25 *than the supplemental margin protection cov-*

1 *erage in effect for the seller or lessor from whom*
2 *the transfer was obtained for the calendar year*
3 *in which the transfer was made.*

4 *(e) MOVEMENT AND TRANSFER OF PRODUCTION HIS-*
5 *TORY.—*

6 *(1) MOVEMENT AND TRANSFER AUTHORIZED.—*
7 *Subject to paragraph (2), if a dairy producer moves*
8 *from one location to another location, the dairy pro-*
9 *ducer may maintain the basic production history and*
10 *annual production history associated with the oper-*
11 *ation.*

12 *(2) NOTIFICATION REQUIREMENT.—A dairy pro-*
13 *ducer shall notify the Secretary of any move of a*
14 *dairy operation under paragraph (1).*

15 *(3) SUBSEQUENT OCCUPATION OF VACATED LO-*
16 *CATION.—A party subsequently occupying a dairy op-*
17 *eration location vacated as described in paragraph*
18 *(1) shall have no interest in the basic production his-*
19 *tory or annual production history previously associ-*
20 *ated with the operation at such location.*

21 **SEC. 1414. BASIC MARGIN PROTECTION.**

22 *(a) ELIGIBILITY.—All participating dairy producers*
23 *are eligible to receive basic margin protection under the*
24 *margin protection program.*

1 (b) *PAYMENT THRESHOLD.*—Participating dairy pro-
2 ducers shall receive a basic margin protection payment
3 whenever the average actual dairy producer margin for a
4 consecutive two-month period is less than \$4.00 per hun-
5 dredweight of milk.

6 (c) *BASIC MARGIN PROTECTION PAYMENT.*—

7 (1) *PAYMENT REQUIRED.*—The Secretary shall
8 make a basic margin protection payment to each par-
9 ticipating dairy producer whenever such a payment
10 is required by subsection (b).

11 (2) *AMOUNT OF PAYMENT.*—The basic margin
12 protection payment for the dairy operation of a par-
13 ticipating dairy producer for a consecutive two-month
14 period shall be determined as follows:

15 (A) The Secretary shall calculate the dif-
16 ference between the average actual dairy pro-
17 ducer margin for the consecutive two-month pe-
18 riod and \$4.00, except that, if the difference is
19 more than \$4.00, the Secretary shall use \$4.00.

20 (B) The Secretary shall multiply the
21 amount under subparagraph (A) by the lesser of
22 the following:

23 (i) 80 percent of the production history
24 of the dairy producer, divided by six.

1 (ii) *The actual amount of milk mar-*
2 *keted by the dairy operation of the dairy*
3 *producer during the consecutive two-month*
4 *period.*

5 **SEC. 1415. SUPPLEMENTAL MARGIN PROTECTION.**

6 (a) *ELECTION OF SUPPLEMENTAL MARGIN PROTEC-*
7 *TION.—Supplemental margin protection is available only*
8 *on an annual basis. A participating dairy producer may*
9 *annually purchase supplemental margin protection to pro-*
10 *tect, during the calendar year for which purchased, a higher*
11 *level of the income of a participating dairy producer than*
12 *the income level guaranteed by basic margin protection*
13 *under section 1414.*

14 (b) *SELECTION OF PAYMENT THRESHOLD.—A partici-*
15 *pating dairy producer purchasing supplemental margin*
16 *protection for a year shall elect a coverage level that is high-*
17 *er, in any increment of \$0.50, than the payment threshold*
18 *for basic margin protection specified in section 1414(b), but*
19 *not to exceed \$8.00.*

20 (c) *SELECTION OF COVERAGE PERCENTAGE.—A par-*
21 *ticipating dairy producer purchasing supplemental margin*
22 *protection for a year shall elect a percentage of coverage*
23 *equal to not more than 90 percent, nor less than 25 percent,*
24 *of the annual production history of the dairy operation of*
25 *the participating dairy producer.*

1 (d) *PRODUCER PREMIUMS FOR SUPPLEMENTAL MAR-*
 2 *GIN PROTECTION.*—

3 (1) *PREMIUMS REQUIRED.*—*A participating*
 4 *dairy producer that purchases supplemental margin*
 5 *protection shall pay an annual premium equal to the*
 6 *product obtained by multiplying—*

7 (A) *the percentage selected by the dairy pro-*
 8 *ducer under subsection (c);*

9 (B) *the annual production history of the*
 10 *dairy producer; and*

11 (C) *the premium per hundredweight of*
 12 *milk, as specified in the applicable table under*
 13 *paragraph (2) or (3).*

14 (2) *PREMIUM PER HUNDREDWEIGHT FOR FIRST*
 15 *4 MILLION POUNDS OF PRODUCTION.*—*For the first*
 16 *4,000,000 pounds of milk marketings included in the*
 17 *annual production history of a participating dairy*
 18 *producer, the premium per hundredweight cor-*
 19 *responding to each coverage level specified in the fol-*
 20 *lowing table is as follows:*

<i>Coverage Level</i>	<i>Premium per Cwt.</i>
\$4.50	\$0.01
\$5.00	\$0.025
\$5.50	\$0.04
\$6.00	\$0.065
\$6.50	\$0.09
\$7.00	\$0.434
\$7.50	\$0.590
\$8.00	\$0.922

1 (3) *PREMIUM PER HUNDREDWEIGHT FOR PRO-*
 2 *DUCTION IN EXCESS OF 4 MILLION POUNDS.—For*
 3 *milk marketings in excess of 4,000,000 pounds in-*
 4 *cluded in the annual production history of a partici-*
 5 *pating dairy producer, the premium per hundred-*
 6 *weight corresponding to each coverage level is as fol-*
 7 *lows:*

<i>Coverage Level</i>	<i>Premium per Cwt.</i>
\$4.50	\$0.015
\$5.00	\$0.036
\$5.50	\$0.081
\$6.00	\$0.155
\$6.50	\$0.230
\$7.00	\$0.434
\$7.50	\$0.590
\$8.00	\$0.922

8 (4) *TIME FOR PAYMENT.—In promulgating the*
 9 *rules to initiate the margin protection program, the*
 10 *Secretary shall provide more than one method by*
 11 *which a participating dairy producer that purchases*
 12 *supplemental margin protection for a calendar year*
 13 *may pay the premium under this subsection for that*
 14 *year that maximizes producer payment flexibility*
 15 *and program integrity.*

16 (e) *PRODUCER'S PREMIUM OBLIGATIONS.—*

17 (1) *PRO-RATION OF PREMIUM FOR NEW PRO-*
 18 *DUCERS.—A dairy producer described in section*
 19 *1412(c)(2) that purchases supplemental margin pro-*
 20 *tection for a calendar year after the start of the cal-*

1 *endar year shall pay a pro-rated premium for that*
2 *calendar year based on the portion of the calendar*
3 *year for which the producer purchases the coverage.*

4 (2) *LEGAL OBLIGATION.*—*A participating dairy*
5 *producer that purchases supplemental margin protec-*
6 *tion for a calendar year shall be legally obligated to*
7 *pay the applicable premium for that calendar year,*
8 *except that, if the dairy producer retires, the producer*
9 *may request that Secretary cancel the supplemental*
10 *margin protection if the producer has terminated the*
11 *dairy operation entirely and certifies under oath that*
12 *the producer will not be actively engaged in any*
13 *dairy operation for at least the next seven years.*

14 (f) *SUPPLEMENTAL PAYMENT THRESHOLD.*—*A par-*
15 *ticipating dairy producer with supplemental margin pro-*
16 *tection shall receive a supplemental margin protection pay-*
17 *ment whenever the average actual dairy producer margin*
18 *for a consecutive two-month period is less than the coverage*
19 *level threshold selected by the dairy producer under sub-*
20 *section (b).*

21 (g) *SUPPLEMENTAL MARGIN PROTECTION PAY-*
22 *MENTS.*—

23 (1) *IN GENERAL.*—*The supplemental margin*
24 *protection payment for a participating dairy pro-*

1 *ducer is in addition to the basic margin protection*
2 *payment.*

3 (2) *AMOUNT OF PAYMENT.*—*The supplemental*
4 *margin protection payment for the dairy operation of*
5 *a participating dairy producer shall be determined as*
6 *follows:*

7 (A) *The Secretary shall calculate the dif-*
8 *ference between the coverage level threshold se-*
9 *lected by the dairy producer under subsection (b)*
10 *and the greater of—*

11 (i) *the average actual dairy producer*
12 *margin for the consecutive two-month pe-*
13 *riod; or*

14 (ii) *\$4.00.*

15 (B) *The amount determined under subpara-*
16 *graph (A) shall be multiplied by the percentage*
17 *selected by the participating dairy producer*
18 *under subsection (c) and by the lesser of the fol-*
19 *lowing:*

20 (i) *The annual production history of*
21 *the dairy operation of the dairy producer,*
22 *divided by six.*

23 (ii) *The actual amount of milk mar-*
24 *keted by the dairy operation of the dairy*

1 *producer during the consecutive two-month*
2 *period.*

3 **SEC. 1416. EFFECT OF FAILURE TO PAY ADMINISTRATIVE**
4 **FEES OR PREMIUMS.**

5 *(a) LOSS OF BENEFITS.—A participating dairy pro-*
6 *ducer that fails to pay the required administrative fee*
7 *under section 1412 or is in arrears on premium payments*
8 *for supplemental margin protection under section 1415—*

9 *(1) remains legally obligated to pay the adminis-*
10 *trative fee or premiums, as the case may be; and*

11 *(2) may not receive basic margin protection pay-*
12 *ments or supplemental margin protection payments*
13 *until the fees or premiums are fully paid.*

14 *(b) ENFORCEMENT.—The Secretary may take such ac-*
15 *tion as necessary to collect administrative fees and pre-*
16 *mium payments for supplemental margin protection.*

17 **Subpart B—Dairy Market Stabilization Program**

18 **SEC. 1431. ESTABLISHMENT OF DAIRY MARKET STABILIZA-**
19 **TION PROGRAM.**

20 *(a) PROGRAM REQUIRED; PURPOSE.—The Secretary*
21 *shall establish and administer a dairy market stabilization*
22 *program applicable to participating dairy producers for the*
23 *purpose of assisting in balancing the supply of milk with*
24 *demand when dairy producers are experiencing low or neg-*
25 *ative operating margins.*

1 **(b) ELECTION OF STABILIZATION PROGRAM BASE**
2 **CALCULATION METHOD.**—

3 **(1) ELECTION.**—When a dairy producer signs up
4 under section 1412 to participate in the margin pro-
5 tection program, the dairy producer shall inform the
6 Secretary of the method by which the stabilization
7 program base for the dairy producer for fiscal year
8 2013 will be calculated under paragraph (3).

9 **(2) CHANGE IN CALCULATION METHOD.**—A par-
10 ticipating dairy producer may change the stabiliza-
11 tion program base calculation method to be used for
12 a calendar year by notifying the Secretary of the
13 change not later than a date determined by the Sec-
14 retary.

15 **(3) CALCULATION METHODS.**—A participating
16 dairy producer may elect either of the following meth-
17 ods for calculation of the stabilization program base
18 for the producer:

19 **(A)** The volume of the average monthly milk
20 marketings of the dairy producer for the three
21 months immediately preceding the announce-
22 ment by the Secretary that the stabilization pro-
23 gram will become effective.

24 **(B)** The volume of the monthly milk mar-
25 ketings of the dairy producer for the same month

1 *in the preceding year as the month for which the*
2 *Secretary has announced the stabilization pro-*
3 *gram will become effective.*

4 **SEC. 1432. THRESHOLD FOR IMPLEMENTATION AND REDUC-**
5 **TION IN DAIRY PRODUCER PAYMENTS.**

6 *(a) WHEN STABILIZATION PROGRAM REQUIRED.—Ex-*
7 *cept as provided in subsection (b), the Secretary shall an-*
8 *nounce that the stabilization program is in effect and order*
9 *reduced payments for any participating dairy producer*
10 *that exceeds the applicable percentage of the producer's sta-*
11 *bilization program base whenever—*

12 *(1) the actual dairy producer margin has been*
13 *\$6.00 or less per hundredweight of milk for each of*
14 *the immediately preceding two months; or*

15 *(2) the actual dairy producer margin has been*
16 *\$4.00 or less per hundredweight of milk for the imme-*
17 *diately preceding month.*

18 *(b) EXCEPTION.—The Secretary shall not make the an-*
19 *nouncement under subsection (a) to implement the sta-*
20 *bilization program or order reduced payments if any of the*
21 *conditions described in section 1436(b) have been met dur-*
22 *ing the two months immediately preceding the month in*
23 *which the announcement under subsection (a) would other-*
24 *wise be made by the Secretary in the absence of this excep-*
25 *tion.*

1 (c) *EFFECTIVE DATE FOR IMPLEMENTATION OF PAY-*
2 *MENT REDUCTIONS.*—*Reductions in dairy producer pay-*
3 *ments shall commence beginning on the first day of the*
4 *month immediately following the date of the announcement*
5 *by the Secretary under subsection (a).*

6 **SEC. 1433. PRODUCER MILK MARKETING INFORMATION.**

7 (a) *COLLECTION OF MILK MARKETING DATA.*—*The*
8 *Secretary shall establish, by regulation, a process to collect*
9 *from participating dairy producers and handlers such in-*
10 *formation that the Secretary considers necessary for each*
11 *month during which the stabilization program is in effect.*

12 (b) *REDUCE REGULATORY BURDEN.*—*When imple-*
13 *menting the process under subsection (a), the Secretary*
14 *shall minimize the regulatory burden on dairy producers*
15 *and handlers.*

16 **SEC. 1434. CALCULATION AND COLLECTION OF REDUCED**
17 **DAIRY PRODUCER PAYMENTS.**

18 (a) *REDUCED PRODUCER PAYMENTS REQUIRED.*—
19 *During any month in which payment reductions are in ef-*
20 *fect under the stabilization program, each handler shall re-*
21 *duce payments to each participating dairy producer from*
22 *whom the handler receives milk.*

23 (b) *REDUCTIONS BASED ON ACTUAL DAIRY PRODUCER*
24 *MARGIN.*—

1 (1) *REDUCTION REQUIREMENT 1.*—Unless the re-
2 duction required by paragraph (2) or (3) applies,
3 when the actual dairy producer margin has been
4 \$6.00 or less per hundredweight of milk for two con-
5 secutive months, the handler shall make payments to
6 a participating dairy producer for a month based on
7 the greater of the following:

8 (A) 98 percent of the stabilization program
9 base of the dairy producer.

10 (B) 94 percent of the marketings of milk for
11 the month by the producer.

12 (2) *REDUCTION REQUIREMENT 2.*—Unless the re-
13 duction required by paragraph (3) applies, when the
14 actual dairy producer margin has been \$5.00 or less
15 per hundredweight of milk for two consecutive
16 months, the handler shall make payments to a par-
17 ticipating dairy producer for a month based on the
18 greater of the following:

19 (A) 97 percent of the stabilization program
20 base of the dairy producer.

21 (B) 93 percent of the marketings of milk for
22 the month by the producer.

23 (3) *REDUCTION REQUIREMENT 3.*—When the ac-
24 tual dairy producer margin has been \$4.00 or less for
25 any one month, the handler shall make payments to

1 *a participating dairy producer for a month based on*
2 *the greater of the following:*

3 *(A) 96 percent of the stabilization program*
4 *base of the dairy producer.*

5 *(B) 92 percent of the marketings of milk for*
6 *the month by the producer.*

7 *(c) CONTINUATION OF REDUCTIONS.—The largest level*
8 *of payment reduction required under paragraph (1), (2),*
9 *or (3) of subsection (b) shall be continued for each month*
10 *until the Secretary suspends the stabilization program and*
11 *terminates payment reductions in accordance with section*
12 *1436.*

13 *(d) PAYMENT REDUCTION EXCEPTION.—Notwith-*
14 *standing any preceding subsection of this section, a handler*
15 *shall make no payment reductions for a dairy producer for*
16 *a month if the producer's milk marketings for the month*
17 *are equal to or less than the percentage of the stabilization*
18 *program base applicable to the producer under paragraph*
19 *(1), (2), or (3) of subsection (b).*

20 **SEC. 1435. REMITTING MONIES TO THE SECRETARY AND**
21 **USE OF MONIES.**

22 *(a) REMITTING MONIES.—As soon as practicable after*
23 *the end of each month during which payment reductions*
24 *are in effect under the stabilization program, each handler*
25 *shall remit to the Secretary an amount equal to the amount*

1 *by which payments to participating dairy producers are*
2 *reduced by the handler under section 1434.*

3 (b) *DEPOSIT OF MONIES.*—*All monies received under*
4 *subsection (a) shall be available to the Secretary, without*
5 *further appropriation and until expended, for use or trans-*
6 *fer as provided in subsection (c).*

7 (c) *USE OF MONIES.*—

8 (1) *AVAILABILITY FOR CERTAIN COMMODITY DO-*
9 *NATIONS.*—*Within three months of the receipt of mon-*
10 *ies under subsection (a), the Secretary shall obligate*
11 *the monies for the purpose of—*

12 (A) *purchasing dairy products for donation*
13 *to food banks and other programs that the Sec-*
14 *retary determines appropriate; and*

15 (B) *expanding consumption and building*
16 *demand for dairy products.*

17 (2) *NO DUPLICATION OF EFFORT.*—*The Sec-*
18 *retary shall ensure that expenditures under para-*
19 *graph (1) are compatible with, and do not duplicate,*
20 *programs supported by the dairy research and pro-*
21 *motion activities conducted under the Dairy Produc-*
22 *tion Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).*

23 (3) *ACCOUNTING.*—*The Secretary shall keep an*
24 *accurate account of all monies obligated under para-*
25 *graph (1).*

1 (d) *ANNUAL REPORT.*—Not later than December 31 of
2 each year that the stabilization program is in effect, the
3 Secretary shall submit to the Committee on Agriculture of
4 the House of Representatives and the Committee on Agri-
5 culture, Nutrition, and Forestry of the Senate a report that
6 provides an accurate accounting of—

7 (1) the monies received by the Secretary during
8 the preceding fiscal year under subsection (a); and

9 (2) all expenditures made by the Secretary under
10 subsection (b) during the preceding fiscal year.

11 (e) *ENFORCEMENT.*—If a participating dairy producer
12 or handler fails to remit or collect the amounts by which
13 payments to participating dairy producers are reduced
14 under section 1434, the producer or handler responsible for
15 the failure shall be liable to the Secretary for the amount
16 that should have been remitted or collected, plus interest.
17 In addition to the enforcement authorities available under
18 section 1437, the Secretary may enforce this subsection in
19 the courts of the United States.

20 **SEC. 1436. SUSPENSION OF REDUCED PAYMENT REQUIRE-**
21 **MENT.**

22 (a) *DETERMINATION OF PRICES.*—For purposes of this
23 section:

1 (1) *The price in the United States for cheddar*
2 *cheese and nonfat dry milk shall be determined by the*
3 *Secretary.*

4 (2) *The world price of cheddar cheese and skim*
5 *milk powder shall be determined by the Secretary.*

6 (b) *INITIAL SUSPENSION THRESHOLDS.—The Sec-*
7 *retary shall announce that the stabilization program shall*
8 *be suspended whenever the Secretary determines that—*

9 (1) *the actual dairy producer margin is greater*
10 *than \$6.00 per hundredweight of milk for two con-*
11 *secutive months;*

12 (2) *the dairy producer margin is equal to or less*
13 *than \$6.00 (but greater than \$5.00) for two consecu-*
14 *tive months, and during the same two consecutive*
15 *months—*

16 (A) *the price in the United States for ched-*
17 *dar cheese is equal to or greater than the world*
18 *price of cheddar cheese; or*

19 (B) *the price in the United States for non-*
20 *fat dry milk is equal to or greater than the world*
21 *price of skim milk powder;*

22 (3) *the dairy producer margin is equal to or less*
23 *than \$5.00 (but greater than \$4.00) for two consecu-*
24 *tive months, and during the same two consecutive*
25 *months—*

1 (A) the price in the United States for cheddar cheese is more than 5 percent above the
2 world price of cheddar cheese; or

3 (B) the price in the United States for non-fat dry milk is more than 5 percent above the
4 world price of skim milk powder; or

5 (4) the dairy producer margin is equal to or less
6 than \$4.00 for two consecutive months, and during
7 the same two consecutive months—

8 (A) the price in the United States for cheddar cheese is more than 7 percent above the
9 world price of cheddar cheese; or

10 (B) the price in the United States for non-fat dry milk is more than 7 percent above the
11 world price of skim milk powder.

12 (c) *ENHANCED SUSPENSION THRESHOLDS.*—If the
13 stabilization program is not suspended pursuant to sub-
14 section (b) for six consecutive months or more, the stabilization program shall be suspended whenever the Secretary de-
15 termines that—

16 (1) the actual dairy producer margin is greater
17 than \$6.00 per hundredweight of milk for two consecutive months;

18 (2) the dairy producer margin is equal to or less
19 than \$6.00 (but greater than \$5.00) for two consecu-
20 tive months;

1 *tive months, and during the same two consecutive*
2 *months—*

3 *(A) the price in the United States for cheddar*
4 *cheese is not less than 97 percent of the*
5 *world price of cheddar cheese; or*

6 *(B) the price in the United States for non-*
7 *fat dry milk is not less than 97 percent of the*
8 *world price of skim milk powder;*

9 *(3) the dairy producer margin is equal to or less*
10 *than \$5.00 (but greater than \$4.00) for two consecu-*
11 *tive months, and during the same two consecutive*
12 *months—*

13 *(A) the price in the United States for cheddar*
14 *cheese is more than 3 percent above the*
15 *world price of cheddar cheese; or*

16 *(B) the price in the United States for non*
17 *fat dry milk is more than 3 percent above the*
18 *world price of skim milk powder; or*

19 *(4) the dairy producer margin is equal to or less*
20 *than \$4.00 for two consecutive months, and during*
21 *the same two consecutive months—*

22 *(A) the price in the United States for cheddar*
23 *cheese is more than 6 percent above the*
24 *world price of cheddar cheese; or*

1 (B) the price in the United States for non
2 fat dry milk is more than 6 percent above the
3 world price of skim milk powder.

4 (d) *IMPLEMENTATION BY HANDLERS.*—Effective on the
5 day after the date of the announcement by the Secretary
6 under subsection (b) or (c) of the suspension of the stabiliza-
7 tion program, the handler shall cease reducing payments
8 to participating dairy producers under the stabilization
9 program.

10 (e) *CONDITION ON RESUMPTION OF STABILIZATION*
11 *PROGRAM.*—Upon the announcement by the Secretary
12 under subsection (b) or (c) that the stabilization program
13 has been suspended, the stabilization program may not be
14 implemented again until, at the earliest—

15 (1) two months have passed, beginning on the
16 first day of the month immediately following the an-
17 nouncement by the Secretary; and

18 (2) the conditions of section 1432(a) are again
19 met.

20 **SEC. 1437. ENFORCEMENT.**

21 (a) *UNLAWFUL ACT.*—It shall be unlawful and a viola-
22 tion of the this subpart for any person subject to the sta-
23 bilization program to willfully fail or refuse to provide, or
24 delay the timely reporting of, accurate information and re-

1 *mittance of funds to the Secretary in accordance with this*
2 *subpart.*

3 **(b) ORDER.**—*After providing notice and opportunity*
4 *for a hearing to an affected person, the Secretary may issue*
5 *an order against any person to cease and desist from con-*
6 *tinuing any violation of this subpart.*

7 **(c) APPEAL.**—*An order of the Secretary under sub-*
8 *section (b) shall be final and conclusive unless an affected*
9 *person files an appeal of the order of the Secretary in*
10 *United States district court not later than 30 days after*
11 *the date of the issuance of the order. A finding of the Sec-*
12 *retary in the order shall be set aside only if the finding*
13 *is not supported by substantial evidence.*

14 **(d) NONCOMPLIANCE WITH ORDER.**—*If a person sub-*
15 *ject to this subpart fails to obey an order issued under sub-*
16 *section (b) after the order has become final and*
17 *unappealable, or after the appropriate United States dis-*
18 *trict court has entered a final judgment in favor of the Sec-*
19 *retary, the United States may apply to the appropriate*
20 *United States district court for enforcement of the order.*
21 *If the court determines that the order was lawfully made*
22 *and duly served and that the person violated the order, the*
23 *court shall enforce the order.*

1 **SEC. 1438. AUDIT REQUIREMENTS.**

2 (a) *AUDITS OF PRODUCER AND HANDLER COMPLI-*
3 *ANCE.—*

4 (1) *AUDITS AUTHORIZED.—If determined by the*
5 *Secretary to be necessary to ensure compliance by*
6 *participating dairy producers and handlers with the*
7 *stabilization program, the Secretary may conduct*
8 *periodic audits of participating dairy producers and*
9 *handlers.*

10 (2) *SAMPLE OF DAIRY PRODUCERS.—Any audit*
11 *conducted under this subsection shall include, at a*
12 *minimum, investigation of a statistically valid and*
13 *random sample of participating dairy producers.*

14 (b) *SUBMISSION OF RESULTS.—The Secretary shall*
15 *submit the results of any audit conducted under subsection*
16 *(a) to the Committee on Agriculture of the House of Rep-*
17 *resentatives and the Committee on Agriculture, Nutrition,*
18 *and Forestry of the Senate and include such recommenda-*
19 *tions as the Secretary considers appropriate regarding the*
20 *stabilization program.*

21 **Subpart C—Commodity Credit Corporation**

22 **SEC. 1451. USE OF COMMODITY CREDIT CORPORATION.**

23 *The Secretary shall use the funds, facilities, and the*
24 *authorities of the Commodity Credit Corporation to carry*
25 *out this part.*

1 **Subpart D—Initiation and Duration**

2 **SEC. 1461. RULEMAKING.**

3 (a) *PROCEDURE.*—*The promulgation of regulations for*
4 *the initiation of the margin protection program and the*
5 *stabilization program, and for administration of such pro-*
6 *grams, shall be made without regard to—*

7 (1) *chapter 35 of title 44, United States Code*
8 *(commonly known as the Paperwork Reduction Act);*

9 (2) *the Statement of Policy of the Secretary of*
10 *Agriculture effective July 24, 1971 (36 Fed. Reg.*
11 *13804), relating to notices of proposed rulemaking*
12 *and public participation in rulemaking; and*

13 (3) *the notice and comment provisions of section*
14 *553 of title 5, United States Code.*

15 (b) *CONGRESSIONAL REVIEW OF AGENCY RULE-*
16 *MAKING.*—*In carrying out subsection (a), the Secretary*
17 *shall use the authority provided under section 808 of title*
18 *5, United States Code.*

19 **SEC. 1462. DURATION.**

20 *The margin protection program and the stabilization*
21 *program shall end on December 31, 2017.*

1 **PART II—REPEAL OR REAUTHORIZATION OF**
2 **OTHER DAIRY-RELATED PROVISIONS**

3 **SEC. 1481. REPEAL OF DAIRY PRODUCT PRICE SUPPORT**
4 **AND MILK INCOME LOSS CONTRACT PRO-**
5 **GRAMS.**

6 (a) *REPEAL OF DAIRY PRODUCT PRICE SUPPORT*
7 *PROGRAM.—Section 1501 of the Food, Conservation, and*
8 *Energy Act of 2008 (7 U.S.C. 8771) is repealed.*

9 (b) *REPEAL OF MILK INCOME LOSS CONTRACT PRO-*
10 *GRAM.—Section 1506 of the Food, Conservation, and En-*
11 *ergy Act of 2008 (7 U.S.C. 8773) is repealed.*

12 **SEC. 1482. REPEAL OF DAIRY EXPORT INCENTIVE PRO-**
13 **GRAM.**

14 (a) *REPEAL.—Section 153 of the Food Security Act*
15 *of 1985 (15 U.S.C. 713a–14) is repealed.*

16 (b) *CONFORMING AMENDMENTS.—Section 902(2) of*
17 *the Trade Sanctions Reform and Export Enhancement Act*
18 *of 2000 (22 U.S.C. 7201(2)) is amended—*

19 (1) *by striking subparagraph (D); and*

20 (2) *by redesignating subparagraphs (E) and (F)*
21 *as subparagraphs (D) and (E), respectively.*

22 **SEC. 1483. EXTENSION OF DAIRY FORWARD PRICING PRO-**
23 **GRAM.**

24 *Section 1502(e) of the Food, Conservation, and Energy*
25 *Act of 2008 (7 U.S.C. 8772(e)) is amended—*

1 (1) *in paragraph (1), by striking “2012” and in-*
2 *serting “2017”; and*

3 (2) *in paragraph (2), by striking “2015” and in-*
4 *serting “2020”.*

5 **SEC. 1484. EXTENSION OF DAIRY INDEMNITY PROGRAM.**

6 *Section 3 of Public Law 90–484 (7 U.S.C. 450l) is*
7 *amended by striking “2012” and inserting “2017”.*

8 **SEC. 1485. EXTENSION OF DAIRY PROMOTION AND RE-**
9 **SEARCH PROGRAM.**

10 *Section 113(e)(2) of the Dairy Production Stabiliza-*
11 *tion Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by strik-*
12 *ing “2012” and inserting “2017”.*

13 **SEC. 1486. REPEAL OF FEDERAL MILK MARKETING ORDER**
14 **REVIEW COMMISSION.**

15 *Section 1509 of the Food, Conservation, and Energy*
16 *Act of 2008 (Public Law 110–246; 122 Stat. 1726) is re-*
17 *pealed.*

18 **PART III—EFFECTIVE DATE**

19 **SEC. 1491. EFFECTIVE DATE.**

20 *This subtitle and the amendments made by this sub-*
21 *title shall take effect on October 1, 2012.*

1 ***Subtitle E—Supplemental Agricultural***
2 ***Disaster Assistance Pro-***
3 ***grams***

4 **SEC. 1501. SUPPLEMENTAL AGRICULTURAL DISASTER AS-**
5 **SISTANCE.**

6 (a) *DEFINITIONS.—In this section:*

7 (1) *ELIGIBLE PRODUCER ON A FARM.—*

8 (A) *IN GENERAL.—The term “eligible pro-*
9 *ducer on a farm” means an individual or entity*
10 *described in subparagraph (B) that, as deter-*
11 *mined by the Secretary, assumes the production*
12 *and market risks associated with the agricultural*
13 *production of crops or livestock.*

14 (B) *DESCRIPTION.—An individual or entity*
15 *referred to in subparagraph (A) is—*

16 (i) *a citizen of the United States;*

17 (ii) *a resident alien;*

18 (iii) *a partnership of citizens of the*
19 *United States; or*

20 (iv) *a corporation, limited liability*
21 *corporation, or other farm organizational*
22 *structure organized under State law.*

23 (2) *FARM-RAISED FISH.—The term “farm-raised*
24 *fish” means any aquatic species that is propagated*
25 *and reared in a controlled environment.*

1 (3) *LIVESTOCK.*—*The term “livestock” in-*
2 *cludes—*

3 (A) *cattle (including dairy cattle);*

4 (B) *bison;*

5 (C) *poultry;*

6 (D) *sheep;*

7 (E) *swine;*

8 (F) *horses; and*

9 (G) *other livestock, as determined by the*

10 *Secretary.*

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

13 (b) *LIVESTOCK INDEMNITY PAYMENTS.*—

14 (1) *PAYMENTS.*—*For each of the fiscal years*
15 *2012 through 2017, the Secretary shall use such sums*
16 *as are necessary of the funds of the Commodity Credit*
17 *Corporation to make livestock indemnity payments to*
18 *eligible producers on farms that have incurred live-*
19 *stock death losses in excess of the normal mortality,*
20 *as determined by the Secretary, due to—*

21 (A) *attacks by animals reintroduced into*
22 *the wild by the Federal Government or protected*
23 *by Federal law, including wolves and avian*
24 *predators; or*

1 (B) adverse weather, as determined by the
2 Secretary, during the calendar year, including
3 losses due to hurricanes, floods, blizzards, disease,
4 wildfires, extreme heat, and extreme cold.

5 (2) *PAYMENT RATES.*—Indemnity payments to
6 an eligible producer on a farm under paragraph (1)
7 shall be made at a rate of 75 percent of the market
8 value of the applicable livestock on the day before the
9 date of death of the livestock, as determined by the
10 Secretary.

11 (3) *SPECIAL RULE FOR PAYMENTS MADE DUE TO*
12 *DISEASE.*—The Secretary shall ensure that payments
13 made to an eligible producer under paragraph (1) are
14 not made for the same livestock losses for which com-
15 pensation is provided pursuant to section 10407(d) of
16 the Animal Health Protection Act (7 U.S.C. 8306(d)).

17 (c) *LIVESTOCK FORAGE DISASTER PROGRAM.*—

18 (1) *DEFINITIONS.*—In this subsection:

19 (A) *COVERED LIVESTOCK.*—

20 (i) *IN GENERAL.*—Except as provided
21 in clause (ii), the term “covered livestock”
22 means livestock of an eligible livestock pro-
23 ducer that, during the 60 days prior to the
24 beginning date of a qualifying drought or

1 *fire condition, as determined by the Sec-*
2 *retary, the eligible livestock producer—*

3 *(I) owned;*

4 *(II) leased;*

5 *(III) purchased;*

6 *(IV) entered into a contract to*
7 *purchase;*

8 *(V) is a contract grower; or*

9 *(VI) sold or otherwise disposed of*
10 *due to qualifying drought conditions*
11 *during—*

12 *(aa) the current production*
13 *year; or*

14 *(bb) subject to paragraph*
15 *(3)(B)(ii), 1 or both of the 2 pro-*
16 *duction years immediately pre-*
17 *ceding the current production*
18 *year.*

19 *(vi) EXCLUSION.—The term “covered*
20 *livestock” does not include livestock that*
21 *were or would have been in a feedlot, on the*
22 *beginning date of the qualifying drought or*
23 *fire condition, as a part of the normal busi-*
24 *ness operation of the eligible livestock pro-*
25 *ducer, as determined by the Secretary.*

1 (B) *DROUGHT MONITOR.*—*The term*
2 *“drought monitor” means a system for*
3 *classifying drought severity according to a range*
4 *of abnormally dry to exceptional drought, as de-*
5 *finied by the Secretary.*

6 (C) *ELIGIBLE LIVESTOCK PRODUCER.*—

7 (i) *IN GENERAL.*—*The term “eligible*
8 *livestock producer” means an eligible pro-*
9 *ducer on a farm that—*

10 (I) *is an owner, cash or share les-*
11 *see, or contract grower of covered live-*
12 *stock that provides the pastureland or*
13 *grazing land, including cash-leased*
14 *pastureland or grazing land, for the*
15 *livestock;*

16 (II) *provides the pastureland or*
17 *grazing land for covered livestock, in-*
18 *cluding cash-leased pastureland or*
19 *grazing land that is physically located*
20 *in a county affected by drought;*

21 (III) *certifies grazing loss; and*

22 (IV) *meets all other eligibility re-*
23 *quirements established under this sub-*
24 *section.*

1 (ii) *EXCLUSION.*—The term “eligible
2 livestock producer” does not include an
3 owner, cash or share lessee, or contract
4 grower of livestock that rents or leases
5 pastureland or grazing land owned by an-
6 other person on a rate-of-gain basis.

7 (D) *NORMAL CARRYING CAPACITY.*—The
8 term “normal carrying capacity”, with respect
9 to each type of grazing land or pastureland in
10 a county, means the normal carrying capacity,
11 as determined under paragraph (3)(D)(i), that
12 would be expected from the grazing land or
13 pastureland for livestock during the normal graz-
14 ing period, in the absence of a drought or fire
15 that diminishes the production of the grazing
16 land or pastureland.

17 (E) *NORMAL GRAZING PERIOD.*—The term
18 “normal grazing period”, with respect to a coun-
19 ty, means the normal grazing period during the
20 calendar year for the county, as determined
21 under paragraph (3)(D)(i).

22 (2) *PROGRAM.*—For each of the fiscal years 2012
23 through 2017, the Secretary shall use such sums as
24 are necessary of the funds of the Commodity Credit
25 Corporation to provide compensation for losses to eli-

1 *gible livestock producers due to grazing losses for cov-*
2 *ered livestock due to—*

3 *(A) a drought condition, as described in*
4 *paragraph (3); or*

5 *(B) fire, as described in paragraph (4).*

6 *(3) ASSISTANCE FOR LOSSES DUE TO DROUGHT*
7 *CONDITIONS.—*

8 *(A) ELIGIBLE LOSSES.—*

9 *(i) IN GENERAL.—An eligible livestock*
10 *producer may receive assistance under this*
11 *subsection only for grazing losses for covered*
12 *livestock that occur on land that—*

13 *(I) is native or improved*
14 *pastureland with permanent vegetative*
15 *cover; or*

16 *(II) is planted to a crop planted*
17 *specifically for the purpose of pro-*
18 *viding grazing for covered livestock.*

19 *(ii) EXCLUSIONS.—An eligible livestock*
20 *producer may not receive assistance under*
21 *this subsection for grazing losses that occur*
22 *on land used for haying or grazing under*
23 *the conservation reserve program established*
24 *under subchapter B of chapter 1 of subtitle*

1 *D of title XII of the Food Security Act of*
2 *1985 (16 U.S.C. 3831 et seq.).*

3 *(B) MONTHLY PAYMENT RATE.—*

4 *(i) IN GENERAL.—Except as provided*
5 *in clause (ii), the payment rate for assist-*
6 *ance under this paragraph for 1 month*
7 *shall, in the case of drought, be equal to 60*
8 *percent of the lesser of—*

9 *(I) the monthly feed cost for all*
10 *covered livestock owned or leased by the*
11 *eligible livestock producer, as deter-*
12 *mined under subparagraph (C); or*

13 *(II) the monthly feed cost cal-*
14 *culated by using the normal carrying*
15 *capacity of the eligible grazing land of*
16 *the eligible livestock producer.*

17 *(ii) PARTIAL COMPENSATION.—In the*
18 *case of an eligible livestock producer that*
19 *sold or otherwise disposed of covered live-*
20 *stock due to drought conditions in 1 or both*
21 *of the 2 production years immediately pre-*
22 *ceding the current production year, as de-*
23 *termined by the Secretary, the payment rate*
24 *shall be 80 percent of the payment rate oth-*

1 *erwise calculated in accordance with clause*
2 *(i).*

3 *(C) MONTHLY FEED COST.—*

4 *(i) IN GENERAL.—The monthly feed*
5 *cost shall equal the product obtained by*
6 *multiplying—*

7 *(I) 30 days;*

8 *(II) a payment quantity that is*
9 *equal to the feed grain equivalent, as*
10 *determined under clause (i); and*

11 *(III) a payment rate that is equal*
12 *to the corn price per pound, as deter-*
13 *mined under clause (iii).*

14 *(ii) FEED GRAIN EQUIVALENT.—For*
15 *purposes of clause (i)(II), the feed grain*
16 *equivalent shall equal—*

17 *(I) in the case of an adult beef*
18 *cow, 15.7 pounds of corn per day; or*

19 *(II) in the case of any other type*
20 *of weight of livestock, an amount deter-*
21 *mined by the Secretary that represents*
22 *the average number of pounds of corn*
23 *per day necessary to feed the livestock.*

24 *(iii) CORN PRICE PER POUND.—For*
25 *purposes of clause (i)(III), the corn price*

1 *per pound shall equal the quotient obtained*
2 *by dividing—*

3 *(I) the higher of—*

4 *(aa) the national average*
5 *corn price per bushel for the 12-*
6 *month period immediately pre-*
7 *ceding March 1 of the year for*
8 *which the disaster assistance is*
9 *calculated; or*

10 *(bb) the national average*
11 *corn price per bushel for the 24-*
12 *month period immediately pre-*
13 *ceding that March 1; by*

14 *(II) 56.*

15 *(D) NORMAL GRAZING PERIOD AND*
16 *DROUGHT MONITOR INTENSITY.—*

17 *(i) FSA COUNTY COMMITTEE DETER-*
18 *MINATIONS.—*

19 *(I) IN GENERAL.—The Secretary*
20 *shall determine the normal carrying*
21 *capacity and normal grazing period*
22 *for each type of grazing land or*
23 *pastureland in the county served by the*
24 *applicable committee.*

1 (II) *CHANGES*.—No change to the
2 normal carrying capacity or normal
3 grazing period established for a county
4 under subclause (I) shall be made un-
5 less the change is requested by the ap-
6 propriate State and county Farm
7 Service Agency committees.

8 (ii) *DROUGHT INTENSITY*.—

9 (I) *D2*.—An eligible livestock pro-
10 ducer that owns or leases grazing land
11 or pastureland that is physically lo-
12 cated in a county that is rated by the
13 U.S. Drought Monitor as having a *D2*
14 (severe drought) intensity in any area
15 of the county for at least 8 consecutive
16 weeks during the normal grazing pe-
17 riod for the county, as determined by
18 the Secretary, shall be eligible to re-
19 ceive assistance under this paragraph
20 in an amount equal to 1 monthly pay-
21 ment using the monthly payment rate
22 determined under subparagraph (B).

23 (II) *D3*.—An eligible livestock
24 producer that owns or leases grazing
25 land or pastureland that is physically

1 *located in a county that is rated by the*
2 *U.S. Drought Monitor as having at*
3 *least a D3 (extreme drought) intensity*
4 *in any area of the county at any time*
5 *during the normal grazing period for*
6 *the county, as determined by the Sec-*
7 *retary, shall be eligible to receive as-*
8 *istance under this paragraph—*

9 *(aa) in an amount equal to 2*
10 *monthly payments using the*
11 *monthly payment rate determined*
12 *under subparagraph (B); or*

13 *(bb) if the county is rated as*
14 *having a D3 (extreme drought)*
15 *intensity in any area of the coun-*
16 *ty for at least 4 weeks during the*
17 *normal grazing period for the*
18 *county, or is rated as having a*
19 *D4 (exceptional drought) intensity*
20 *in any area of the county at any*
21 *time during the normal grazing*
22 *period, in an amount equal to 3*
23 *monthly payments using the*
24 *monthly payment rate determined*
25 *under subparagraph (B).*

1 (4) *ASSISTANCE FOR LOSSES DUE TO FIRE ON*
2 *PUBLIC MANAGED LAND.*—

3 (A) *IN GENERAL.*—*An eligible livestock pro-*
4 *ducer may receive assistance under this para-*
5 *graph only if—*

6 (i) *the grazing losses occur on range-*
7 *land that is managed by a Federal agency;*
8 *and*

9 (ii) *the eligible livestock producer is*
10 *prohibited by the Federal agency from graz-*
11 *ing the normal permitted livestock on the*
12 *managed rangeland due to a fire.*

13 (B) *PAYMENT RATE.*—*The payment rate for*
14 *assistance under this paragraph shall be equal to*
15 *50 percent of the monthly feed cost for the total*
16 *number of livestock covered by the Federal lease*
17 *of the eligible livestock producer, as determined*
18 *under paragraph (3)(C).*

19 (C) *PAYMENT DURATION.*—

20 (i) *IN GENERAL.*—*Subject to clause*
21 *(ii), an eligible livestock producer shall be*
22 *eligible to receive assistance under this*
23 *paragraph for the period—*

24 (I) *beginning on the date on*
25 *which the Federal agency excludes the*

1 *eligible livestock producer from using*
2 *the managed rangeland for grazing;*
3 *and*

4 *(II) ending on the last day of the*
5 *Federal lease of the eligible livestock*
6 *producer.*

7 *(ii) LIMITATION.—An eligible livestock*
8 *producer may only receive assistance under*
9 *this paragraph for losses that occur on not*
10 *more than 180 days per year.*

11 *(5) NO DUPLICATIVE PAYMENTS.—An eligible*
12 *livestock producer may elect to receive assistance for*
13 *grazing or pasture feed losses due to drought condi-*
14 *tions under paragraph (3) or fire under paragraph*
15 *(4), but not both for the same loss, as determined by*
16 *the Secretary.*

17 *(d) EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEY*
18 *BEEES, AND FARM-RAISED FISH.—*

19 *(1) IN GENERAL.—For each of the fiscal years*
20 *2012 through 2017, the Secretary shall use not more*
21 *than \$20,000,000 of the funds of the Commodity*
22 *Credit Corporation to provide emergency relief to eli-*
23 *gible producers of livestock, honey bees, and farm-*
24 *raised fish to aid in the reduction of losses due to dis-*
25 *ease (including cattle tick fever), adverse weather, or*

1 *other conditions, such as blizzards and wildfires, as*
2 *determined by the Secretary, that are not covered*
3 *under subsection (b) or (c).*

4 (2) *USE OF FUNDS.—Funds made available*
5 *under this subsection shall be used to reduce losses*
6 *caused by feed or water shortages, disease, or other*
7 *factors as determined by the Secretary.*

8 (3) *AVAILABILITY OF FUNDS.—Any funds made*
9 *available under this subsection shall remain available*
10 *until expended.*

11 (e) *TREE ASSISTANCE PROGRAM.—*

12 (1) *DEFINITIONS.—In this subsection:*

13 (A) *ELIGIBLE ORCHARDIST.—The term “eli-*
14 *gible orchardist” means a person that produces*
15 *annual crops from trees for commercial purposes.*

16 (B) *NATURAL DISASTER.—The term “nat-*
17 *ural disaster” means plant disease, insect infes-*
18 *tation, drought, fire, freeze, flood, earthquake,*
19 *lightning, or other occurrence, as determined by*
20 *the Secretary.*

21 (C) *NURSERY TREE GROWER.—The term*
22 *“nursery tree grower” means a person who pro-*
23 *duces nursery, ornamental, fruit, nut, or Christ-*
24 *mas trees for commercial sale, as determined by*
25 *the Secretary.*

1 (D) *TREE*.—The term “tree” includes a
2 tree, bush, and vine.

3 (2) *ELIGIBILITY*.—

4 (A) *LOSS*.—Subject to subparagraph (B),
5 for each of the fiscal years 2012 through 2017,
6 the Secretary shall use such sums as are nec-
7 essary of the funds of the Commodity Credit Cor-
8 poration to provide assistance—

9 (i) under paragraph (3) to eligible or-
10 chardists and nursery tree growers that
11 planted trees for commercial purposes but
12 lost the trees as a result of a natural dis-
13 aster, as determined by the Secretary; and

14 (ii) under paragraph (3)(B) to eligible
15 orchardists and nursery tree growers that
16 have a production history for commercial
17 purposes on planted or existing trees but
18 lost the trees as a result of a natural dis-
19 aster, as determined by the Secretary.

20 (B) *LIMITATION*.—An eligible orchardist or
21 nursery tree grower shall qualify for assistance
22 under subparagraph (A) only if the tree mor-
23 tality of the eligible orchardist or nursery tree
24 grower, as a result of damaging weather or re-

1 lated condition, exceeds 15 percent (adjusted for
2 normal mortality).

3 (3) ASSISTANCE.—Subject to paragraph (4), the
4 assistance provided by the Secretary to eligible or-
5 chardists and nursery tree growers for losses described
6 in paragraph (2) shall consist of—

7 (A)(i) reimbursement of 65 percent of the
8 cost of replanting trees lost due to a natural dis-
9 aster, as determined by the Secretary, in excess
10 of 15 percent mortality (adjusted for normal
11 mortality); or

12 (ii) at the option of the Secretary, sufficient
13 seedlings to reestablish a stand; and

14 (B) reimbursement of 50 percent of the cost
15 of pruning, removal, and other costs incurred by
16 an eligible orchardist or nursery tree grower to
17 salvage existing trees or, in the case of tree mor-
18 tality, to prepare the land to replant trees as a
19 result of damage or tree mortality due to a nat-
20 ural disaster, as determined by the Secretary, in
21 excess of 15 percent damage or mortality (ad-
22 justed for normal tree damage and mortality).

23 (4) LIMITATIONS ON ASSISTANCE.—

24 (A) DEFINITIONS OF LEGAL ENTITY AND
25 PERSON.—In this paragraph, the terms “legal

1 *entity” and “person” have the meaning given*
2 *those terms in section 1001(a) of the Food Secu-*
3 *rity Act of 1985 (7 U.S.C. 1308(a)).*

4 *(B) AMOUNT.—The total amount of pay-*
5 *ments received, directly or indirectly, by a per-*
6 *son or legal entity (excluding a joint venture or*
7 *general partnership) under this subsection may*
8 *not exceed \$125,000 for any crop year, or an*
9 *equivalent value in tree seedlings.*

10 *(C) ACRES.—The total quantity of acres*
11 *planted to trees or tree seedlings for which a per-*
12 *son or legal entity shall be entitled to receive*
13 *payments under this subsection may not exceed*
14 *500 acres.*

15 *(f) PAYMENT LIMITATIONS.—*

16 *(1) DEFINITIONS OF LEGAL ENTITY AND PER-*
17 *SON.—In this subsection, the terms “legal entity” and*
18 *“person” have the meaning given those terms in sec-*
19 *tion 1001(a) of the Food Security Act of 1985 (7*
20 *U.S.C. 1308(a)).*

21 *(2) AMOUNT.—The total amount of disaster as-*
22 *sistance payments received, directly or indirectly, by*
23 *a person or legal entity (excluding a joint venture or*
24 *general partnership) under this section (excluding*

1 *payments received under subsection (e)) may not ex-*
2 *ceed \$125,000 for any crop year.*

3 (3) *DIRECT ATTRIBUTION.*—*Subsections (e) and*
4 *(f) of section 1001 of the Food Security Act of 1985*
5 *(7 U.S.C. 1308) or any successor provisions relating*
6 *to direct attribution shall apply with respect to as-*
7 *sistance provided under this section.*

8 ***Subtitle F—Administration***

9 ***SEC. 1601. ADMINISTRATION GENERALLY.***

10 (a) *USE OF COMMODITY CREDIT CORPORATION.*—*The*
11 *Secretary of Agriculture shall use the funds, facilities, and*
12 *authorities of the Commodity Credit Corporation to carry*
13 *out this title.*

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

17 (c) *REGULATIONS.*—

18 (1) *IN GENERAL.*—*Except as otherwise provided*
19 *in this subsection, not later than 90 days after the*
20 *date of enactment of this Act, the Secretary and the*
21 *Commodity Credit Corporation, as appropriate, shall*
22 *promulgate such regulations as are necessary to im-*
23 *plement this title and the amendments made by this*
24 *title.*

1 (2) *PROCEDURE.*—*The promulgation of the regu-*
2 *lations and administration of this title and the*
3 *amendments made by this title and sections 11003*
4 *and 11016 of this Act shall be made without regard*
5 *to—*

6 (A) *the notice and comment provisions of*
7 *section 553 of title 5, United States Code;*

8 (B) *chapter 35 of title 44, United States*
9 *Code (commonly known as the “Paperwork Re-*
10 *duction Act”); and*

11 (C) *the Statement of Policy of the Secretary*
12 *of Agriculture effective July 24, 1971 (36 Fed.*
13 *Reg. 13804), relating to notices of proposed rule-*
14 *making and public participation in rulemaking.*

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

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

21 (1) *REQUIRED DETERMINATION; ADJUSTMENT.*—
22 *If the Secretary determines that expenditures under*
23 *this title that are subject to the total allowable domes-*
24 *tic support levels under the Uruguay Round Agree-*
25 *ments (as defined in section 2 of the Uruguay Round*

1 *Agreements Act (19 U.S.C. 3501)) will exceed the al-*
2 *lowable levels for any applicable reporting period, the*
3 *Secretary shall, to the maximum extent practicable,*
4 *make adjustments in the amount of the expenditures*
5 *during that period to ensure that the expenditures do*
6 *not exceed the allowable levels.*

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

15 **SEC. 1602. SUSPENSION OF PERMANENT PRICE SUPPORT**
16 **AUTHORITY.**

17 (a) *AGRICULTURAL ADJUSTMENT ACT OF 1938.—The*
18 *following provisions of the Agricultural Adjustment Act of*
19 *1938 shall not be applicable to the 2013 through 2017 crops*
20 *of covered commodities (as defined in section 1104), cotton,*
21 *and sugar and shall not be applicable to milk during the*
22 *period beginning on the date of enactment of this Act*
23 *through December 31, 2017:*

24 (1) *Parts II through V of subtitle B of title III*
25 *(7 U.S.C. 1326 et seq.).*

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

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

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

6 (b) *AGRICULTURAL ACT OF 1949.—The following pro-*
7 *visions of the Agricultural Act of 1949 shall not be applica-*
8 *ble to the 2013 through 2017 crops of covered commodities*
9 *(as defined in section 1104), cotton, and sugar and shall*
10 *not be applicable to milk during the period beginning on*
11 *the date of enactment of this Act and through December 31,*
12 *2017:*

13 (1) *Section 101 (7 U.S.C. 1441).*

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

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

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

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

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

19 (7) *Section 115 (7 U.S.C. 1445k).*

20 (8) *Section 201 (7 U.S.C. 1446).*

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

22 (10) *Title IV (7 U.S.C. 1421 et seq.), other than*
23 *sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and*
24 *1431).*

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

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

2 (c) *SUSPENSION OF CERTAIN QUOTA PROVISIONS.—*

3 *The joint resolution entitled “A joint resolution relating to*
4 *corn and wheat marketing quotas under the Agricultural*
5 *Adjustment Act of 1938, as amended”, approved May 26,*
6 *1941 (7 U.S.C. 1330, 1340), shall not be applicable to the*
7 *crops of wheat planted for harvest in the calendar years*
8 *2013 through 2017.*

9 **SEC. 1603. PAYMENT LIMITATIONS.**

10 (a) *IN GENERAL.—Section 1001 of the Food Security*
11 *Act of 1985 (7 U.S.C. 1308) is amended by striking sub-*
12 *sections (b) and (c) and inserting the following:*

13 “(b) *LIMITATION ON PAYMENTS FOR COVERED COM-*
14 *MODITIES (OTHER THAN PEANUTS).—The total amount of*
15 *payments received, directly or indirectly, by a person or*
16 *legal entity (except a joint venture or general partnership)*
17 *for any crop year under subtitle A of title I of the Federal*
18 *Agriculture Reform and Risk Management Act of 2012 for*
19 *1 or more covered commodities (other than peanuts) may*
20 *not exceed \$125,000.*

21 “(c) *LIMITATION ON PAYMENTS FOR PEANUTS.—The*
22 *total amount of payments received, directly or indirectly,*
23 *by a person or legal entity (except a joint venture or general*
24 *partnership) for any crop year under subtitle A of title I*

1 *of the Federal Agriculture Reform and Risk Management*
2 *Act of 2012 for peanuts may not exceed \$125,000.”.*

3 *(b) CONFORMING AMENDMENTS.—*

4 *(1) Section 1001(f) of the Food Security Act of*
5 *1985 (7 U.S.C. 1308(f)) is amended by striking “or*
6 *title XII” each place it appears in paragraphs (5)(A)*
7 *and (6)(A) and inserting “, title I of the Federal Ag-*
8 *riculture Reform and Risk Management Act of 2012,*
9 *or title XII”.*

10 *(2) Section 1001C(a) of the Food Security Act of*
11 *1985 (7 U.S.C. 1308–3(a)) is amended by inserting*
12 *“title I of the Federal Agriculture Reform and Risk*
13 *Management Act of 2012,” after “2008,”.*

14 *(c) APPLICATION.—The amendments made by this sec-*
15 *tion shall apply beginning with the 2013 crop year.*

16 **SEC. 1604. ADJUSTED GROSS INCOME LIMITATION.**

17 *(a) LIMITATIONS AND COVERED BENEFITS.—Section*
18 *1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–*
19 *3a(b)) is amended—*

20 *(1) in the subsection heading, by striking “LIMI-*
21 *TATIONS” and inserting “LIMITATIONS ON COM-*
22 *MODITY AND CONSERVATION PROGRAMS”;*

23 *(2) by striking paragraphs (1) and (2) and in-*
24 *serting the following new paragraphs:*

1 “(1) *LIMITATION.*—Notwithstanding any other
2 *provision of law, a person or legal entity shall not be*
3 *eligible to receive any benefit described in paragraph*
4 *(2) during a crop, fiscal, or program year, as appro-*
5 *priate, if the average adjusted gross income of the per-*
6 *son or legal entity exceeds \$950,000.*

7 “(2) *COVERED BENEFITS.*—Paragraph (1) ap-
8 *plies with respect to a payment or benefit under sec-*
9 *tion 1107, subtitle B or E of title I, or title II of the*
10 *Federal Agriculture Reform and Risk Management*
11 *Act of 2012, title II of the Farm Security and Rural*
12 *Investment Act of 2002, title II of the Food, Conserva-*
13 *tion, and Energy Act of 2008, title XII of the Food*
14 *Security Act of 1985, section 524(b) of the Federal*
15 *Crop Insurance Act (7 U.S.C. 1524(b)), or section 196*
16 *of the Federal Agriculture Improvement and Reform*
17 *Act of 1996 (7 U.S.C. 7333).”.*

18 (b) *ELIMINATION OF UNUSED DEFINITIONS.*—Para-
19 *graph (1) of section 1001D(a) of the Food Security Act of*
20 *1985 (7 U.S.C. 1308–3a(a)) is amended to read as follows:*

21 “(1) *AVERAGE ADJUSTED GROSS INCOME.*—In
22 *this section, the term ‘average adjusted gross income’,*
23 *with respect to a person or legal entity, means the av-*
24 *erage of the adjusted gross income or comparable*
25 *measure of the person or legal entity over the 3 tax-*

1 *able years preceding the most immediately preceding*
2 *complete taxable year, as determined by the Sec-*
3 *retary.”.*

4 *(c) INCOME DETERMINATION.—Section 1001D of the*
5 *Food Security Act of 1985 (7 U.S.C. 1308–3a) is amend-*
6 *ed—*

7 *(1) by striking subsection (c); and*

8 *(2) by redesignating subsections (d), (e), and (f)*
9 *as subsections (c), (d), and (e), respectively.*

10 *(d) CONFORMING AMENDMENTS.—Section 1001D of*
11 *the Food Security Act of 1985 (7 U.S.C. 1308–3a) is*
12 *amended—*

13 *(1) in subsection (a)(2)—*

14 *(A) by striking “subparagraph (A) or (B)*
15 *of”; and*

16 *(B) by striking “, the average adjusted gross*
17 *farm income, and the average adjusted gross*
18 *nonfarm income”;*

19 *(2) in subsection (a)(3), by striking “, average*
20 *adjusted gross farm income, and average adjusted*
21 *gross nonfarm income” both places it appears;*

22 *(3) in subsection (c) (as redesignated by sub-*
23 *section (c)(2) of this section)—*

24 *(A) in paragraph (1), by striking “, average*
25 *adjusted gross farm income, and average ad-*

1 *justed gross nonfarm income” both places it ap-*
2 *pears; and*

3 *(B) in paragraph (2), by striking “para-*
4 *graphs (1)(C) and (2)(B) of subsection (b)” and*
5 *inserting “subsection (b)(2)”;* and

6 *(4) in subsection (d) (as redesignated by sub-*
7 *section (c)(2) of this section)—*

8 *(A) by striking “paragraphs (1)(C) and*
9 *(2)(B) of subsection (b)” and inserting “sub-*
10 *section (b)(2)”;* and

11 *(B) by striking “, average adjusted gross*
12 *farm income, or average adjusted gross nonfarm*
13 *income”.*

14 *(e) EFFECTIVE PERIOD.—Subsection (e) of section*
15 *1001D of the Food Security Act of 1985 (7 U.S.C. 1308–*
16 *3a), as redesignated by subsection (c)(2) of this section, is*
17 *amended by striking “2009 through 2012” and inserting*
18 *“2013 through 2017”.*

19 *(f) LIMITATION ON APPLICABILITY.—Section 1001(d)*
20 *of the Food Security Act of 1985 (7 U.S.C. 1308) is amend-*
21 *ed by inserting before the period at the end the following:*
22 *“or title I of the Federal Agriculture Reform and Risk Man-*
23 *agement Act of 2012”.*

24 *(g) TRANSITION.—Section 1001D of the Food Security*
25 *Act of 1985 (7 U.S.C. 1308-3a), as in effect on the day be-*

1 fore the date of the enactment of this Act, shall apply with
2 respect to the 2012 crop, fiscal, or program year, as appro-
3 priate, for each program described in paragraphs (1)(C)
4 and (2)(B) of subsection (b) of that section (as so in effect
5 on that day).

6 **SEC. 1605. GEOGRAPHICALLY DISADVANTAGED FARMERS**
7 **AND RANCHERS.**

8 Section 1621(d) of the Food, Conservation, and Energy
9 Act of 2008 (7 U.S.C. 8792(d)) is amended by striking
10 “2012” and inserting “2017”.

11 **SEC. 1606. PERSONAL LIABILITY OF PRODUCERS FOR DEFICI-**
12 **CIENCIES.**

13 Section 164 of the Federal Agriculture Improvement
14 and Reform Act of 1996 (7 U.S.C. 7284) is amended by
15 striking “and title I of the Food, Conservation, and Energy
16 Act of 2008” each place it appears and inserting “title I
17 of the Food, Conservation, and Energy Act of 2008 (7
18 U.S.C. 8702 et seq.), and title I of the Federal Agriculture
19 Reform and Risk Management Act of 2012”.

20 **SEC. 1607. PREVENTION OF DECEASED INDIVIDUALS RE-**
21 **CEIVING PAYMENTS UNDER FARM COM-**
22 **MODITY PROGRAMS.**

23 (a) *RECONCILIATION.*—At least twice each year, the
24 Secretary shall reconcile social security numbers of all indi-
25 viduals who receive payments under this title, whether di-

1 *rectly or indirectly, with the Commissioner of Social Secu-*
2 *urity to determined if the individuals are alive.*

3 (b) *PRECLUSION.*—*The Secretary shall preclude the*
4 *issuance of payments to, and on behalf of, deceased individ-*
5 *uals that were not eligible for payments.*

6 **SEC. 1608. TECHNICAL CORRECTIONS.**

7 (a) *MISSING PUNCTUATION.*—*Section 359f(c)(1)(B) of*
8 *the Agricultural Adjustment Act of 1938 (7 U.S.C.*
9 *1359ff(c)(1)(B)) is amended by adding a period at the end.*

10 (b) *ERRONEOUS CROSS REFERENCE.*—

11 (1) *AMENDMENT.*—*Section 1603(g) of the Food,*
12 *Conservation, and Energy Act of 2008 (Public Law*
13 *110–246; 122 Stat. 1739) is amended in paragraphs*
14 *(2) through (6) and the amendments made by those*
15 *paragraphs by striking “1703(a)” each place it ap-*
16 *pears and inserting “1603(a)”.*

17 (2) *EFFECTIVE DATE.*—*This subsection and the*
18 *amendments made by this subsection take effect as if*
19 *included in the Food, Conservation, and Energy Act*
20 *of 2008 (Public Law 110–246; 122 Stat. 1651).*

21 (c) *CONTINUED APPLICABILITY OF APPROPRIATIONS*
22 *GENERAL PROVISION.*—*Section 767 of division A of Public*
23 *Law 108–7 (7 U.S.C. 7911 note; 117 Stat. 48) is amend-*
24 *ed—*

25 (1) *in subsection (a)—*

1 (A) by striking “sections 1101 and 1102 of
2 Public Law 107–171” and inserting “subtitle A
3 of title I of the Federal Agriculture Reform and
4 Risk Management Act of 2012”; and

5 (B) by striking “such section 1102” and in-
6 serting “such subtitle”; and

7 (2) by striking subsection (b) and inserting the
8 following new subsection:

9 “(b) This section, as amended by section 1608(c) of the
10 Federal Agriculture Reform and Risk Management Act of
11 2012, shall take effect beginning with the 2013 crop year.”.

12 **SEC. 1609. ASSIGNMENT OF PAYMENTS.**

13 (a) *IN GENERAL.*—The provisions of section 8(g) of the
14 Soil Conservation and Domestic Allotment Act (16 U.S.C.
15 590h(g)), relating to assignment of payments, shall apply
16 to payments made under this title.

17 (b) *NOTICE.*—The producer making the assignment, or
18 the assignee, shall provide the Secretary with notice, in such
19 manner as the Secretary may require, of any assignment
20 made under this section.

21 **SEC. 1610. TRACKING OF BENEFITS.**

22 As soon as practicable after the date of enactment of
23 this Act, the Secretary may track the benefits provided, di-
24 rectly or indirectly, to individuals and entities under titles
25 I and II and the amendments made by those titles.

1 **SEC. 1611. SIGNATURE AUTHORITY.**

2 (a) *IN GENERAL.*—*In carrying out this title and title*
3 *II and amendments made by those titles, if the Secretary*
4 *approves a document, the Secretary shall not subsequently*
5 *determine the document is inadequate or invalid because*
6 *of the lack of authority of any person signing the document*
7 *on behalf of the applicant or any other individual, entity,*
8 *general partnership, or joint venture, or the documents re-*
9 *lied upon were determined inadequate or invalid, unless the*
10 *person signing the program document knowingly and will-*
11 *fully falsified the evidence of signature authority or a signa-*
12 *ture.*

13 (b) *AFFIRMATION.*—

14 (1) *IN GENERAL.*—*Nothing in this section pro-*
15 *hibits the Secretary from asking a proper party to af-*
16 *firm any document that otherwise would be consid-*
17 *ered approved under subsection (a).*

18 (2) *NO RETROACTIVE EFFECT.*—*A denial of bene-*
19 *fits based on a lack of affirmation under paragraph*
20 *(1) shall not be retroactive with respect to third-party*
21 *producers who were not the subject of the erroneous*
22 *representation of authority, if the third-party pro-*
23 *ducers—*

24 (A) *relied on the prior approval by the Sec-*
25 *retary of the documents in good faith; and*

1 (B) *substantively complied with all pro-*
2 *gram requirements.*

3 **SEC. 1612. IMPLEMENTATION.**

4 (a) *STREAMLINING.*—*In implementing this title, the*
5 *Secretary shall, to the maximum extent practicable—*

6 (1) *seek to reduce administrative burdens and*
7 *costs to producers by streamlining and reducing pa-*
8 *perwork, forms, and other administrative require-*
9 *ments;*

10 (2) *improve coordination, information sharing,*
11 *and administrative work with the Risk Management*
12 *Agency and the Natural Resources Conservation Serv-*
13 *ice; and*

14 (3) *take advantage of new technologies to en-*
15 *hance efficiency and effectiveness of program delivery*
16 *to producers.*

17 (b) *MAINTENANCE OF BASE ACRES AND PAYMENT*
18 *YIELDS.*—

19 (1) *IN GENERAL.*—*The Secretary shall maintain*
20 *through September 30, 2017, for each covered com-*
21 *modity and upland cotton, base acres and payment*
22 *yields on a farm established under—*

23 (A)(i) *in the case of covered commodities*
24 *and upland cotton, sections 1101 and 1102 of the*

1 *Farm Security and Rural Investment Act of*
2 *2002 (7 U.S.C. 7911, 7912); and*

3 *(ii) in the case of peanuts, section 1302 of*
4 *that Act (7 U.S.C. 7952); and*

5 *(B)(i) in the case of covered commodities*
6 *and upland cotton, sections 1101 and 1102 of the*
7 *Food, Conservation, and Energy Act of 2008 (7*
8 *U.S.C. 8711, 8712); and*

9 *(ii) in the case of peanuts, section 1302 of*
10 *that Act (7 U.S.C. 8752).*

11 (2) *SPECIAL RULE FOR LONG GRAIN AND ME-*
12 *DIUM GRAIN RICE.—*

13 (A) *IN GENERAL.—The Secretary shall*
14 *maintain separate base acres for long grain rice*
15 *and medium grain rice.*

16 (B) *LIMITATION.—In carrying out this*
17 *paragraph, the Secretary shall use the same total*
18 *base acres and payment yields established with*
19 *respect to rice under sections 1108 of the Food,*
20 *Conservation, and Energy Act of 2008 (7 U.S.C.*
21 *8718), as in effect on the day before the date of*
22 *enactment of this Act, subject to any adjustment*
23 *under section 1105.*

1 (c) *IMPLEMENTATION.*—*The Secretary shall make*
2 *available to the Farm Service Agency to carry out this title*
3 *\$100,000,000.*

4 ***TITLE II—CONSERVATION***
5 ***Subtitle A—Conservation Reserve***
6 ***Program***

7 ***SEC. 2001. EXTENSION AND ENROLLMENT REQUIREMENTS***
8 ***OF CONSERVATION RESERVE PROGRAM.***

9 (a) *EXTENSION.*—*Section 1231(a) of the Food Security*
10 *Act of 1985 (16 U.S.C. 3831(a)) is amended by striking*
11 *“2012” and inserting “2017”.*

12 (b) *ELIGIBLE LAND.*—*Section 1231(b) of the Food Se-*
13 *curity Act of 1985 (16 U.S.C. 3831(b)) is amended—*

14 (1) *in paragraph (1)(B), by striking “the date of*
15 *enactment of the Food, Conservation, and Energy Act*
16 *of 2008” and inserting “the date of the enactment of*
17 *the Federal Agriculture Reform and Risk Manage-*
18 *ment Act of 2012”;*

19 (2) *by striking paragraph (2) and redesignating*
20 *paragraph (3) as paragraph (2);*

21 (3) *by inserting before paragraph (4) the fol-*
22 *lowing new paragraph:*

23 *“(3) grasslands that—*

1 “(A) contain forbs or shrubland (including
2 improved rangeland and pastureland) for which
3 grazing is the predominant use;

4 “(B) are located in an area historically
5 dominated by grasslands; and

6 “(C) could provide habitat for animal and
7 plant populations of significant ecological value
8 if the land is retained in its current use or re-
9 stored to a natural condition;”;

10 (4) in paragraph (4)(C), by striking “filterstrips
11 devoted to trees or shrubs” and inserting “filterstrips
12 or riparian buffers devoted to trees, shrubs, or
13 grasses”; and

14 (5) by striking paragraph (5) and inserting the
15 following new paragraph:

16 “(5) the portion of land in a field not enrolled
17 in the conservation reserve in a case in which—

18 “(A) more than 50 percent of the land in
19 the field is enrolled as a buffer or filterstrip, or
20 more than 75 percent of the land in the field is
21 enrolled as a conservation practice other than as
22 a buffer or filterstrip; and

23 “(B) the remainder of the field is—

24 “(i) infeasible to farm; and

25 “(ii) enrolled at regular rental rates.”.

1 (c) *PLANTING STATUS OF CERTAIN LAND.*—Section
2 1231(c) of the Food Security Act of 1985 (16 U.S.C.
3 3831(c)) is amended by striking “if” and all that follows
4 through the period at the end and inserting “if, during the
5 crop year, the land was devoted to a conserving use.”.

6 (d) *ENROLLMENT.*—Subsection (d) of section 1231 of
7 the Food Security Act of 1985 (16 U.S.C. 3831) is amended
8 to read as follows:

9 “(d) *ENROLLMENT.*—

10 “(1) *MAXIMUM ACREAGE ENROLLED.*—The Sec-
11 retary may maintain in the conservation reserve at
12 any one time during—

13 “(A) fiscal year 2012, no more than
14 32,000,000 acres;

15 “(B) fiscal year 2013, no more than
16 29,000,000 acres;

17 “(C) fiscal year 2014, no more than
18 26,000,000 acres;

19 “(D) fiscal year 2015, no more than
20 26,000,000 acres;

21 “(E) fiscal year 2016, no more than
22 25,500,000 acres; and

23 “(F) fiscal year 2017, no more than
24 25,000,000 acres.

25 “(2) *GRASSLANDS.*—

1 “(A) *LIMITATION.*—For purposes of apply-
2 ing the limitations in paragraph (1), no more
3 than 2,000,000 acres of the land described in
4 subsection (b)(3) may be enrolled in the program
5 at any one time during the 2013 through 2017
6 fiscal years.

7 “(B) *PRIORITY.*—In enrolling acres under
8 subparagraph (A), the Secretary may give pri-
9 ority to land with expiring conservation reserve
10 program contracts.

11 “(C) *METHOD OF ENROLLMENT.*—In enroll-
12 ing acres under subparagraph (A), the Secretary
13 shall make the program available to owners or
14 operators of eligible land on a continuous enroll-
15 ment basis with one or more ranking periods.”.

16 (e) *DURATION OF CONTRACT.*—Section 1231(e) of the
17 Food Security Act of 1985 (16 U.S.C. 3831(e)) is amended
18 by striking paragraphs (2) and (3) and inserting the fol-
19 lowing new paragraph:

20 “(2) *SPECIAL RULE FOR CERTAIN LAND.*—In the
21 case of land devoted to hardwood trees, shelterbelts,
22 windbreaks, or wildlife corridors under a contract en-
23 tered into under this subchapter, the owner or oper-
24 ator of the land may, within the limitations pre-

1 scribed under paragraph (1), specify the duration of
2 the contract.”.

3 (f) *CONSERVATION PRIORITY AREAS*.—Section 1231(f)
4 of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is
5 amended—

6 (1) in paragraph (1), by striking “watershed
7 areas of the Chesapeake Bay Region, the Great Lakes
8 Region, the Long Island Sound Region, and other”;

9 (2) in paragraph (2), by striking “WATER-
10 SHEDS.—Watersheds” and inserting “AREAS.—
11 Areas”; and

12 (3) in paragraph (3), by striking “a watershed’s
13 designation—” and all that follows through the pe-
14 riod at the end and inserting “an area’s designation
15 if the Secretary finds that the area no longer contains
16 actual and significant adverse water quality or habi-
17 tat impacts related to agricultural production activi-
18 ties.”.

19 **SEC. 2002. FARMABLE WETLAND PROGRAM.**

20 (a) *EXTENSION*.—Section 1231B(a)(1) of the Food Se-
21 curity Act of 1985 (16 U.S.C. 3831b(a)(1)) is amended—

22 (1) by striking “2012” and inserting “2017”;
23 and

24 (2) by striking “a program” and inserting “a
25 farmable wetland program”.

1 (b) *ELIGIBLE ACREAGE*.—Section 1231B(b)(1)(B) of
2 *the Food Security Act of 1985 (16 U.S.C. 3831b(b)(1)(B))*
3 *is amended by striking “flow from a row crop agriculture*
4 *drainage system” and inserting “surface and subsurface*
5 *flow from row crop agricultural production”.*

6 (c) *ACREAGE LIMITATION*.—Section 1231B(c)(1)(B) of
7 *the Food Security Act of 1985 (16 U.S.C. 3831b(c)(1)(B))*
8 *is amended by striking “1,000,000” and inserting*
9 *“750,000”.*

10 (d) *CLERICAL AMENDMENT*.—The heading of section
11 *1231B of the Food Security Act of 1985 (16 U.S.C. 3831b)*
12 *is amended to read as follows: “**FARMABLE WETLAND***
13 ***PROGRAM**”.*

14 **SEC. 2003. DUTIES OF OWNERS AND OPERATORS.**

15 (a) *LIMITATION ON HARVESTING, GRAZING, OR COM-*
16 *MERCIAL USE OF FORAGE*.—Section 1232(a)(8) of the *Food*
17 *Security Act of 1985 (16 U.S.C. 3832(a)(8)) is amended*
18 *by striking “except that” and all that follows through the*
19 *semicolon at the end of the paragraph and inserting “except*
20 *as provided in subsection (b) or (c) of section 1233;”.*

21 (b) *CONSERVATION PLAN REQUIREMENTS*.—Sub-
22 *section (b) of section 1232 of the Food Security Act of 1985*
23 *(16 U.S.C. 3832) is amended to read as follows:*

24 “(b) *CONSERVATION PLANS*.—The plan referred to in
25 *subsection (a)(1) shall set forth—*

1 “(1) the conservation measures and practices to
2 be carried out by the owner or operator during the
3 term of the contract; and

4 “(2) the commercial use, if any, to be permitted
5 on the land during the term.”.

6 (c) *RENTAL PAYMENT REDUCTION*.—Section 1232 of
7 the Food Security Act of 1985 (16 U.S.C. 3832) is amended
8 by striking subsection (d).

9 **SEC. 2004. DUTIES OF THE SECRETARY.**

10 Section 1233 of the Food Security Act of 1985 (16
11 U.S.C. 3833) is amended to read as follows:

12 **“SEC. 1233. DUTIES OF THE SECRETARY.**

13 “(a) *COST-SHARE AND RENTAL PAYMENTS*.—In re-
14 turn for a contract entered into by an owner or operator
15 under the conservation reserve program, the Secretary
16 shall—

17 “(1) share the cost of carrying out the conserva-
18 tion measures and practices set forth in the contract
19 for which the Secretary determines that cost sharing
20 is appropriate and in the public interest; and

21 “(2) for a period of years not in excess of the
22 term of the contract, pay an annual rental payment
23 in an amount necessary to compensate for—

24 “(A) the conversion of highly erodible crop-
25 land or other eligible lands normally devoted to

1 *the production of an agricultural commodity on*
2 *a farm or ranch to a less intensive use;*

3 “(B) *the retirement of any base history that*
4 *the owner or operator agrees to retire perma-*
5 *nently; and*

6 “(C) *the development and management of*
7 *grasslands for multiple natural resource con-*
8 *servation benefits, including to soil, water, air,*
9 *and wildlife.*

10 “(b) *SPECIFIED ACTIVITIES PERMITTED.—The Sec-*
11 *retary shall permit certain activities or commercial uses of*
12 *land that is subject to a contract under the conservation*
13 *reserve program in a manner that is consistent with a plan*
14 *approved by the Secretary, as follows:*

15 “(1) *Harvesting, grazing, or other commercial*
16 *use of the forage in response to a drought or other*
17 *emergency created by a natural disaster, without any*
18 *reduction in the rental rate.*

19 “(2) *Consistent with the conservation of soil,*
20 *water quality, and wildlife habitat (including habitat*
21 *during nesting seasons for birds in the area), and in*
22 *exchange for a reduction of not less than 25 percent*
23 *in the annual rental rate for the acres covered by the*
24 *authorized activity—*

1 “(A) managed harvesting and other com-
2 mercial use (including the managed harvesting
3 of biomass), except that in permitting managed
4 harvesting, the Secretary, in coordination with
5 the State technical committee—

6 “(i) shall develop appropriate vegeta-
7 tion management requirements; and

8 “(ii) shall identify periods during
9 which managed harvesting may be con-
10 ducted, such that the frequency is not more
11 than once every three years;

12 “(B) routine grazing or prescribed grazing
13 for the control of invasive species, except that in
14 permitting such routine grazing or prescribed
15 grazing, the Secretary, in coordination with the
16 State technical committee—

17 “(i) shall develop appropriate vegeta-
18 tion management requirements and stocking
19 rates for the land that are suitable for con-
20 tinued routine grazing; and

21 “(ii) shall identify the periods during
22 which routine grazing may be conducted,
23 such that the frequency is not more than
24 once every two years, taking into consider-
25 ation regional differences such as—

1 “(I) *climate, soil type, and nat-*
2 *ural resources;*

3 “(II) *the number of years that*
4 *should be required between routine*
5 *grazing activities; and*

6 “(III) *how often during a year in*
7 *which routine grazing is permitted*
8 *that routine grazing should be allowed*
9 *to occur; and*

10 “(C) *the installation of wind turbines and*
11 *associated access, except that in permitting the*
12 *installation of wind turbines, the Secretary shall*
13 *determine the number and location of wind tur-*
14 *bines that may be installed, taking into ac-*
15 *count—*

16 “(i) *the location, size, and other phys-*
17 *ical characteristics of the land;*

18 “(ii) *the extent to which the land con-*
19 *tains wildlife and wildlife habitat; and*

20 “(iii) *the purposes of the conservation*
21 *reserve program under this subchapter.*

22 “(3) *The intermittent and seasonal use of vegeta-*
23 *tive buffer practices incidental to agricultural produc-*
24 *tion on lands adjacent to the buffer such that the per-*

1 *mitted use does not destroy the permanent vegetative*
2 *cover.*

3 “(c) *AUTHORIZED ACTIVITIES ON GRASSLANDS.—For*
4 *eligible land described in section 1231(b)(3), the Secretary*
5 *shall permit the following activities:*

6 “(1) *Common grazing practices, including main-*
7 *tenance and necessary cultural practices, on the land*
8 *in a manner that is consistent with maintaining the*
9 *viability of grassland, forb, and shrub species appro-*
10 *priate to that locality.*

11 “(2) *Haying, mowing, or harvesting for seed*
12 *production, subject to appropriate restrictions during*
13 *the nesting season for critical bird species in the area.*

14 “(3) *Fire presuppression, fire-related rehabilita-*
15 *tion, and construction of fire breaks.*

16 “(4) *Grazing-related activities, such as fencing*
17 *and livestock watering.*

18 “(d) *RESOURCE CONSERVING USE.—*

19 “(1) *IN GENERAL.—Beginning on the date that*
20 *is 1 year before the date of termination of a contract*
21 *under the program, the Secretary shall allow an*
22 *owner or operator to make conservation and land im-*
23 *provements that facilitate maintaining protection of*
24 *enrolled land after expiration of the contract.*

1 “(2) *CONSERVATION PLAN.*—*The Secretary shall*
2 *require an owner or operator carrying out the activi-*
3 *ties described in paragraph (1) to develop and imple-*
4 *ment a conservation plan.*”

5 “(3) *RE-ENROLLMENT PROHIBITED.*—*Land im-*
6 *proved under paragraph (1) may not be re-enrolled in*
7 *the conservation reserve program for 5 years after the*
8 *date of termination of the contract.*”

9 **SEC. 2005. PAYMENTS.**

10 (a) *TREES, WINDBREAKS, SHELTERBELTS, AND WILD-*
11 *LIFE CORRIDORS.*—*Section 1234(b)(3)(A) of the Food Secu-*
12 *rity Act of 1985 (16 U.S.C. 3834(b)(3)(A)) is amended—*

13 (1) *in clause (i), by inserting “and” after the*
14 *semicolon;*

15 (2) *by striking clause (ii); and*

16 (3) *by redesignating clause (iii) as clause (ii).*

17 (b) *ANNUAL RENTAL PAYMENTS.*—*Section 1234(c) of*
18 *the Food Security Act of 1985 (16 U.S.C. 3834(c)) is*
19 *amended—*

20 (1) *in paragraph (1), by inserting “or other eli-*
21 *gible lands” after “highly erodible cropland” both*
22 *places it appears; and*

23 (2) *by striking paragraph (2) and inserting the*
24 *following new paragraph:*

25 “(2) *METHODS OF DETERMINATION.*—

1 “(A) *IN GENERAL.*—*The amounts payable*
2 *to owners or operators in the form of rental pay-*
3 *ments under contracts entered into under this*
4 *subchapter may be determined through—*

5 “(i) *the submission of bids for such*
6 *contracts by owners and operators in such*
7 *manner as the Secretary may prescribe; or*

8 “(ii) *such other means as the Secretary*
9 *determines are appropriate.*

10 “(B) *GRASSLANDS.*—*In the case of eligible*
11 *land described in section 1231(b)(3), the Sec-*
12 *retary shall make annual payments in an*
13 *amount that is not more than 75 percent of the*
14 *grazing value of the land covered by the con-*
15 *tract.”.*

16 (c) *PAYMENT SCHEDULE.*—*Subsection (d) of section*
17 *1234 of the Food Security Act of 1985 (16 U.S.C. 3834)*
18 *is amended to read as follows:*

19 “(d) *PAYMENT SCHEDULE.*—

20 “(1) *IN GENERAL.*—*Except as otherwise provided*
21 *in this section, payments under this subchapter shall*
22 *be made in cash in such amount and on such time*
23 *schedule as is agreed on and specified in the contract.*

1 “(2) *ADVANCE PAYMENT.*—*Payments under this*
2 *subchapter may be made in advance of determination*
3 *of performance.*”.

4 (d) *PAYMENT LIMITATION.*—*Section 1234(f) of the*
5 *Food Security Act of 1985 (16 U.S.C. 3834(f)) is amend-*
6 *ed—*

7 (1) *in paragraph (1), by striking “, including*
8 *rental payments made in the form of in-kind com-*
9 *modities,”;*

10 (2) *by striking paragraph (3); and*

11 (3) *by redesignating paragraph (4) as para-*
12 *graph (2).*

13 **SEC. 2006. CONTRACT REQUIREMENTS.**

14 (a) *EARLY TERMINATION BY OWNER OR OPERATOR.*—
15 *Section 1235(e) of the Food Security Act of 1985 (16 U.S.C.*
16 *3835(e)) is amended—*

17 (1) *in paragraph (1)(A)—*

18 (A) *by striking “The Secretary” and insert-*
19 *ing “During fiscal year 2013, the Secretary”;*
20 *and*

21 (B) *by striking “before January 1, 1995,”;*

22 (2) *in paragraph (2), by striking subparagraph*
23 *(C) and inserting the following:*

24 “(C) *Land devoted to hardwood trees.*”

1 “(D) Wildlife habitat, duck nesting habitat,
2 pollinator habitat, upland bird habitat buffer,
3 wildlife food plots, State acres for wildlife en-
4 hancement, shallow water areas for wildlife, and
5 rare and declining habitat.

6 “(E) Farmable wetland and restored wet-
7 land.

8 “(F) Land that contains diversions, erosion
9 control structures, flood control structures, con-
10 tour grass strips, living snow fences, salinity re-
11 ducing vegetation, cross wind trap strips, and
12 sediment retention structures.

13 “(G) Land located within a federally-des-
14 ignated wellhead protection area.

15 “(H) Land that is covered by an easement
16 under the conservation reserve program.

17 “(I) Land located within an average width,
18 according to the applicable Natural Resources
19 Conservation Service field office technical guide,
20 of a perennial stream or permanent water
21 body.”; and

22 (3) in paragraph (3), by striking “60 days after
23 the date on which the owner or operator submits the
24 notice required under paragraph (1)(C)” and insert-
25 ing “upon approval by the Secretary”.

1 (b) *TRANSITION OPTION FOR CERTAIN FARMERS OR*
2 *RANCHERS.*—Section 1235(f) of the Food Security Act of
3 1985 (16 U.S.C. 3835(f)) is amended—

4 (1) in paragraph (1)—

5 (A) in the matter preceding subparagraph
6 (A), by striking “DUTIES” and all that follows
7 through “a beginning farmer” and inserting
8 “*TRANSITION TO COVERED FARMER OR RANCH-*
9 *ER.*—In the case of a contract modification ap-
10 proved in order to facilitate the transfer of land
11 subject to a contract from a retired farmer or
12 rancher to a beginning farmer”;

13 (B) in subparagraph (A)(i), by inserting “,
14 including preparing to plant an agricultural
15 crop” after “improvements”;

16 (C) in subparagraph (D), by striking “the
17 farmer or rancher” and inserting “the covered
18 farmer or rancher”; and

19 (D) in subparagraph (E), by striking “sec-
20 tion 1001A(b)(3)(B)” and inserting “section
21 1001”; and

22 (2) in paragraph (2), by striking “requirement
23 of section 1231(h)(4)(B)” and inserting “option pur-
24 suant to section 1234(c)(2)(A)(ii)”.

1 (c) *FINAL YEAR CONTRACT.*—Section 1235 of the Food
2 *Security Act of 1985 (16 U.S.C. 3835) is amended by add-*
3 *ing at the end the following new subsections:*

4 “(g) *FINAL YEAR OF CONTRACT.*—The Secretary shall
5 *not consider an owner or operator to be in violation of a*
6 *term or condition of the conservation reserve contract if—*

7 “(1) *during the year prior to expiration of the*
8 *contract, the land is enrolled in the conservation stew-*
9 *ardship program; and*

10 “(2) *the activity required under the conservation*
11 *stewardship program pursuant to such enrollment is*
12 *consistent with this subchapter.*

13 “(h) *LAND ENROLLED IN AGRICULTURAL CONSERVA-*
14 *TION EASEMENT PROGRAM.*—The Secretary may terminate
15 *or modify a contract entered into under this subchapter if*
16 *eligible land that is subject to such contract is transferred*
17 *into the agricultural conservation easement program under*
18 *subtitle H.”.*

19 **SEC. 2007. CONVERSION OF LAND SUBJECT TO CONTRACT**
20 **TO OTHER CONSERVING USES.**

21 Section 1235A of the Food Security Act of 1985 (16
22 U.S.C. 3835a) is repealed.

23 **SEC. 2008. EFFECTIVE DATE.**

24 (a) *IN GENERAL.*—The amendments made by this sub-
25 *title shall take effect on October 1, 2012, except the amend-*

1 *ment made by section 2001(d), which shall take effect on*
2 *the date of the enactment of this Act.*

3 *(b) EFFECT ON EXISTING CONTRACTS.—*

4 *(1) IN GENERAL.—Except as provided in para-*
5 *graph (2), the amendments made by this subtitle shall*
6 *not affect the validity or terms of any contract en-*
7 *tered into by the Secretary of Agriculture under sub-*
8 *chapter B of chapter 1 of subtitle D of title XII of the*
9 *Food Security Act of 1985 (16 U.S.C. 3831 et seq.)*
10 *before October 1, 2012, or any payments required to*
11 *be made in connection with the contract.*

12 *(2) UPDATING OF EXISTING CONTRACTS.—The*
13 *Secretary shall permit an owner or operator of land*
14 *subject to a contract entered into under subchapter B*
15 *of chapter 1 of subtitle D of title XII of the Food Se-*
16 *curity Act of 1985 (16 U.S.C. 3831 et seq.) before Oc-*
17 *tober 1, 2012, to update the contract to reflect the ac-*
18 *tivities and uses of land under contract permitted*
19 *under the terms and conditions of section 1233(b) of*
20 *that Act (as amended by section 2004), as determined*
21 *appropriate by the Secretary.*

1 **Subtitle B—Conservation**
2 **Stewardship Program**

3 **SEC. 2101. CONSERVATION STEWARDSHIP PROGRAM.**

4 (a) *REVISION OF CURRENT PROGRAM.*—Subchapter B
5 of chapter 2 of subtitle D of title XII of the Food Security
6 Act of 1985 (16 U.S.C. 3838d et seq.) is amended to read
7 as follows:

8 **“Subchapter B—Conservation Stewardship**
9 **Program**

10 **“SEC. 1238D. DEFINITIONS.**

11 *“In this subchapter:*

12 *“(1) AGRICULTURAL OPERATION.*—The term ‘ag-
13 ricultural operation’ means all eligible land, whether
14 or not contiguous, that is—

15 *“(A) under the effective control of a pro-*
16 *ducer at the time the producer enters into a con-*
17 *tract under the program; and*

18 *“(B) operated with equipment, labor, man-*
19 *agement, and production or cultivation practices*
20 *that are substantially separate from other agri-*
21 *cultural operations, as determined by the Sec-*
22 *retary.*

23 *“(2) CONSERVATION ACTIVITIES.—*

1 “(A) *IN GENERAL.*—*The term ‘conservation*
2 *activities’ means conservation systems, practices,*
3 *or management measures.*

4 “(B) *INCLUSIONS.*—*The term ‘conservation*
5 *activities’ includes—*

6 “(i) *structural measures, vegetative*
7 *measures, and land management measures,*
8 *including agriculture drainage management*
9 *systems, as determined by the Secretary;*
10 *and*

11 “(ii) *planning needed to address a pri-*
12 *ority resource concern.*

13 “(3) *CONSERVATION STEWARDSHIP PLAN.*—*The*
14 *term ‘conservation stewardship plan’ means a plan*
15 *that—*

16 “(A) *identifies and inventories priority re-*
17 *source concerns;*

18 “(B) *establishes benchmark data and con-*
19 *servation objectives;*

20 “(C) *describes conservation activities to be*
21 *implemented, managed, or improved; and*

22 “(D) *includes a schedule and evaluation*
23 *plan for the planning, installation, and manage-*
24 *ment of the new and existing conservation activi-*
25 *ties.*

1 “(4) *ELIGIBLE LAND*.—

2 “(A) *IN GENERAL*.—*The term ‘eligible land’*
3 *means—*

4 “(i) *private or tribal land on which*
5 *agricultural commodities, livestock, or for-*
6 *est-related products are produced; and*

7 “(ii) *lands associated with the land de-*
8 *scribed in clause (i) on which priority re-*
9 *source concerns could be addressed through*
10 *a contract under the program.*

11 “(B) *INCLUSIONS*.—*The term ‘eligible land’*
12 *includes—*

13 “(i) *cropland;*

14 “(ii) *grassland;*

15 “(iii) *rangeland;*

16 “(iv) *pasture land;*

17 “(v) *nonindustrial private forest land;*

18 *and*

19 “(vi) *other agricultural areas (includ-*
20 *ing cropped woodland, marshes, and agri-*
21 *cultural land used or capable of being used*
22 *for the production of livestock), as deter-*
23 *mined by the Secretary.*

24 “(5) *PRIORITY RESOURCE CONCERN*.—*The term*
25 *‘priority resource concern’ means a natural resource*

1 concern or problem, as determined by the Secretary,
2 that—

3 “(A) is identified at the national, State, or
4 local level as a priority for a particular area of
5 a State;

6 “(B) represents a significant concern in a
7 State or region; and

8 “(C) is likely to be addressed successfully
9 through the implementation of conservation ac-
10 tivities under this program.

11 “(6) PROGRAM.—The term ‘program’ means the
12 conservation stewardship program established by this
13 subchapter.

14 “(7) STEWARDSHIP THRESHOLD.—The term
15 ‘stewardship threshold’ means the level of manage-
16 ment required, as determined by the Secretary, to
17 conserve and improve the quality and condition of a
18 natural resource.

19 **“SEC. 1238E. CONSERVATION STEWARDSHIP PROGRAM.**

20 “(a) ESTABLISHMENT AND PURPOSE.—During each of
21 fiscal years 2013 through 2017, the Secretary shall carry
22 out a conservation stewardship program to encourage pro-
23 ducers to address priority resource concerns in a com-
24 prehensive manner—

1 “(1) by undertaking additional conservation ac-
2 tivities; and

3 “(2) by improving, maintaining, and managing
4 existing conservation activities.

5 “(b) *EXCLUSIONS.*—

6 “(1) *LAND ENROLLED IN OTHER CONSERVATION*
7 *PROGRAMS.*—Subject to paragraph (2), the following
8 land (even if covered by the definition of eligible land)
9 is not eligible for enrollment in the program:

10 “(A) Land enrolled in the conservation re-
11 serve program, unless—

12 “(i) the conservation reserve contract
13 will expire at the end of the fiscal year in
14 which the land is to be enrolled in the pro-
15 gram; and

16 “(ii) conservation reserve program
17 payments for land enrolled in the program
18 cease before the first program payment is
19 made to the applicant under this sub-
20 chapter.

21 “(B) Land enrolled in a wetland easement
22 through the agricultural conservation easement
23 program.

24 “(C) Land enrolled in the conservation se-
25 curity program.

1 “(2) *CONVERSION TO CROPLAND.*—*Eligible land*
2 *used for crop production after October 1, 2012, that*
3 *had not been planted, considered to be planted, or de-*
4 *voted to crop production for at least 4 of the 6 years*
5 *preceding that date shall not be the basis for any pay-*
6 *ment under the program, unless the land does not*
7 *meet the requirement because—*

8 “(A) *the land had previously been enrolled*
9 *in the conservation reserve program;*

10 “(B) *the land has been maintained using*
11 *long-term crop rotation practices, as determined*
12 *by the Secretary; or*

13 “(C) *the land is incidental land needed for*
14 *efficient operation of the farm or ranch, as deter-*
15 *mined by the Secretary.*

16 **“SEC. 1238F. STEWARDSHIP CONTRACTS.**

17 “(a) *SUBMISSION OF CONTRACT OFFERS.*—*To be eligi-*
18 *ble to participate in the conservation stewardship program,*
19 *a producer shall submit to the Secretary a contract offer*
20 *for the agricultural operation that—*

21 “(1) *demonstrates to the satisfaction of the Sec-*
22 *retary that the producer, at the time of the contract*
23 *offer, meets or exceeds the stewardship threshold for at*
24 *least 2 priority resource concerns; and*

1 “(2) would, at a minimum, meet or exceed the
2 stewardship threshold for at least 1 additional pri-
3 ority resource concern by the end of the stewardship
4 contract by—

5 “(A) installing and adopting additional
6 conservation activities; and

7 “(B) improving, maintaining, and man-
8 aging existing conservation activities across the
9 entire agricultural operation in a manner that
10 increases or extends the conservation benefits in
11 place at the time the contract offer is accepted by
12 the Secretary.

13 “(b) *EVALUATION OF CONTRACT OFFERS.*—

14 “(1) *RANKING OF APPLICATIONS.*—*In evaluating*
15 *contract offers submitted under subsection (a), the*
16 *Secretary shall rank applications based on—*

17 “(A) *the level of conservation treatment on*
18 *all applicable priority resource concerns at the*
19 *time of application;*

20 “(B) *the degree to which the proposed con-*
21 *servation activities effectively increase conserva-*
22 *tion performance;*

23 “(C) *the number of applicable priority re-*
24 *source concerns proposed to be treated to meet or*

1 *exceed the stewardship threshold by the end of the*
2 *contract;*

3 “(D) *the extent to which other priority re-*
4 *source concerns will be addressed to meet or ex-*
5 *ceed the stewardship threshold by the end of the*
6 *contract period;*

7 “(E) *the extent to which the actual and an-*
8 *ticipated conservation benefits from the contract*
9 *are provided at the least cost relative to other*
10 *similarly beneficial contract offers; and*

11 “(F) *the extent to which priority resource*
12 *concerns will be addressed when transitioning*
13 *from the conservation reserve program to agri-*
14 *cultural production.*

15 “(2) *PROHIBITION.—The Secretary may not as-*
16 *sign a higher priority to any application because the*
17 *applicant is willing to accept a lower payment than*
18 *the applicant would otherwise be eligible to receive.*

19 “(3) *ADDITIONAL CRITERIA.—The Secretary may*
20 *develop and use such additional criteria that the Sec-*
21 *retary determines are necessary to ensure that na-*
22 *tional, State, and local priority resource concerns are*
23 *effectively addressed.*

24 “(c) *ENTERING INTO CONTRACTS.—After a determina-*
25 *tion that a producer is eligible for the program under sub-*

1 *section (a), and a determination that the contract offer*
2 *ranks sufficiently high under the evaluation criteria under*
3 *subsection (b), the Secretary shall enter into a conservation*
4 *stewardship contract with the producer to enroll the eligible*
5 *land to be covered by the contract.*

6 “(d) *CONTRACT PROVISIONS.*—

7 “(1) *TERM.*—*A conservation stewardship con-*
8 *tract shall be for a term of 5 years.*

9 “(2) *REQUIRED PROVISIONS.*—*The conservation*
10 *stewardship contract of a producer shall—*

11 “(A) *state the amount of the payment the*
12 *Secretary agrees to make to the producer for each*
13 *year of the conservation stewardship contract*
14 *under section 1238G(d);*

15 “(B) *require the producer—*

16 “(i) *to implement a conservation stew-*
17 *ardship plan that describes the program*
18 *purposes to be achieved through 1 or more*
19 *conservation activities;*

20 “(ii) *to maintain and supply informa-*
21 *tion as required by the Secretary to deter-*
22 *mine compliance with the conservation*
23 *stewardship plan and any other require-*
24 *ments of the program; and*

1 “(iii) not to conduct any activities on
2 the agricultural operation that would tend
3 to defeat the purposes of the program;

4 “(C) permit all economic uses of the eligible
5 land that—

6 “(i) maintain the agricultural nature
7 of the land; and

8 “(ii) are consistent with the conserva-
9 tion purposes of the conservation steward-
10 ship contract;

11 “(D) include a provision to ensure that a
12 producer shall not be considered in violation of
13 the contract for failure to comply with the con-
14 tract due to circumstances beyond the control of
15 the producer, including a disaster or related con-
16 dition, as determined by the Secretary;

17 “(E) include provisions requiring that upon
18 the violation of a term or condition of the con-
19 tract at any time the producer has control of the
20 land—

21 “(i) if the Secretary determines that
22 the violation warrants termination of the
23 contract—

1 “(I) the producer shall forfeit all
2 rights to receive payments under the
3 contract; and

4 “(II) the producer shall refund all
5 or a portion of the payments received
6 by the producer under the contract, in-
7 cluding any interest on the payments,
8 as determined by the Secretary; or

9 “(ii) if the Secretary determines that
10 the violation does not warrant termination
11 of the contract, the producer shall refund or
12 accept adjustments to the payments pro-
13 vided to the producer, as the Secretary de-
14 termines to be appropriate;

15 “(F) include provisions in accordance with
16 paragraphs (3) and (4) of this section; and

17 “(G) include any additional provisions the
18 Secretary determines are necessary to carry out
19 the program.

20 “(3) CHANGE OF INTEREST IN LAND SUBJECT TO
21 A CONTRACT.—

22 “(A) IN GENERAL.—At the time of applica-
23 tion, a producer shall have control of the eligible
24 land to be enrolled in the program. Except as
25 provided in subparagraph (B), a change in the

1 *interest of a producer in eligible land covered by*
2 *a contract under the program shall result in the*
3 *termination of the contract with regard to that*
4 *land.*

5 “(B) *TRANSFER OF DUTIES AND RIGHTS.*—
6 *Subparagraph (A) shall not apply if—*

7 “(i) *within a reasonable period of time*
8 *(as determined by the Secretary) after the*
9 *date of the change in the interest in eligible*
10 *land covered by a contract under the pro-*
11 *gram, the transferee of the land provides*
12 *written notice to the Secretary that all du-*
13 *ties and rights under the contract have been*
14 *transferred to, and assumed by, the trans-*
15 *feree for the portion of the land transferred;*

16 “(ii) *the transferee meets the eligibility*
17 *requirements of the program; and*

18 “(iii) *the Secretary approves the trans-*
19 *fer of all duties and rights under the con-*
20 *tract.*

21 “(4) *MODIFICATION AND TERMINATION OF CON-*
22 *TRACTS.*—

23 “(A) *VOLUNTARY MODIFICATION OR TERMI-*
24 *NATION.*—*The Secretary may modify or termi-*
25 *nate a contract with a producer if—*

1 “(i) the producer agrees to the modi-
2 fication or termination; and

3 “(ii) the Secretary determines that the
4 modification or termination is in the public
5 interest.

6 “(B) INVOLUNTARY TERMINATION.—The
7 Secretary may terminate a contract if the Sec-
8 retary determines that the producer violated the
9 contract.

10 “(5) REPAYMENT.—If a contract is terminated,
11 the Secretary may, consistent with the purposes of the
12 program—

13 “(A) allow the producer to retain payments
14 already received under the contract; or

15 “(B) require repayment, in whole or in
16 part, of payments received and assess liquidated
17 damages.

18 “(e) CONTRACT RENEWAL.—At the end of the initial
19 5-year contract period, the Secretary may allow the pro-
20 ducer to renew the contract for 1 additional 5-year period
21 if the producer—

22 “(1) demonstrates compliance with the terms of
23 the initial contract;

1 “(2) agrees to adopt and continue to integrate
2 conservation activities across the entire agricultural
3 operation, as determined by the Secretary; and

4 “(3) agrees, by the end of the contract period—

5 “(A) to meet the stewardship threshold of at
6 least two additional priority resource concerns
7 on the agricultural operation; or

8 “(B) to exceed the stewardship threshold of
9 two existing priority resource concerns that are
10 specified by the Secretary in the initial contract.

11 **“SEC. 1238G. DUTIES OF THE SECRETARY.**

12 “(a) *IN GENERAL.*—To achieve the conservation goals
13 of a contract under the conservation stewardship program,
14 the Secretary shall—

15 “(1) make the program available to eligible pro-
16 ducers on a continuous enrollment basis with 1 or
17 more ranking periods, one of which shall occur in the
18 first quarter of each fiscal year;

19 “(2) identify not less than 5 priority resource
20 concerns in a particular watershed or other appro-
21 priate region or area within a State; and

22 “(3) establish a science-based stewardship thresh-
23 old for each priority resource concern identified under
24 paragraph (2).

1 “(b) *ALLOCATION TO STATES.*—*The Secretary shall al-*
2 *locate acres to States for enrollment, based—*

3 “(1) *primarily on each State’s proportion of eli-*
4 *gible land to the total acreage of eligible land in all*
5 *States; and*

6 “(2) *also on consideration of—*

7 “(A) *the extent and magnitude of the con-*
8 *servation needs associated with agricultural pro-*
9 *duction in each State;*

10 “(B) *the degree to which implementation of*
11 *the program in the State is, or will be, effective*
12 *in helping producers address those needs; and*

13 “(C) *other considerations to achieve equi-*
14 *table geographic distribution of funds, as deter-*
15 *mined by the Secretary.*

16 “(c) *ACREAGE ENROLLMENT LIMITATION.*—*During*
17 *the period beginning on October 1, 2012, and ending on*
18 *September 30, 2021, the Secretary shall, to the maximum*
19 *extent practicable—*

20 “(1) *enroll in the program an additional*
21 *9,000,000 acres for each fiscal year; and*

22 “(2) *manage the program to achieve a national*
23 *average rate of \$18 per acre, which shall include the*
24 *costs of all financial assistance, technical assistance,*

1 *and any other expenses associated with enrollment or*
2 *participation in the program.*

3 *“(d) CONSERVATION STEWARDSHIP PAYMENTS.—*

4 *“(1) AVAILABILITY OF PAYMENTS.—The Sec-*
5 *retary shall provide annual payments under the pro-*
6 *gram to compensate the producer for—*

7 *“(A) installing and adopting additional*
8 *conservation activities; and*

9 *“(B) improving, maintaining, and man-*
10 *aging conservation activities in place at the ag-*
11 *ricultural operation of the producer at the time*
12 *the contract offer is accepted by the Secretary.*

13 *“(2) PAYMENT AMOUNT.—The amount of the*
14 *conservation stewardship annual payment shall be de-*
15 *termined by the Secretary and based, to the max-*
16 *imum extent practicable, on the following factors:*

17 *“(A) Costs incurred by the producer associ-*
18 *ated with planning, design, materials, installa-*
19 *tion, labor, management, maintenance, or train-*
20 *ing.*

21 *“(B) Income forgone by the producer.*

22 *“(C) Expected conservation benefits.*

23 *“(D) The extent to which priority resource*
24 *concerns will be addressed through the installa-*

1 *tion and adoption of conservation activities on*
2 *the agricultural operation.*

3 *“(E) The level of stewardship in place at*
4 *the time of application and maintained over the*
5 *term of the contract.*

6 *“(F) The degree to which the conservation*
7 *activities will be integrated across the entire ag-*
8 *ricultural operation for all applicable priority*
9 *resource concerns over the term of the contract.*

10 *“(G) Such other factors as determined ap-*
11 *propriate by the Secretary.*

12 *“(3) EXCLUSIONS.—A payment to a producer*
13 *under this subsection shall not be provided for—*

14 *“(A) the design, construction, or mainte-*
15 *nance of animal waste storage or treatment fa-*
16 *cilities or associated waste transport or transfer*
17 *devices for animal feeding operations; or*

18 *“(B) conservation activities for which there*
19 *is no cost incurred or income forgone to the pro-*
20 *ducer.*

21 *“(4) DELIVERY OF PAYMENTS.—In making pay-*
22 *ments under this subsection, the Secretary shall, to*
23 *the extent practicable—*

24 *“(A) prorate conservation performance over*
25 *the term of the contract so as to accommodate,*

1 to the extent practicable, producers earning equal
2 annual payments in each fiscal year; and

3 “(B) make payments as soon as practicable
4 after October 1 of each fiscal year for activities
5 carried out in the previous fiscal year.

6 “(e) *SUPPLEMENTAL PAYMENTS FOR RESOURCE-CON-*
7 *SERVING CROP ROTATIONS.*—

8 “(1) *AVAILABILITY OF PAYMENTS.*—*The Sec-*
9 *retary shall provide additional payments to producers*
10 *that, in participating in the program, agree to adopt*
11 *or improve resource-conserving crop rotations to*
12 *achieve beneficial crop rotations as appropriate for*
13 *the eligible land of the producers.*

14 “(2) *BENEFICIAL CROP ROTATIONS.*—*The Sec-*
15 *retary shall determine whether a resource-conserving*
16 *crop rotation is a beneficial crop rotation eligible for*
17 *additional payments under paragraph (1) based on*
18 *whether the resource-conserving crop rotation is de-*
19 *signed to provide natural resource conservation and*
20 *production benefits.*

21 “(3) *ELIGIBILITY.*—*To be eligible to receive a*
22 *payment described in paragraph (1), a producer shall*
23 *agree to adopt and maintain beneficial resource-con-*
24 *serving crop rotations for the term of the contract.*

1 “(4) *RESOURCE-CONSERVING CROP ROTATION.*—

2 *In this subsection, the term ‘resource-conserving crop*
3 *rotation’ means a crop rotation that—*

4 “(A) *includes at least 1 resource conserving*
5 *crop (as defined by the Secretary);*

6 “(B) *reduces erosion;*

7 “(C) *improves soil fertility and tilth;*

8 “(D) *interrupts pest cycles; and*

9 “(E) *in applicable areas, reduces depletion*
10 *of soil moisture or otherwise reduces the need for*
11 *irrigation.*

12 “(f) *PAYMENT LIMITATIONS.*—*A person or legal entity*
13 *may not receive, directly or indirectly, payments under the*
14 *program that, in the aggregate, exceed \$200,000 under all*
15 *contracts entered into during fiscal years 2013 through*
16 *2017, excluding funding arrangements with Indian tribes,*
17 *regardless of the number of contracts entered into under the*
18 *program by the person or legal entity.*

19 “(g) *SPECIALTY CROP AND ORGANIC PRODUCERS.*—
20 *The Secretary shall ensure that outreach and technical as-*
21 *sistance are available, and program specifications are ap-*
22 *propriate to enable specialty crop and organic producers*
23 *to participate in the program.*

24 “(h) *COORDINATION WITH ORGANIC CERTIFI-*
25 *CATION.*—*The Secretary shall establish a transparent*

1 *means by which producers may initiate organic certifi-*
2 *cation under the Organic Foods Production Act of 1990 (7*
3 *U.S.C. 6501 et seq.) while participating in a contract under*
4 *the program.*

5 “(i) *REGULATIONS.—The Secretary shall promulgate*
6 *regulations that—*

7 “(1) *prescribe such other rules as the Secretary*
8 *determines to be necessary to ensure a fair and rea-*
9 *sonable application of the limitations established*
10 *under subsection (f); and*

11 “(2) *otherwise enable the Secretary to carry out*
12 *the program.”.*

13 (b) *EFFECTIVE DATE.—The amendment made by this*
14 *section shall take effect on October 1, 2012.*

15 (c) *EFFECT ON EXISTING CONTRACTS.—*

16 (1) *IN GENERAL.—The amendment made by this*
17 *section shall not affect the validity or terms of any*
18 *contract entered into by the Secretary of Agriculture*
19 *under subchapter B of chapter 2 of subtitle D of title*
20 *XII of the Food Security Act of 1985 (16 U.S.C.*
21 *3838d et seq.) before October 1, 2012, or any pay-*
22 *ments required to be made in connection with the*
23 *contract.*

24 (2) *CONSERVATION STEWARDSHIP PROGRAM.—*
25 *Funds made available under section 1241(a)(4) of the*

1 *Food Security Act of 1985 (16 U.S.C. 3841(a)(4)) (as*
2 *amended by section 2601(a) of this title) may be used*
3 *to administer and make payments to program par-*
4 *ticipants that enrolled into contracts during any of*
5 *fiscal years 2009 through 2012.*

6 ***Subtitle C—Environmental Quality***
7 ***Incentives Program***

8 ***SEC. 2201. PURPOSES.***

9 *Section 1240 of the Food Security Act of 1985 (16*
10 *U.S.C. 3839aa) is amended—*

11 *(1) in paragraph (3)—*

12 *(A) in subparagraph (A), by striking “and”*
13 *at the end;*

14 *(B) by redesignating subparagraph (B) as*
15 *subparagraph (C) and, in such subparagraph, by*
16 *inserting “and” after the semicolon; and*

17 *(C) by inserting after subparagraph (A) the*
18 *following new subparagraph:*

19 *“(B) developing and improving wildlife*
20 *habitat; and”;*

21 *(2) in paragraph (4), by striking “; and” and*
22 *inserting a period; and*

23 *(3) by striking paragraph (5).*

1 **SEC. 2202. ESTABLISHMENT AND ADMINISTRATION.**

2 *Section 1240B of the Food Security Act of 1985 (16*
3 *U.S.C. 3839aa-2) is amended—*

4 *(1) in subsection (a), by striking “2014” and in-*
5 *serting “2017”;*

6 *(2) in subsection (b), by striking paragraph (2)*
7 *and inserting the following new paragraph:*

8 *“(2) TERM.—A contract under the program shall*
9 *have a term that does not exceed 10 years.”;*

10 *(3) in subsection (d)(4)—*

11 *(A) in subparagraph (A), in the matter pre-*
12 *ceding clause (i), by inserting “, veteran farmer*
13 *or rancher (as defined in section 2501(e) of the*
14 *Food, Agriculture, Conservation, and Trade Act*
15 *of 1990 (7 U.S.C. 2279(e)),” before “or a begin-*
16 *ning farmer or rancher”; and*

17 *(B) by striking subparagraph (B) and in-*
18 *serting the following new subparagraph:*

19 *“(B) ADVANCE PAYMENTS.—*

20 *“(i) IN GENERAL.—Not more than 50*
21 *percent of the amount determined under*
22 *subparagraph (A) may be provided in ad-*
23 *vance for the purpose of purchasing mate-*
24 *rials or contracting.*

25 *“(ii) RETURN OF FUNDS.—If funds*
26 *provided in advance are not expended dur-*

1 *ing the 90-day period beginning on the date*
2 *of receipt of the funds, the funds shall be re-*
3 *turned within a reasonable time frame, as*
4 *determined by the Secretary.”;*

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

7 *“(f) ALLOCATION OF FUNDING.—*

8 *“(1) LIVESTOCK.—For each of fiscal years 2013*
9 *through 2017, at least 60 percent of the funds made*
10 *available for payments under the program shall be*
11 *targeted at practices relating to livestock production.*

12 *“(2) WILDLIFE HABITAT.—For each of fiscal*
13 *years 2013 through 2017, 5 percent of the funds made*
14 *available for payments under the program shall be*
15 *targeted at practices benefitting wildlife habitat.”;*

16 *(5) in subsection (g)—*

17 *(A) in the subsection heading, by striking*
18 *“FEDERALLY RECOGNIZED NATIVE AMERICAN*
19 *INDIAN TRIBES AND ALASKA NATIVE CORPORA-*
20 *TIONS” and inserting “INDIAN TRIBES”;*

21 *(B) by striking “federally recognized Native*
22 *American Indian Tribes and Alaska Native Cor-*
23 *porations (including their affiliated membership*
24 *organizations)” and inserting “Indian tribes”;*
25 *and*

1 (C) by striking “or Native Corporation”;

2 and

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

4 “(j) *WILDLIFE HABITAT INCENTIVE PRACTICE.*—The
5 Secretary shall provide payments under the program for
6 conservation practices that support the restoration, develop-
7 ment, and improvement of wildlife habitat on eligible land,
8 including—

9 “(1) upland wildlife habitat;

10 “(2) wetland wildlife habitat;

11 “(3) habitat for threatened and endangered spe-
12 cies;

13 “(4) fish habitat;

14 “(5) habitat on pivot corners and other irregular
15 areas of a field; and

16 “(6) other types of wildlife habitat, as deter-
17 mined appropriate by the Secretary.”.

18 **SEC. 2203. EVALUATION OF APPLICATIONS.**

19 Section 1240C(b) of the Food Security Act of 1985 (16
20 U.S.C. 3839aa–3(b)) is amended—

21 (1) in paragraph (1), by striking “environ-
22 mental” and inserting “conservation”; and

23 (2) in paragraph (3), by striking “purpose of the
24 environmental quality incentives program specified in

1 *section 1240(1)” and inserting “purposes of the pro-*
2 *gram”.*

3 **SEC. 2204. DUTIES OF PRODUCERS.**

4 *Section 1240D(2) of the Food Security Act of 1985 (16*
5 *U.S.C. 3839aa-4(2)) is amended by striking “farm, ranch,*
6 *or forest” and inserting “enrolled”.*

7 **SEC. 2205. LIMITATION ON PAYMENTS.**

8 *Section 1240G of the Food Security Act of 1985 (16*
9 *U.S.C. 3839aa-7) is amended to read as follows:*

10 **“SEC. 1240G. LIMITATION ON PAYMENTS.**

11 *“A person or legal entity may not receive, directly or*
12 *indirectly, cost share or incentive payments under this*
13 *chapter that, in aggregate, exceed \$450,000 for all contracts*
14 *entered into under this chapter by the person or legal entity*
15 *during the period of fiscal years 2013 through 2017, regard-*
16 *less of the number of contracts entered into under this chap-*
17 *ter by the person or legal entity.”.*

18 **SEC. 2206. CONSERVATION INNOVATION GRANTS AND PAY-**

19 **MENTS.**

20 *Section 1240H of the Food Security Act of 1985 (16*
21 *U.S.C. 3839aa-8) is amended—*

22 *(1) in subsection (a)(2)—*

23 *(A) in subparagraph (C), by striking “;*

24 *and” and inserting a semicolon;*

1 (B) in subparagraph (D), by striking the
2 period and inserting a semicolon; and

3 (C) by adding at the end the following new
4 subparagraphs:

5 “(E) facilitate on-farm conservation re-
6 search and demonstration activities; and

7 “(F) facilitate pilot testing of new tech-
8 nologies or innovative conservation practices.”;
9 and

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

12 “(b) *REPORTING.*—Not later than December 31, 2013,
13 and every two years thereafter, the Secretary shall submit
14 to the Committee on Agriculture, Nutrition, and Forestry
15 of the Senate and the Committee on Agriculture of the
16 House of Representatives a report on the status of projects
17 funded under this section, including—

18 “(1) funding awarded;

19 “(2) project results; and

20 “(3) incorporation of project findings, such as
21 new technology and innovative approaches, into the
22 conservation efforts implemented by the Secretary.”.

23 **SEC. 2207. EFFECTIVE DATE.**

24 (a) *IN GENERAL.*—The amendments made by this sub-
25 title shall take effect on October 1, 2012.

1 (b) *EFFECT ON EXISTING CONTRACTS.*—*The amend-*
 2 *ments made by this subtitle shall not affect the validity or*
 3 *terms of any contract entered into by the Secretary of Agri-*
 4 *culture under chapter 4 of subtitle D of title XII of the Food*
 5 *Security Act of 1985 (16 U.S.C. 3839aa et seq.) before Octo-*
 6 *ber 1, 2012, or any payments required to be made in con-*
 7 *nection with the contract.*

8 ***Subtitle D—Agricultural***
 9 ***Conservation Easement Program***

10 ***SEC. 2301. AGRICULTURAL CONSERVATION EASEMENT PRO-***
 11 ***GRAM.***

12 (a) *ESTABLISHMENT.*—*Title XII of the Food Security*
 13 *Act of 1985 is amended by adding at the end the following*
 14 *new subtitle:*

15 ***“Subtitle H—Agricultural***
 16 ***Conservation Easement Program***

17 ***“SEC. 1265. ESTABLISHMENT AND PURPOSES.***

18 “(a) *ESTABLISHMENT.*—*The Secretary shall establish*
 19 *an agricultural conservation easement program for the con-*
 20 *servaion of eligible land and natural resources through*
 21 *easements or other interests in land.*

22 “(b) *PURPOSES.*—*The purposes of the program are*
 23 *to—*

24 “(1) *combine the purposes and coordinate the*
 25 *functions of the wetlands reserve program established*

1 *under section 1237, the grassland reserve program es-*
2 *tablished under section 1238N, and the farmland pro-*
3 *tection program established under section 1238I, as*
4 *such sections were in effect on September 30, 2012;*

5 *“(2) restore, protect, and enhance wetlands on el-*
6 *igible land;*

7 *“(3) protect the agricultural use and related con-*
8 *servation values of eligible land by limiting non-*
9 *agricultural uses of that land; and*

10 *“(4) protect grazing uses and related conserva-*
11 *tion values by restoring and conserving eligible land.*

12 **“SEC. 1265A. DEFINITIONS.**

13 *“In this subtitle:*

14 *“(1) AGRICULTURAL LAND EASEMENT.—The*
15 *term ‘agricultural land easement’ means an easement*
16 *or other interest in eligible land that—*

17 *“(A) is conveyed for the purpose of pro-*
18 *tecting natural resources and the agricultural*
19 *nature of the land; and*

20 *“(B) permits the landowner the right to*
21 *continue agricultural production and related*
22 *uses subject to an agricultural land easement*
23 *plan, as approved by the Secretary.*

24 *“(2) ELIGIBLE ENTITY.—The term ‘eligible enti-*
25 *ty’ means—*

1 “(A) an agency of State or local government
2 or an Indian tribe (including a farmland protec-
3 tion board or land resource council established
4 under State law); or

5 “(B) an organization that is—

6 “(i) organized for, and at all times
7 since the formation of the organization has
8 been operated principally for, 1 or more of
9 the conservation purposes specified in clause
10 (i), (ii), (iii), or (iv) of section 170(h)(4)(A)
11 of the Internal Revenue Code of 1986;

12 “(ii) an organization described in sec-
13 tion 501(c)(3) of that Code that is exempt
14 from taxation under section 501(a) of that
15 Code; or

16 “(iii) described in—

17 “(I) paragraph (1) or (2) of sec-
18 tion 509(a) of that Code; or

19 “(II) section 509(a)(3) of that
20 Code and is controlled by an organiza-
21 tion described in section 509(a)(2) of
22 that Code.

23 “(3) ELIGIBLE LAND.—The term ‘eligible land’
24 means private or tribal land that is—

1 “(A) *in the case of an agricultural land*
2 *easement, agricultural land, including land on a*
3 *farm or ranch—*

4 “(i) *that is subject to a pending offer*
5 *for purchase of an agricultural land ease-*
6 *ment from an eligible entity;*

7 “(ii) *that—*

8 “(I) *has prime, unique, or other*
9 *productive soil;*

10 “(II) *contains historical or ar-*
11 *chaeological resources; or*

12 “(III) *the protection of which will*
13 *further a State or local policy con-*
14 *sistent with the purposes of the pro-*
15 *gram; and*

16 “(iii) *that is—*

17 “(I) *cropland;*

18 “(II) *rangeland;*

19 “(III) *grassland or land that con-*
20 *tains forbs, or shrubland for which*
21 *grazing is the predominate use;*

22 “(IV) *pastureland; or*

23 “(V) *nonindustrial private forest*
24 *land that contributes to the economic*
25 *viability of an offered parcel or serves*

1 *as a buffer to protect such land from*
2 *development;*

3 “(B) *in the case of a wetland easement, a*
4 *wetland or related area, including—*

5 “(i) *farmed or converted wetlands, to-*
6 *gether with adjacent land that is function-*
7 *ally dependent on that land, if the Sec-*
8 *retary determines it—*

9 “(I) *is likely to be successfully re-*
10 *stored in a cost effective manner; and*

11 “(II) *will maximize the wildlife*
12 *benefits and wetland functions and*
13 *values, as determined by the Secretary*
14 *in consultation with the Secretary of*
15 *the Interior at the local level;*

16 “(ii) *cropland or grassland that was*
17 *used for agricultural production prior to*
18 *flooding from the natural overflow of—*

19 “(I) *a closed basin lake and adja-*
20 *cent land that is functionally depend-*
21 *ent upon it, if the State or other entity*
22 *is willing to provide 50 percent share*
23 *of the cost of an easement;*

24 “(II) *a pothole and adjacent land*
25 *that is functionally dependent on it;*

1 “(iii) farmed wetlands and adjoining
2 lands that—

3 “(I) are enrolled in the conserva-
4 tion reserve program;

5 “(II) have the highest wetland
6 functions and values, as determined by
7 the Secretary; and

8 “(III) are likely to return to pro-
9 duction after they leave the conserva-
10 tion reserve program;

11 “(iv) riparian areas that link wetlands
12 that are protected by easements or some
13 other device that achieves the same purpose
14 as an easement; or

15 “(v) other wetlands of an owner that
16 would not otherwise be eligible, if the Sec-
17 retary determines that the inclusion of such
18 wetlands in a wetland easement would sig-
19 nificantly add to the functional value of the
20 easement; or

21 “(C) in the case of either an agricultural
22 land easement or wetland easement, other land
23 that is incidental to land described in subpara-
24 graph (A) or (B), if the Secretary determines

1 *that it is necessary for the efficient administra-*
2 *tion of the easements under this program.*

3 “(4) *PROGRAM.*—*The term ‘program’ means the*
4 *agricultural conservation easement program estab-*
5 *lished by this subtitle.*

6 “(5) *WETLAND EASEMENT.*—*The term ‘wetland*
7 *easement’ means a reserved interest in eligible land*
8 *that—*

9 “(A) *is defined and delineated in a deed;*
10 *and*

11 “(B) *stipulates—*

12 “(i) *the rights, title, and interests in*
13 *land conveyed to the Secretary; and*

14 “(ii) *the rights, title, and interests in*
15 *land that are reserved to the landowner.*

16 **“SEC. 1265B. AGRICULTURAL LAND EASEMENTS.**

17 “(a) *AVAILABILITY OF ASSISTANCE.*—*The Secretary*
18 *shall facilitate and provide funding for—*

19 “(1) *the purchase by eligible entities of agricul-*
20 *tural land easements and other interests in eligible*
21 *land; and*

22 “(2) *technical assistance to provide for the con-*
23 *servaion of natural resources pursuant to an agricul-*
24 *tural land easement plan.*

25 “(b) *COST-SHARE ASSISTANCE.*—

1 “(1) *IN GENERAL.*—*The Secretary shall protect*
2 *the agricultural use, including grazing, and related*
3 *conservation values of eligible land through cost-share*
4 *assistance to eligible entities for purchasing agricul-*
5 *tural land easements.*

6 “(2) *SCOPE OF ASSISTANCE AVAILABLE.*—

7 “(A) *FEDERAL SHARE.*—*An agreement de-*
8 *scribed in paragraph (4) shall provide for a Fed-*
9 *eral share determined by the Secretary of an*
10 *amount not to exceed 50 percent of the fair mar-*
11 *ket value of the agricultural land easement or*
12 *other interest in land, as determined by the Sec-*
13 *retary using—*

14 “(i) *the Uniform Standards of Profes-*
15 *sional Appraisal Practice;*

16 “(ii) *an area-wide market analysis or*
17 *survey; or*

18 “(iii) *another industry-approved meth-*
19 *od.*

20 “(B) *NON-FEDERAL SHARE.*—

21 “(i) *IN GENERAL.*—*Under the agree-*
22 *ment, the eligible entity shall provide a*
23 *share that is at least equivalent to that pro-*
24 *vided by the Secretary.*

1 “(ii) *SOURCE OF CONTRIBUTION.*—An
2 *eligible entity may include as part of its*
3 *share a charitable donation or qualified*
4 *conservation contribution (as defined by*
5 *section 170(h) of the Internal Revenue Code*
6 *of 1986) from the private landowner if the*
7 *eligible entity contributes its own cash re-*
8 *sources in an amount that is at least 50*
9 *percent of the amount contributed by the*
10 *Secretary.*

11 “(C) *EXCEPTION.*—*In the case of grassland*
12 *of special environmental significance, as deter-*
13 *mined by the Secretary, the Secretary may pro-*
14 *vide an amount not to exceed 75 percent of the*
15 *fair market value of the agricultural land ease-*
16 *ment.*

17 “(3) *EVALUATION AND RANKING OF APPLICA-*
18 *TIONS.*—

19 “(A) *CRITERIA.*—*The Secretary shall estab-*
20 *lish evaluation and ranking criteria to maximize*
21 *the benefit of Federal investment under the pro-*
22 *gram.*

23 “(B) *CONSIDERATIONS.*—*In establishing the*
24 *criteria, the Secretary shall emphasize support*
25 *for—*

1 “(i) protecting agricultural uses and
2 related conservation values of the land; and

3 “(ii) maximizing the protection of
4 areas devoted to agricultural use.

5 “(C) *BIDDING DOWN.*—If the Secretary de-
6 termines that 2 or more applications for cost-
7 share assistance are comparable in achieving the
8 purpose of the program, the Secretary shall not
9 assign a higher priority to any of those applica-
10 tions solely on the basis of lesser cost to the pro-
11 gram.

12 “(4) *AGREEMENTS WITH ELIGIBLE ENTITIES.*—

13 “(A) *IN GENERAL.*—The Secretary shall
14 enter into agreements with eligible entities to
15 stipulate the terms and conditions under which
16 the eligible entity is permitted to use cost-share
17 assistance provided under this section.

18 “(B) *LENGTH OF AGREEMENTS.*—An agree-
19 ment shall be for a term that is—

20 “(i) in the case of an eligible entity
21 certified under the process described in
22 paragraph (5), a minimum of five years;
23 and

24 “(ii) for all other eligible entities, at
25 least three, but not more than five years.

1 “(C) *MINIMUM TERMS AND CONDITIONS.*—
2 *An eligible entity shall be authorized to use its*
3 *own terms and conditions for agricultural land*
4 *easements so long as the Secretary determines*
5 *such terms and conditions—*

6 “(i) *are consistent with the purposes of*
7 *the program;*

8 “(ii) *permit effective enforcement of the*
9 *conservation purposes of such easements;*

10 “(iii) *include a right of enforcement*
11 *for the Secretary, that may be used only if*
12 *the terms of the easement are not enforced*
13 *by the holder of the easement;*

14 “(iv) *subject the land in which an in-*
15 *terest is purchased to an agricultural land*
16 *easement plan that—*

17 “(I) *describes the activities which*
18 *promote the long-term viability of the*
19 *land to meet the purposes for which the*
20 *easement was acquired;*

21 “(II) *requires the management of*
22 *grasslands according to a grasslands*
23 *management plan; and*

24 “(III) *includes a conservation*
25 *plan, where appropriate, and requires,*

1 at the option of the Secretary, the con-
2 version of highly erodible cropland to
3 less intensive uses; and

4 “(v) include a limit on the impervious
5 surfaces to be allowed that is consistent with
6 the agricultural activities to be conducted.

7 “(D) *SUBSTITUTION OF QUALIFIED*
8 *PROJECTS.*—An agreement shall allow, upon mu-
9 tual agreement of the parties, substitution of
10 qualified projects that are identified at the time
11 of the proposed substitution.

12 “(E) *EFFECT OF VIOLATION.*—If a violation
13 occurs of a term or condition of an agreement
14 under this subsection—

15 “(i) the Secretary may terminate the
16 agreement; and

17 “(ii) the Secretary may require the eli-
18 gible entity to refund all or part of any
19 payments received by the entity under the
20 program, with interest on the payments as
21 determined appropriate by the Secretary.

22 “(5) *CERTIFICATION OF ELIGIBLE ENTITIES.*—

23 “(A) *CERTIFICATION PROCESS.*—The Sec-
24 retary shall establish a process under which the
25 Secretary may—

1 “(i) directly certify eligible entities
2 that meet established criteria;

3 “(ii) enter into long-term agreements
4 with certified eligible entities; and

5 “(iii) accept proposals for cost-share
6 assistance for the purchase of agricultural
7 land easements throughout the duration of
8 such agreements.

9 “(B) CERTIFICATION CRITERIA.—In order
10 to be certified, an eligible entity shall dem-
11 onstrate to the Secretary that the entity will
12 maintain, at a minimum, for the duration of the
13 agreement—

14 “(i) a plan for administering ease-
15 ments that is consistent with the purpose of
16 this subtitle;

17 “(ii) the capacity and resources to
18 monitor and enforce agricultural land ease-
19 ments; and

20 “(iii) policies and procedures to en-
21 sure—

22 “(I) the long-term integrity of ag-
23 ricultural land easements on eligible
24 land;

1 “(II) *timely completion of acqui-*
2 *sitions of such easements; and*

3 “(III) *timely and complete eval-*
4 *uation and reporting to the Secretary*
5 *on the use of funds provided under the*
6 *program.*

7 “(C) *REVIEW AND REVISION.—*

8 “(i) *REVIEW.—The Secretary shall*
9 *conduct a review of eligible entities certified*
10 *under subparagraph (A) every three years*
11 *to ensure that such entities are meeting the*
12 *criteria established under subparagraph*
13 *(B).*

14 “(ii) *REVOCATION.—If the Secretary*
15 *finds that the certified eligible entity no*
16 *longer meets the criteria established under*
17 *subparagraph (B), the Secretary may—*

18 “(I) *allow the certified eligible en-*
19 *tity a specified period of time, at a*
20 *minimum 180 days, in which to take*
21 *such actions as may be necessary to*
22 *meet the criteria; and*

23 “(II) *revoke the certification of the*
24 *eligible entity, if after the specified pe-*

1 *riod of time, the certified eligible entity*
2 *does not meet such criteria.*

3 “(c) *METHOD OF ENROLLMENT.*—*The Secretary shall*
4 *enroll eligible land under this section through the use of—*

5 “(1) *permanent easements; or*

6 “(2) *easements for the maximum duration al-*
7 *lowed under applicable State laws.*

8 “(d) *TECHNICAL ASSISTANCE.*—*The Secretary may*
9 *provide technical assistance, if requested, to assist in—*

10 “(1) *compliance with the terms and conditions of*
11 *easements; and*

12 “(2) *implementation of an agricultural land*
13 *easement plan.*

14 **“SEC. 1265C. WETLAND EASEMENTS.**

15 “(a) *AVAILABILITY OF ASSISTANCE.*—*The Secretary*
16 *shall provide assistance to owners of eligible land to restore,*
17 *protect, and enhance wetlands through—*

18 “(1) *wetland easements and related wetland ease-*
19 *ment plans; and*

20 “(2) *technical assistance.*

21 “(b) *EASEMENTS.*—

22 “(1) *METHOD OF ENROLLMENT.*—*The Secretary*
23 *shall enroll eligible land under this section through*
24 *the use of—*

25 “(A) *30-year easements;*

1 “(B) permanent easements;

2 “(C) easements for the maximum duration
3 allowed under applicable State laws; or

4 “(D) as an option for Indian tribes only,
5 30-year contracts (which shall be considered to be
6 30-year easements for the purposes of this sub-
7 title).

8 “(2) LIMITATIONS.—

9 “(A) INELIGIBLE LAND.—The Secretary
10 may not acquire easements on—

11 “(i) land established to trees under the
12 conservation reserve program, except in
13 cases where the Secretary determines it
14 would further the purposes of the program;
15 and

16 “(ii) farmed wetlands or converted wet-
17 lands where the conversion was not com-
18 menced prior to December 23, 1985.

19 “(B) CHANGES IN OWNERSHIP.—No wet-
20 land easement shall be created on land that has
21 changed ownership during the preceding 24-
22 month period unless—

23 “(i) the new ownership was acquired
24 by will or succession as a result of the death
25 of the previous owner;

1 “(ii)(I) *the ownership change occurred*
2 *because of foreclosure on the land; and*

3 “(II) *immediately before the fore-*
4 *closure, the owner of the land exercises a*
5 *right of redemption from the mortgage hold-*
6 *er in accordance with State law; or*

7 “(iii) *the Secretary determines that the*
8 *land was acquired under circumstances that*
9 *give adequate assurances that such land was*
10 *not acquired for the purposes of placing it*
11 *in the program.*

12 “(3) *EVALUATION AND RANKING OF OFFERS.—*

13 “(A) *CRITERIA.—The Secretary shall estab-*
14 *lish evaluation and ranking criteria to maximize*
15 *the benefit of Federal investment under the pro-*
16 *gram.*

17 “(B) *CONSIDERATIONS.—When evaluating*
18 *offers from landowners, the Secretary may con-*
19 *sider—*

20 “(i) *the conservation benefits of obtain-*
21 *ing a wetland easement, including the po-*
22 *tential environmental benefits if the land*
23 *was removed from agricultural production;*

1 “(ii) the cost-effectiveness of each wet-
2 land easement, so as to maximize the envi-
3 ronmental benefits per dollar expended;

4 “(iii) whether the landowner or an-
5 other person is offering to contribute finan-
6 cially to the cost of the wetland easement to
7 leverage Federal funds; and

8 “(iv) such other factors as the Sec-
9 retary determines are necessary to carry out
10 the purposes of the program.

11 “(C) PRIORITY.—The Secretary shall place
12 priority on acquiring wetland easements based
13 on the value of the wetland easement for pro-
14 tecting and enhancing habitat for migratory
15 birds and other wildlife.

16 “(4) AGREEMENT.—To be eligible to place eligi-
17 ble land into the program through a wetland ease-
18 ment, the owner of such land shall enter into an
19 agreement with the Secretary to—

20 “(A) grant an easement on such land to the
21 Secretary;

22 “(B) authorize the implementation of a wet-
23 land easement plan developed for the eligible
24 land under subsection (f);

1 “(C) create and record an appropriate deed
2 restriction in accordance with applicable State
3 law to reflect the easement agreed to;

4 “(D) provide a written statement of consent
5 to such easement signed by those holding a secu-
6 rity interest in the land;

7 “(E) comply with the terms and conditions
8 of the easement and any related agreements; and

9 “(F) permanently retire any existing base
10 history for the land on which the easement has
11 been obtained.

12 “(5) TERMS AND CONDITIONS OF EASEMENT.—

13 “(A) IN GENERAL.—A wetland easement
14 shall include terms and conditions that—

15 “(i) permit—

16 “(I) repairs, improvements, and
17 inspections on the land that are nec-
18 essary to maintain existing public
19 drainage systems; and

20 “(II) owners to control public ac-
21 cess on the easement areas while iden-
22 tifying access routes to be used for res-
23 toration activities and management
24 and easement monitoring;

25 “(ii) prohibit—

1 “(I) *the alteration of wildlife*
2 *habitat and other natural features of*
3 *such land, unless specifically author-*
4 *ized by the Secretary;*

5 “(II) *the spraying of such land*
6 *with chemicals or the mowing of such*
7 *land, except where such spraying or*
8 *mowing is authorized by the Secretary*
9 *or is necessary—*

10 “(aa) *to comply with Federal*
11 *or State noxious weed control*
12 *laws;*

13 “(bb) *to comply with a Fed-*
14 *eral or State emergency pest treat-*
15 *ment program; or*

16 “(cc) *to meet habitat needs of*
17 *specific wildlife species;*

18 “(III) *any activities to be carried*
19 *out on the owner’s or successor’s land*
20 *that is immediately adjacent to, and*
21 *functionally related to, the land that is*
22 *subject to the easement if such activi-*
23 *ties will alter, degrade, or otherwise di-*
24 *minish the functional value of the eli-*
25 *gible land; and*

1 “(IV) the adoption of any other
2 practice that would tend to defeat the
3 purposes of the program, as determined
4 by the Secretary;

5 “(iii) provide for the efficient and ef-
6 fective establishment of wildlife functions
7 and values; and

8 “(iv) include such additional provi-
9 sions as the Secretary determines are desir-
10 able to carry out the program or facilitate
11 the practical administration thereof.

12 “(B) VIOLATION.—On the violation of the
13 terms or conditions of a wetland easement, the
14 wetland easement shall remain in force and the
15 Secretary may require the owner to refund all or
16 part of any payments received by the owner
17 under the program, together with interest thereon
18 as determined appropriate by the Secretary.

19 “(C) COMPATIBLE USES.—Land subject to a
20 wetland easement may be used for compatible
21 economic uses, including such activities as hunt-
22 ing and fishing, managed timber harvest, or
23 periodic haying or grazing, if such use is specifi-
24 cally permitted by the wetland easement plan de-
25 veloped for the land under subsection (f) and is

1 *consistent with the long-term protection and en-*
2 *hancement of the wetland resources for which the*
3 *easement was established.*

4 “(D) *RESERVATION OF GRAZING RIGHTS.—*
5 *The Secretary may include in the terms and con-*
6 *ditions of a wetland easement a provision under*
7 *which the owner reserves grazing rights if—*

8 “(i) *the Secretary determines that the*
9 *reservation and use of the grazing rights—*

10 “(I) *is compatible with the land*
11 *subject to the easement;*

12 “(II) *is consistent with the histor-*
13 *ical natural uses of the land and the*
14 *long-term protection and enhancement*
15 *goals for which the easement was estab-*
16 *lished; and*

17 “(III) *complies with the wetland*
18 *easement plan developed for the land*
19 *under subsection (f); and*

20 “(ii) *the agreement provides for a com-*
21 *mensurate reduction in the easement pay-*
22 *ment to account for the grazing value, as*
23 *determined by the Secretary.*

24 “(6) *COMPENSATION.—*

25 “(A) *DETERMINATION.—*

1 “(i) *PERMANENT EASEMENTS.*—*The*
2 *Secretary shall pay as compensation for a*
3 *permanent wetland easement acquired*
4 *under the program an amount necessary to*
5 *encourage enrollment in the program, based*
6 *on the lowest of—*

7 “(I) *the fair market value of the*
8 *land, as determined by the Secretary,*
9 *using the Uniform Standards of Pro-*
10 *fessional Appraisal Practice or an*
11 *area-wide market analysis or survey;*

12 “(II) *the amount corresponding to*
13 *a geographical cap, as determined by*
14 *the Secretary in regulations; or*

15 “(III) *the offer made by the land-*
16 *owner.*

17 “(ii) *30-YEAR EASEMENTS.*—*Com-*
18 *penetration for a 30-year wetland easement*
19 *shall be not less than 50 percent, but not*
20 *more than 75 percent, of the compensation*
21 *that would be paid for a permanent wet-*
22 *land easement.*

23 “(B) *FORM OF PAYMENT.*—*Compensation*
24 *for a wetland easement shall be provided by the*

1 *Secretary in the form of a cash payment, in an*
2 *amount determined under subparagraph (A).*

3 “(C) *PAYMENT SCHEDULE.*—

4 “(i) *EASEMENTS VALUED AT \$500,000*
5 *OR LESS.*—*For wetland easements valued at*
6 *\$500,000 or less, the Secretary may provide*
7 *easement payments in not more than 10 an-*
8 *nual payments.*

9 “(ii) *EASEMENTS VALUED AT MORE*
10 *THAN \$500,000.*—*For wetland easements val-*
11 *ued at more than \$500,000, the Secretary*
12 *may provide easement payments in at least*
13 *5, but not more than 10 annual payments,*
14 *except that, if the Secretary determines it*
15 *would further the purposes of the program,*
16 *the Secretary may make a lump sum pay-*
17 *ment for such an easement.*

18 “(c) *EASEMENT RESTORATION.*—

19 “(1) *IN GENERAL.*—*The Secretary shall provide*
20 *financial assistance to owners of eligible land to carry*
21 *out the establishment of conservation measures and*
22 *practices and protect wetland functions and values,*
23 *including necessary maintenance activities, as set*
24 *forth in a wetland easement plan developed for the el-*
25 *igible land under subsection (f).*

1 “(2) *PAYMENTS.*—*The Secretary shall—*

2 “(A) *in the case of a permanent wetland*
3 *easement, pay an amount that is not less than*
4 *75 percent, but not more than 100 percent, of the*
5 *eligible costs, as determined by the Secretary;*
6 *and*

7 “(B) *in the case of a 30-year wetland ease-*
8 *ment, pay an amount that is not less than 50*
9 *percent, but not more than 75 percent, of the eli-*
10 *gible costs, as determined by the Secretary.*

11 “(d) *TECHNICAL ASSISTANCE.*—

12 “(1) *IN GENERAL.*—*The Secretary shall assist*
13 *owners in complying with the terms and conditions*
14 *of wetland easements.*

15 “(2) *CONTRACTS OR AGREEMENTS.*—*The Sec-*
16 *retary may enter into 1 or more contracts with pri-*
17 *vate entities or agreements with a State, non-govern-*
18 *mental organization, or Indian tribe to carry out nec-*
19 *essary restoration, enhancement, or maintenance of a*
20 *wetland easement if the Secretary determines that the*
21 *contract or agreement will advance the purposes of*
22 *the program.*

23 “(e) *WETLAND ENHANCEMENT OPTION.*—*The Sec-*
24 *retary may enter into 1 or more agreements with a State*
25 *(including a political subdivision or agency of a State),*

1 *nongovernmental organization, or Indian tribe to carry out*
2 *a special wetland enhancement option that the Secretary*
3 *determines would advance the purposes of program.*

4 “(f) *ADMINISTRATION.*—

5 “(1) *WETLAND EASEMENT PLAN.*—*The Secretary*
6 *shall develop a wetland easement plan for eligible*
7 *lands subject to a wetland easement, which shall in-*
8 *clude practices and activities necessary to restore,*
9 *protect, enhance, and maintain the enrolled lands.*

10 “(2) *DELEGATION OF EASEMENT ADMINISTRA-*
11 *TION.*—*The Secretary may delegate—*

12 “(A) *any of the easement management,*
13 *monitoring, and enforcement responsibilities of*
14 *the Secretary to other Federal or State agencies*
15 *that have the appropriate authority, expertise,*
16 *and resources necessary to carry out such dele-*
17 *gated responsibilities; and*

18 “(B) *any of the easement management re-*
19 *sponsibilities of the Secretary to other conserva-*
20 *tion organizations if the Secretary determines*
21 *the organization has the appropriate expertise*
22 *and resources.*

23 “(3) *PAYMENTS.*—

1 “(A) *TIMING OF PAYMENTS.*—*The Secretary*
2 *shall provide payment for obligations incurred*
3 *by the Secretary under this section—*

4 “(i) *with respect to any easement res-*
5 *toration obligation under subsection (c), as*
6 *soon as possible after the obligation is in-*
7 *curring; and*

8 “(ii) *with respect to any annual ease-*
9 *ment payment obligation incurred by the*
10 *Secretary, as soon as possible after October*
11 *1 of each calendar year.*

12 “(B) *PAYMENTS TO OTHERS.*—*If an owner*
13 *who is entitled to a payment under this section*
14 *dies, becomes incompetent, is otherwise unable to*
15 *receive such payment, or is succeeded by another*
16 *person or entity who renders or completes the re-*
17 *quired performance, the Secretary shall make*
18 *such payment, in accordance with regulations*
19 *prescribed by the Secretary and without regard*
20 *to any other provision of law, in such manner*
21 *as the Secretary determines is fair and reason-*
22 *able in light of all of the circumstances.*

1 **“SEC. 1265D. ADMINISTRATION.**

2 “(a) *INELIGIBLE LAND.*—*The Secretary may not use*
3 *program funds for the purposes of acquiring an easement*
4 *on—*

5 “(1) *lands owned by an agency of the United*
6 *States, other than land held in trust for Indian tribes;*

7 “(2) *lands owned in fee title by a State, includ-*
8 *ing an agency or a subdivision of a State, or a unit*
9 *of local government;*

10 “(3) *land subject to an easement or deed restric-*
11 *tion which, as determined by the Secretary, provides*
12 *similar protection as would be provided by enrollment*
13 *in the program; or*

14 “(4) *lands where the purposes of the program*
15 *would be undermined due to on-site or off-site condi-*
16 *tions, such as risk of hazardous substances, proposed*
17 *or existing rights of way, infrastructure development,*
18 *or adjacent land uses.*

19 “(b) *PRIORITY.*—*In evaluating applications under the*
20 *program, the Secretary may give priority to land that is*
21 *currently enrolled in the conservation reserve program in*
22 *a contract that is set to expire within 1 year and—*

23 “(1) *in the case of an agricultural land ease-*
24 *ment, is grassland that would benefit from protection*
25 *under a long-term easement; and*

1 “(2) *in the case of a wetland easement, is a wet-*
2 *land or related area with the highest functions and*
3 *value and is likely to return to production after the*
4 *land leaves the conservation reserve program.*

5 “(c) *SUBORDINATION, EXCHANGE, MODIFICATION, AND*
6 *TERMINATION.—*

7 “(1) *IN GENERAL.—The Secretary may subordi-*
8 *nate, exchange, modify, or terminate any interest in*
9 *land, or portion of such interest, administered by the*
10 *Secretary, either directly or on behalf of the Com-*
11 *modity Credit Corporation under the program if the*
12 *Secretary determines that—*

13 “(A) *it is in the Federal Government’s in-*
14 *terest to subordinate, exchange, modify, or termi-*
15 *nate the interest in land;*

16 “(B) *the subordination, exchange, modifica-*
17 *tion, or termination action—*

18 “(i) *will address a compelling public*
19 *need for which there is no practicable alter-*
20 *native; or*

21 “(ii) *such action will further the prac-*
22 *tical administration of the program; and*

23 “(C) *the subordination, exchange, modifica-*
24 *tion, or termination action will result in com-*

1 *parable conservation value and equivalent or*
2 *greater economic value to the United States.*

3 “(2) *CONSULTATION.*—*The Secretary shall work*
4 *with the owner, and eligible entity if applicable, to*
5 *address any subordination, exchange, modification, or*
6 *termination of the interest, or portion of such interest,*
7 *in land.*

8 “(3) *NOTICE.*—*At least 90 days before taking*
9 *any termination action described in paragraph (1),*
10 *the Secretary shall provide written notice of such ac-*
11 *tion to the Committee on Agriculture of the House of*
12 *Representatives and the Committee on Agriculture,*
13 *Nutrition, and Forestry of the Senate.*

14 “(d) *LAND ENROLLED IN CONSERVATION RESERVE*
15 *PROGRAM.*—*The Secretary may terminate or modify a con-*
16 *tract entered into under section 1231(a) if eligible land that*
17 *is subject to such contract is transferred into the program.*

18 “(e) *ALLOCATION OF FUNDS FOR AGRICULTURAL*
19 *LAND EASEMENTS.*—*Of the funds made available under*
20 *section 1241 to carry out the program for a fiscal year,*
21 *the Secretary shall, to the extent practicable, use for agricul-*
22 *tural land easements—*

23 “(1) *no less than 40 percent in each of fiscal*
24 *years 2013 through 2016; and*

1 “(2) no less than 50 percent in fiscal year
2 2017.”.

3 (b) *COMPLIANCE WITH CERTAIN REQUIREMENTS.*—

4 *Before an eligible entity or owner of eligible land may re-*
5 *ceive assistance under subtitle H of title XII of the Food*
6 *Security Act of 1985, the eligible entity or person shall*
7 *agree, during the crop year for which the assistance is pro-*
8 *vided and in exchange for the assistance—*

9 (1) *to comply with applicable conservation re-*
10 *quirements under subtitle B of title XII of that Act*
11 *(16 U.S.C. 3811 et seq.); and*

12 (2) *to comply with applicable wetland protection*
13 *requirements under subtitle C of title XII of that Act*
14 *(16 U.S.C. 3821 et seq.).*

15 (c) *CROSS REFERENCE; CALCULATION.*—*Section 1244*
16 *of the Food Security Act of 1985 (16 U.S.C. 3844) is*
17 *amended—*

18 (1) *in subsection (c)—*

19 (A) *in paragraph (1)—*

20 (i) *by inserting “and” at the end of*
21 *subparagraph (A);*

22 (ii) *by striking “and” at the end of*
23 *subparagraph (B); and*

24 (iii) *by striking subparagraph (C);*

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

3 (C) by inserting after paragraph (1) the fol-
4 lowing new subparagraph:

5 “(2) the agricultural conservation easement pro-
6 gram established under subtitle H; and”; and

7 (2) in subsection (f)—

8 (A) in paragraph (1)—

9 (i) in subparagraph (A), by striking
10 “programs administered under subchapters
11 B and C of chapter 1 of subtitle D” and in-
12 serting “conservation reserve program estab-
13 lished under subchapter B of chapter 1 of
14 subtitle D and wetland easements under sec-
15 tion 1265C”; and

16 (ii) in subparagraph (B), by striking
17 “an easement acquired under subchapter C
18 of chapter 1 of subtitle D” and inserting “a
19 wetland easement under section 1265C”;
20 and

21 (B) by adding at the end the following new
22 paragraph:

23 “(5) CALCULATION.—In calculating the percent-
24 ages described in paragraph (1), the Secretary shall
25 include any acreage that was included in calculations

1 of percentages made under such paragraph, as in ef-
2 fect on September 30, 2012, and that remains enrolled
3 when the calculation is made after that date under
4 paragraph (1).”.

5 (d) *EFFECTIVE DATE.*—The amendments made by this
6 section shall take effect on October 1, 2012.

7 ***Subtitle E—Regional Conservation***
8 ***Partnership Program***

9 ***SEC. 2401. REGIONAL CONSERVATION PARTNERSHIP PRO-***
10 ***GRAM.***

11 (a) *IN GENERAL.*—Title XII of the Food Security Act
12 of 1985 is amended by inserting after subtitle H, as added
13 by section 2301, the following new subtitle:

14 ***“Subtitle I—Regional Conservation***
15 ***Partnership Program***

16 ***“SEC. 1271. ESTABLISHMENT AND PURPOSES.***

17 “*(a) ESTABLISHMENT.*—The Secretary shall establish
18 a regional conservation partnership program to implement
19 eligible activities on eligible land through—

20 “*(1) partnership agreements with eligible part-*
21 *ners; and*

22 “*(2) contracts with producers.*

23 “*(b) PURPOSES.*—The purposes of the program are as
24 follows:

1 “(1) To use covered programs to accomplish pur-
2 poses and functions similar to those of the following
3 programs, as in effect on September 30, 2012:

4 “(A) The agricultural water enhancement
5 program established under section 1240I.

6 “(B) The Chesapeake Bay watershed pro-
7 gram established under section 1240Q.

8 “(C) The cooperative conservation partner-
9 ship initiative established under section 1243.

10 “(D) The Great Lakes basin program for
11 soil erosion and sediment control established
12 under section 1240P.

13 “(2) To further the conservation, restoration, and
14 sustainable use of soil, water, wildlife, and related
15 natural resources on eligible land on a regional or
16 watershed scale.

17 “(3) To encourage eligible partners to cooperate
18 with producers in—

19 “(A) meeting or avoiding the need for na-
20 tional, State, and local natural resource regu-
21 latory requirements related to production on eli-
22 gible land; and

23 “(B) implementing projects that will result
24 in the carrying out of eligible activities that af-
25 fect multiple agricultural or nonindustrial pri-

1 *vate forest operations on a local, regional, State,*
2 *or multi-State basis.*

3 **“SEC. 1271A. DEFINITIONS.**

4 *“In this subtitle:*

5 *“(1) COVERED PROGRAM.—The term ‘covered*
6 *program’ means the following:*

7 *“(A) The agricultural conservation ease-*
8 *ment program.*

9 *“(B) The environmental quality incentives*
10 *program.*

11 *“(C) The conservation stewardship pro-*
12 *gram.*

13 *“(2) ELIGIBLE ACTIVITY.—The term ‘eligible ac-*
14 *tivity’ means any of the following conservation activi-*
15 *ties:*

16 *“(A) Water quality or quantity conserva-*
17 *tion, restoration, or enhancement projects relat-*
18 *ing to surface water and groundwater resources,*
19 *including—*

20 *“(i) the conversion of irrigated crop-*
21 *land to the production of less water-inten-*
22 *sive agricultural commodities or dryland*
23 *farming; or*

24 *“(ii) irrigation system improvement*
25 *and irrigation efficiency enhancement.*

1 “(B) Drought mitigation.

2 “(C) Flood prevention.

3 “(D) Water retention.

4 “(E) Air quality improvement.

5 “(F) Habitat conservation, restoration, and
6 enhancement.

7 “(G) Erosion control and sediment reduc-
8 tion.

9 “(H) Other related activities that the Sec-
10 retary determines will help achieve conservation
11 benefits.

12 “(3) ELIGIBLE LAND.—The term ‘eligible land’
13 means land on which agricultural commodities, live-
14 stock, or forest-related products are produced, includ-
15 ing—

16 “(A) cropland;

17 “(B) grassland;

18 “(C) rangeland;

19 “(D) pastureland;

20 “(E) nonindustrial private forest land; and

21 “(F) other land incidental to agricultural
22 production (including wetlands and riparian
23 buffers) on which significant natural resource
24 issues could be addressed under the program.

1 “(4) *ELIGIBLE PARTNER.*—*The term ‘eligible*
2 *partner’ means any of the following:*

3 “(A) *An agricultural or silvicultural pro-*
4 *ducer association or other group of producers.*

5 “(B) *A State or unit of local government.*

6 “(C) *An Indian tribe.*

7 “(D) *A farmer cooperative.*

8 “(E) *A water district, irrigation district,*
9 *rural water district or association, or other orga-*
10 *nization with specific water delivery authority to*
11 *producers on agricultural land.*

12 “(F) *An institution of higher education.*

13 “(G) *An organization with an established*
14 *history of working cooperatively with producers*
15 *on agricultural land, as determined by the Sec-*
16 *retary, to address—*

17 “(i) *local conservation priorities re-*
18 *lated to agricultural production, wildlife*
19 *habitat development, or nonindustrial pri-*
20 *vate forest land management; or*

21 “(ii) *critical watershed-scale soil ero-*
22 *sion, water quality, sediment reduction, or*
23 *other natural resource issues.*

24 “(5) *PARTNERSHIP AGREEMENT.*—*The term*
25 *‘partnership agreement’ means an agreement entered*

1 *into under section 1271B between the Secretary and*
2 *an eligible partner.*

3 “(6) *PROGRAM.*—*The term ‘program’ means the*
4 *regional conservation partnership program established*
5 *by this subtitle.*

6 **“SEC. 1271B. REGIONAL CONSERVATION PARTNERSHIPS.**

7 “(a) *PARTNERSHIP AGREEMENTS AUTHORIZED.*—*The*
8 *Secretary may enter into a partnership agreement with an*
9 *eligible partner to implement a project that will assist pro-*
10 *ducers with installing and maintaining an eligible activity*
11 *on eligible land.*

12 “(b) *LENGTH.*—*A partnership agreement shall be for*
13 *a period not to exceed 5 years, except that the Secretary*
14 *may extend the agreement one time for up to 12 months*
15 *when an extension is necessary to meet the objectives of the*
16 *program.*

17 “(c) *DUTIES OF PARTNERS.*—

18 “(1) *IN GENERAL.*—*Under a partnership agree-*
19 *ment, the eligible partner shall—*

20 “(A) *define the scope of a project, includ-*
21 *ing—*

22 “(i) *the eligible activities to be imple-*
23 *mented;*

1 “(ii) the potential agricultural or non-
2 industrial private forest land operations af-
3 fected;

4 “(iii) the local, State, multi-State, or
5 other geographic area covered; and

6 “(iv) the planning, outreach, imple-
7 mentation, and assessment to be conducted;

8 “(B) conduct outreach to producers for po-
9 tential participation in the project;

10 “(C) at the request of a producer, act on be-
11 half of a producer participating in the project in
12 applying for assistance under section 1271C;

13 “(D) leverage financial or technical assist-
14 ance provided by the Secretary with additional
15 funds to help achieve the project objectives;

16 “(E) conduct an assessment of the project’s
17 effects; and

18 “(F) at the conclusion of the project, report
19 to the Secretary on its results and funds lever-
20 aged.

21 “(2) CONTRIBUTION.—An eligible partner shall
22 provide a significant portion of the overall costs of the
23 scope of the project that is the subject of the agreement
24 entered into under subsection (a), as determined by
25 the Secretary.

1 “(d) *APPLICATIONS.*—

2 “(1) *COMPETITIVE PROCESS.*—*The Secretary*
3 *shall conduct a competitive process to select applica-*
4 *tions for partnership agreements and may assess and*
5 *rank applications with similar conservation purposes*
6 *as a group.*

7 “(2) *CRITERIA USED.*—*In carrying out the proc-*
8 *ess described in paragraph (1), the Secretary shall*
9 *make public the criteria used in evaluating applica-*
10 *tions.*

11 “(3) *CONTENT.*—*An application to the Secretary*
12 *shall include a description of—*

13 “(A) *the scope of the project, as described in*
14 *subsection (c)(1)(A);*

15 “(B) *the plan for monitoring, evaluating,*
16 *and reporting on progress made towards achiev-*
17 *ing the project’s objectives;*

18 “(C) *the program resources requested for the*
19 *project, including the covered programs to be*
20 *used and estimated funding needed from the Sec-*
21 *retary;*

22 “(D) *eligible partners collaborating to*
23 *achieve project objectives, including their roles,*
24 *responsibilities, capabilities, and financial con-*
25 *tribution; and*

1 “(E) any other elements the Secretary con-
2 siders necessary to adequately evaluate and com-
3 petitively select applications for funding under
4 the program.

5 “(4) PRIORITY TO CERTAIN APPLICATIONS.—The
6 Secretary may give a higher priority to applications
7 that—

8 “(A) assist producers in meeting or avoid-
9 ing the need for a natural resource regulatory re-
10 quirement;

11 “(B) have a high percentage of eligible pro-
12 ducers in the area to be covered by the agree-
13 ment;

14 “(C) significantly leverage non-Federal fi-
15 nancial and technical resources and coordinate
16 with other local, State, or national efforts;

17 “(D) deliver high percentages of applied
18 conservation to address conservation priorities or
19 regional, State, or national conservation initia-
20 tives;

21 “(E) provide innovation in conservation
22 methods and delivery, including outcome-based
23 performance measures and methods; or

1 “(F) meet other factors that are important
2 for achieving the purposes of the program, as de-
3 termined by the Secretary.

4 **“SEC. 1271C. ASSISTANCE TO PRODUCERS.**

5 “(a) *IN GENERAL.*—The Secretary shall enter into con-
6 tracts with producers to provide financial and technical as-
7 sistance to—

8 “(1) producers participating in a project with
9 an eligible partner, as described in section 1271B; or

10 “(2) producers that fit within the scope of a
11 project described in section 1271B or a critical con-
12 servation area designated under section 1271F, but
13 who are seeking to implement an eligible activity on
14 eligible land independent of a partner.

15 “(b) *TERMS AND CONDITIONS.*—

16 “(1) *CONSISTENCY WITH PROGRAM RULES.*—*Ex-*
17 *cept as provided in paragraph (2), the Secretary shall*
18 *ensure that the terms and conditions of a contract*
19 *under this section are consistent with the applicable*
20 *rules of the covered programs to be used as part of the*
21 *project, as described in the application under section*
22 *1271B(d)(3)(C).*

23 “(2) *ADJUSTMENTS.*—*Except with respect to*
24 *statutory program requirements governing appeals,*
25 *payment limitations, and conservation compliance,*

1 *the Secretary may adjust the discretionary program*
2 *rules of a covered program—*

3 “(A) *to provide a simplified application*
4 *and evaluation process; and*

5 “(B) *to better reflect unique local cir-*
6 *cumstances and purposes if the Secretary deter-*
7 *mines such adjustments are necessary to achieve*
8 *the purposes of the program.*

9 “(c) *PAYMENTS.—*

10 “(1) *IN GENERAL.—In accordance with statutory*
11 *requirements of the covered programs involved, the*
12 *Secretary may make payments to a producer in an*
13 *amount determined by the Secretary to be necessary*
14 *to achieve the purposes of the program.*

15 “(2) *PAYMENTS TO PRODUCERS IN STATES WITH*
16 *WATER QUANTITY CONCERNS.—The Secretary may*
17 *provide payments to producers participating in a*
18 *project that addresses water quantity concerns for a*
19 *period of five years in an amount sufficient to en-*
20 *courage conversion from irrigated farming to dryland*
21 *farming.*

22 “(3) *WAIVER AUTHORITY.—To assist in the im-*
23 *plementation of the program, the Secretary may*
24 *waive the applicability of the limitation in section*
25 *1001D(b)(2) of this Act for participating producers if*

1 *the Secretary determines that the waiver is necessary*
2 *to fulfill the objectives of the program.*

3 **“SEC. 1271D. FUNDING.**

4 “(a) *AVAILABILITY OF FUNDS.—The Secretary shall*
5 *use \$100,000,000 of the funds of the Commodity Credit Cor-*
6 *poration for each of fiscal years 2013 through 2017 to carry*
7 *out the program.*

8 “(b) *DURATION OF AVAILABILITY.—Funds made*
9 *available under subsection (a) shall remain available until*
10 *expended.*

11 “(c) *ADDITIONAL FUNDING AND ACRES.—*

12 “(1) *IN GENERAL.—In addition to the funds*
13 *made available under subsection (a), the Secretary*
14 *shall reserve 6 percent of the funds and acres made*
15 *available for a covered program for each of fiscal*
16 *years 2013 through 2017 in order to ensure addi-*
17 *tional resources are available to carry out this pro-*
18 *gram.*

19 “(2) *UNUSED FUNDS AND ACRES.—Any funds or*
20 *acres reserved under paragraph (1) for a fiscal year*
21 *from a covered program that are not obligated under*
22 *this program by April 1 of that fiscal year shall be*
23 *returned for use under the covered program.*

1 “(d) *ALLOCATION OF FUNDING.*—Of the funds and
2 acres made available for the program under subsections (a)
3 and (c), the Secretary shall allocate—

4 “(1) 25 percent of the funds and acres to projects
5 based on a State competitive process administered by
6 the State Conservationist, with the advice of the State
7 technical committee established under subtitle G;

8 “(2) 50 percent of the funds and acres to projects
9 based on a national competitive process to be estab-
10 lished by the Secretary; and

11 “(3) 25 percent of the funds and acres to projects
12 for the critical conservation areas designated under
13 section 1271F.

14 “(e) *LIMITATION ON ADMINISTRATIVE EXPENSES.*—
15 None of the funds made available under the program may
16 be used to pay for the administrative expenses of eligible
17 partners.

18 **“SEC. 1271E. ADMINISTRATION.**

19 “(a) *DISCLOSURE.*—In addition to the criteria used
20 in evaluating applications as described in section
21 1271B(d)(2), the Secretary shall make publicly available
22 information on projects selected through the competitive
23 process described in section 1271B(d)(1).

24 “(b) *REPORTING.*—Not later than December 31, 2013,
25 and every two years thereafter, the Secretary shall submit

1 *to the Committee on Agriculture of the House of Representa-*
2 *tives and the Committee on Agriculture, Nutrition, and*
3 *Forestry of the Senate a report on the status of projects*
4 *funded under the program, including—*

5 “(1) *the number and types of eligible partners*
6 *and producers participating in the partnership agree-*
7 *ments selected;*

8 “(2) *the number of producers receiving assist-*
9 *ance; and*

10 “(3) *total funding committed to projects, includ-*
11 *ing from Federal and non-Federal resources.*

12 **“SEC. 1271F. CRITICAL CONSERVATION AREAS.**

13 “(a) *IN GENERAL.—In administering funds under sec-*
14 *tion 1271D(d)(3), the Secretary shall select applications for*
15 *partnership agreements and producer contracts within crit-*
16 *ical conservation areas designated under this section.*

17 “(b) *CRITICAL CONSERVATION AREA DESIGNA-*
18 *TIONS.—*

19 “(1) *PRIORITY.—In designating critical con-*
20 *servation areas under this section, the Secretary shall*
21 *give priority to geographical areas based on the de-*
22 *gree to which the geographical area—*

23 “(A) *includes multiple States with signifi-*
24 *cant agricultural production;*

1 “(B) is covered by an existing regional,
2 State, binational, or multistate agreement or
3 plan that has established objectives, goals, and
4 work plans and is adopted by a Federal, State,
5 or regional authority;

6 “(C) would benefit from water quality im-
7 provement, including through reducing erosion,
8 promoting sediment control, and addressing nu-
9 trient management activities affecting large bod-
10 ies of water of regional, national, or inter-
11 national significance;

12 “(D) would benefit from water quantity im-
13 provement, including improvement relating to—

14 “(i) groundwater, surface water, aqi-
15 fer, or other water sources; or

16 “(ii) a need to promote water retention
17 and flood prevention; or

18 “(E) contains producers that need assist-
19 ance in meeting or avoiding the need for a nat-
20 ural resource regulatory requirement that could
21 have a negative economic impact on agricultural
22 operations within the area.

23 “(2) LIMITATION.—The Secretary may not des-
24 ignate more than 8 geographical areas as critical con-
25 servation areas under this section.

1 “(c) *ADMINISTRATION.*—

2 “(1) *IN GENERAL.*—*Except as provided in para-*
3 *graph (2), the Secretary shall administer any part-*
4 *nership agreement or producer contract under this*
5 *section in a manner that is consistent with the terms*
6 *of the program.*

7 “(2) *RELATIONSHIP TO EXISTING ACTIVITY.*—
8 *The Secretary shall, to the maximum extent prac-*
9 *ticable, ensure that eligible activities carried out in*
10 *critical conservation areas designated under this sec-*
11 *tion complement and are consistent with other Fed-*
12 *eral and State programs and water quality and*
13 *quantity strategies.*

14 “(3) *ADDITIONAL AUTHORITY.*—*For a critical*
15 *conservation area described in subsection (b)(1)(D),*
16 *the Secretary may use authorities under the Water-*
17 *shed Protection and Flood Prevention Act (16 U.S.C.*
18 *1001 et seq.), other than section 14 of such Act (16*
19 *U.S.C. 1012), to carry out projects for the purposes*
20 *of this section.”.*

21 “(b) *EFFECTIVE DATE.*—*The amendment made by this*
22 *section shall take effect on October 1, 2012.*

1 ***Subtitle F—Other Conservation***
2 ***Programs***

3 **SEC. 2501. CONSERVATION OF PRIVATE GRAZING LAND.**

4 *Section 1240M(e) of the Food Security Act of 1985 (16*
5 *U.S.C. 3839bb(e)) is amended by striking “2012” and in-*
6 *serting “2017”.*

7 **SEC. 2502. GRASSROOTS SOURCE WATER PROTECTION PRO-**
8 **GRAM.**

9 *Section 1240O(b) of the Food Security Act of 1985 (16*
10 *U.S.C. 3839bb–2) is amended to read as follows:*

11 “(b) *FUNDING.*—

12 “(1) *AUTHORIZATION OF APPROPRIATIONS.*—
13 *There is authorized to be appropriated to carry out*
14 *this section \$20,000,000 for each of fiscal years 2008*
15 *through 2017.*

16 “(2) *AVAILABILITY OF FUNDS.*—*In addition to*
17 *funds made available under paragraph (1), of the*
18 *funds of the Commodity Credit Corporation, the Sec-*
19 *retary shall use \$5,000,000, to remain available until*
20 *expended.”.*

21 **SEC. 2503. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**
22 **CENTIVE PROGRAM.**

23 *(a) FUNDING.*—*Section 1240R(f) of the Food Security*
24 *Act of 1985 (16 U.S.C. 3839bb–5(f)) is amended by insert-*
25 *ing before the period at the end the following: “and*

1 \$30,000,000 for the period of fiscal years 2013 through
2 2017”.

3 (b) *REPORT ON PROGRAM EFFECTIVENESS.*—Not later
4 than two years after the date of the enactment of this Act,
5 the Secretary of Agriculture shall submit to the Committee
6 on Agriculture of the House of Representatives and the
7 Committee on Agriculture, Nutrition, and Forestry of the
8 Senate a report evaluating the effectiveness of the voluntary
9 public access program established by section 1240R of the
10 Food Security Act of 1985 (16 U.S.C. 3839bb–5), includ-
11 ing—

12 (1) *identifying cooperating agencies;*

13 (2) *identifying the number of land holdings and*
14 *total acres enrolled by each State and tribal govern-*
15 *ment;*

16 (3) *evaluating the extent of improved access on*
17 *eligible lands, improved wildlife habitat, and related*
18 *economic benefits; and*

19 (4) *any other relevant information and data re-*
20 *lating to the program that would be helpful to such*
21 *Committees.*

1 **SEC. 2504. AGRICULTURE CONSERVATION EXPERIENCED**
2 **SERVICES PROGRAM.**

3 (a) *FUNDING.*—*Subsection (c) of section 1252 of the*
4 *Food Security Act of 1985 (16 U.S.C. 3851) is amended*
5 *to read as follows:*

6 “(c) *FUNDING.*—

7 “(1) *IN GENERAL.*—*The Secretary may carry out*
8 *the ACES program using funds made available to*
9 *carry out each program under this title.*

10 “(2) *EXCLUSION.*—*Funds made available to*
11 *carry out the conservation reserve program may not*
12 *be used to carry out the ACES program.”.*

13 (b) *EFFECTIVE DATE.*—*The amendment made by this*
14 *section shall take effect on October 1, 2012.*

15 **SEC. 2505. SMALL WATERSHED REHABILITATION PROGRAM.**

16 (a) *AVAILABILITY OF FUNDS.*—*Section 14(h)(1) of the*
17 *Watershed Protection and Flood Prevention Act (16 U.S.C.*
18 *1012(h)(1)) is amended—*

19 (1) *in subparagraph (E), by striking “; and”*
20 *and inserting a semicolon;*

21 (2) *in subparagraph (F), by striking the period*
22 *and inserting a semicolon;*

23 (3) *in subparagraph (G), by striking the period*
24 *and inserting “; and”; and*

25 (4) *by adding at the end the following new sub-*
26 *paragraph:*

1 “(H) \$250,000,000 for fiscal year 2013, to
2 remain available until expended.”.

3 (b) *AUTHORIZATION OF APPROPRIATIONS.*—Section
4 *14(h)(2)(E) of the Watershed Protection and Flood Preven-*
5 *tion Act (16 U.S.C. 1012(h)(2)(E)) is amended by striking*
6 *“2012” and inserting “2017”.*

7 **SEC. 2506. AGRICULTURAL MANAGEMENT ASSISTANCE PRO-**
8 **GRAM.**

9 (a) *USES.*—Section 524(b)(2) of the Federal Crop In-
10 *surance Act (7 U.S.C. 1524(b)(2)) is amended—*

11 (1) *by striking subparagraph (B) and redesign-*
12 *ating subparagraphs (C) through (F) as subpara-*
13 *graphs (B) through (E), respectively; and*

14 (2) *in subparagraph (B) (as so redesignated)—*

15 (A) *in the matter preceding clause (i), by*
16 *striking “or resource conservation practices”;*
17 *and*

18 (B) *by striking clause (i) and redesignating*
19 *clauses (ii) through (iv) as clauses (i) through*
20 *(iii), respectively.*

21 (b) *COMMODITY CREDIT CORPORATION.*—

22 (1) *FUNDING.*—Section 524(b)(4)(B) of the Fed-
23 *eral Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is*
24 *amended to read as follows:*

1 “(B) *FUNDING.*—*The Commodity Credit*
 2 *Corporation shall make available to carry out*
 3 *this subsection not less than \$10,000,000 for each*
 4 *fiscal year.*”.

5 (2) *CERTAIN USES.*—*Section 524(b)(4)(C) of the*
 6 *Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(C))*
 7 *is amended—*

8 (A) *in clause (i)—*

9 (i) *by striking “50” and inserting*
 10 *“30”; and*

11 (ii) *by striking “(A), (B), and (C)”*
 12 *and inserting “(A) and (B)”;* and

13 (B) *in clause (iii), by striking “40” and in-*
 14 *serting “60”.*

15 ***Subtitle G—Funding and***
 16 ***Administration***

17 ***SEC. 2601. FUNDING.***

18 (a) *IN GENERAL.*—*Subsection (a) of section 1241 of*
 19 *the Food Security Act of 1985 (16 U.S.C. 3841) is amended*
 20 *to read as follows:*

21 “(a) *ANNUAL FUNDING.*—*For each of fiscal years 2013*
 22 *through 2017, the Secretary shall use the funds, facilities,*
 23 *and authorities of the Commodity Credit Corporation to*
 24 *carry out the following programs under this title (including*
 25 *the provision of technical assistance):*

1 “(1) *The conservation reserve program under*
2 *subchapter B of chapter 1 of subtitle D, including, to*
3 *the maximum extent practicable, \$25,000,000 for the*
4 *period of fiscal years 2013 through 2017 to carry out*
5 *section 1235(f) to facilitate the transfer of land subject*
6 *to contracts from retired or retiring owners and oper-*
7 *ators to beginning farmers or ranchers and socially*
8 *disadvantaged farmers or ranchers.*

9 “(2) *The agriculture conservation easement pro-*
10 *gram under subtitle H, using, to the maximum extent*
11 *practicable—*

12 “(A) *\$450,000,000 in fiscal year 2013;*

13 “(B) *\$475,000,000 in fiscal year 2014;*

14 “(C) *\$500,000,000 in fiscal year 2015;*

15 “(D) *\$525,000,000 in fiscal year 2016; and*

16 “(E) *\$266,000,000 in fiscal year 2017.*

17 “(3) *The conservation security program under*
18 *subchapter A of chapter 2 of subtitle D, using such*
19 *sums as are necessary to administer contracts entered*
20 *into before September 30, 2008.*

21 “(4) *The conservation stewardship program*
22 *under subchapter B of chapter 2 of subtitle D.*

23 “(5) *The environmental quality incentives pro-*
24 *gram under chapter 4 of subtitle D, using, to the*

1 *maximum extent practicable, \$1,750,000,000 for each*
2 *of fiscal years 2013 through 2017.”.*

3 **(b) GUARANTEED AVAILABILITY OF FUNDS.**—*Section*
4 *1241 of the Food Security Act of 1985 (16 U.S.C. 3841)*
5 *is amended—*

6 *(1) by redesignating subsections (b) through (h)*
7 *as subsections (c) through (i); respectively; and*

8 *(2) by inserting after subsection (a) the following*
9 *new subsection:*

10 *“(b) AVAILABILITY OF FUNDS.—Amounts made avail-*
11 *able by subsection (a) shall be used by the Secretary to carry*
12 *out the programs specified in such subsection for fiscal*
13 *years 2013 through 2017 and shall remain available until*
14 *expended. Amounts made available for the programs speci-*
15 *fied in such subsection during a fiscal year through modi-*
16 *fications, cancellations, terminations, and other related ad-*
17 *ministrative actions and not obligated in that fiscal year*
18 *shall remain available for obligation during subsequent fis-*
19 *cal years, but shall reduce the amount of additional funds*
20 *made available in the subsequent fiscal year by an amount*
21 *equal to the amount remaining unobligated.”.*

22 **(c) EFFECTIVE DATE.**—*The amendments made by this*
23 *section shall take effect on October 1, 2012.*

1 **SEC. 2602. TECHNICAL ASSISTANCE.**

2 (a) *IN GENERAL.*—Subsection (c) of section 1241 of
3 *the Food Security Act of 1985 (16 U.S.C. 3841), as redesign-*
4 *ated by section 2601(b)(1) of this Act, is amended to read*
5 *as follows:*

6 “(c) *TECHNICAL ASSISTANCE.*—

7 “(1) *AVAILABILITY OF FUNDS.*—Commodity
8 *Credit Corporation funds made available for a fiscal*
9 *year for each of the programs specified in subsection*
10 *(a)—*

11 “(A) *shall be available for the provision of*
12 *technical assistance for the programs for which*
13 *funds are made available as necessary to imple-*
14 *ment the programs effectively; and*

15 “(B) *shall not be available for the provision*
16 *of technical assistance for conservation programs*
17 *specified in subsection (a) other than the pro-*
18 *gram for which the funds were made available.*

19 “(2) *REPORT.*—Not later than December 31,
20 *2012, the Secretary shall submit (and update as nec-*
21 *essary in subsequent years) to the Committee on Agri-*
22 *culture of the House of Representatives and the Com-*
23 *mittee on Agriculture, Nutrition, and Forestry of the*
24 *Senate a report—*

25 “(A) *detailing the amount of technical as-*
26 *sistance funds requested and apportioned in each*

1 program specified in subsection (a) during the
2 preceding fiscal year; and

3 “(B) any other data relating to this sub-
4 section that would be helpful to such Commit-
5 tees.”.

6 (b) *EFFECTIVE DATE.*—The amendment made by this
7 section shall take effect on October 1, 2012.

8 **SEC. 2603. REGIONAL EQUITY.**

9 (a) *IN GENERAL.*—Section 1241 of the Food Security
10 Act of 1985 (16 U.S.C. 3841) is amended by striking sub-
11 section (e) (as redesignated by section 2601(b)(1) of this
12 Act) and inserting the following:

13 “(e) *REGIONAL EQUITY.*—

14 “(1) *EQUITABLE DISTRIBUTION.*—In deter-
15 mining funding allocations each fiscal year, the Sec-
16 retary shall, after considering available funding and
17 program demand in each State, provide a distribu-
18 tion of funds for conservation programs under subtitle
19 D (excluding the conservation reserve program under
20 subchapter B of chapter 1), subtitle H (excluding wet-
21 land easements under section 1265C), and subtitle I
22 to ensure equitable program participation propor-
23 tional to historical funding allocations and usage by
24 all States.

1 “(2) *MINIMUM PERCENTAGE.*—*In determining*
2 *the specific funding allocations under paragraph (1),*
3 *the Secretary shall—*

4 “(A) *ensure that during the first quarter of*
5 *each fiscal year each State has the opportunity*
6 *to establish that the State can use an aggregate*
7 *allocation amount of at least 0.6 percent of the*
8 *funds made available for those conservation pro-*
9 *grams; and*

10 “(B) *for each State that can so establish,*
11 *provide an aggregate amount of at least 0.6 per-*
12 *cent of the funds made available for those con-*
13 *servation programs.”.*

14 (b) *EFFECTIVE DATE.*—*The amendment made by this*
15 *section shall take effect on October 1, 2012.*

16 **SEC. 2604. RESERVATION OF FUNDS TO PROVIDE ASSIST-**
17 **ANCE TO CERTAIN FARMERS OR RANCHERS**
18 **FOR CONSERVATION ACCESS.**

19 (a) *IN GENERAL.*—*Subsection (h) of section 1241 of*
20 *the Food Security Act of 1985 (16 U.S.C. 3841) (as redesi-*
21 *gnated by section 2601(b)(1)) is amended—*

22 (1) *in paragraph (1) by striking “2012” and in-*
23 *serting “2017”; and*

24 (2) *by adding at the end the following new para-*
25 *graph:*

1 “(4) *PREFERENCE*.—*In providing assistance*
2 *under paragraph (1), the Secretary shall give pref-*
3 *erence to a veteran farmer or rancher (as defined in*
4 *section 2501(e) of the Food, Agriculture, Conserva-*
5 *tion, and Trade Act of 1990 (7 U.S.C. 2279(e)) that*
6 *qualifies under subparagraph (A) or (B) of para-*
7 *graph (1).”.*

8 (b) *EFFECTIVE DATE*.—*The amendments made by this*
9 *section shall take effect on October 1, 2012.*

10 **SEC. 2605. ANNUAL REPORT ON PROGRAM ENROLLMENTS**
11 **AND ASSISTANCE.**

12 (a) *IN GENERAL*.—*Subsection (i) (as redesignated by*
13 *section 2601(b)(1)) of section 1241 of the Food Security Act*
14 *of 1985 (16 U.S.C. 3841) is amended—*

15 (1) *in paragraph (1), by striking “wetlands re-*
16 *serve program” and inserting “agricultural conserva-*
17 *tion easement program”;*

18 (2) *by striking paragraphs (2) and (3) and re-*
19 *designating paragraphs (4), (5), and (6) as para-*
20 *graphs (2), (3), and (4), respectively; and*

21 (3) *in paragraph (3) (as so redesignated)—*

22 (A) *by striking “agricultural water en-*
23 *hancement program” and inserting “regional*
24 *conservation partnership program”; and*

1 (B) by striking “1240I(g)” and inserting
2 “1271C(c)(3)”.

3 (b) *EFFECTIVE DATE.*—*The amendments made by this*
4 *section shall take effect on October 1, 2012.*

5 **SEC. 2606. REVIEW OF CONSERVATION PRACTICE STAND-**
6 **ARDS.**

7 Section 1242(h)(1)(A) of the Food Security Act of 1985
8 (16 U.S.C. 3842(h)(1)(A)) is amended by striking “the
9 Food, Conservation, and Energy Act of 2008” and inserting
10 “the Federal Agriculture Reform and Risk Management Act
11 of 2012”.

12 **SEC. 2607. ADMINISTRATIVE REQUIREMENTS APPLICABLE**
13 **TO ALL CONSERVATION PROGRAMS.**

14 (a) *IN GENERAL.*—*Section 1244 of the Food Security*
15 *Act of 1985 (16 U.S.C. 3844) is amended—*

16 (1) *in subsection (a)(2), by adding at the end the*
17 *following new subparagraph:*

18 “(E) *Veteran farmers or ranchers (as de-*
19 *fin ed in section 2501(e) of the Food, Agriculture,*
20 *Conservation, and Trade Act of 1990 (7 U.S.C.*
21 *2279(e)).”;*

22 (2) *in subsection (d), by inserting “, H, and I”*
23 *before the period at the end;*

24 (3) *in subsection (f)—*

1 (A) in paragraph (1)(B), by striking “country”
2 and inserting “county”; and

3 (B) in paragraph (3), by striking “sub-
4 section (c)(2)(B) or (f)(4)” and inserting “sub-
5 section (c)(2)(A)(ii) or (f)(2)”; and

6 (4) by adding at the end the following new sub-
7 sections:

8 “(j) *IMPROVED ADMINISTRATIVE EFFICIENCY AND EF-*
9 *ECTIVENESS.—In administering a conservation program*
10 *under this title, the Secretary shall, to the maximum extent*
11 *practicable—*

12 “(1) *seek to reduce administrative burdens and*
13 *costs to producers by streamlining conservation plan-*
14 *ning and program resources; and*

15 “(2) *take advantage of new technologies to en-*
16 *hance efficiency and effectiveness.*

17 “(k) *RELATION TO OTHER PAYMENTS.—Any payment*
18 *received by an owner or operator under this title, including*
19 *an easement payment or rental payment, shall be in addi-*
20 *tion to, and not affect, the total amount of payments that*
21 *the owner or operator is otherwise eligible to receive under*
22 *any of the following:*

23 “(1) *This Act.*

24 “(2) *The Agricultural Act of 1949 (7 U.S.C.*
25 *1421 et seq.).*

1 “(3) *The Federal Agriculture Reform and Risk*
2 *Management Act of 2012.*”

3 “(4) *Any law that succeeds a law specified in*
4 *paragraph (1), (2), or (3).*”

5 **(b) EFFECTIVE DATE.**—*The amendments made by this*
6 *section shall take effect on October 1, 2012.*

7 **SEC. 2608. STANDARDS FOR STATE TECHNICAL COMMIT-**
8 **TEES.**

9 *Section 1261(b) of the Food Security Act of 1985 (16*
10 *U.S.C. 3861(b)) is amended by striking “Not later than 180*
11 *days after the date of enactment of the Food, Conservation,*
12 *and Energy Act of 2008, the Secretary shall develop” and*
13 *inserting “The Secretary shall review and update as nec-*
14 *essary”.*

15 **SEC. 2609. RULEMAKING AUTHORITY.**

16 *Subtitle E of title XII of the Food Security Act of 1985*
17 *(16 U.S.C. 3841 et seq.) is amended by adding at the end*
18 *the following new section:*

19 **“SEC. 1246. REGULATIONS.**

20 **“(a) IN GENERAL.**—*The Secretary shall promulgate*
21 *such regulations as are necessary to implement programs*
22 *under this title, including such regulations as the Secretary*
23 *determines to be necessary to ensure a fair and reasonable*
24 *application of the limitations established under section*
25 *1244(f).*

1 “(b) *RULEMAKING PROCEDURE.*—*The promulgation of*
2 *regulations and administration of programs under this*
3 *title—*

4 “(1) *shall be carried out without regard to—*

5 “(A) *the Statement of Policy of the Sec-*
6 *retary effective July 24, 1971 (36 Fed. Reg.*
7 *13804), relating to notices of proposed rule-*
8 *making and public participation in rulemaking;*
9 *and*

10 “(B) *chapter 35 of title 44, United States*
11 *Code (commonly known as the Paperwork Re-*
12 *duction Act); and*

13 “(2) *shall be made as an interim rule effective*
14 *on publication with an opportunity for notice and*
15 *comment.*

16 “(c) *CONGRESSIONAL REVIEW OF AGENCY RULE-*
17 *MAKING.*—*In promulgating regulations under this section,*
18 *the Secretary shall use the authority provided under section*
19 *808 of title 5, United States Code.”.*

1 ***Subtitle H—Repeal of Superseded***
2 ***Program Authorities and Tran-***
3 ***sitional Provisions; Technical***
4 ***Amendments***

5 ***SEC. 2701. COMPREHENSIVE CONSERVATION ENHANCE-***
6 ***MENT PROGRAM.***

7 (a) *REPEAL.*—Section 1230 of the Food Security Act
8 of 1985 (16 U.S.C. 3830) is repealed.

9 (b) *CONFORMING AMENDMENT.*—The heading of chap-
10 ter 1 of subtitle D of title XII of the Food Security Act
11 of 1985 (16 U.S.C. 3830 et seq.) is amended to read as fol-
12 lows: “**CONSERVATION RESERVE**”.

13 ***SEC. 2702. EMERGENCY FORESTRY CONSERVATION RE-***
14 ***SERVE PROGRAM.***

15 (a) *REPEAL.*—Section 1231A of the Food Security Act
16 of 1985 (16 U.S.C. 3831a) is repealed.

17 (b) *TRANSITIONAL PROVISIONS.*—

18 (1) *EFFECT ON EXISTING CONTRACTS.*—The
19 amendment made by this section shall not affect the
20 validity or terms of any contract entered into by the
21 Secretary of Agriculture under section 1231A of the
22 Food Security Act of 1985 (16 U.S.C. 3831a) before
23 October 1, 2012, or any payments required to be
24 made in connection with the contract.

1 (2) *FUNDING.*—*The Secretary may use funds*
2 *made available to carry out the conservation reserve*
3 *program under subchapter B of chapter 1 of subtitle*
4 *D of title XII of the Food Security Act of 1985 (16*
5 *U.S.C. 3831 et seq.) to continue to carry out contracts*
6 *referred to in paragraph (1) using the provisions of*
7 *law and regulation applicable to such contracts as*
8 *they existed on September 30, 2012.*

9 (c) *EFFECTIVE DATE.*—*The amendment made by this*
10 *section shall take effect on October 1, 2012.*

11 **SEC. 2703. WETLANDS RESERVE PROGRAM.**

12 (a) *REPEAL.*—*Subchapter C of chapter 1 of subtitle*
13 *D of title XII of the Food Security Act of 1985 (16 U.S.C.*
14 *3837 et seq.) is repealed.*

15 (b) *TRANSITIONAL PROVISIONS.*—

16 (1) *EFFECT ON EXISTING CONTRACTS.*—*The*
17 *amendment made by this section shall not affect the*
18 *validity or terms of any contract entered into by the*
19 *Secretary of Agriculture under subchapter C of chap-*
20 *ter 1 of subtitle D of title XII of the Food Security*
21 *Act of 1985 (16 U.S.C. 3837 et seq.) before October 1,*
22 *2012, or any payments required to be made in con-*
23 *nection with the contract.*

24 (2) *FUNDING.*—*The Secretary may use funds*
25 *made available to carry out the agricultural conserva-*

1 *tion easement program under subtitle H of title XII*
2 *of the Food Security Act of 1985, as added by section*
3 *2301 of this Act, to continue to carry out contracts*
4 *referred to in paragraph (1) using the provisions of*
5 *law and regulation applicable to such contracts as*
6 *they existed on September 30, 2012.*

7 *(c) EFFECTIVE DATE.—The amendment made by this*
8 *section shall take effect on October 1, 2012.*

9 **SEC. 2704. FARMLAND PROTECTION PROGRAM AND FARM**
10 **VIABILITY PROGRAM.**

11 *(a) REPEAL.—Subchapter C of chapter 2 of subtitle*
12 *D of title XII of the Food Security Act of 1985 (16 U.S.C.*
13 *3838h et seq.) is repealed.*

14 *(b) CONFORMING AMENDMENT.—The heading of chap-*
15 *ter 2 of subtitle D of title XII of the Food Security Act*
16 *of 1985 (16 U.S.C. 3838 et seq.) is amended by striking*
17 **“AND FARMLAND PROTECTION”.**

18 *(c) TRANSITIONAL PROVISIONS.—*

19 *(1) EFFECT ON EXISTING CONTRACTS.—The*
20 *amendments made by this section shall not affect the*
21 *validity or terms of any contract entered into by the*
22 *Secretary of Agriculture under subchapter C of chap-*
23 *ter 2 of subtitle D of title XII of the Food Security*
24 *Act of 1985 (16 U.S.C. 3838h et seq.) before October*

1 1, 2012, or any payments required to be made in con-
2 nection with the contract.

3 (2) *FUNDING.*—The Secretary may use funds
4 made available to carry out the agricultural conserva-
5 tion easement program under subtitle H of title XII
6 of the Food Security Act of 1985, as added by section
7 2301 of this Act, to continue to carry out contracts
8 referred to in paragraph (1) using the provisions of
9 law and regulation applicable to such contracts as
10 they existed on September 30, 2012.

11 (d) *EFFECTIVE DATE.*—The amendments made by this
12 section shall take effect on October 1, 2012.

13 **SEC. 2705. GRASSLAND RESERVE PROGRAM.**

14 (a) *REPEAL.*—Subchapter D of chapter 2 of subtitle
15 D of title XII of the Food Security Act of 1985 (16 U.S.C.
16 3838n et seq.) is repealed.

17 (b) *TRANSITIONAL PROVISIONS.*—

18 (1) *EFFECT ON EXISTING CONTRACTS.*—The
19 amendment made by this section shall not affect the
20 validity or terms of any contract entered into by the
21 Secretary of Agriculture under subchapter D of chap-
22 ter 2 of subtitle D of title XII of the Food Security
23 Act of 1985 (16 U.S.C. 3838n et seq.) before October
24 1, 2012, or any payments required to be made in con-
25 nection with the contract.

1 (2) *FUNDING.*—*The Secretary may use funds*
2 *made available to carry out the agricultural conserva-*
3 *tion easement program under subtitle H of title XII*
4 *of the Food Security Act of 1985, as added by section*
5 *2301 of this Act, to continue to carry out contracts*
6 *referred to in paragraph (1) using the provisions of*
7 *law and regulation applicable to such contracts as*
8 *they existed on September 30, 2012.*

9 (c) *EFFECTIVE DATE.*—*The amendment made by this*
10 *section shall take effect on October 1, 2012.*

11 **SEC. 2706. AGRICULTURAL WATER ENHANCEMENT PRO-**
12 **GRAM.**

13 (a) *REPEAL.*—*Section 1240I of the Food Security Act*
14 *of 1985 (16 U.S.C. 3839aa–9) is repealed.*

15 (b) *TRANSITIONAL PROVISIONS.*—

16 (1) *EFFECT ON EXISTING CONTRACTS.*—*The*
17 *amendment made by this section shall not affect the*
18 *validity or terms of any contract entered into by the*
19 *Secretary of Agriculture under section 1240I of the*
20 *Food Security Act of 1985 (16 U.S.C. 3839aa–9) be-*
21 *fore October 1, 2012, or any payments required to be*
22 *made in connection with the contract.*

23 (2) *FUNDING.*—*The Secretary may use funds*
24 *made available to carry out the regional conservation*
25 *partnership program under subtitle I of title XII of*

1 *the Food Security Act of 1985, as added by section*
2 *2401 of this Act, to continue to carry out contracts*
3 *referred to in paragraph (1) using the provisions of*
4 *law and regulation applicable to such contracts as*
5 *they existed on September 30, 2012.*

6 (c) *EFFECTIVE DATE.*—*The amendment made by this*
7 *section shall take effect on October 1, 2012.*

8 **SEC. 2707. WILDLIFE HABITAT INCENTIVE PROGRAM.**

9 (a) *REPEAL.*—*Section 1240N of the Food Security Act*
10 *of 1985 (16 U.S.C. 3839bb–1) is repealed.*

11 (b) *TRANSITIONAL PROVISIONS.*—

12 (1) *EFFECT ON EXISTING CONTRACTS.*—*The*
13 *amendment made by this section shall not affect the*
14 *validity or terms of any contract entered into by the*
15 *Secretary of Agriculture under section 1240N of the*
16 *Food Security Act of 1985 (16 U.S.C. 3839bb–1) be-*
17 *fore October 1, 2012, or any payments required to be*
18 *made in connection with the contract.*

19 (2) *FUNDING.*—*The Secretary may use funds*
20 *made available to carry out the environmental qual-*
21 *ity incentives program under chapter 4 of subtitle D*
22 *of title XII of the Food Security Act of 1985 (16*
23 *U.S.C. 3839aa et seq.) to continue to carry out con-*
24 *tracts referred to in paragraph (1) using the provi-*

1 *sions of law and regulation applicable to such con-*
2 *tracts as they existed on September 30, 2012.*

3 *(c) EFFECTIVE DATE.—The amendment made by this*
4 *section shall take effect on October 1, 2012.*

5 **SEC. 2708. GREAT LAKES BASIN PROGRAM.**

6 *(a) REPEAL.—Section 1240P of the Food Security Act*
7 *of 1985 (16 U.S.C. 3839bb–3) is repealed.*

8 *(b) EFFECTIVE DATE.—The amendment made by this*
9 *section shall take effect on October 1, 2012.*

10 **SEC. 2709. CHESAPEAKE BAY WATERSHED PROGRAM.**

11 *(a) REPEAL.—Section 1240Q of the Food Security Act*
12 *of 1985 (16 U.S.C. 3839bb–4) is repealed.*

13 *(b) TRANSITIONAL PROVISIONS.—*

14 *(1) EFFECT ON EXISTING CONTRACTS.—The*
15 *amendment made by this section shall not affect the*
16 *validity or terms of any contract entered into by the*
17 *Secretary of Agriculture under section 1240Q of the*
18 *Food Security Act of 1985 (16 U.S.C. 3839bb–4) be-*
19 *fore October 1, 2012, or any payments required to be*
20 *made in connection with the contract.*

21 *(2) FUNDING.—The Secretary may use funds*
22 *made available to carry out the regional conservation*
23 *partnership program under subtitle I of title XII of*
24 *the Food Security Act of 1985, as added by section*
25 *2401 of this Act, to continue to carry out contracts*

1 referred to in paragraph (1) using the provisions of
2 law and regulation applicable to such contracts as
3 they existed on September 30, 2012.

4 (c) *EFFECTIVE DATE.*—The amendment made by this
5 section shall take effect on October 1, 2012.

6 **SEC. 2710. COOPERATIVE CONSERVATION PARTNERSHIP**
7 **INITIATIVE.**

8 (a) *REPEAL.*—Section 1243 of the Food Security Act
9 of 1985 (16 U.S.C. 3843) is repealed.

10 (b) *TRANSITIONAL PROVISIONS.*—

11 (1) *EFFECT ON EXISTING CONTRACTS.*—The
12 amendment made by this section shall not affect the
13 validity or terms of any contract entered into by the
14 Secretary of Agriculture under section 1243 of the
15 Food Security Act of 1985 (16 U.S.C. 3843) before
16 October 1, 2012, or any payments required to be
17 made in connection with the contract.

18 (2) *FUNDING.*—The Secretary may use funds
19 made available to carry out the regional conservation
20 partnership program under subtitle I of title XII of
21 the Food Security Act of 1985, as added by section
22 2401 of this Act, to continue to carry out contracts
23 referred to in paragraph (1) using the provisions of
24 law and regulation applicable to such contracts as
25 they existed on September 30, 2012.

1 (c) *EFFECTIVE DATE.*—*The amendment made by this*
2 *section shall take effect on October 1, 2012.*

3 **SEC. 2711. ENVIRONMENTAL EASEMENT PROGRAM.**

4 *Chapter 3 of subtitle D of title XII of the Food Security*
5 *Act of 1985 (16 U.S.C. 3839 et seq.) is repealed.*

6 **SEC. 2712. TECHNICAL AMENDMENTS.**

7 (a) *DEFINITIONS.*—*Section 1201(a) of the Food Secu-*
8 *rity Act of 1985 (16 U.S.C. 3801(a)) is amended in the*
9 *matter preceding paragraph (1) by striking “E” and insert-*
10 *ing “I”.*

11 (b) *PROGRAM INELIGIBILITY.*—*Section 1211(a) of the*
12 *Food Security Act of 1985 (16 U.S.C. 3811(a)) is amended*
13 *by striking “predominate” each place it appears and insert-*
14 *ing “predominant”.*

15 (c) *SPECIALTY CROP PRODUCERS.*—*Section 1242(i) of*
16 *the Food Security Act of 1985 (16 U.S.C. 3842(i)) is*
17 *amended in the header by striking “SPECIALITY” and in-*
18 *serting “SPECIALTY”.*

19 **TITLE III—TRADE**

20 **Subtitle A—Food for Peace Act**

21 **SEC. 3001. GENERAL AUTHORITY.**

22 *Section 201 of the Food for Peace Act (7 U.S.C. 1721)*
23 *is amended—*

1 (1) *in the matter preceding paragraph (1), by*
2 *inserting “(to be implemented by the Administrator)”*
3 *after “under this title”; and*

4 (2) *by striking paragraph (7) and the second*
5 *sentence and inserting the following new paragraph:*

6 “*(7) build resilience to mitigate and prevent food*
7 *crises and reduce the future need for emergency aid.*”.

8 **SEC. 3002. SUPPORT FOR ORGANIZATIONS THROUGH**
9 **WHICH ASSISTANCE IS PROVIDED.**

10 *Section 202(e)(1) of the Food for Peace Act (7 U.S.C.*
11 *1722(e)(1)) is amended by striking “13 percent” and insert-*
12 *ing “11 percent”.*

13 **SEC. 3003. FOOD AID QUALITY.**

14 *Section 202(h) of the Food for Peace Act (7 U.S.C.*
15 *1722(h)) is amended—*

16 (1) *in paragraph (1)—*

17 (A) *in the matter preceding subparagraph*

18 (A)—

19 (i) *by striking “The Administrator”*
20 *and inserting “In consultation with the*
21 *Secretary, the Administrator”; and*

22 (ii) *by inserting “to establish a mecha-*
23 *nism” after “this title”;*

24 (B) *by striking “and” at the end of sub-*
25 *paragraph (B); and*

1 (C) by striking subparagraph (C) and in-
2 serting the following new paragraphs:

3 “(C) to evaluate, as necessary, the use of
4 current and new agricultural commodities and
5 products thereof in different program settings
6 and for particular recipient groups, including
7 the testing of prototypes;

8 “(D) to establish and implement appro-
9 priate protocols for quality assurance of food
10 products procured by the Secretary for food aid
11 programs; and

12 “(E) to periodically update program guide-
13 lines on the recommended use of agricultural
14 commodities and food products in food aid pro-
15 grams to reflect findings from the implementa-
16 tion of this subsection and other relevant infor-
17 mation.”;

18 (2) in paragraph (2), by striking “The Adminis-
19 trator” and inserting “In consultation with the Sec-
20 retary, the Administrator”; and

21 (3) in paragraph (3), by striking “fiscal years
22 2009 through 2011, not more than \$4,500,000” and
23 inserting “fiscal years 2013 through 2017, not more
24 than \$1,000,000”.

1 **SEC. 3004. MINIMUM LEVELS OF ASSISTANCE.**

2 *Section 204(a) of the Food for Peace Act (7 U.S.C.*
3 *1724(a)) is amended—*

4 *(1) in paragraph (1), by striking “2012” and in-*
5 *serting “2017”; and*

6 *(2) in paragraph (2), by striking “2012” and in-*
7 *serting “2017”.*

8 **SEC. 3005. FOOD AID CONSULTATIVE GROUP.**

9 *(a) MEMBERSHIP.—Section 205(b) of the Food for*
10 *Peace Act (7 U.S.C. 1725(b)) is amended—*

11 *(1) by striking “and” at the end of paragraph*
12 *(6);*

13 *(2) by redesignating paragraph (7) as para-*
14 *graph (8); and*

15 *(3) by inserting after paragraph (6) the fol-*
16 *lowing new paragraph:*

17 *“(7) representatives from the United States agri-*
18 *cultural processing sector involved in providing agri-*
19 *cultural commodities for programs under this Act;*
20 *and”.*

21 *(b) CONSULTATION.—Section 205(d) of the Food for*
22 *Peace Act (7 U.S.C. 1725(d)) is amended—*

23 *(1) by striking the first sentence and inserting*
24 *the following:*

25 *“(1) CONSULTATION IN ADVANCE OF ISSUANCE*
26 *OF IMPLEMENTATION REGULATIONS, HANDBOOKS, AND*

1 *GUIDELINES.—Not later than 45 days before a pro-*
2 *posed regulation, handbook, or guideline imple-*
3 *menting this title, or a proposed significant revision*
4 *to a regulation, handbook, or guideline implementing*
5 *this title, becomes final, the Administrator shall pro-*
6 *vide the proposal to the Group for review and com-*
7 *ment.”; and*

8 *(2) by adding at the end the following new para-*
9 *graph:*

10 *“(2) CONSULTATION REGARDING FOOD AID QUAL-*
11 *ITY EFFORTS.—The Administrator shall seek input*
12 *from and consult with the Group on the implementa-*
13 *tion of section 202(h).”.*

14 *(c) REAUTHORIZATION.—Section 205(f) of the Food for*
15 *Peace Act (7 U.S.C. 1725(f)) is amended by striking “2012”*
16 *and inserting “2017”.*

17 **SEC. 3006. OVERSIGHT, MONITORING, AND EVALUATION.**

18 *(a) REGULATIONS AND GUIDANCE.—Section 207(c) of*
19 *the Food for Peace Act (7 U.S.C. 1726a(c)) is amended—*

20 *(1) in the subsection heading, by inserting “AND*
21 *GUIDANCE” after “REGULATIONS”;*

22 *(2) in paragraph (1), by adding at the end the*
23 *following new sentence: “Not later than 270 days*
24 *after the date of the enactment of the Federal Agri-*
25 *culture Reform and Risk Management Act of 2012,*

1 *the Administrator shall issue all regulations and revi-*
2 *sions to agency guidance necessary to implement the*
3 *amendments made to this title by such Act.”; and*

4 (3) *in paragraph (2), by inserting “and guid-*
5 *ance” after “develop regulations”.*

6 (b) *FUNDING.—Section 207(f) of the Food for Peace*
7 *Act (7 U.S.C. 1726a(f)) is amended—*

8 (1) *in paragraph (2)—*

9 (A) *by inserting “and” at the end of sub-*
10 *paragraph (D);*

11 (B) *by striking “; and” at the end of sub-*
12 *paragraph (E) and inserting the period; and*

13 (C) *by striking subparagraph (F);*

14 (2) *by striking paragraphs (3) and (4); and*

15 (3) *by redesignating paragraphs (5) and (6) as*
16 *paragraphs (3) and (4), respectively; and*

17 (4) *in paragraph (4) (as so redesignated)—*

18 (A) *in subparagraph (A), by striking “, ex-*
19 *cept for paragraph (2)(F), for which only*
20 *\$2,500,000 shall be made available during fiscal*
21 *year 2009” and inserting “and up to*
22 *\$10,000,000 of such funds for each of fiscal years*
23 *2013 through 2017”;* and

24 (B) *in subparagraph (B)(i), by striking*
25 *“2012” and inserting “2017”.*

1 (c) *IMPLEMENTATION REPORTS.*—Not later than 270
2 *days after the date of the enactment of this Act, the Admin-*
3 *istrator of the Agency for International Development shall*
4 *submit to the Committee on Agriculture, Nutrition, and*
5 *Forestry of the Senate and the Committees on Agriculture*
6 *and Foreign Affairs of the House of Representatives a re-*
7 *port describing—*

8 (1) *the implementation of section 207(c) of the*
9 *Food for Peace Act (7 U.S.C. 1726a(c));*

10 (2) *the surveys, studies, monitoring, reporting,*
11 *and audit requirements for programs conducted under*
12 *title II of such Act (7 U.S.C. 1721 et seq.) by an eligi-*
13 *ble organization that is a nongovernmental organiza-*
14 *tion (as such term is defined in section 402 of such*
15 *Act (7 U.S.C. 1732)); and*

16 (3) *the surveys, studies, monitoring, reporting,*
17 *and audit requirements for such programs by an eli-*
18 *gible organization that is an intergovernmental orga-*
19 *nization, such as the World Food Program or other*
20 *multilateral organization.*

1 **SEC. 3007. ASSISTANCE FOR STOCKPILING AND RAPID**
2 **TRANSPORTATION, DELIVERY, AND DIS-**
3 **TRIBUTION OF SHELF-STABLE PREPACKAGED**
4 **FOODS.**

5 *Section 208(f) of the Food for Peace Act (7 U.S.C.*
6 *1726b(f)) is amended by striking “2012” and inserting*
7 *“2017”.*

8 **SEC. 3008. GENERAL PROVISIONS.**

9 *(a) IMPACT ON LOCAL FARMERS AND ECONOMY.—Sec-*
10 *tion 403(b) of the Food for Peace Act (7 U.S.C. 1733(b))*
11 *is amended by adding at the end the following new sentence:*
12 *“The Secretary or the Administrator, as appropriate, shall*
13 *seek information, as part of the regular proposal and sub-*
14 *mission process, from implementing agencies on the poten-*
15 *tial benefits to the local economy of sales of agricultural*
16 *commodities within the recipient country.”.*

17 *(b) PREVENTION OF PRICE DISRUPTIONS.—Section*
18 *403(e) of the Food for Peace Act (7 U.S.C. 1733(e)) is*
19 *amended—*

20 *(1) in paragraph (2), by striking “reasonable*
21 *market price” and inserting “fair market value”; and*

22 *(2) by adding at the end the following new para-*
23 *graph:*

24 *“(3) COORDINATION ON ASSESSMENTS.—The*
25 *Secretary and the Administrator shall coordinate in*
26 *assessments to carry out paragraph (1) and in the de-*

1 *velopment of approaches to be used by implementing*
2 *agencies for determining the fair market value de-*
3 *scribed in paragraph (2).”.*

4 *(c) REPORT ON USE OF FUNDS.—Section 403 of the*
5 *Food for Peace Act (7 U.S.C. 1733) is amended by adding*
6 *at the end the following new subsection:*

7 *“(m) REPORT ON USE OF FUNDS.—Not later than 180*
8 *days after the date of the enactment of the Federal Agri-*
9 *culture Reform and Risk Management Act of 2012, and an-*
10 *nually thereafter, the Administrator shall submit to Con-*
11 *gress a report—*

12 *“(1) specifying the amount of funds (including*
13 *funds for administrative costs, indirect cost recovery,*
14 *and internal transportation, storage and handling,*
15 *and associated distribution costs) provided to each eli-*
16 *gible organization that received assistance under this*
17 *Act in the previous fiscal year; and*

18 *“(2) describing how those funds were used by the*
19 *eligible organization.”.*

20 **SEC. 3009. PREPOSITIONING OF AGRICULTURAL COMMOD-**
21 **ITIES.**

22 *Section 407(c)(4) of the Food for Peace Act (7 U.S.C.*
23 *1736a(c)(4)) is amended—*

24 *(1) in subparagraph (A)—*

1 (A) by striking “2012” and inserting
2 “2017”; and

3 (B) by striking “for each such fiscal year
4 not more than \$10,000,000 of such funds” and
5 inserting “for each of fiscal years 2001 through
6 2012 not more than \$10,000,000 of such funds
7 and for each of fiscal years 2013 through 2017
8 not more than \$15,000,000 of such funds”; and
9 (2) by striking subparagraph (B) and inserting
10 the following new subparagraph:

11 “(B) ADDITIONAL PREPOSITIONING
12 SITES.—The Administrator may establish addi-
13 tional sites for prepositioning in foreign coun-
14 tries or change the location of current sites for
15 prepositioning in foreign countries after con-
16 ducting, and based on the results of, assessments
17 of need, feasibility, and cost.”.

18 **SEC. 3010. ANNUAL REPORT REGARDING FOOD AID PRO-**
19 **GRAMS AND ACTIVITIES.**

20 Section 407(f)(1) of the Food for Peace Act (7 U.S.C.
21 1736a(f)(1)) is amended—

22 (1) in the paragraph heading, by striking “AGRI-
23 CULTURAL TRADE” and inserting “FOOD AID”;

1 (2) in subparagraph (B)(ii), by inserting before
2 the semicolon at the end the following: “and the in-
3 tended beneficiaries of the project or activity”; and

4 (3) in subparagraph (B)(iii)—

5 (A) by striking “and” at the end of sub-
6 clause (I);

7 (B) by inserting “and” at the end of sub-
8 clause (II); and

9 (C) by inserting after subclause (II) the fol-
10 lowing new subclause:

11 “(III) the McGovern-Dole Inter-
12 national Food for Education and Child
13 Nutrition Program established by sec-
14 tion 3107 of the Farm Security and
15 Rural Investment Act of 2002 (7
16 U.S.C. 1736o-1);”.

17 **SEC. 3011. DEADLINE FOR AGREEMENTS TO FINANCE SALES**
18 **OR TO PROVIDE OTHER ASSISTANCE.**

19 Section 408 of the Food for Peace Act (7 U.S.C. 1736b)
20 is amended by striking “2012” and inserting “2017”.

21 **SEC. 3012. AUTHORIZATION OF APPROPRIATIONS.**

22 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Section
23 412(a)(1) of the Food for Peace Act (7 U.S.C. 1736f(a)(1))
24 is amended by striking “for fiscal year 2008 and each fiscal
25 year thereafter, \$2,500,000,000” and inserting

1 “\$2,500,000,000 for each of fiscal years 2008 through 2012
2 and \$2,000,000,000 for each of fiscal years 2013 through
3 2017”.

4 (b) *MINIMUM LEVEL OF NONEMERGENCY FOOD AS-*
5 *SISTANCE.*—Paragraph (1) of section 412(e) of the Food for
6 Peace Act (7 U.S.C. 1736f(e)) is amended to read as follows:

7 “(1) *FUNDS AND COMMODITIES.*—For each of fis-
8 cal years 2013 through 2017, of the amounts made
9 available to carry out emergency and nonemergency
10 food assistance programs under title II, not less than
11 \$400,000,000 shall be expended for nonemergency food
12 assistance programs under such title.”.

13 **SEC. 3013. MICRONUTRIENT FORTIFICATION PROGRAMS.**

14 (a) *ELIMINATION OF OBSOLETE REFERENCE TO*
15 *STUDY.*—Section 415(a)(2)(B) of the Food for Peace Act (7
16 U.S.C. 1736g–2(a)(2)(B)) is amended by striking “, using
17 recommendations” and all that follows through “quality en-
18 hancements”.

19 (b) *EXTENSION.*—Section 415(c) of the Food for Peace
20 Act (7 U.S.C. 1736g–2(c)) is amended by striking “2012”
21 and inserting “2017”.

22 **SEC. 3014. JOHN OGWONSKI AND DOUG BEREUTER FARM-**
23 **ER-TO-FARMER PROGRAM.**

24 Section 501 of the Food for Peace Act (7 U.S.C. 1737)
25 is amended—

1 (1) in subsection (d), in the matter preceding
2 paragraph (1), by inserting “, and not less than the
3 greater of \$15,000,000 or 0.5 percent of the amounts
4 made available for each of fiscal years 2013 through
5 2017,” after “2012”; and

6 (2) in subsection (e)(1), by striking “2012” and
7 inserting “2017”.

8 **Subtitle B—Agricultural Trade Act** 9 **of 1978**

10 **SEC. 3101. FUNDING FOR EXPORT CREDIT GUARANTEE PRO-** 11 **GRAM.**

12 Section 211(b) of the Agricultural Trade Act of 1978
13 (7 U.S.C. 5641(b)) is amended by striking “2012” and in-
14 serting “2017”.

15 **SEC. 3102. FUNDING FOR MARKET ACCESS PROGRAM.**

16 Section 211(c)(1)(A) of the Agricultural Trade Act of
17 1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking
18 “2012” and inserting “2017”.

19 **SEC. 3103. FOREIGN MARKET DEVELOPMENT COOPERATOR** 20 **PROGRAM.**

21 Section 703(a) of the Agricultural Trade Act of 1978
22 (7 U.S.C. 5723(a)) is amended by striking “2012” and in-
23 serting “2017”.

1 **Subtitle C—Other Agricultural**
2 **Trade Laws**

3 **SEC. 3201. FOOD FOR PROGRESS ACT OF 1985.**

4 (a) *EXTENSION.*—*The Food for Progress Act of 1985*
5 *(7 U.S.C. 1736o) is amended—*

6 (1) *in subsection (f)(3), by striking “2012” and*
7 *inserting “2017”;*

8 (2) *in subsection (g), by striking “2012” and in-*
9 *serting “2017”;*

10 (3) *in subsection (k), by striking “2012” and in-*
11 *serting “2017”; and*

12 (4) *in subsection (l)(1), by striking “2012” and*
13 *inserting “2017”.*

14 (b) *REPEAL OF COMPLETED PROJECT.*—*Subsection (f)*
15 *of the Food for Progress Act of 1985 (7 U.S.C. 1736o) is*
16 *amended by striking paragraph (6).*

17 **SEC. 3202. BILL EMERSON HUMANITARIAN TRUST.**

18 *Section 302 of the Bill Emerson Humanitarian Trust*
19 *Act (7 U.S.C. 1736f–1) is amended—*

20 (1) *in subsection (b)(2)(B)(i), by striking “2012”*
21 *both places it appears and inserting “2017”; and*

22 (2) *in subsection (h), by striking “2012” both*
23 *places it appears and inserting “2017”.*

1 **SEC. 3203. PROMOTION OF AGRICULTURAL EXPORTS TO**
2 **EMERGING MARKETS.**

3 (a) *DIRECT CREDITS OR EXPORT CREDIT GUARAN-*
4 *TEES.*—Section 1542(a) of the Food, Agriculture, Conserva-
5 tion, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C.
6 5622 note) is amended by striking “2012” and inserting
7 “2017”.

8 (b) *DEVELOPMENT OF AGRICULTURAL SYSTEMS.*—
9 Section 1542(d)(1)(A)(i) of the Food, Agriculture, Con-
10 servation, and Trade Act of 1990 (Public Law 101–624;
11 7 U.S.C. 5622 note) is amended by striking “2012” and
12 inserting “2017”.

13 **SEC. 3204. MCGOVERN-DOLE INTERNATIONAL FOOD FOR**
14 **EDUCATION AND CHILD NUTRITION PRO-**
15 **GRAM.**

16 (a) *REAUTHORIZATION.*—Section 3107(l)(2) of the
17 Farm Security and Rural Investment Act of 2002 (7 U.S.C.
18 17360–1(l)(2)) is amended by striking “2012” and insert-
19 ing “2017”.

20 (b) *TECHNICAL CORRECTION.*—Section 3107(d) of the
21 Farm Security and Rural Investment Act of 2002 (7 U.S.C.
22 17360–1(d)) is amended by striking “to” in the matter pre-
23 ceding paragraph (1).

24 **SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

25 (a) *PURPOSE.*—Section 3205(b) of the Farm Security
26 and Rural Investment Act of 2002 (7 U.S.C. 5680(b)) is

1 *amended by striking “related barriers to trade” and insert-*
2 *ing “technical barriers to trade”.*

3 (b) *FUNDING.*—*Section 3205(e)(2) of the Farm Secu-*
4 *rity and Rural Investment Act of 2002 (7 U.S.C.*
5 *5680(e)(2)) is amended—*

6 (1) *by inserting “and” at the end of subpara-*
7 *graph (C); and*

8 (2) *by striking subparagraphs (D) and (E) and*
9 *inserting the following new subparagraph:*

10 “(D) \$9,000,000 for each of fiscal years
11 2011 through 2017.”.

12 **SEC. 3206. GLOBAL CROP DIVERSITY TRUST.**

13 *Section 3202(c) of the Food, Conservation, and Energy*
14 *Act of 2008 (Public Law 110–246; 22 U.S.C. 2220a note)*
15 *is amended by striking “section” and all that follows*
16 *through the period and inserting the following: “section—*

17 (1) \$60,000,000 for the period of fiscal years
18 2008 through 2012; and

19 (2) \$50,000,000 for the period of fiscal years
20 2013 through 2017.”.

21 **SEC. 3207. UNDER SECRETARY OF AGRICULTURE FOR FOR-**
22 **EIGN AGRICULTURAL SERVICES.**

23 (a) *IN GENERAL.*—*Subtitle B of the Department of Ag-*
24 *riculture Reorganization Act of 1994 is amended by insert-*

1 *ing after section 225 (7 U.S.C. 6931) the following new sec-*
2 *tion:*

3 **“SEC. 225A. UNDER SECRETARY OF AGRICULTURE FOR FOR-**
4 **EIGN AGRICULTURAL SERVICES.**

5 “(a) *AUTHORIZATION.*—*The Secretary is authorized to*
6 *establish in the Department the position of Under Secretary*
7 *of Agriculture for Foreign Agricultural Services.*

8 “(b) *CONFIRMATION REQUIRED.*—*If the Secretary es-*
9 *tablishes the position of Under Secretary of Agriculture for*
10 *Foreign Agricultural Services under subsection (a), the*
11 *Under Secretary shall be appointed by the President, by*
12 *and with the advice and consent of the Senate.*

13 “(c) *FUNCTIONS OF UNDER SECRETARY.*—

14 “(1) *PRINCIPAL FUNCTIONS.*—*Upon establish-*
15 *ment, the Secretary shall delegate to the Under Sec-*
16 *retary of Agriculture for Foreign Agricultural Serv-*
17 *ices those functions under the jurisdiction of the De-*
18 *partment that are related to foreign agricultural serv-*
19 *ices.*

20 “(2) *ADDITIONAL FUNCTIONS.*—*The Under Sec-*
21 *retary of Agriculture for Foreign Agricultural Serv-*
22 *ices shall perform such other functions as may be re-*
23 *quired by law or prescribed by the Secretary.*

24 “(d) *SUCCESSION.*—*Any official who is serving as*
25 *Under Secretary of Agriculture for Farm and Foreign Agri-*

1 *cultural Services on the date of the enactment of this section*
2 *and who was appointed by the President, by and with the*
3 *advice and consent of the Senate, shall not be required to*
4 *be reappointed under subsection (b) or section 225(b) to the*
5 *successor position authorized under subsection (a) or section*
6 *225(a) if the Secretary establishes the position, and the offi-*
7 *cial occupies the new position, with 180 days after the date*
8 *of the enactment of this section (or such later date set by*
9 *the Secretary if litigation delays rapid succession).”.*

10 (b) *CONFORMING AMENDMENTS.*—Section 225 of the
11 *Department of Agriculture Reorganization Act of 1994 (7*
12 *U.S.C. 6931) is amended—*

13 (1) *by striking “Under Secretary of Agriculture*
14 *for Farm and Foreign Agricultural Services” each*
15 *place it appears and inserting “Under Secretary of*
16 *Agriculture for Farm Services”; AND*

17 (2) *in subsection (c)(1), by striking “and foreign*
18 *agricultural”.*

19 (c) *PERMANENT AUTHORITY.*—Section 296(b) of the
20 *Department of Agriculture Reorganization Act of 1994 (7*
21 *U.S.C. 7014(b)) is amended—*

22 (1) *in paragraph (6)(C), by striking “or” at the*
23 *end;*

24 (2) *in paragraph (7), by striking the period at*
25 *the end and inserting a semicolon; and*

1 (3) by adding at the end the following new para-
2 graph:

3 “(8) the authority of the Secretary to establish in
4 the Department the position of Under Secretary of
5 Agriculture for Foreign Agricultural Services in ac-
6 cordance with section 225A;”.

7 **TITLE IV—NUTRITION**
8 **Subtitle A—Supplemental Nutrition**
9 **Assistance Program**

10 **SEC. 4001. RETAILERS.**

11 (a) *DEFINITION OF RETAIL FOOD STORE.*—Section
12 3(p)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C.
13 2012(p)(1)(A)) is amended by striking “at least 2” and in-
14 serting “at least 3”.

15 (b) *ALTERNATIVE BENEFIT DELIVERY.*—Section 7(f)
16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f))
17 is amended—

18 (1) by striking paragraph (2) and inserting the
19 following:

20 “(2) *IMPOSITION OF COSTS.*—

21 “(A) *IN GENERAL.*—Except as provided in
22 subparagraph (B), the Secretary shall require
23 participating retailers (including restaurants
24 participating in a State option restaurant pro-
25 gram intended to serve the elderly, disabled, and

1 homeless) to pay 100 percent of the costs of ac-
2 quiring, and arrange for the implementation of,
3 electronic benefit transfer point-of-sale equipment
4 and supplies.

5 “(B) EXEMPTIONS.—The Secretary may ex-
6 empt from subparagraph (A)—

7 “(i) farmers’ markets, military com-
8 missaries, nonprofit food buying coopera-
9 tives, and establishments, organizations,
10 programs, or group living arrangements de-
11 scribed in paragraphs (5), (7), and (8) of
12 section 3(k); and

13 “(ii) establishments described in para-
14 graphs (3), (4), and (9) of section 3(k),
15 other than restaurants participating in a
16 State option restaurant program.”; and

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

18 “(4) TERMINATION OF MANUAL VOUCHERS.—

19 “(A) IN GENERAL.—Effective beginning on
20 the effective date of this paragraph, except as
21 provided in subparagraph (B), no State shall
22 issue manual vouchers to a household that re-
23 ceives supplemental nutrition assistance under
24 this Act or allow retailers to accept manual
25 vouchers as payment, unless the Secretary deter-

1 *mines that the manual vouchers are necessary,*
2 *such as in the event of an electronic benefit*
3 *transfer system failure or a disaster situation.*

4 “(B) *EXEMPTIONS.*—*The Secretary may ex-*
5 *empt categories of retailers or individual retail-*
6 *ers from subparagraph (A) based on criteria es-*
7 *tablished by the Secretary.*

8 “(5) *UNIQUE IDENTIFICATION NUMBER RE-*
9 *QUIRED.*—*In an effort to enhance the antifraud pro-*
10 *tections of the program, the Secretary shall require all*
11 *parties providing electronic benefit transfer services to*
12 *provide for and maintain a unique terminal identi-*
13 *fication number information through the supple-*
14 *mental nutrition assistance program electronic benefit*
15 *transfer transaction routing system. In developing the*
16 *regulations implementing this paragraph, the Sec-*
17 *retary shall consider existing commercial practices for*
18 *other point-of-sale debit transactions. The Secretary*
19 *shall issue proposed regulations implementing this*
20 *paragraph not earlier than 2 years after the date of*
21 *enactment of this paragraph.”.*

22 “(c) *ELECTRONIC BENEFIT TRANSFERS.*—*Section*
23 *7(h)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C.*
24 *2016(h)(3)(B)) is amended by striking “is operational—”*

1 *and all that follows through “(ii) in the case of other par-*
2 *ticipating stores,” and inserting “is operational”.*

3 *(d) APPROVAL OF RETAIL FOOD STORES AND WHOLE-*
4 *SALE FOOD CONCERNS.—Section 9 of the Food and Nutri-*
5 *tion Act of 2008 (7 U.S.C. 2018) is amended—*

6 *(1) in the 2d sentence of subsection (a)(1) by*
7 *striking “; and (C)” and inserting “; (C) whether the*
8 *applicant is located in an area with significantly*
9 *limited access to food; and (D)”;*

10 *(2) in subsection (b) by adding at the end the*
11 *following:*

12 *“(3) RETAIL FOOD STORES WITH SIGNIFICANT*
13 *SALES OF EXCLUDED ITEMS.—*

14 *“(A) IN GENERAL.—No retail food store for*
15 *which at least 45 percent of the total sales of the*
16 *retail food store is from the sale of excluded items*
17 *described in section 3(k)(1) may be authorized to*
18 *accept and redeem benefits unless the Secretary*
19 *determines that the participation of the retail*
20 *food store is required for the effective and effi-*
21 *cient operation of the supplemental nutrition as-*
22 *sistance program.*

23 *“(B) APPLICATION.—Subparagraph (A)*
24 *shall be effective—*

1 “(i) in the case of retail food stores ap-
 2 plying to be authorized for the 1st time, be-
 3 ginning on the date that is 1 year after the
 4 effective date of this paragraph; and

5 “(ii) in the case of retail food stores
 6 participating in the program on the effec-
 7 tive date of this paragraph, during periodic
 8 reauthorization in accordance with sub-
 9 section (a)(2)(A).”; and

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

11 “(g) **EBT SERVICE REQUIREMENT.**—An approved re-
 12 tail food store shall provide adequate EBT service as de-
 13 scribed in section 7(h)(3)(B).”.

14 **SEC. 4002. ENHANCING SERVICES TO ELDERLY AND DIS-**
 15 **ABLED SUPPLEMENTAL NUTRITION ASSIST-**
 16 **ANCE PROGRAM RECIPIENTS.**

17 (a) **ENHANCING SERVICES TO ELDERLY AND DIS-**
 18 **ABLED PROGRAM RECIPIENTS.**—Section 3(p) of the Food
 19 and Nutrition Act of 2008 (7 U.S.C. 2012(p)) is amended—

20 (1) in paragraph (3) by striking “and” at the
 21 end,

22 (2) in paragraph (4) by striking the period at
 23 the end and inserting “; and”, and

24 (3) by inserting after paragraph (4) the fol-
 25 lowing:

1 “(5) a governmental or private nonprofit food
2 purchasing and delivery service that—

3 “(A) purchases food for, and delivers such
4 food to, individuals who are—

5 “(i) unable to shop for food; and

6 “(ii)(I) not less than 60 years of age;

7 or

8 “(II) physically or mentally handi-
9 capped or otherwise disabled;

10 “(B) clearly notifies the participating
11 household at the time such household places a
12 food order—

13 “(i) of any delivery fee associated with
14 the food purchase and delivery provided to
15 such household by such service; and

16 “(ii) that a delivery fee cannot be paid
17 with benefits provided under supplemental
18 nutrition assistance program; and

19 “(C) sells food purchased for such household
20 at the price paid by such service for such food
21 and without any additional cost markup.”.

22 (b) IMPLEMENTATION.—

23 (1) ISSUANCE OF RULES.—The Secretary of Ag-
24 riculture shall issue regulations that—

1 (A) establish criteria to identify a food pur-
2 chasing and delivery service referred to in sec-
3 tion 3(p)(5) of the Food and Nutrition Act of
4 2008 as amended by this Act, and

5 (B) establish procedures to ensure that such
6 service—

7 (i) does not charge more for a food
8 item than the price paid by the such service
9 for such food item,

10 (ii) offers food delivery service at no or
11 low cost to households under such Act,

12 (iii) ensures that benefits provided
13 under the supplemental nutrition assistance
14 program are used only to purchase food, as
15 defined in section 3 of such Act,

16 (iv) limits the purchase of food, and
17 the delivery of such food, to households eligi-
18 ble to receive services described in section
19 3(p)(5) of such Act as so amended,

20 (v) has established adequate safeguards
21 against fraudulent activities, including un-
22 authorized use of electronic benefit cards
23 issued under such Act, and

24 (vi) such other requirements as the Sec-
25 retary deems to be appropriate.

1 (2) *LIMITATION.*—*Before the issuance of rules*
2 *under paragraph (1) , the Secretary of Agriculture*
3 *may not approve more than 20 food purchasing and*
4 *delivery services referred to in section 3(p)(5) of the*
5 *Food and Nutrition Act of 2008 as amended by this*
6 *Act, to participate as retail food stores under the sup-*
7 *plemental nutrition assistance program.*

8 **SEC. 4003. FOOD DISTRIBUTION PROGRAM ON INDIAN RES-**
9 **ERVATIONS.**

10 *Section 4(b)(6)(F) of the Food and Nutrition Act of*
11 *2008 (7 U.S.C. 2013(b)(6)(F)) is amended by striking*
12 *“2012” and inserting “2017”.*

13 **SEC. 4004. UPDATING PROGRAM ELIGIBILITY.**

14 *Section 5 of the Food and Nutrition Act of 2008 (7*
15 *U.S.C. 2014) is amended—*

16 *(1) in the 2d sentence of subsection (a) by strik-*
17 *ing “households in which each member receives bene-*
18 *fits” and inserting “households in which each member*
19 *receives cash assistance”, and*

20 *(2) in subsection (j) by striking “or who receives*
21 *benefits under a State program” and inserting “or*
22 *who receives cash assistance under a State program”.*

1 **SEC. 4005. EXCLUSION OF MEDICAL MARIJUANA FROM EX-**
2 **CESS MEDICAL EXPENSE DEDUCTION.**

3 *Section 5(e)(5) of the Food and Nutrition Act of 2008*
4 *(7 U.S.C. 2014(e)(5)) is amended by adding at the end the*
5 *following:*

6 “(C) *EXCLUSION OF MEDICAL MARI-*
7 *JUANA.—The Secretary shall promulgate rules to*
8 *ensure that medical marijuana is not treated as*
9 *a medical expense for purposes of this para-*
10 *graph.”.*

11 **SEC. 4006. STANDARD UTILITY ALLOWANCES BASED ON**
12 **THE RECEIPT OF ENERGY ASSISTANCE PAY-**
13 **MENTS.**

14 *(a) STANDARD UTILITY ALLOWANCES IN THE SUPPLE-*
15 *MENTAL NUTRITION ASSISTANCE PROGRAM.—Section*
16 *5(e)(6)(C) of the Food and Nutrition Act of 2008 (7 U.S.C.*
17 *2014(e)(6)(C)) is amended—*

18 *(1) in clause (i) by inserting “, subject to clause*
19 *(iv)” after “Secretary”; and*

20 *(2) in clause (iv)(I) by striking “the household*
21 *still incurs” and all that follows through the end of*
22 *the subclause and inserting “the payment received by,*
23 *or made on behalf of, the household exceeds \$10 or a*
24 *higher amount annually, as determined by the Sec-*
25 *retary.”.*

1 **(b) CONFORMING AMENDMENT.**—*Section 2605(f)(2)(A)*
2 *of the Low-Income Home Energy Assistance Act of 1981*
3 *(42 U.S.C. 8624(f)(2)(A)) is amended by inserting before*
4 *the semicolon at the end “, except that, for purposes of the*
5 *supplemental nutrition assistance program established*
6 *under the Food and Nutrition Act of 2008 (7 U.S.C. 2011*
7 *et seq.), such payments or allowances exceed \$10 or a higher*
8 *amount annually, as determined by the Secretary of Agri-*
9 *culture in accordance with section 5(e)(6)(C)(iv)(I) of that*
10 *Act (7 U.S.C. 2014(e)(6)(C)(iv)(I))”.*

11 **(c) EFFECTIVE AND IMPLEMENTATION DATE.**—

12 **(1) IN GENERAL.**—*Except as provided in para-*
13 *graph (2), this section and the amendments made by*
14 *this section shall take effect beginning on October 1,*
15 *2013, for all certification periods beginning after that*
16 *date.*

17 **(2) STATE OPTION TO DELAY IMPLEMENTATION**
18 **FOR CURRENT RECIPIENTS.**—*A State may, at the op-*
19 *tion of the State, implement a policy that eliminates*
20 *or minimizes the effect of the amendments made by*
21 *this section for households that receive a standard*
22 *utility allowance as of the date of enactment of this*
23 *Act for not more than a 180-day period beginning on*
24 *the date on which the amendments made by this sec-*

1 *tion would otherwise affect the benefits received by a*
2 *household.*

3 **SEC. 4007. ELIGIBILITY DISQUALIFICATIONS.**

4 *Section 6(e)(3)(B) of Food and Nutrition Act of 2008*
5 *(7 U.S.C. 2015(e)(3)(B)) is amended by striking “section;”*
6 *and inserting the following:*

7 *“section, subject to the condition that the course*
8 *or program of study—*

9 *“(i) is part of a program of career and*
10 *technical education (as defined in section 3*
11 *of the Carl D. Perkins Career and Technical*
12 *Education Act of 2006 (20 U.S.C. 2302))*
13 *that may be completed in not more than 4*
14 *years at an institution of higher education*
15 *(as defined in section 102 of the Higher*
16 *Education Act of 1965 (20 U.S.C. 1002));*
17 *or*

18 *“(ii) is limited to remedial courses,*
19 *basic adult education, literacy, or English*
20 *as a second language;”.*

1 **SEC. 4008. ENDING SUPPLEMENTAL NUTRITION ASSIST-**
2 **ANCE PROGRAM BENEFITS FOR LOTTERY OR**
3 **GAMBLING WINNERS.**

4 (a) *IN GENERAL.*—Section 6 of the Food and Nutri-
5 tion Act of 2008 (7 U.S.C. 2015) is amended by adding
6 at the end the following:

7 “(r) *INELIGIBILITY FOR BENEFITS DUE TO RECEIPT*
8 *OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.*—

9 “(1) *IN GENERAL.*—Any household in which a
10 member receives substantial lottery or gambling
11 winnings, as determined by the Secretary, shall lose
12 eligibility for benefits immediately upon receipt of the
13 winnings.

14 “(2) *DURATION OF INELIGIBILITY.*—A household
15 described in paragraph (1) shall remain ineligible for
16 participation until the household meets the allowable
17 financial resources and income eligibility require-
18 ments under subsections (c), (d), (e), (f), (g), (i), (k),
19 (l), (m), and (n) of section 5.

20 “(3) *AGREEMENTS.*—As determined by the Sec-
21 retary, each State agency, to the maximum extent
22 practicable, shall establish agreements with entities
23 responsible for the regulation or sponsorship of gam-
24 ing in the State to determine whether individuals
25 participating in the supplemental nutrition assist-

1 *ance program have received substantial lottery or*
2 *gambling winnings.”.*

3 *(b) CONFORMING AMENDMENTS.—Section 5(a) of the*
4 *Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)) is*
5 *amended in the 2d sentence by striking “sections 6(b),*
6 *6(d)(2), and 6(g)” and inserting “subsections (b), (d)(2),*
7 *(g), and (r) of section 6”.*

8 **SEC. 4009. IMPROVING SECURITY OF FOOD ASSISTANCE.**

9 *Section 7(h)(8) of the Food and Nutrition Act of 2008*
10 *(7 U.S.C. 2016(h)(8)) is amended—*

11 *(1) in the heading by striking “CARD FEE” and*
12 *inserting “OF CARDS”;*

13 *(2) by striking “A State” and inserting the fol-*
14 *lowing:*

15 *“(A) FEES.—A State”; and*

16 *(3) by adding after subparagraph (A) (as so des-*
17 *ignated by paragraph (2)) the following:*

18 *“(B) PURPOSEFUL LOSS OF CARDS.—*

19 *“(i) IN GENERAL.—Subject to terms*
20 *and conditions established by the Secretary*
21 *in accordance with clause (ii), if a house-*
22 *hold makes excessive requests for replace-*
23 *ment of the electronic benefit transfer card*
24 *of the household, the Secretary may require*
25 *a State agency to decline to issue a replace-*

1 *ment card to the household unless the house-*
2 *hold, upon request of the State agency, pro-*
3 *vides an explanation for the loss of the card.*

4 “(i) *REQUIREMENTS.*—*The terms and*
5 *conditions established by the Secretary shall*
6 *provide that—*

7 “(I) *the household be given the op-*
8 *portunity to provide the requested ex-*
9 *planation and meet the requirements*
10 *under this paragraph promptly;*

11 “(II) *after an excessive number of*
12 *lost cards, the head of the household*
13 *shall be required to review program*
14 *rights and responsibilities with State*
15 *agency personnel authorized to make*
16 *determinations under section 5(a); and*

17 “(III) *any action taken, including*
18 *actions required under section 6(b)(2),*
19 *other than the withholding of the elec-*
20 *tronic benefit transfer card until an*
21 *explanation described in subclause (I)*
22 *is provided, shall be consistent with the*
23 *due process protections under section*
24 *6(b) or 11(e)(10), as appropriate.*

1 “(C) *PROTECTING VULNERABLE PERSONS.*—
2 *In implementing this paragraph, a State agency*
3 *shall act to protect homeless persons, persons*
4 *with disabilities, victims of crimes, and other*
5 *vulnerable persons who lose electronic benefit*
6 *transfer cards but are not intentionally commit-*
7 *ting fraud.*

8 “(D) *EFFECT ON ELIGIBILITY.*—*While a*
9 *State may decline to issue an electronic benefits*
10 *transfer card until a household satisfies the re-*
11 *quirements under this paragraph, nothing in*
12 *this paragraph shall be considered a denial of, or*
13 *limitation on, the eligibility for benefits under*
14 *section 5.”.*

15 **SEC. 4010. DEMONSTRATION PROJECTS ON ACCEPTANCE**
16 **OF BENEFITS OF MOBILE TRANSACTIONS.**

17 *Section 7(h) of the Food and Nutrition Act of 2008*
18 *(7 U.S.C. 2016(h)) is amended by adding at the end the*
19 *following:*

20 “(14) *DEMONSTRATION PROJECTS ON ACCEPT-*
21 *ANCE OF BENEFITS OF MOBILE TRANSACTIONS.*—

22 “(A) *IN GENERAL.*—*The Secretary shall*
23 *pilot the use of mobile technologies determined by*
24 *the Secretary to be appropriate to test the feasi-*
25 *bility and implications for program integrity, by*

1 *allowing retail food stores, farmers markets, and*
2 *other direct producer-to-consumer marketing out-*
3 *lets to accept benefits from recipients of supple-*
4 *mental nutrition assistance through mobile*
5 *transactions.*

6 “(B) *DEMONSTRATION PROJECTS.—To be*
7 *eligible to participate in a demonstration project*
8 *under subsection (a), a retail food store, farmers*
9 *market, or other direct producer-to-consumer*
10 *marketing outlet shall submit to the Secretary*
11 *for approval a plan that includes—*

12 “(i) *a description of the technology;*

13 “(ii) *the manner by which the retail*
14 *food store, farmers market or other direct*
15 *producer-to-consumer marketing outlet will*
16 *provide proof of the transaction to house-*
17 *holds;*

18 “(iii) *the provision of data to the Sec-*
19 *retary, consistent with requirements estab-*
20 *lished by the Secretary, in a manner that*
21 *allows the Secretary to evaluate the impact*
22 *of the demonstration on participant access,*
23 *ease of use, and program integrity; and*

24 “(iv) *such other criteria as the Sec-*
25 *retary may require.*

1 “(C) *DATE OF COMPLETION.*—*The dem-*
2 *onstration projects under this paragraph shall be*
3 *completed and final reports submitted to the Sec-*
4 *retary by not later than July 1, 2015.*”

5 “(D) *REPORT TO CONGRESS.*—*The Sec-*
6 *retary shall submit a report to the Committee on*
7 *Agriculture of the House of Representatives and*
8 *the Committee on Agriculture, Nutrition, and*
9 *Forestry of the Senate that includes a finding,*
10 *based on the data provided under subparagraph*
11 *(C) whether or not implementation in all States*
12 *is in the best interest of the supplemental nutri-*
13 *tion assistance program.”*

14 **SEC. 4011. USE OF BENEFITS FOR PURCHASE OF COMMU-**
15 **NITY-SUPPORTED AGRICULTURE SHARE.**

16 *Section 10 of the Food and Nutrition Act of 2008 (7*
17 *U.S.C. 2019) is amended in the 1st sentence by inserting*
18 *“agricultural producers who market agricultural products*
19 *directly to consumers shall be authorized to redeem benefits*
20 *for the initial cost of the purchase of a community-sup-*
21 *ported agriculture share,” after “food so purchased,”*

22 **SEC. 4012. RESTAURANT MEALS PROGRAM.**

23 *(a) IN GENERAL.*—*Section 11(e) of the Food and Nu-*
24 *trition Act of 2008 (7 U.S.C. 2020(e)) is amended—*

1 (1) *in paragraph (22) by striking “and” at the*
2 *end;*

3 (2) *in paragraph (23)(C) by striking the period*
4 *at the end and inserting “; and”; and*

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

6 “(24) *if the State elects to carry out a program*
7 *to contract with private establishments to offer meals*
8 *at concessional prices, as described in paragraphs (3),*
9 *(4), and (9) of section 3(k)—*

10 “(A) *the plans of the State agency for oper-*
11 *ating the program, including—*

12 “(i) *documentation of a need that eli-*
13 *gible homeless, elderly, and disabled clients*
14 *are underserved in a particular geographic*
15 *area;*

16 “(ii) *the manner by which the State*
17 *agency will limit participation to only*
18 *those private establishments that the State*
19 *determines necessary to meet the need iden-*
20 *tified in clause (i); and*

21 “(iii) *any other conditions the Sec-*
22 *retary may prescribe, such as the level of se-*
23 *curity necessary to ensure that only eligible*
24 *recipients participate in the program; and*

1 “(B) a report by the State agency to the
2 Secretary annually, the schedule of which shall
3 be established by the Secretary, that includes—

4 “(i) the number of households and in-
5 dividual recipients authorized to partici-
6 pate in the program, including any infor-
7 mation on whether the individual recipient
8 is elderly, disabled, or homeless; and

9 “(ii) an assessment of whether the pro-
10 gram is meeting an established need, as doc-
11 umented under subparagraph (A)(i).”.

12 (b) APPROVAL OF RETAIL FOOD STORES AND WHOLE-
13 SALE FOOD CONCERNS.—Section 9 of the Food and Nutri-
14 tion Act of 2008 (7 U.S.C. 2018) is amended by adding
15 at the end the following:

16 “(h) PRIVATE ESTABLISHMENTS.—

17 “(1) IN GENERAL.—Subject to paragraph (2), no
18 private establishment that contracts with a State
19 agency to offer meals at concessional prices as de-
20 scribed in paragraphs (3), (4), and (9) of section 3(k)
21 may be authorized to accept and redeem benefits un-
22 less the Secretary determines that the participation of
23 the private establishment is required to meet a docu-
24 mented need in accordance with section 11(e)(24).

25 “(2) EXISTING CONTRACTS.—

1 “(A) *IN GENERAL.*—*If, on the day before the*
2 *effective date of this subsection, a State has en-*
3 *tered into a contract with a private establish-*
4 *ment described in paragraph (1) and the Sec-*
5 *retary has not determined that the participation*
6 *of the private establishment is necessary to meet*
7 *a documented need in accordance with section*
8 *11(e)(24), the Secretary shall allow the operation*
9 *of the private establishment to continue without*
10 *that determination of need for a period not to*
11 *exceed 180 days from the date on which the Sec-*
12 *retary establishes determination criteria, by reg-*
13 *ulation, under section 11(e)(24).*

14 “(B) *JUSTIFICATION.*—*If the Secretary de-*
15 *termines to terminate a contract with a private*
16 *establishment that is in effect on the effective*
17 *date of this subsection, the Secretary shall pro-*
18 *vide justification to the State in which the pri-*
19 *rate establishment is located for that termi-*
20 *nation.*

21 “(3) *REPORT TO CONGRESS.*—*Not later than 90*
22 *days after September 30, 2013, and 90 days after the*
23 *last day of each fiscal year thereafter, the Secretary*
24 *shall report to the Committee on Agriculture of the*
25 *House of Representatives and the Committee on Agri-*

1 *culture, Nutrition, and Forestry of the Senate on the*
2 *effectiveness of a program under this subsection using*
3 *any information received from States under section*
4 *11(e)(24) as well as any other information the Sec-*
5 *retary may have relating to the manner in which*
6 *benefits are used.”.*

7 *(c) CONFORMING AMENDMENTS.—Section 3(k) of the*
8 *Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is*
9 *amended by inserting “subject to section 9(h)” after*
10 *“concessional prices” each place it appears.*

11 **SEC. 4013. STATE VERIFICATION OPTION.**

12 *Section 11(p) of the Food and Nutrition Act of 2008*
13 *(7 U.S.C. 2020(p)) is amended to read as follows:*

14 *“(p) STATE VERIFICATION OPTION.—In carrying out*
15 *the supplemental nutrition assistance program, a State*
16 *agency shall be required to use an income and eligibility,*
17 *or an immigration status, verification system established*
18 *under section 1137 of the Social Security Act (42 U.S.C.*
19 *1320b–7), in accordance with standards set by the Sec-*
20 *retary.”.*

21 **SEC. 4014. REPEAL OF GRANT PROGRAM.**

22 *Section 11(t) of the Food and Nutrition Act of 2008*
23 *(7 U.S.C. 2020(t)) is repealed.*

1 **SEC. 4015. DATA EXCHANGE STANDARDIZATION FOR IM-**
2 **PROVED INTEROPERABILITY.**

3 (a) *DATA EXCHANGE STANDARDIZATION.*—Section 11
4 of the Food and Nutrition Act of 2008 (7 U.S.C. 2020) is
5 amended by adding at the end the following:

6 “(v) *DATA EXCHANGE STANDARDIZATION FOR IM-*
7 *PROVED INTEROPERABILITY.*—

8 “(1) *DATA EXCHANGE STANDARDS.*—

9 “(A) *DESIGNATION.*—The Secretary, in con-
10 sultation with an interagency work group which
11 shall be established by the Office of Management
12 and Budget, and considering State perspectives,
13 shall, by rule, designate a data exchange stand-
14 ard for any category of information required to
15 be reported under this Act.

16 “(B) *DATA EXCHANGE STANDARDS MUST BE*
17 *NONPROPRIETARY AND INTEROPERABLE.*—The
18 data exchange standard designated under sub-
19 paragraph (A) shall, to the extent practicable, be
20 nonproprietary and interoperable.

21 “(C) *OTHER REQUIREMENTS.*—In desig-
22 nating data exchange standards under this sub-
23 section, the Secretary shall, to the extent prac-
24 ticable, incorporate—

25 “(i) *interoperable standards developed*
26 *and maintained by an international vol-*

1 *untary consensus standards body, as defined*
2 *by the Office of Management and Budget,*
3 *such as the International Organization for*
4 *Standardization;*

5 *“(ii) interoperable standards developed*
6 *and maintained by intergovernmental part-*
7 *nerships, such as the National Information*
8 *Exchange Model; and*

9 *“(iii) interoperable standards devel-*
10 *oped and maintained by Federal entities*
11 *with authority over contracting and finan-*
12 *cial assistance, such as the Federal Acquisi-*
13 *tion Regulatory Council.*

14 *“(2) DATA EXCHANGE STANDARDS FOR REPORT-*
15 *ING.—*

16 *“(A) DESIGNATION.—The Secretary, in con-*
17 *sultation with an interagency work group estab-*
18 *lished by the Office of Management and Budget,*
19 *and considering State perspectives, shall, by rule,*
20 *designate data exchange standards to govern the*
21 *data reporting required under this part.*

22 *“(B) REQUIREMENTS.—The data exchange*
23 *standards required by subparagraph (A) shall, to*
24 *the extent practicable—*

1 “(i) incorporate a widely-accepted,
2 nonproprietary, searchable, computer-read-
3 able format;

4 “(ii) be consistent with and implement
5 applicable accounting principles; and

6 “(iii) be capable of being continually
7 upgraded as necessary.

8 “(C) *INCORPORATION OF NONPROPRIETARY*
9 *STANDARDS.—In designating reporting stand-*
10 *ards under this subsection, the Secretary shall, to*
11 *the extent practicable, incorporate existing non-*
12 *proprietary standards, such as the eXtensible*
13 *Markup Language.”.*

14 (b) *EFFECTIVE DATES.—*

15 (1) *DATA EXCHANGE STANDARDS.—The Sec-*
16 *retary of Agriculture shall issue a proposed rule*
17 *under section 11(v)(1) of the Food and Nutrition Act*
18 *of 2008 within 12 months after the effective date of*
19 *this section, and shall issue a final rule under such*
20 *section after public comment, within 24 months after*
21 *such effective date.*

22 (2) *DATA REPORTING STANDARDS.—The report-*
23 *ing standards required under section 11(v)(2) of such*
24 *Act shall become effective with respect to reports re-*
25 *quired in the first reporting period, after the effective*

1 *date of the final rule referred to in paragraph (1) of*
2 *this subsection, for which the authority for data col-*
3 *lection and reporting is established or renewed under*
4 *the Paperwork Reduction Act.*

5 **SEC. 4016. REPEAL OF BONUS PROGRAM.**

6 *Section 16(d) of the Food and Nutrition Act of 2008*
7 *(7 U.S.C. 2025(d)) is repealed.*

8 **SEC. 4017. FUNDING OF EMPLOYMENT AND TRAINING PRO-**
9 **GRAMS.**

10 *Section 16(h)(1)(A) of the Food and Nutrition Act of*
11 *2008 (7 U.S.C. 2025(h)(1)(A)) is amended by striking*
12 *“\$90,000,000” and inserting “\$79,000,000”.*

13 **SEC. 4018. MONITORING EMPLOYMENT AND TRAINING PRO-**
14 **GRAM.**

15 *(a) REPORTING MEASURES.—Section 16(h)(5) of the*
16 *Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(5)) is*
17 *amended to read:*

18 *“(5)(A) IN GENERAL.—The Secretary shall mon-*
19 *itor the employment and training programs carried*
20 *out by State agencies under section 6(d)(4) and assess*
21 *their effectiveness in—*

22 *“(i) preparing members of households par-*
23 *ticipating in the supplemental nutrition assist-*
24 *ance program for employment, including the ac-*

1 *quisition of basic skills necessary for employ-*
2 *ment; and*

3 *“(i) increasing the numbers of household*
4 *members who obtain and retain employment sub-*
5 *sequent to their participation in such employ-*
6 *ment and training programs.*

7 *“(B) REPORTING MEASURES.—The Secretary, in*
8 *consultation with the Secretary of Labor, shall de-*
9 *velop reporting measures that identify improvements*
10 *in the skills, training education or work experience of*
11 *members of households participating in the supple-*
12 *mental nutrition assistance program. Measures shall*
13 *be based on common measures of performance for fed-*
14 *eral workforce training programs, so long as they re-*
15 *fect the challenges facing the types of members of*
16 *households participating in the supplemental nutri-*
17 *tion assistance program who participate in a specific*
18 *employment and training component. The Secretary*
19 *shall require that each State employment and train-*
20 *ing plan submitted under section 11(3)(19) identify*
21 *appropriate reporting measures for each of their pro-*
22 *posed components that serve at least 100 people. Such*
23 *measures may include:*

24 *“(i) the percentage and number of program*
25 *participants who received employment and*

1 *training services and are in unsubsidized em-*
2 *ployment subsequent to the receipt of those serv-*
3 *ices;*

4 “(ii) the percentage and number of program
5 participants who obtain a recognized postsec-
6 ondary credential, including a registered ap-
7 prenticeship, or a regular secondary school di-
8 ploma or its recognized equivalent, while partici-
9 pating in or within 1 year after receiving em-
10 ployment and training services;

11 “(iii) the percentage and number of pro-
12 gram participants who are in an education or
13 training program that is intended to lead to a
14 recognized postsecondary credential, including a
15 registered apprenticeship or on-the-job training
16 program, a regular secondary school diploma or
17 its recognized equivalent, or unsubsidized em-
18 ployment;

19 “(iv) subject to the terms and conditions set
20 by the Secretary, measures developed by each
21 State agency to assess the skills acquisition of
22 employment and training program participants
23 that reflect the goals of their specific employment
24 and training program components, which may
25 include, but are not limited to—

1 “(I) the percentage and number of pro-
2 gram participants who are meeting pro-
3 gram requirements in each component of the
4 State’s education and training program;
5 and

6 “(II) the percentage and number of
7 program participants who are gaining
8 skills likely to lead to employment as meas-
9 ured through testing, quantitative or quali-
10 tative assessment or other method; and

11 “(v) other indicators as approved by the
12 Secretary.

13 “(C) STATE REPORT.—Each State agency shall
14 annually prepare and submit to the Secretary a re-
15 port on the State’s employment and training program
16 that includes the numbers of supplemental nutrition
17 assistance program participants who have gained
18 skills, training, work or experience that will increase
19 their ability to obtain regular employment using
20 measures identified in subparagraph (B).

21 “(D) MODIFICATIONS TO THE STATE EMPLOY-
22 MENT AND TRAINING PLAN.—Subject to the terms and
23 conditions established by the Secretary, if the Sec-
24 retary determines that the state agency’s performance
25 with respect to employment and training outcomes is

1 *inadequate, the Secretary may require the State agency*
2 *to make modifications to their employment and*
3 *training plan to improve such outcomes.*

4 *“(E) PERIODIC EVALUATION.—*

5 *“(i) IN GENERAL.—Subject to terms and*
6 *conditions established by the Secretary, not later*
7 *than October 1, 2015, and not less frequently*
8 *than once every 5 years thereafter, the Secretary*
9 *shall conduct a study to review existing practice*
10 *and research to identify employment and train-*
11 *ing program components and practices that—*

12 *“(I) effectively assist members of house-*
13 *holds participating in the supplemental nu-*
14 *trition assistance program in gaining skills,*
15 *training, work, or experience that will in-*
16 *crease their ability to obtain regular em-*
17 *ployment, and*

18 *“(II) are best integrated with statewide*
19 *workforce development systems.*

20 *“(i) REPORT TO CONGRESS.—The Sec-*
21 *retary shall submit a report that describes the re-*
22 *sults of the study under clause (i) to the Com-*
23 *mittee on Agriculture in the House of Represent-*
24 *atives, and the Committee on Agriculture, Nutri-*
25 *tion and Forestry in the Senate.”.*

1 (b) *EFFECTIVE DATE.*—Notwithstanding section 4(c)
2 of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)),
3 the Secretary shall issue interim final regulations imple-
4 menting the amendment made by subsection (a) no later
5 than 18 months after the date of enactment of this Act.
6 States shall include such reporting measures in their em-
7 ployment and training plans for the 1st fiscal year there-
8 after that begins no sooner than 6 months after the date
9 that such regulations are published.

10 **SEC. 4019. COOPERATION WITH PROGRAM RESEARCH AND**
11 **EVALUATION.**

12 Section 17 of the Food and Nutrition Act of 2008 (7
13 U.S.C. 2026) is amended by adding at the end the following:

14 “(l) *COOPERATION WITH PROGRAM RESEARCH AND*
15 *EVALUATION.*—States, State agencies, local agencies, insti-
16 tutions, facilities such as data consortiums, and contractors
17 participating in programs authorized under this Act shall
18 cooperate with officials and contractors acting on behalf of
19 the Secretary in the conduct of evaluations and studies
20 under this Act and shall submit information at such time
21 and in such manner as the Secretary may require.”.

22 **SEC. 4020. AUTHORIZATION OF APPROPRIATIONS.**

23 Section 18(a)(1) of the Food and Nutrition Act of 2008
24 (7 U.S.C. 2027(a)(1)) is amended in the 1st sentence by
25 striking “2012” and inserting “2017”.

1 **SEC. 4021. LIMITATION ON USE OF BLOCK GRANT TO PUER-**
2 **TO RICO.**

3 *Section 19(a)(2)(B) of the Food and Nutrition Act of*
4 *2008 (7 U.S.C. 2028(a)(2)(B)) is amended by adding at*
5 *the end the following:*

6 *“(iii) LIMITATION ON USE OF*
7 *FUNDS.—None of the funds made available*
8 *to the Commonwealth of Puerto Rico under*
9 *this subparagraph may be used to provide*
10 *nutrition assistance in the form of cash ben-*
11 *efits.”.*

12 **SEC. 4022. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

13 *(a) DEFINITION.—Section 25(a)(1)(B)(i) of the Food*
14 *and Nutrition Act of 2008 (7 U.S.C. 2034(a)(1)(B)(i)) is*
15 *amended—*

16 *(1) in subclause (II) by striking “and” at the*
17 *end;*

18 *(2) in subclause (III) by striking “or” at the end*
19 *and inserting “and”; and*

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

21 *“(IV) to provide incentives for the*
22 *consumption of fruits and vegetables*
23 *among low-income individuals; or”.*

24 *(b) ADDITIONAL FUNDING.—Section 25(b) of the Food*
25 *and Nutrition Act of 2008 (7 U.S.C. 2034) is amended by*
26 *adding at the end the following:*

1 “(3) *FUNDING.*—

2 “(A) *IN GENERAL.*—*Out of any funds in the*
3 *Treasury not otherwise appropriated, the Sec-*
4 *retary of the Treasury shall transfer to the Sec-*
5 *retary to carry out this section not less than*
6 *\$10,000,000 for fiscal year 2013 and each fiscal*
7 *year thereafter. Of the amount made available*
8 *under this subparagraph for each such fiscal*
9 *year, \$5,000,000 shall be available to carry out*
10 *subsection (a)(1)(B)(I)(IV).*

11 “(B) *RECEIPT AND ACCEPTANCE.*—*The Sec-*
12 *retary shall be entitled to receive, shall accept,*
13 *and shall use to carry out this section, the funds*
14 *transferred under subparagraph (A) without fur-*
15 *ther appropriation.*

16 “(C) *MAINTENANCE OF FUNDING.*—*The*
17 *funding provided under subparagraph (A) shall*
18 *supplement (and not supplant) other Federal*
19 *funding made available to the Secretary to carry*
20 *out this section.”.*

21 **SEC. 4023. EMERGENCY FOOD ASSISTANCE.**

22 “(a) *PURCHASE OF COMMODITIES.*—*Section 27(a) of*
23 *the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is*
24 *amended—*

1 (1) *in paragraph (1) by striking “2008 through*
2 *2012” and inserting “2012 through 2017”; and*

3 (2) *in paragraph (2)—*

4 (A) *by striking subparagraphs (A) and (B)*
5 *and inserting the following:*

6 “(A) *for fiscal year 2012, \$260,250,000;*

7 “(B) *for fiscal year 2013 the dollar amount*
8 *of commodities specified in subparagraph (A)*
9 *adjusted by the percentage by which the thrifty*
10 *food plan has been adjusted under section*
11 *3(u)(4) between June 30, 2011 and June 30,*
12 *2012, and subsequently increased by*
13 *\$20,000,000;”;*

14 (B) *in subparagraph (C)—*

15 (i) *by striking “2010 through 2012, the*
16 *dollar amount of commodities specified in”*
17 *and inserting “2014 through 2017, the total*
18 *amount of commodities under”; and*

19 (ii) *by striking “2008” and inserting*
20 *“2012”; and*

21 (iii) *by striking the period at the end*
22 *and inserting: “; and”; and*

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

24 “(D) *for fiscal year 2013 the dollar amount*
25 *of commodities specified in subparagraph (B),*

1 *and for each of the fiscal years 2014 through*
2 *2017 the respective dollar amount of commodities*
3 *specified in subparagraph (C), increased by*
4 *\$5,000,000.”.*

5 ***(b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE***
6 ***GRANTS.***—*Section 209(d) of the Emergency Food Assist-*
7 *ance Act of 1983 (7 U.S.C. 7511a(d)) is amended by strik-*
8 *ing “2012” and inserting “2017”.*

9 ***SEC. 4024. NUTRITION EDUCATION.***

10 *Section 28(b) of the Food and Nutrition Act of 2008*
11 *(7 U.S.C. 2036a(b)) is amended by inserting “and physical*
12 *activity” after “healthy food choices”.*

13 ***SEC. 4025. RETAILER TRAFFICKING.***

14 *The Food and Nutrition Act of 2008 (7 U.S.C. 2011*
15 *et seq.) is amended by adding at the end the following:*

16 ***“SEC. 29. RETAILER TRAFFICKING.***

17 ***“(a) PURPOSE.***—*The purpose of this section is to pro-*
18 *vide the Department of Agriculture with additional re-*
19 *sources to prevent trafficking in violation of this Act by*
20 *strengthening recipient and retailer program integrity. Ad-*
21 *ditional funds are provided to supplement the Department’s*
22 *payment accuracy, and retailer and recipient integrity ac-*
23 *tivities.*

24 ***“(b) FUNDING.***—

1 “(1) *IN GENERAL.*—*Out of any funds in the*
2 *Treasury not otherwise appropriated, the Secretary of*
3 *the Treasury shall transfer to the Secretary to carry*
4 *out this section not less than \$5,000,000 for fiscal*
5 *year 2013 and each fiscal year thereafter.*

6 “(2) *RECEIPT AND ACCEPTANCE.*—*The Secretary*
7 *shall be entitled to receive, shall accept, and shall use*
8 *to carry out this section the funds transferred under*
9 *paragraph (1) without further appropriation.*

10 “(3) *MAINTENANCE OF FUNDING.*—*The funding*
11 *provided under paragraph (1) shall supplement (and*
12 *not supplant) other Federal funding for programs*
13 *carried out under this Act.”.*

14 **SEC. 4026. TECHNICAL AND CONFORMING AMENDMENTS.**

15 (a) *Section 3 of the Food and Nutrition Act of 2008*
16 *(7 U.S.C. 2012) is amended—*

17 (1) *in subsection (g) by striking “coupon,” the*
18 *last place it appears and inserting “coupon”;*

19 (2) *in subsection (k)(7) by striking “or are” and*
20 *inserting “and”;*

21 (3) *by striking subsection (l);*

22 (4) *by redesignating subsections (m) through (t)*
23 *as subsections (l) through (s), respectively; and*

24 (5) *by inserting after subsection (s) (as so redesi-*
25 *gnated) the following:*

1 “(t) ‘*Supplemental nutritional assistance program*’
2 *means the program operated pursuant to this Act.*”.

3 (b) *Section 4(a) of the Food and Nutrition Act of 2008*
4 *(7 U.S.C. 2013(a)) is amended by striking “benefits” the*
5 *last place it appears and inserting “Benefits”.*

6 (c) *Section 5 of the Food and Nutrition Act of 2008*
7 *(7 U.S.C. 2014) is amended—*

8 (1) *in the last sentence of subsection (i)(2)(D) by*
9 *striking “section 13(b)(2)” and inserting “section*
10 *13(b)”;* and

11 (2) *in subsection (k)(4)(A) by striking “para-*
12 *graph (2)(H)” and inserting “paragraph (2)(G)”.*

13 (d) *Section 6(d)(4) of the Food and Nutrition Act of*
14 *2008 (7 U.S.C. 2015(d)(4)) is amended—*

15 (1) *in subparagraph (B)(vii) by moving the left*
16 *margin 2 ems to the left, and*

17 (2) *in subparagraph(F)(iii) by moving the left*
18 *margin 4 ems to the left.*

19 (e) *Section 7(h) of the Food and Nutrition Act of 2008*
20 *(7 U.S.C. 2016(h)) is amended by redesignating the 2d*
21 *paragraph (12) as paragraph (13).*

22 (f) *Section 9(a)(3) of the Food and Nutrition Act of*
23 *2008 (7 U.S.C. 2018(a)) is amended by moving the left*
24 *margin 2 ems to the left.*

1 (g) *Section 12 of the Food and Nutrition Act of 2008*
2 *(7 U.S.C. 2021) is amended—*

3 (1) *in subsection (b)(3)(C) by striking “civil*
4 *money penalties” and inserting “civil penalties”; and*
5 (2) *in subsection (g)(1) by striking “(7 U.S.C.*
6 *1786)” and inserting “(42 U.S.C. 1786)”.*

7 (h) *Section 15(b)(1) of the Food and Nutrition Act of*
8 *2008 (7 U.S.C. 2024(b)(1)) is amended in the 1st sentence*
9 *by striking “an benefit” and inserting “a benefit”.*

10 (i) *Section 16(a) of the Food and Nutrition Act of 2008*
11 *(7 U.S.C. 2025(a)) is amended in the proviso following*
12 *paragraph (8) by striking “, as amended.”.*

13 (j) *Section 18(e) of the Food and Nutrition Act of 2008*
14 *(7 U.S.C. 2027(e)) is amended in the 1st sentence by strik-*
15 *ing “sections 7(f)” and inserting “section 7(f)”.*

16 (k) *Section 22(b)(10)(B)(i) of the Food and Nutrition*
17 *Act of 2008 (7 U.S.C. 2031(b)(10)(B)(i)) is amended in the*
18 *last sentence by striking “Food benefits” and inserting*
19 *“Benefits”.*

20 (l) *Section 26(f)(3)(C) of the Food and Nutrition Act*
21 *of 2008 (7 U.S.C. 2035(f)(3)(C)) is amended by striking*
22 *“subsection” and inserting “subsections”.*

23 (m) *Section 27(a)(1) of the Food and Nutrition Act*
24 *of 2008 (7 U.S.C. 2036(a)(1)) is amended by striking*

1 “(Public Law 98–8; 7 U.S.C. 612c note)” and inserting “(7
2 U.S.C. 7515)”.

3 (n) Section 509 of the Older Americans Act of 1965
4 (42 U.S.C. 3056g) is amended in the section heading by
5 striking “**FOOD STAMP PROGRAMS**” and inserting
6 “**SUPPLEMENTAL NUTRITION ASSISTANCE PRO-**
7 **GRAM**”.

8 (o) Section 4115(c)(2)(H) of the Food, Conservation,
9 and Energy Act of 2008 (Public Law 110–246; 122 Stat.
10 1871) is amended by striking “531” and inserting “454”.

11 (p) Section 3803(c)(2)(C)(vii) of title 31 of the United
12 States Code is amended by striking “section 3(l)” each place
13 it appears and inserting “section 3(s)”.

14 (q) Section 115 of the Personal Responsibility and
15 Work Opportunity Reconciliation Act of 1996 (Public Law
16 104–193) is amended—

17 (1) in subsection (a)(2) by striking “section 3(l)”
18 and inserting “section 3(s)”;

19 (2) in subsection (b)(2) by striking “section 3(l)”
20 and inserting “section 3(s)”;

21 (3) in subsection (e)(2) by striking “section 3(l)”
22 and inserting “section 3(s)”.

23 (r) The Agriculture and Consumer Protection Act of
24 1973 (7 U.S.C. 612c) is amended—

1 (1) in section 4(a) by striking “Food Stamp Act
2 of 1977” and inserting “Food and Nutrition Act of
3 2008”; and

4 (2) in section 5—

5 (A) in subsection (i)(1) by striking “Food
6 Stamp Act of 1977” and inserting “Food and
7 Nutrition Act of 2008”; and

8 (B) in subsection (l)(2)(B) by striking
9 “Food Stamp Act of 1977” and inserting “Food
10 and Nutrition Act of 2008”.

11 (s) *The Social Security Act* (42 U.S.C. 301 et seq.)

12 is amended—

13 (1) in the heading of section 453(j)(10) by strik-
14 ing “FOOD STAMP” and inserting “SUPPLEMENTAL
15 NUTRITION ASSISTANCE”;

16 (2) in section 1137—

17 (A) in subsection (a)(5)(B) by striking
18 “food stamp” and inserting “supplemental nu-
19 trition assistance”; and

20 (B) in subsection (b)(4) by striking “food
21 stamp program under the Food Stamp Act of
22 1977” and inserting “supplemental nutrition as-
23 sistance program under the Food and Nutrition
24 Act of 2008”; and

1 (3) *in the heading of section 1631(n) by striking*
2 “*FOOD STAMP*” *and inserting “SUPPLEMENTAL NU-*
3 *TRITION ASSISTANCE*”.

4 **SEC. 4027. TOLERANCE LEVEL FOR EXCLUDING SMALL ER-**
5 **RORS.**

6 *The Secretary shall set the tolerance level for excluding*
7 *small errors for the purposes of section 16(c) of the Food*
8 *and Nutrition Act of 2008 (7 U.S.C. 2025(c))—*

9 (1) *for fiscal year 2013 at an amount no greater*
10 *than \$25; and*

11 (2) *for each fiscal year thereafter, the amount*
12 *specified in paragraph (1) adjusted by the percentage*
13 *by which the thrifty food plan is adjusted under sec-*
14 *tion 3(u)(4) of such Act between June 30, 2011, and*
15 *June 30 of the immediately preceding fiscal year.*

16 **SEC. 4028. COMMONWEALTH OF THE NORTHERN MARIANA**
17 **ISLANDS PILOT PROGRAM.**

18 (a) *STUDY.—*

19 (1) *IN GENERAL.—Prior to establishing the pilot*
20 *program under subsection (b), the Secretary shall con-*
21 *duct a study to be completed not later than 2 years*
22 *after the effective date of this section to assess—*

23 (A) *the capabilities of the Commonwealth of*
24 *the Northern Mariana Islands to operate the*
25 *supplemental nutrition assistance program in*

1 *the same manner in which the program is oper-*
2 *ated in the States (as defined in section 3 of the*
3 *Food and Nutrition Act (7 U.S.C. 2011 et seq));*
4 *and*

5 *(B) alternative models of the supplemental*
6 *nutrition assistance program operation and ben-*
7 *efit delivery that best meet the nutrition assist-*
8 *ance needs of the Commonwealth of the Northern*
9 *Mariana Islands.*

10 (2) *SCOPE.—The study conducted under para-*
11 *graph (1)(A) will assess the capability of the Com-*
12 *monwealth to fulfill the responsibilities of a State*
13 *agency, including—*

14 *(A) extending and limiting participation to*
15 *eligible households, as prescribed by sections 5*
16 *and 6 of the Act;*

17 *(B) issuing benefits through EBT cards, as*
18 *prescribed by section 7 of the Act;*

19 *(C) maintaining the integrity of the pro-*
20 *gram, including operation of a quality control*
21 *system, as prescribed by section 16(c) of the Act;*

22 *(D) implementing work requirements, in-*
23 *cluding operating an employment and training*
24 *program, as prescribed by section 6(d) of the Act;*
25 *and*

1 (E) *paying a share of administrative costs*
2 *with non-Federal funds, as prescribed by section*
3 *16(a) of the Act.*

4 (b) *ESTABLISHMENT.—If the Secretary determines*
5 *that a pilot program is feasible, the Secretary shall establish*
6 *a pilot program for the Commonwealth of the Northern*
7 *Mariana Islands to operate the supplemental nutrition as-*
8 *sistance program in the same manner in which the program*
9 *is operated in the States.*

10 (c) *SCOPE.—The Secretary shall utilize the informa-*
11 *tion obtained from the study conducted under subsection (a)*
12 *to establish the scope of the pilot program established under*
13 *subsection (b).*

14 (d) *REPORT.—Not later than June 30, 2018, the Sec-*
15 *retary shall submit to the Committee on Agriculture of the*
16 *House of Representatives and the Committee on Agri-*
17 *culture, Nutrition, and Forestry of the Senate a report on*
18 *the pilot program carried out under this section, including*
19 *an analysis of the feasibility of operating in the Common-*
20 *wealth of the Northern Mariana Islands the supplemental*
21 *nutrition assistance program as it is operated in the States.*

22 (e) *FUNDING.—*

23 (1) *STUDY.—Of the funds made available under*
24 *section 18(a)(1) of the Food and Nutrition Act of*
25 *2008, the Secretary may use not more than*

1 \$1,000,000 in each of fiscal years 2013 and 2014 to
2 conduct the study described in subsection (a).

3 (2) *PILOT PROGRAM.*—Of the funds made avail-
4 able under section 18(a)(1) of the Food and Nutrition
5 Act of 2008, for the purposes of establishing and car-
6 rying out the pilot program established under sub-
7 section (b) of this section, including the Federal costs
8 for providing technical assistance to the Common-
9 wealth, authorizing and monitoring retail food stores,
10 and assessing pilot operations, the Secretary may use
11 not more than—

12 (A) \$13,500,000 in fiscal year 2015; and

13 (B) \$8,500,000 in each of fiscal years 2016
14 and 2017.

15 **SEC. 4029. ANNUAL STATE REPORT ON VERIFICATION OF**
16 **SNAP PARTICIPATION.**

17 (a) *ANNUAL REPORT.*—Not later 1 year after the date
18 specified by the Secretary in the 180-period beginning on
19 the date of the enactment of this Act, and annually there-
20 after, each State agency that carries out the supplemental
21 nutrition assistance program shall submit to the Secretary
22 a report containing sufficient information for the Secretary
23 to determine whether the State agency has, for the then most
24 recently concluded fiscal year preceding such annual date,

1 *verified that households to which such State agency pro-*
2 *vided such assistance in such fiscal year—*

3 *(1) did not obtain benefits attributable to a de-*
4 *ceased individual; and*

5 *(2) did not include an individual who was si-*
6 *multaneously included in a household receiving such*
7 *assistance in another State.*

8 *(b) PENALTY FOR NONCOMPLIANCE.—For any fiscal*
9 *year for which a State agency fails to comply with sub-*
10 *section (a), the Secretary shall reduce by 50 percent the*
11 *amount otherwise payable to such State agency under sec-*
12 *tion 16(a) of the Food and Nutrition Act of 2008 with re-*
13 *spect to such fiscal year.*

14 ***Subtitle B—Commodity Distribution***
15 ***Programs***

16 ***SEC. 4101. COMMODITY DISTRIBUTION PROGRAM.***

17 *Section 4(a) of the Agriculture and Consumer Protec-*
18 *tion Act of 1973 (7 U.S.C. 612c note; Public Law 93–86)*
19 *is amended in the 1st sentence by striking “2012” and in-*
20 *serting “2017”.*

21 ***SEC. 4102. COMMODITY SUPPLEMENTAL FOOD PROGRAM.***

22 *Section 5 of the Agriculture and Consumer Protection*
23 *Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is*
24 *amended—*

1 (1) *in paragraphs (1) and (2)(B) of subsection*
2 *(a) by striking “2012” each place it appears and in-*
3 *serting “2017”;*

4 (2) *in the 1st sentence of subsection (d)(2) by*
5 *striking “2012” and inserting “2017”;*

6 (3) *by striking subsection (g) and inserting the*
7 *following:*

8 “*(g) ELIGIBILITY.—Except as provided in subsection*
9 *(m), the States shall only provide assistance under the com-*
10 *modity supplemental food program to low-income individ-*
11 *uals aged 60 and older.”; and*

12 (4) *by adding at the end the following:*

13 “*(m) PHASE-OUT.—Notwithstanding any other provi-*
14 *sion of law, an individual who receives assistance under*
15 *the commodity supplemental food program on the day be-*
16 *fore the effective date of this subsection shall continue to*
17 *receive that assistance until the date on which the indi-*
18 *vidual no longer qualifies for assistance under the eligibility*
19 *criteria for the program in effect on the day before the effec-*
20 *tive date of this subsection.”.*

21 **SEC. 4103. DISTRIBUTION OF SURPLUS COMMODITIES TO**
22 **SPECIAL NUTRITION PROJECTS.**

23 *Section 1114(a)(2)(A) of the Agriculture and Food Act*
24 *of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the 1st sen-*
25 *tence by striking “2012” and inserting “2017”.*

1 **SEC. 4104. PROCESSING OF COMMODITIES.**

2 (a) Section 17 of the Commodity Distribution Reform
3 Act and WIC Amendments of 1987 (7 U.S.C. 612c note)
4 is amended by—

5 (1) striking the heading and inserting “**COM-**
6 **MODITY DONATIONS AND PROCESSING**”; and

7 (2) adding at the end the following:

8 “(c) *PROCESSING.*—For any program included in sub-
9 section (b), the Secretary may, notwithstanding any other
10 provision of State or Federal law relating to the procure-
11 ment of goods and services—

12 “(1) retain title to commodities delivered to a
13 processor, on behalf of a State (including a State dis-
14 tributing agency and a recipient agency), until such
15 time as end products containing such commodities, or
16 similar commodities as approved by the Secretary,
17 are delivered to a State distributing agency or to a
18 recipient agency; and

19 “(2) promulgate regulations to ensure account-
20 ability for commodities provided to a processor for
21 processing into end products, and to facilitate proc-
22 essing of commodities into end products for use by re-
23 cipient agencies. Such regulations may provide
24 that—

25 “(A) a processor that receives commodities
26 for processing into end products, or provides a

1 *service with respect to such commodities or end*
2 *products, in accordance with its agreement with*
3 *a State distributing agency or a recipient agen-*
4 *cy, provide to the Secretary a bond or other*
5 *means of financial assurance to protect the value*
6 *of such commodities; and*

7 *“(B) in the event a processor fails to deliver*
8 *to a State distributing agency or a recipient*
9 *agency an end product in conformance with the*
10 *processing agreement entered into under this Act,*
11 *the Secretary take action with respect to the*
12 *bond or other means of financial assurance pur-*
13 *suant to regulations promulgated under this*
14 *paragraph and distribute any proceeds obtained*
15 *by the Secretary to one or more State distrib-*
16 *uting agencies and recipient agencies as deter-*
17 *mined appropriate by the Secretary.”.*

18 **(b) DEFINITIONS.**—*Section 18 of the Commodity Dis-*
19 *tribution Reform Act and WIC Amendments of 1987 (7*
20 *U.S.C. 612c note) is amended by striking paragraphs (1)*
21 *and (2) and inserting the following:*

22 *“(1) The term ‘commodities’ means agricultural*
23 *commodities and their products that are donated by*
24 *the Secretary for use by recipient agencies.*

1 “(2) *The term ‘end product’ means a food prod-*
2 *uct that contains processed commodities.’.*”

3 (c) *TECHNICAL AND CONFORMING AMENDMENTS.—*
4 *Section 3 of the Commodity Distribution Reform Act and*
5 *WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law*
6 *100–237) is amended—*

7 (1) *in subsection (a)—*

8 (A) *in paragraph (2) by striking subpara-*
9 *graph (B) and inserting the following:*

10 “(B) *the program established under section*
11 *4(b) of the Food and Nutrition Act of 2008 (7*
12 *U.S.C. 2013(b));”;* and

13 (B) *in paragraph (3)(D) by striking “the*
14 *Committee on Education and Labor” and insert-*
15 *ing “the Committee on Education and the Work-*
16 *force”;*

17 (2) *in subsection (b)(1)(A)(ii) by striking “sec-*
18 *tion 32 of the Agricultural Adjustment Act (7 U.S.C.*
19 *601 et seq.)” and inserting “section 32 of the Act of*
20 *August 24, 1935 (7 U.S.C. 612c);”;*

21 (3) *in subsection (e)(1)(D)(iii) by striking sub-*
22 *clause (II) and inserting the following:*

23 “(II) *the program established*
24 *under section 4(b) of the Food and Nu-*

1 *trition Act of 2008 (7 U.S.C.*
2 *2013(b));”;* and

3 *(4) in subsection (k) by striking “the Committee*
4 *on Education and Labor” and inserting “the Com-*
5 *mittee on Education and the Workforce”.*

6 ***Subtitle C—Miscellaneous***

7 ***SEC. 4201. FARMERS’ MARKET NUTRITION PROGRAM.***

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

10 *(1) in the section heading by striking “SEN-*
11 ***IORS*”;**

12 *(2) by amending subsection (a) to read as fol-*
13 *lows:*

14 *“(a) FUNDING.—*

15 *“(1) IN GENERAL.—Of the funds of the Com-*
16 *modity Credit Corporation, the Secretary of Agri-*
17 *culture shall use to carry out and expand the farmers*
18 *market nutrition program \$20,600,000 for each of fis-*
19 *cal years 2013 through 2017.*

20 *“(2) ADDITIONAL FUNDING.—There is authorized*
21 *to be appropriated such sums as are necessary to*
22 *carry out this subsection for each of fiscal years 2013*
23 *through 2017.”;*

24 *(3) in subsection (b)—*

1 (A) in the matter preceding paragraph (1),
2 by striking “seniors”; and

3 (B) in paragraph (1) by inserting “, and
4 low-income families who are determined to be at
5 nutritional risk” after “low-income seniors”;

6 (4) in subsection (c) by striking “seniors”;

7 (5) in subsection (d) by striking “seniors”;

8 (6) in subsection (e) by striking “seniors”;

9 (7) by redesignating subsections (c), (d), (e), and
10 (f) as subsections (d), (e), (f), and (g), respectively;
11 and

12 (8) by inserting after subsection (b) the fol-
13 lowing:

14 “(c) STATE GRANTS AND OTHER ASSISTANCE.—The
15 Secretary shall carry out the Program through grants and
16 other assistance provided in accordance with agreements
17 made with States, for implementation through State agen-
18 cies and local agencies, that include provisions—

19 “(1) for the issuance of coupons or vouchers to
20 participating individuals;

21 “(2) establishing an appropriate annual percent-
22 age limitation on the use of funds for administrative
23 costs; and

24 “(3) specifying other terms and conditions as the
25 Secretary deems appropriate to encourage expanding

1 *the participation of small scale farmers in Federal*
 2 *nutrition programs.”.*

3 **SEC. 4202. NUTRITION INFORMATION AND AWARENESS**
 4 **PILOT PROGRAM.**

5 *Section 4403 of the Farm Security and Rural Invest-*
 6 *ment Act of 2002 (7 U.S.C. 3171 note; Public Law 107-*
 7 *171) is repealed.*

8 **SEC. 4203. FRESH FRUIT AND VEGETABLE PROGRAM.**

9 *Section 19 of the Richard B. Russell National School*
 10 *Lunch Act (42 U.S.C. 1769a) is amended—*

11 *(1) in the section heading, by striking “FRESH”;*

12 *(2) in subsection (a), by striking “fresh”;*

13 *(3) in subsection (b), by striking “fresh”; and*

14 *(4) in subsection (e), by striking “fresh”.*

15 **SEC. 4204. ADDITIONAL AUTHORITY FOR PURCHASE OF**
 16 **FRESH FRUITS, VEGETABLES, AND OTHER**
 17 **SPECIALTY FOOD CROPS.**

18 *Section 10603 of the Farm Security and Rural Invest-*
 19 *ment Act of 2002 (7 U.S.C. 612c–4) is amended—*

20 *(1) in subsection (b), by striking “2012” and in-*
 21 *serting “2017”;*

22 *(2) by redesignating subsection (c) as subsection*
 23 *(d); and*

24 *(3) by inserting after subsection (b) the following*
 25 *new subsection:*

1 “(c) *PILOT GRANT PROGRAM FOR PURCHASE OF*
2 *FRESH FRUITS AND VEGETABLES.*—

3 “(1) *IN GENERAL.*—Using amounts made avail-
4 able to carry out subsection (b), the Secretary of Agri-
5 culture shall conduct a pilot program under which the
6 Secretary will give not more than five participating
7 States the option of receiving a grant in an amount
8 equal to the value of the commodities that the partici-
9 pating State would otherwise receive under this sec-
10 tion for each of fiscal years 2013 through 2017.

11 “(2) *USE OF GRANT FUNDS.*—A participating
12 State receiving a grant under this subsection may use
13 the grant funds solely to purchase fresh fruits and
14 vegetables for distribution to schools and service insti-
15 tutions in the State that participate in the food serv-
16 ice programs under the Richard B. Russell National
17 School Lunch Act (42 U.S.C. 1751 et seq.) and the
18 Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

19 “(3) *SELECTION OF PARTICIPATING STATES.*—
20 The Secretary shall select participating States from
21 applications submitted by the States.

22 “(4) *REPORTING REQUIREMENTS.*—

23 “(A) *SCHOOL AND SERVICE INSTITUTION*
24 *REQUIREMENT.*—Schools and service institutions
25 in a participating State shall keep records of

1 *purchases of fresh fruits and vegetables made*
2 *using the grant funds and report such records to*
3 *the State.*

4 “(B) *STATE REQUIREMENT.*—*Each partici-*
5 *pating State shall submit to the Secretary a re-*
6 *port on the success of the pilot program in the*
7 *State, including information on—*

8 “(i) *the amount and value of each type*
9 *of fresh fruit and vegetable purchased by the*
10 *State; and*

11 “(ii) *the benefit provided by such pur-*
12 *chases in conducting the school food service*
13 *in the State, including meeting school meal*
14 *requirements.”.*

15 **SEC. 4205. ENCOURAGING LOCALLY AND REGIONALLY**
16 **GROWN AND RAISED FOOD.**

17 *(a) COMMODITY PURCHASE STREAMLINING.*—*The Sec-*
18 *retary may permit each school food authority with a low*
19 *annual commodity entitlement value, as determined by the*
20 *Secretary, to elect to substitute locally and regionally grown*
21 *and raised food for the authority’s allotment, in whole or*
22 *in part, of commodity assistance for the school meal pro-*
23 *grams under the Richard B. Russell National School Lunch*
24 *Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act*
25 *of 1966 (42 U.S.C. 1771 et seq.), if—*

1 (1) *the election is requested by the school food*
2 *authority;*

3 (2) *the Secretary determines that the election*
4 *will reduce State and Federal administrative costs;*
5 *and*

6 (3) *the election will provide the school food au-*
7 *thority with greater flexibility to purchase locally and*
8 *regionally grown and raised foods.*

9 (b) *FARM-TO-SCHOOL DEMONSTRATION PROGRAMS.—*

10 (1) *IN GENERAL.—The Secretary may establish*
11 *farm-to-school demonstration programs under which*
12 *school food authorities, agricultural producers pro-*
13 *ducing for local and regional markets, and other*
14 *farm-to-school stakeholders will collaborate with the*
15 *Agriculture Marketing Service to, on a cost neutral*
16 *basis, source food for the school meal programs under*
17 *the Richard B. Russell National School Lunch Act*
18 *(42 U.S.C. 1751 et seq.) and the Child Nutrition Act*
19 *of 1966 (42 U.S.C. 1771 et seq.) from local farmers*
20 *and ranchers in lieu of the commodity assistance pro-*
21 *vided to the school food authorities for the school meal*
22 *programs.*

23 (2) *REQUIREMENTS.—*

24 (A) *IN GENERAL.—Each demonstration pro-*
25 *gram carried out under this subsection shall—*

1 (i) facilitate and increase the purchase
2 of unprocessed and minimally processed lo-
3 cally and regionally grown and raised agri-
4 cultural products to be served under the
5 school meal programs;

6 (ii) test methods to improve procure-
7 ment, transportation, and meal preparation
8 processes for the school meal programs;

9 (iii) assess whether administrative
10 costs can be saved through increased school
11 authority flexibility to source locally and
12 regionally produced foods for the school
13 meal programs; and

14 (iv) undertake rigorous evaluation and
15 share information about results of the dem-
16 onstration program, including cost savings,
17 with the Secretary, other school food au-
18 thorities, agricultural producers producing
19 for the local and regional market, and the
20 general public.

21 (B) PLANS.—In order to be selected to carry
22 out a demonstration program under this sub-
23 section, a school food authority shall submit to
24 the Secretary a plan at such time and in such
25 manner as the Secretary may require, and con-

1 *taining information with respect to the require-*
2 *ments described in clauses (i) through (iv) of*
3 *subparagraph (A).*

4 (3) *TECHNICAL ASSISTANCE.—The Secretary*
5 *shall provide technical assistance to demonstration*
6 *program participants to assist such participants to*
7 *acquire bids from potential vendors in a timely and*
8 *cost-effective manner.*

9 (4) *LENGTH.—The Secretary shall determine the*
10 *appropriate length of time for each demonstration*
11 *program under this subsection.*

12 (5) *COORDINATION.—The Secretary shall coordi-*
13 *nate among relevant agencies of the Department of*
14 *Agriculture and non-governmental organizations with*
15 *appropriate expertise to facilitate the provision of*
16 *training and technical assistance necessary to the suc-*
17 *cessful implementation of demonstration programs*
18 *carried out under this subsection.*

19 (6) *NUMBER.—Subject to the availability of*
20 *funds to carry out this subsection, the Secretary of*
21 *Agriculture shall implement at least 10 demonstra-*
22 *tion programs under this subsection.*

23 (7) *DIVERSITY AND BALANCE.—In carrying out*
24 *demonstration programs under this subsection, the*

1 *Secretary shall, to the maximum extent practicable,*
2 *ensure—*

3 *(A) geographical diversity;*

4 *(B) at least half of the demonstration pro-*
5 *grams are completed in collaboration with school*
6 *food authorities with small annual commodity*
7 *entitlements, as determined by the Secretary;*

8 *(C) at least half of the demonstration pro-*
9 *grams are completed in rural or tribal commu-*
10 *nities;*

11 *(D) equitable treatment of school food au-*
12 *thorities with a high percentage of students eligi-*
13 *ble for free or reduced price lunches, as deter-*
14 *mined by the Secretary; and*

15 *(E) at least one of the demonstration pro-*
16 *grams is completed on a military installation as*
17 *defined in section 2687(e)(1) of title 10, United*
18 *States Code.*

19 **TITLE V—CREDIT**

20 **Subtitle A—Farm Ownership Loans**

21 **SEC. 5001. ELIGIBILITY FOR FARM OWNERSHIP LOANS.**

22 *(a) IN GENERAL.—Section 302(a) of the Consolidated*
23 *Farm and Rural Development Act (7 U.S.C. 1922(a)) is*
24 *amended—*

1 (1) *by striking “(a) IN GENERAL.—The” and in-*
2 *serting the following:*

3 “(a) *IN GENERAL.—*

4 “(1) *ELIGIBILITY REQUIREMENTS.—The*”;

5 “(2) *in the 1st sentence, by inserting after “lim-*
6 *ited liability companies” the following: “, and such*
7 *other legal entities as the Secretary deems appro-*
8 *priate,”;*

9 “(3) *in the 2nd sentence, by redesignating clauses*
10 *(1) through (4) as clauses (A) through (D), respec-*
11 *tively;*

12 “(4) *in each of the 2nd and 3rd sentences, by*
13 *striking “and limited liability companies” each place*
14 *it appears and inserting “limited liability companies,*
15 *and such other legal entities”;*

16 “(5) *in the 3rd sentence, by striking “(3)” and*
17 *“(4)” and inserting “(C)” and “(D)”, respectively;*
18 *and*

19 “(6) *by adding at the end the following:*

20 “(2) *SPECIAL DEEMING RULES.—*

21 “(A) *ELIGIBILITY OF CERTAIN OPERATING-*
22 *ONLY ENTITIES.—An entity that is or will be-*
23 *come only the operator of a family farm is*
24 *deemed to meet the owner-operator requirements*
25 *of paragraph (1) if the individuals that are the*

1 owners of the family farm own more than 50
2 percent (or such other percentage as the Sec-
3 retary determines is appropriate) of the entity.

4 “(B) *ELIGIBILITY OF CERTAIN EMBEDDED*
5 *ENTITIES.*—An entity that is an owner-operator
6 described in paragraph (1), or an operator de-
7 scribed in subparagraph (A) of this paragraph
8 that is owned, in whole or in part, by other enti-
9 ties, is deemed to meet the direct ownership re-
10 quirement imposed under paragraph (1) if at
11 least 75 percent of the ownership interests of each
12 embedded entity of such entity is owned directly
13 or indirectly by the individuals that own the
14 family farm.”.

15 (b) *DIRECT FARM OWNERSHIP EXPERIENCE RE-*
16 *QUIREMENT.*—Section 302(b)(1) of such Act (7 U.S.C.
17 1922(b)(1)) is amended by inserting “or has other accept-
18 able experience for a period of time, as determined by the
19 Secretary,” after “3 years”.

20 (c) *CONFORMING AMENDMENTS.*—

21 (1) Section 304(c)(2) of such Act (7 U.S.C.
22 1924(c)(2)) by striking “paragraphs (1) and (2) of
23 section 302(a)” and inserting “clauses (A) and (B) of
24 section 302(a)(1)”.

1 (2) *Section 310D of such Act (7 U.S.C. 1934) is*
2 *amended—*

3 (A) *by inserting after “partnership” the fol-*
4 *lowing: “, or such other legal entities as the Sec-*
5 *retary deems appropriate,”; and*

6 (B) *by striking “or partners” each place it*
7 *appears and inserting “partners, or owners”.*

8 **SEC. 5002. CONSERVATION LOAN AND LOAN GUARANTEE**
9 **PROGRAM.**

10 (a) *ELIGIBILITY.—Section 304(c) of the Consolidated*
11 *Farm and Rural Development Act (7 U.S.C. 1924(c)) is*
12 *amended by inserting after “limited liability companies”*
13 *the following: “, or such other legal entities as the Secretary*
14 *deems appropriate,”.*

15 (b) *LIMITATION ON LOAN GUARANTEE AMOUNT.—Sec-*
16 *tion 304(e) of such Act (7 U.S.C. 1924(e)) is amended by*
17 *striking “75 percent” and inserting “90 percent”.*

18 (c) *EXTENSION OF PROGRAM.—Section 304(h) of such*
19 *Act (7 U.S.C. 1924(h)) is amended by striking “2012” and*
20 *inserting “2017”.*

21 **SEC. 5003. DOWN PAYMENT LOAN PROGRAM.**

22 (a) *IN GENERAL.—Section 310E(b)(1)(C) of the Con-*
23 *solidated Farm and Rural Development Act (7 U.S.C.*
24 *1935(b)(1)(C)) is amended by striking “\$500,000” and in-*
25 *serting “\$667,000”.*

1 (b) *TECHNICAL CORRECTION.*—Section 310E(b) of
 2 such Act (7 U.S.C. 1935(b)) is amended by striking the 2nd
 3 paragraph (2).

4 **SEC. 5004. ELIMINATION OF MINERAL RIGHTS APPRAISAL**
 5 **REQUIREMENT.**

6 Section 307 of the Consolidated Farm and Rural De-
 7 velopment Act (7 U.S.C. 1927) is amended by striking sub-
 8 section (d) and redesignating subsection (e) as subsection
 9 (d).

10 **Subtitle B—Operating Loans**

11 **SEC. 5101. ELIGIBILITY FOR FARM OPERATING LOANS.**

12 Section 311(a) of the Consolidated Farm and Rural
 13 Development Act (7 U.S.C. 1941(a)) is amended—

14 (1) by striking “(a) *IN GENERAL.*—The” and in-
 15 sserting the following:

16 “(a) *IN GENERAL.*—

17 “(1) *ELIGIBILITY REQUIREMENTS.*—The”;

18 (2) in the 1st sentence, by inserting after “lim-
 19 ited liability companies” the following: “, and such
 20 other legal entities as the Secretary deems appro-
 21 priate,”;

22 (3) in the 2nd sentence, by redesignating clauses
 23 (1) through (4) as clauses (A) through (D), respec-
 24 tively;

1 (4) in each of the 2nd and 3rd sentences, by
2 striking “and limited liability companies” each place
3 it appears and inserting “limited liability companies,
4 and such other legal entities”;

5 (5) in the 3rd sentence, by striking “(3)” and
6 “(4)” and inserting “(C)” and “(D)”, respectively;
7 and

8 (6) by adding at the end the following:

9 “(2) *SPECIAL DEEMING RULE.*—An entity that is
10 an operator described in paragraph (1) that is owned,
11 in whole or in part, by other entities, is deemed to
12 meet the direct ownership requirement imposed under
13 paragraph (1) if at least 75 percent of the ownership
14 interests of each embedded entity of such entity is
15 owned directly or indirectly by the individuals that
16 own the family farm.”.

17 **SEC. 5102. ELIMINATION OF RURAL RESIDENCY REQUIRE-**
18 **MENT FOR OPERATING LOANS TO YOUTH.**

19 Section 311(b)(1) of the Consolidated Farm and Rural
20 Development Act (7 U.S.C. 1941(b)(1)) is amended by strik-
21 ing “who are rural residents”.

1 **SEC. 5103. AUTHORITY TO WAIVE PERSONAL LIABILITY FOR**
2 **YOUTH LOANS DUE TO CIRCUMSTANCES BE-**
3 **YOND BORROWER CONTROL.**

4 *Section 311(b) of the Consolidated Farm and Rural*
5 *Development Act (7 U.S.C. 1941(b)) is amended by adding*
6 *at the end the following:*

7 *“(5) The Secretary may, on a case by case basis, waive*
8 *the personal liability of a borrower for a loan made under*
9 *this subsection if any default on the loan was due to cir-*
10 *cumstances beyond the control of the borrower.”.*

11 **SEC. 5104. MICROLOANS.**

12 *(a) IN GENERAL.—Section 313 of the Consolidated*
13 *Farm and Rural Development Act (7 U.S.C. 1943) is*
14 *amended by adding at the end the following:*

15 *“(c) MICROLOANS.—*

16 *“(1) IN GENERAL.—Subject to paragraph (2), the*
17 *Secretary may establish a program to make or guar-*
18 *antee microloans.*

19 *“(2) LIMITATION.—The Secretary shall not make*
20 *or guarantee a microloan under this subsection that*
21 *exceeds \$35,000 or that would cause the total prin-*
22 *cipal indebtedness outstanding at any 1 time for*
23 *microloans made under this chapter to any 1 bor-*
24 *rower to exceed \$70,000.*

25 *“(3) APPLICATIONS.—To the maximum extent*
26 *practicable, the Secretary shall limit the administra-*

1 *tive burdens and streamline the application and ap-*
2 *proval process for microloans under this subsection.*

3 *“(4) COOPERATIVE LENDING PROJECTS.—*

4 *“(A) IN GENERAL.—Subject to subpara-*
5 *graph (B), the Secretary may contract with com-*
6 *munity-based and nongovernmental organiza-*
7 *tions, State entities, or other intermediaries, as*
8 *the Secretary determines appropriate—*

9 *“(i) to make or guarantee a microloan*
10 *under this subsection; and*

11 *“(ii) to provide business, financial,*
12 *marketing, and credit management services*
13 *to borrowers.*

14 *“(B) REQUIREMENTS.—Before contracting*
15 *with an entity described in subparagraph (A),*
16 *the Secretary—*

17 *“(i) shall review and approve—*

18 *“(I) the loan loss reserve fund for*
19 *microloans established by the entity;*
20 *and*

21 *“(II) the underwriting standards*
22 *for microloans of the entity; and*

23 *“(ii) establish such other requirements*
24 *for contracting with the entity as the Sec-*
25 *retary determines necessary.”.*

1 (b) *EXCEPTIONS FOR DIRECT LOANS.*—Section
 2 311(c)(2) of such Act (7 U.S.C. 1941(c)(2)) is amended to
 3 read as follows:

4 “(2) *EXCEPTIONS.*—In this subsection, the term
 5 ‘direct operating loan’ shall not include—

6 “(A) a loan made to a youth under sub-
 7 section (b); or

8 “(B) a microloan made to a young begin-
 9 ning farmer or rancher or a military veteran
 10 farmer, as defined by the Secretary.”.

11 (c) Section 312(a) of such Act (7 U.S.C. 1942(a)) is
 12 amended by inserting “(including a microloan, as defined
 13 by the Secretary)” after “A direct loan”.

14 (d) Section 316(a)(2) of such Act (7 U.S.C. 1946(a)(2))
 15 is amended by inserting “a microloan to a beginning farm-
 16 er or rancher or military veteran farmer or” after “The
 17 interest rate on”.

18 **Subtitle C—Emergency Loans**

19 **SEC. 5201. ELIGIBILITY FOR EMERGENCY LOANS.**

20 Section 321(a) of the Consolidated Farm and Rural
 21 Development Act (7 U.S.C. 1961(a)) is amended—

22 (1) by striking “owner-operators (in the case of
 23 loans for a purpose under subtitle A) or operators (in
 24 the case of loans for a purpose under subtitle B)” each
 25 place it appears and inserting “(in the case of farm

1 *ownership loans in accordance with subtitle A)*
2 *owner-operators or operators, or (in the case of loans*
3 *for a purpose under subtitle B) operators”;*

4 (2) *by inserting after “limited liability compa-*
5 *nies” the 1st place it appears the following: “, or such*
6 *other legal entities as the Secretary deems appro-*
7 *priate”;* and

8 (3) *by inserting after “limited liability compa-*
9 *nies” the 2nd place it appears the following: “, or*
10 *other legal entities”;*

11 (4) *by striking “and limited liability compa-*
12 *nies,” and inserting “limited liability companies, and*
13 *such other legal entities”;*

14 (5) *by striking “ownership and operator” and*
15 *inserting “ownership or operator”;* and

16 (6) *by adding at the end the following: “An enti-*
17 *ty that is an owner-operator or operator described in*
18 *this subsection is deemed to meet the direct ownership*
19 *requirement imposed under this subsection if at least*
20 *75 percent of the ownership interests of each embedded*
21 *entity of such entity is owned directly or indirectly*
22 *by the individuals that own the family farm.”.*

1 **Subtitle D—Administrative**
2 **Provisions**

3 **SEC. 5301. BEGINNING FARMER AND RANCHER INDIVIDUAL**
4 **DEVELOPMENT ACCOUNTS PILOT PROGRAM.**

5 *Section 333B(h) of the Consolidated Farm and Rural*
6 *Development Act (7 U.S.C. 1983b(h)) is amended by strik-*
7 *ing “2012” and inserting “2017”.*

8 **SEC. 5302. ELIGIBLE BEGINNING FARMERS AND RANCHERS.**

9 (a) *CONFORMING AMENDMENTS RELATING TO*
10 *CHANGES IN ELIGIBILITY RULES.—Section 343(a)(11) of*
11 *such Act (7 U.S.C. 1991(a)(11)) is amended—*

12 (1) *by inserting after “joint operation,” the 1st*
13 *place it appears the following: “or such other legal en-*
14 *tity as the Secretary deems appropriate,”;*

15 (2) *by striking “or joint operators” each place it*
16 *appears and inserting “joint operators, or owners”;*
17 *and*

18 (3) *by inserting after “joint operation,” the 2nd*
19 *and 3rd place it appears the following: “or such other*
20 *legal entity,”.*

21 (b) *MODIFICATION OF ACREAGE OWNERSHIP LIMITA-*
22 *TION.—Section 343(a)(11)(F) of such Act (7 U.S.C.*
23 *1991(a)(11)(F)) is amended by striking “median acreage”*
24 *and inserting “average acreage”.*

1 **SEC. 5303. LOAN AUTHORIZATION LEVELS.**

2 *Section 346(b)(1) of the Consolidated Farm and Rural*
3 *Development Act (7 U.S.C. 1994(b)(1)) is amended in the*
4 *matter preceding subparagraph (A) by striking “2012” and*
5 *inserting “2017”.*

6 **SEC. 5304. PRIORITY FOR PARTICIPATION LOANS.**

7 *Section 346(b)(2)(A)(i) of the Consolidated Farm and*
8 *Rural Development Act (7 U.S.C. 1994(b)(2)(A)(i)) is*
9 *amended by adding at the end the following:*

10 *“(III) PRIORITY.—In order to*
11 *maximize the number of borrowers*
12 *served under this clause, the Sec-*
13 *retary—*

14 *“(aa) shall give priority to*
15 *applicants who apply under the*
16 *down payment loan program*
17 *under section 310E or joint fi-*
18 *nancing arrangements under sec-*
19 *tion 307(a)(3)(D); and*

20 *“(bb) may offer other financ-*
21 *ing options under this subtitle to*
22 *applicants only if the Secretary*
23 *determines that down payment or*
24 *other participation loan options*
25 *are not a viable approach for the*
26 *applicants.”.*

1 **SEC. 5305. LOAN FUND SET-ASIDES.**

2 *Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm*
 3 *and Rural Development Act (7 U.S.C.*
 4 *1994(b)(2)(A)(ii)(III)) is amended—*

5 *(1) by striking “2012” and inserting “2017”;*

6 *and*

7 *(2) by striking “of the total amount”.*

8 **SEC. 5306. CONFORMING AMENDMENT TO BORROWER**

9 **TRAINING PROVISION, RELATING TO ELIGI-**

10 **BILITY CHANGES.**

11 *Section 359(c)(2) of the Consolidated Farm and Rural*
 12 *Development Act (7 U.S.C. 2006a(c)(2)) is amended by*
 13 *striking “section 302(a)(2) or 311(a)(2)” and inserting*
 14 *“section 302(a)(1)(B) or 311(a)(1)(B)”.*

15 ***Subtitle E—State Agricultural***
 16 ***Mediation Programs***

17 **SEC. 5401. STATE AGRICULTURAL MEDIATION PROGRAMS.**

18 *Section 506 of the Agricultural Credit Act of 1987 (7*
 19 *U.S.C. 5106) is amended by striking “2015” and inserting*
 20 *“2017”.*

21 ***Subtitle F—Loans to Purchasers of***
 22 ***Highly Fractionated Land***

23 **SEC. 5501. LOANS TO PURCHASERS OF HIGHLY**

24 **FRACTIONATED LAND.**

25 *The first section of Public Law 91–229 (25 U.S.C. 488)*
 26 *is amended in subsection (b)(1) by striking “pursuant to*

1 *section 205(c) of the Indian Land Consolidation Act (25*
2 *U.S.C. 2204(c))” and inserting “or to intermediaries in*
3 *order to establish revolving loan funds for the purchase of*
4 *highly fractionated land”.*

5 ***TITLE VI—RURAL DEVELOPMENT***
6 ***Subtitle A—Consolidated Farm and***
7 ***Rural Development Act***

8 ***SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER FA-***
9 ***CILITY GRANTS.***

10 *Section 306(a)(2)(B)(vii) of the Consolidated Farm*
11 *and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii))*
12 *by striking “\$30,000,000 for each of fiscal years 2008*
13 *through 2012” and inserting “\$15,000,000 for each of fiscal*
14 *years 2013 through 2017”.*

15 ***SEC. 6002. RURAL BUSINESS OPPORTUNITY GRANTS.***

16 *Section 306(a)(11)(D) of the Consolidated Farm and*
17 *Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is*
18 *amended by striking “\$15,000,000 for each of fiscal years*
19 *2008 through 2012” and inserting “\$15,000,000 for each*
20 *of fiscal years 2013 through 2017”.*

21 ***SEC. 6003. ELIMINATION OF RESERVATION OF COMMUNITY***
22 ***FACILITIES GRANT PROGRAM FUNDS.***

23 *Section 306(a)(19) of the Consolidated Farm and*
24 *Rural Development Act (7 U.S.C. 1926(a)(19)) is amended*
25 *by striking subparagraph (C).*

1 **SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT**
2 **RIDER PROGRAM.**

3 *Section 306(a)(22) of the Consolidated Farm and*
4 *Rural Development Act (7 U.S.C. 1926(a)(22)) is amended*
5 *to read as follows:*

6 *“(22) RURAL WATER AND WASTEWATER CIRCUIT*
7 *RIDER PROGRAM.—*

8 *“(A) IN GENERAL.—The Secretary shall*
9 *continue a national rural water and wastewater*
10 *circuit rider program that—*

11 *“(i) is consistent with the activities*
12 *and results of the program conducted before*
13 *the date of enactment of this paragraph, as*
14 *determined by the Secretary; and*

15 *“(ii) receives funding from the Sec-*
16 *retary, acting through the Rural Utilities*
17 *Service.*

18 *“(B) AUTHORIZATION OF APPROPRIA-*
19 *TIONS.—There is authorized to be appropriated*
20 *to carry out this paragraph \$20,000,000 for fis-*
21 *cal year 2013 and each fiscal year thereafter.”.*

22 **SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL**
23 **COMMUNITY FACILITIES.**

24 *Section 306(a)(25)(C) of the Consolidated Farm and*
25 *Rural Development Act (7 U.S.C. 1926(a)(25)(C)) is*
26 *amended by striking “\$10,000,000 for each of fiscal years*

1 2008 through 2012” and inserting “\$5,000,000 for each of
2 fiscal years 2013 through 2017”.

3 **SEC. 6006. EMERGENCY AND IMMINENT COMMUNITY WATER**
4 **ASSISTANCE GRANT PROGRAM.**

5 *Section 306A(i)(2) of the Consolidated Farm and*
6 *Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended*
7 *by striking “\$35,000,000 for each of fiscal years 2008*
8 *through 2012” and inserting “\$27,000,000 for each of fiscal*
9 *years 2013 through 2017”.*

10 **SEC. 6007. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
11 **NANCE THE CONSTRUCTION, REFURBISHING,**
12 **AND SERVICING OF INDIVIDUALLY-OWNED**
13 **HOUSEHOLD WATER WELL SYSTEMS IN**
14 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
15 **OR MODERATE INCOMES.**

16 *Section 306E(d) of the Consolidated Farm and Rural*
17 *Development Act (7 U.S.C. 1926e(d)) is amended by strik-*
18 *ing “\$10,000,000 for each of fiscal years 2008 through*
19 *2012” and inserting “\$5,000,000 for each of fiscal years*
20 *2013 through 2017”.*

21 **SEC. 6008. RURAL BUSINESS AND INDUSTRY LOAN PRO-**
22 **GRAM.**

23 *(a) FLEXIBILITY FOR THE BUSINESS AND LOAN PRO-*
24 *GRAM.—Section 310B(a)(2)(A) of the Consolidated Farm*
25 *and Rural Development Act (7 U.S.C. 1932(a)(2)(A)) is*

1 amended by inserting “including working capital” after
2 “employment”.

3 (b) *GREATER FLEXIBILITY FOR ADEQUATE COLLAT-*
4 *ERAL THROUGH ACCOUNTS RECEIVABLE.*—Section
5 *310B(g)(7) of such Act (7 U.S.C. 1932(g)(7)) is amended*
6 *by adding at the end the following: “In the discretion of*
7 *the Secretary, if the Secretary determines that the action*
8 *would not create or otherwise contribute to an unreasonable*
9 *risk of default or loss to the Federal Government, the Sec-*
10 *retary may take account receivables as security for the obli-*
11 *gations entered into in connection with loans and a bor-*
12 *rower may use account receivables as collateral to secure*
13 *a loan made or guaranteed under this subsection.”.*

14 (c) *REGULATIONS.*—Not later than 6 months after the
15 date of the enactment of this Act, the Secretary shall pro-
16 mulgate such regulations as are necessary to implement the
17 amendments made by this section.

18 **SEC. 6009. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

19 Section 310B(e)(12) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 1932(e)(12)) is amended
21 by striking “\$50,000,000 for each of fiscal years 2008
22 through 2012” and inserting “\$40,000,000 for each of fiscal
23 years 2013 through 2017”.

1 **SEC. 6010. LOCALLY OR REGIONALLY PRODUCED AGRICUL-**
2 **TURAL FOOD PRODUCTS.**

3 *Section 310B(g)(9)(B)(v)(I) of the Consolidated Farm*
4 *and Rural Development Act (7 U.S.C. 1932(g)(9)(B)(v)(I))*
5 *is amended—*

6 (1) *by striking “2012” and inserting “2017”;*

7 *and*

8 (2) *by inserting “and not more than 7 percent”*
9 *after “5 percent”.*

10 **SEC. 6011. INTERMEDIARY RELENDING PROGRAM.**

11 (a) *IN GENERAL.—Subtitle A of the Consolidated*
12 *Farm and Rural Development Act (7 U.S.C. 1922–1936a)*
13 *is amended by adding at the end the following:*

14 **“SEC. 310H. INTERMEDIARY RELENDING PROGRAM.**

15 *“(a) IN GENERAL.—The Secretary shall make loans to*
16 *the entities, for the purposes, and subject to the terms and*
17 *conditions specified in the 1st, 2nd, and last sentences of*
18 *section 623(a) of the Community Economic Development*
19 *Act of 1981 (42 U.S.C. 9812(a)).*

20 *“(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*
21 *TIONS.—For loans under subsection (a), there are author-*
22 *ized to be appropriated to the Secretary not more than*
23 *\$10,000,000 for each of fiscal years 2013 through 2017.”.*

24 (b) *CONFORMING AMENDMENTS.—Section 1323(b)(2)*
25 *of the Food Security Act of 1985 (Public Law 99–198; 7*
26 *U.S.C. 1932 note) is amended—*

1 (1) in subparagraph (A), by adding “and” at the
2 end;

3 (2) in subparagraph (B), by striking “; and”
4 and inserting a period; and

5 (3) by striking subparagraph (C).

6 **SEC. 6012. ENHANCING PUBLIC/PRIVATE PARTNERSHIPS TO**
7 **SUPPORT RURAL WATER AND WASTE DIS-**
8 **POSAL INFRASTRUCTURE.**

9 Section 333 of the Consolidated Farm and Rural De-
10 velopment Act (7 U.S.C. 1983) is amended—

11 (1) by striking “require”;

12 (2) in paragraph (1), by inserting “require”
13 after “(1)”;

14 (3) in paragraph (2), by inserting “, require”
15 after “314”;

16 (4) in paragraph (3), by inserting “require”
17 after “loans,”;

18 (5) in paragraph (4)—

19 (A) by inserting “require” after “(4)”;

20 (B) by striking “and” after the semicolon;

21 (6) in paragraph (5)—

22 (A) by inserting “require” after “(5)”;

23 (B) by striking the period at the end and
24 inserting “; and”;

25 (7) by adding at the end the following:

1 “(6) with respect to water and waste disposal di-
2 rect and guaranteed loans provided under section 306,
3 encourage, to the maximum extent practicable, pri-
4 vate or cooperative lenders to finance rural water and
5 waste disposal facilities by—

6 “(A) maximizing the use of loan guarantees
7 to finance eligible projects in rural communities
8 where the population exceeds 5,500;

9 “(B) maximizing the use of direct loans to
10 finance eligible projects in rural communities
11 where the impact on rate payers will be material
12 when compared to financing with a loan guar-
13 antee;

14 “(C) establishing and applying a materi-
15 ality standard when determining the difference
16 in impact on rate payers between a direct loan
17 and a loan guarantee;

18 “(D) in the case of projects that require in-
19 terim financing in excess of \$500,000, requiring
20 that such projects initially seek such financing
21 from private or cooperative lenders; and

22 “(E) determining if an existing direct loan
23 borrower can refinance with a private or cooper-
24 ative lender, including with a loan guarantee,
25 prior to providing a new direct loan.”.

1 **SEC. 6013. SIMPLIFIED APPLICATIONS.**

2 (a) *IN GENERAL.*—Section 333A of the Consolidated
3 *Farm and Rural Development Act (7 U.S.C. 1983a)* is
4 *amended by adding at the end the following:*

5 “(h) *SIMPLIFIED APPLICATION FORMS.*—*Except as*
6 *provided in subsection (g)(2) of this section, the Secretary*
7 *shall, to the maximum extent practicable, develop a sim-*
8 *plified application process, including a single page applica-*
9 *tion where possible, for grants and relending authorized*
10 *under sections 306, 306C, 306D, 306E, 310B(b), 310B(c),*
11 *310B(e), 310B(f), 310H, 379B, and 379E.”.*

12 (b) *REPORT TO THE CONGRESS.*—*Within 2 years after*
13 *the date of the enactment of this Act, the Secretary shall*
14 *submit to the Committee on Agriculture of the House of*
15 *Representatives and the Committee on Agriculture, Nutri-*
16 *tion, and Forestry of the Senate a written report that con-*
17 *tains an evaluation of the implementation of the amend-*
18 *ment made by subsection (a).*

19 **SEC. 6014. REAUTHORIZATION OF STATE RURAL DEVELOP-**
20 **MENT COUNCILS.**

21 Section 378(h) of the Consolidated Farm and Rural
22 *Development Act (7 U.S.C. 2008m(h))* is amended by strik-
23 *ing “2012” and inserting “2017”.*

1 **SEC. 6015. GRANTS FOR NOAA WEATHER RADIO TRANSMIT-**
2 **TERS.**

3 *Section 379B(d) of the Consolidated Farm and Rural*
4 *Development Act (7 U.S.C. 2008p(d)) is amended to read*
5 *as follows:*

6 *“(d) AUTHORIZATION OF APPROPRIATIONS.—There is*
7 *authorized to be appropriated to carry out this section*
8 *\$1,000,000 for each of fiscal years 2013 through 2017.”.*

9 **SEC. 6016. RURAL MICROENTREPRENEUR ASSISTANCE PRO-**
10 **GRAM.**

11 *Section 379E(d)(2) of the Consolidated Farm and*
12 *Rural Development Act (7 U.S.C. 2008s(d)(2)) is amended*
13 *by striking “\$40,000,000 for each of fiscal years 2009*
14 *through 2012” and inserting “\$20,000,000 for each of fiscal*
15 *years 2013 through 2017”.*

16 **SEC. 6017. DELTA REGIONAL AUTHORITY.**

17 *(a) AUTHORIZATION OF APPROPRIATIONS.—Section*
18 *382M(a) of the Consolidated Farm and Rural Development*
19 *Act (7 U.S.C. 2009aa–12(a)) is amended by striking*
20 *“\$30,000,000 for each of fiscal years 2008 through 2012”*
21 *and inserting “\$12,000,000 for each of fiscal years 2013*
22 *through 2017”.*

23 *(b) TERMINATION OF AUTHORITY.—Section 382N of*
24 *such Act (7 U.S.C. 2009aa–13) is amended by striking*
25 *“2012” and inserting “2017”.*

1 **SEC. 6018. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**
2 **ITY.**

3 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section
4 383N(a) of the Consolidated Farm and Rural Development
5 Act (7 U.S.C. 2009bb–12(a)) is amended by striking
6 “\$30,000,000 for each of fiscal years 2008 through 2012”
7 and inserting “\$2,000,000 for each of fiscal years 2013
8 through 2017”.

9 (b) *TERMINATION OF AUTHORITY.*—Section 383O of
10 such Act (7 U.S.C. 2009bb–13) is amended by striking
11 “2012” and inserting “2017”.

12 **SEC. 6019. RURAL BUSINESS INVESTMENT PROGRAM.**

13 Section 384S of the Consolidated Farm and Rural De-
14 velopment Act (7 U.S.C. 2009cc–18) is amended by striking
15 “\$50,000,000 for the period of fiscal years 2008 through
16 2012” and inserting “\$20,000,000 for each of fiscal years
17 2013 through 2017”.

18 **Subtitle B—Rural Electrification**
19 **Act of 1936**

20 **SEC. 6101. RELENDING FOR CERTAIN PURPOSES.**

21 (a) *IN GENERAL.*—The Rural Electrification Act of
22 1936 (7 U.S.C. 901 et seq.) is amended—

23 (1) in section 2(a), by inserting “(including re-
24 lending for this purpose as provided in section 4)”
25 after “efficiency”;

1 (2) in section 4(a), by inserting “(including re-
2 lending to ultimate consumers for this purpose by
3 borrowers enumerated in the proviso in this section)”
4 after “efficiency”; and

5 (3) in section 313(b)(2)(B)—

6 (A) by inserting “(acting through the Rural
7 Utilities Service)” after “Secretary”; and

8 (B) by inserting “energy efficiency (includ-
9 ing relending to ultimate consumers for this pur-
10 pose),” after “promoting”.

11 (b) *CURRENT AUTHORITY.*—The authority provided in
12 this section is in addition to any other relending authority
13 of the Secretary under the Rural Electrification Act of 1936
14 (7 U.S.C. 901 et. seq.) or any other law.

15 (c) *ADMINISTRATION.*—The Secretary (acting through
16 the Rural Utilities Service) shall continue to carry out sec-
17 tion 313 of the Rural Electrification Act of 1936 (7 U.S.C.
18 940c) in the same manner as on the day before enactment
19 of this Act until such time as any regulations necessary
20 to carry out the amendments made by this section are fully
21 implemented.

22 **SEC. 6102. FEES FOR CERTAIN LOAN GUARANTEES.**

23 The Rural Electrification Act of 1936 (7 U.S.C. 901
24 et seq.) is amended by inserting after section 4 the following:

1 **“SEC. 5. FEES FOR CERTAIN LOAN GUARANTEES.**

2 “(a) *IN GENERAL.*—*For electrification baseload gen-*
3 *eration loan guarantees, the Secretary shall, at the request*
4 *of the borrower, charge an upfront fee to cover the costs of*
5 *the loan guarantee.*

6 “(b) *FEE.*—*The fee described in subsection (a) for a*
7 *loan guarantee shall be equal to the costs of the loan guar-*
8 *antee (within the meaning of section 502(5)(C) of the Fed-*
9 *eral Credit Reform Act of 1990 (2 U.S.C. 661a(5)(C))).*

10 “(c) *LIMITATION.*—*Funds received from a borrower to*
11 *pay the fee described in this section shall not be derived*
12 *from a loan or other debt obligation that is made or guaran-*
13 *teed by the Federal Government.”.*

14 **SEC. 6103. GUARANTEES FOR BONDS AND NOTES ISSUED**
15 **FOR ELECTRIFICATION OR TELEPHONE PUR-**
16 **POSES.**

17 *Section 313A(f) of the Rural Electrification Act of*
18 *1936 (7 U.S.C. 940c-1(f)) is amended by striking “2012”*
19 *and inserting “2017”.*

20 **SEC. 6104. EXPANSION OF 911 ACCESS.**

21 *Section 315(d) of the Rural Electrification Act of 1936*
22 *(7 U.S.C. 940e(d)) is amended by striking “2012” and in-*
23 *serting “2017”.*

1 **SEC. 6105. ACCESS TO BROADBAND TELECOMMUNICATIONS**
2 **SERVICES IN RURAL AREAS.**

3 *Section 601 of the Rural Electrification Act of 1936*
4 *(7 U.S.C. 950bb) is amended—*

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

7 *“(2) PRIORITIES.—In making or guaranteeing*
8 *loans under paragraph (1), the Secretary shall give—*

9 *“(A) the highest priority to applicants that*
10 *offer to provide broadband service to the greatest*
11 *proportion of households that, prior to the provi-*
12 *sion of the broadband service, had no incumbent*
13 *service provider; and*

14 *“(B) priority to applicants that offer in*
15 *their applications to provide broadband service*
16 *not predominantly for business service, but where*
17 *at least 25 percent of customers in the proposed*
18 *service territory are commercial interests.”;*

19 *(2) in subsection (d)—*

20 *(A) in paragraph (5)—*

21 *(i) by striking “and” at the end of sub-*
22 *paragraph (B);*

23 *(ii) by striking the period at the end of*
24 *subparagraph (C) and inserting a semi-*
25 *colon; and*

1 (iii) by adding at the end the fol-
2 lowing:

3 “(D) the amount and type of support re-
4 quested; and

5 “(E) a list of the census block groups or
6 tracts proposed to be so served.”; and

7 (B) by adding at the end the following:

8 “(8) *ADDITIONAL PROCESS.*—*The Secretary shall*
9 *establish a process under which an incumbent service*
10 *provider which, as of the date of the publication of*
11 *notice under paragraph (5) with respect to an appli-*
12 *cation submitted by the provider, is providing*
13 *broadband service to a remote rural area, may (but*
14 *shall not be required to) submit to the Secretary, not*
15 *less than 15 and not more than 30 days after that*
16 *date, information regarding the broadband services*
17 *that the provider offers in the proposed service terri-*
18 *tory, so that the Secretary may assess whether the ap-*
19 *plication meets the requirements of this section with*
20 *respect to eligible projects.”;*

21 (3) in subsection (e), by adding at the end the
22 following:

23 “(3) *REQUIREMENT.*—*In considering the tech-*
24 *nology needs of customers in a proposed service terri-*
25 *tory, the Secretary shall take into consideration the*

1 *upgrade or replacement cost for the construction or*
2 *acquisition of facilities and equipment in the terri-*
3 *tory.”; and*

4 *(4) in each of subsections (k)(1) and (l), by strik-*
5 *ing “2012” and inserting “2017”.*

6 ***Subtitle C—Miscellaneous***

7 ***SEC. 6201. DISTANCE LEARNING AND TELEMEDICINE.***

8 *(a) AUTHORIZATION OF APPROPRIATIONS.—Section*
9 *2335A of the Food, Agriculture, Conservation, and Trade*
10 *Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking*
11 *“\$100,000,000 for each of fiscal years 2008 through 2012”*
12 *and inserting “\$65,000,000 for each of fiscal years 2013*
13 *through 2017”.*

14 *(b) CONFORMING AMENDMENT.—Section 1(b) of Public*
15 *Law 102–551 (7 U.S.C. 950aaa note) is amended by strik-*
16 *ing “2012” and inserting “2017”.*

17 ***SEC. 6202. VALUE-ADDED AGRICULTURAL MARKET DEVEL-***
18 ***OPMENT PROGRAM GRANTS.***

19 *Section 231(b)(7) of the Agricultural Risk Protection*
20 *Act of 2000 (7 U.S.C. 1632a(b)(7)) is amended—*

21 *(1) in subparagraph (A)—*

22 *(A) by striking “2008” and inserting*
23 *“2012”; and*

24 *(B) by striking “\$15,000,000” and inserting*
25 *“\$50,000,000”; and*

1 (2) in subparagraph (B), by striking “2012” and
2 inserting “2017”.

3 **SEC. 6203. AGRICULTURE INNOVATION CENTER DEM-**
4 **ONSTRATION PROGRAM.**

5 Section 6402(i) of the Farm Security and Rural In-
6 vestment Act of 2002 (7 U.S.C. 1632b(i)) is amended by
7 striking “\$6,000,000 for each of fiscal years 2008 through
8 2012” and inserting “\$1,000,000 for each of fiscal years
9 2013 through 2017”.

10 **SEC. 6204. PROGRAM METRICS.**

11 (a) *IN GENERAL.*—The Secretary of Agriculture shall
12 collect data regarding economic activities created through
13 grants and loans, including any technical assistance pro-
14 vided as a component of the grant or loan program, and
15 measure the short and long term viability of award recipi-
16 ents and any entities to whom those recipients provide as-
17 sistance using award funds under section 231 of the Agri-
18 cultural Risk Protection Act of 2000 (7 U.S.C. 1621 note;
19 Public Law 106–224), section 9007 of the Farm Security
20 and Rural Investment Act of 2002 (7 U.S.C. 8107), section
21 313(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C.
22 940c(b)(2)), or section 306(a)(11), 310B(c), 310B(e),
23 310B(g), 310H, or 379E, or subtitle E, of the Consolidated
24 Farm and Rural Development Act (7 U.S.C. 1926(a)(11),
25 1932(c), 1932(e), 1932(g), 2008s, or 2009 through 2009m).

1 (b) *DATA.*—*The data collected under subsection (a)*
2 *shall include information collected from recipients both dur-*
3 *ing the award period and after the period as determined*
4 *by the Secretary, but not less than 2 years after the award*
5 *period ends.*

6 (c) *REPORT.*—*Not later than 4 years after the date of*
7 *enactment of this Act, and every 2 years thereafter, the Sec-*
8 *retary shall submit to the Committee on Agriculture of the*
9 *House of Representatives and the Committee on Agri-*
10 *culture, Nutrition, and Forestry of the Senate a report that*
11 *contains the data described in subsection (a). The report*
12 *shall include detailed information regarding—*

13 (1) *actions taken by the Secretary to utilize the*
14 *data;*

15 (2) *the number of jobs, including self-employ-*
16 *ment and the value of salaries and wages;*

17 (3) *how the provision of funds from the grant or*
18 *loan involved affected the local economy;*

19 (4) *any benefit, such as an increase in revenue*
20 *or customer base; and*

21 (5) *such other information as the Secretary*
22 *deems appropriate.*

23 **SEC. 6205. STUDY OF RURAL TRANSPORTATION ISSUES.**

24 (a) *IN GENERAL.*—*The Secretary of Agriculture and*
25 *the Secretary of Transportation shall publish an updated*

1 *version of the study described in section 6206 of the Food,*
2 *Conservation, and Energy Act of 2008.*

3 (b) *REPORT TO CONGRESS.*—*Not later than 1 year*
4 *after the date of enactment of this Act, the Secretary of Ag-*
5 *riculture and the Secretary of Transportation shall submit*
6 *to the Congress the updated version of the study required*
7 *by subsection (a).*

8 **SEC. 6206. AGRICULTURAL TRANSPORTATION POLICY.**

9 *The Secretary of Agriculture shall participate on be-*
10 *half of the interests of agriculture and rural America in*
11 *all policy development proceedings or other proceedings of*
12 *the Surface Transportation Board that may establish*
13 *freight rail transportation policy affecting agriculture and*
14 *rural America.*

15 **SEC. 6207. CERTAIN FEDERAL ACTIONS NOT TO BE CONSID-**
16 **ERED MAJOR FOR PURPOSES OF ENVIRON-**
17 **MENTAL REVIEW.**

18 *In the case of a loan, loan guarantee, or grant program*
19 *in the rural development mission area of the Department*
20 *of Agriculture, an action of the Secretary before, on, or after*
21 *the date of enactment of this Act that does not involve the*
22 *provision by the Department of Agriculture of Federal dol-*
23 *lars or a Federal loan guarantee, including—*

1 (1) *the approval by the Department of Agri-*
2 *culture of the decision of a borrower to commence a*
3 *privately funded activity;*

4 (2) *a lien accommodation or subordination;*

5 (3) *a debt settlement or restructuring; or*

6 (4) *the restructuring of a business entity by a*
7 *borrower,*

8 *shall not be considered a major Federal action.*

9 **TITLE VII—RESEARCH, EXTEN-**
10 **SION, AND RELATED MAT-**
11 **TERS**

12 **Subtitle A—National Agricultural**
13 **Research, Extension, and Teach-**
14 **ing Policy Act of 1977**

15 **SEC. 7101. OPTION TO NOT BE INCLUDED AS HISPANIC-**
16 **SERVING AGRICULTURAL COLLEGE OR UNI-**
17 **VERSITY.**

18 *Section 1404(10)(A) of the National Agricultural Re-*
19 *search, Extension, and Teaching Policy Act of 1977 (7*
20 *U.S.C. 3103(10)(A)) is amended—*

21 (1) *in the matter preceding clause (i), by strik-*
22 *ing “that”;*

23 (2) *in clause (i)—*

24 (A) *by inserting “that” before “qualify”;*

25 *and*

1 (B) by striking “and” at the end;

2 (3) in clause (ii)—

3 (A) by inserting “that” before “offer”; and

4 (B) by striking the period at the end and
5 inserting “; and”; and

6 (4) by adding at the end the following new
7 clause:

8 “(iii) with respect to which the Sec-
9 retary has not received a statement of the
10 declaration of the intent of a college or uni-
11 versity to not be considered a Hispanic-
12 serving agricultural college or university.”.

13 **SEC. 7102. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
14 **SION, EDUCATION, AND ECONOMICS ADVI-**
15 **SORY BOARD.**

16 (a) *EXTENSION OF TERMINATION DATE.*—Section
17 *1408(h) of the National Agricultural Research, Extension,*
18 *and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is*
19 *amended by striking “2012” and inserting “2017”.*

20 (b) *DUTIES OF NATIONAL AGRICULTURAL RESEARCH,*
21 *EXTENSION, EDUCATION, AND ECONOMICS ADVISORY*
22 *BOARD.*—Section 1408(c) of the National Agricultural Re-
23 search, Extension, and Teaching Policy Act of 1977 (7
24 U.S.C. 3123(c)) is amended—

1 (1) *in paragraph (3), by striking “and” at the*
2 *end;*

3 (2) *in paragraph (4)(C), by striking the period*
4 *at the end and inserting “; and”; and*

5 (3) *by adding at the end the following new para-*
6 *graph:*

7 “(5) *consult with industry groups on agricul-*
8 *tural research, extension, education, and economics,*
9 *and make recommendations to the Secretary based on*
10 *that consultation.”.*

11 **SEC. 7103. SPECIALTY CROP COMMITTEE.**

12 *Section 1408A(c) of the National Agricultural Re-*
13 *search, Extension, and Teaching Policy Act of 1977 (7*
14 *U.S.C. 3123a(c)) is amended—*

15 (1) *in paragraph (1), by striking “Measures”*
16 *and inserting “Programs”;*

17 (2) *by striking paragraph (2);*

18 (3) *by redesignating paragraphs (3), (4), and (5)*
19 *as paragraphs (2), (3), and (4), respectively; and*

20 (4) *in paragraph (2) (as so redesignated)—*

21 (A) *in the matter preceding subparagraph*
22 *(A), by striking “Programs that would” and in-*
23 *serting “Research, extension, and teaching pro-*
24 *grams designed to improve competitiveness in the*

1 *specialty crop industry, including programs that*
2 *would”;*

3 *(B) in subparagraph (D), by inserting “in-*
4 *cluding improving the quality and taste of proc-*
5 *essed specialty crops” before the semicolon; and*

6 *(C) in subparagraph (G), by inserting “the*
7 *remote sensing and the” before “mechanization”.*

8 **SEC. 7104. VETERINARY SERVICES GRANT PROGRAM.**

9 *The National Agricultural Research, Extension, and*
10 *Teaching Policy Act of 1977 is amended by inserting after*
11 *section 1415A (7 U.S.C. 3151a) the following new section:*

12 **“SEC. 1415B. VETERINARY SERVICES GRANT PROGRAM.**

13 *“(a) DEFINITIONS.—In this section:*

14 *“(1) QUALIFIED ENTITY.—The term ‘qualified*
15 *entity’ means—*

16 *“(A) a for-profit or nonprofit entity located*
17 *in the United States that, or an individual who,*
18 *operates a veterinary clinic providing veterinary*
19 *services—*

20 *“(i) in a rural area, as defined in sec-*
21 *tion 343(a) of the Consolidated Farm and*
22 *Rural Development Act (7 U.S.C. 1991(a));*
23 *and*

24 *“(ii) in a veterinarian shortage situa-*
25 *tion;*

1 “(B) a State, national, allied, or regional
2 veterinary organization or specialty board recog-
3 nized by the American Veterinary Medical Asso-
4 ciation;

5 “(C) a college or school of veterinary medi-
6 cine accredited by the American Veterinary Med-
7 ical Association;

8 “(D) a university research foundation or
9 veterinary medical foundation;

10 “(E) a department of veterinary science or
11 department of comparative medicine accredited
12 by the Department of Education;

13 “(F) a State agricultural experiment sta-
14 tion; or

15 “(G) a State, local, or tribal government
16 agency.

17 “(2) *VETERINARIAN SHORTAGE SITUATION.*—*The*
18 *term ‘veterinarian shortage situation’ means a veteri-*
19 *narian shortage situation as determined by the Sec-*
20 *retary under section 1415A.*

21 “(b) *ESTABLISHMENT.*—

22 “(1) *COMPETITIVE GRANTS.*—*The Secretary shall*
23 *carry out a program to make competitive grants to*
24 *qualified entities that carry out programs or activi-*
25 *ties described in paragraph (2) for the purpose of de-*

1 *veloping, implementing, and sustaining veterinary*
2 *services.*

3 “(2) *ELIGIBILITY REQUIREMENTS.—A qualified*
4 *entity shall be eligible to receive a grant described in*
5 *paragraph (1) if the entity carries out programs or*
6 *activities that the Secretary determines will—*

7 “(A) *substantially relieve veterinarian*
8 *shortage situations;*

9 “(B) *support or facilitate private veterinary*
10 *practices engaged in public health activities; or*

11 “(C) *support or facilitate the practices of*
12 *veterinarians who are providing or have com-*
13 *pleted providing services under an agreement en-*
14 *tered into with the Secretary under section*
15 *1415A(a)(2).*

16 “(c) *AWARD PROCESSES AND PREFERENCES.—*

17 “(1) *APPLICATION, EVALUATION, AND INPUT*
18 *PROCESSES.—In administering the grant program es-*
19 *tablished under this section, the Secretary shall—*

20 “(A) *use an appropriate application and*
21 *evaluation process, as determined by the Sec-*
22 *retary; and*

23 “(B) *seek the input of interested persons.*

24 “(2) *COORDINATION PREFERENCE.—In selecting*
25 *recipients of grants to be used for any of the purposes*

1 *described in subsection (d)(1), the Secretary shall give*
2 *a preference to qualified entities that provide docu-*
3 *mentation of coordination with other qualified enti-*
4 *ties, with respect to any such purpose.*

5 “(3) *CONSIDERATION OF AVAILABLE FUNDS.—In*
6 *selecting recipients of grants to be used for any of the*
7 *purposes described in subsection (d), the Secretary*
8 *shall take into consideration the amount of funds*
9 *available for grants and the purposes for which the*
10 *grant funds will be used.*

11 “(4) *NATURE OF GRANTS.—A grant awarded*
12 *under this section shall be considered to be a competi-*
13 *tive research, extension, or education grant.*

14 “(d) *USE OF GRANTS TO RELIEVE VETERINARIAN*
15 *SHORTAGE SITUATIONS AND SUPPORT VETERINARY SERV-*
16 *ICES.—*

17 “(1) *IN GENERAL.—Except as provided in para-*
18 *graph (2), a qualified entity may use funds provided*
19 *by a grant awarded under this section to relieve vet-*
20 *erinerian shortage situations and support veterinary*
21 *services for any of the following purposes:*

22 “(A) *To promote recruitment (including for*
23 *programs in secondary schools), placement, and*
24 *retention of veterinarians, veterinary techni-*

1 *cians, students of veterinary medicine, and stu-*
2 *dents of veterinary technology.*

3 “(B) *To allow veterinary students, veteri-*
4 *nary interns, externs, fellows, and residents, and*
5 *veterinary technician students to cover expenses*
6 *(other than the types of expenses described in sec-*
7 *tion 1415A(c)(5)) to attend training programs*
8 *in food safety or food animal medicine.*

9 “(C) *To establish or expand accredited vet-*
10 *erinary education programs (including faculty*
11 *recruitment and retention), veterinary residency*
12 *and fellowship programs, or veterinary intern-*
13 *ship and externship programs carried out in co-*
14 *ordination with accredited colleges of veterinary*
15 *medicine.*

16 “(D) *To provide continuing education and*
17 *extension, including veterinary telemedicine and*
18 *other distance-based education, for veterinarians,*
19 *veterinary technicians, and other health profes-*
20 *sionals needed to strengthen veterinary programs*
21 *and enhance food safety.*

22 “(E) *To provide technical assistance for the*
23 *preparation of applications submitted to the Sec-*
24 *retary for designation as a veterinarian shortage*
25 *situation under this section or section 1415A.*

1 “(2) *QUALIFIED ENTITIES OPERATING VETERI-*
2 *NARY CLINICS.*—*A qualified entity described in sub-*
3 *section (a)(1)(A) may only use funds provided by a*
4 *grant awarded under this section to establish or ex-*
5 *pend veterinary practices, including—*

6 “(A) *equipping veterinary offices;*

7 “(B) *sharing in the reasonable overhead*
8 *costs of such veterinary practices, as determined*
9 *by the Secretary; or*

10 “(C) *establishing mobile veterinary facilities*
11 *in which a portion of the facilities will address*
12 *education or extension needs.*

13 “(e) *SPECIAL REQUIREMENTS FOR CERTAIN*
14 *GRANTS.*—

15 “(1) *TERMS OF SERVICE REQUIREMENTS.*—

16 “(A) *IN GENERAL.*—*Funds provided*
17 *through a grant made under this section to a*
18 *qualified entity described in subsection (a)(1)(A)*
19 *and used by such entity under subsection (d)(2)*
20 *shall be subject to an agreement between the Sec-*
21 *retary and such entity that includes a required*
22 *term of service for such entity (including a*
23 *qualified entity operating as an individual), as*
24 *prospectively established by the Secretary.*

1 “(B) *CONSIDERATIONS.*—*In establishing a*
2 *term of service under subparagraph (A), the Sec-*
3 *retary shall consider only—*

4 “(i) *the amount of the grant awarded;*

5 *and*

6 “(ii) *the specific purpose of the grant.*

7 “(2) *BREACH REMEDIES.*—

8 “(A) *IN GENERAL.*—*An agreement under*
9 *paragraph (1) shall provide remedies for any*
10 *breach of the agreement by the qualified entity*
11 *referred to in paragraph (1)(A), including re-*
12 *payment or partial repayment of the grant*
13 *funds, with interest.*

14 “(B) *WAIVER.*—*The Secretary may grant a*
15 *waiver of the repayment obligation for breach of*
16 *contract if the Secretary determines that such*
17 *qualified entity demonstrates extreme hardship*
18 *or extreme need.*

19 “(C) *TREATMENT OF AMOUNTS RECOV-*
20 *ERED.*—*Funds recovered under this paragraph*
21 *shall—*

22 “(i) *be credited to the account avail-*
23 *able to carry out this section; and*

24 “(ii) *remain available until expended*
25 *without further appropriation.*

1 “(f) *PROHIBITION ON USE OF GRANT FUNDS FOR CON-*
2 *STRUCTION.—Except as provided in subsection (d)(2),*
3 *funds made available for grants under this section may not*
4 *be used—*

5 “(1) *to construct a new building or facility; or*
6 “(2) *to acquire, expand, remodel, or alter an ex-*
7 *isting building or facility, including site grading and*
8 *improvement and architect fees.*

9 “(g) *REGULATIONS.—Not later than 1 year after the*
10 *date of the enactment of this section, the Secretary shall*
11 *promulgate regulations to carry out this section.*

12 “(h) *AUTHORIZATION OF APPROPRIATIONS.—There*
13 *are authorized to be appropriated to the Secretary to carry*
14 *out this section \$10,000,000 for fiscal year 2013 and each*
15 *fiscal year thereafter, to remain available until expended.”.*

16 **SEC. 7105. GRANTS AND FELLOWSHIPS FOR FOOD AND AG-**
17 **RICULTURE SCIENCES EDUCATION.**

18 *Section 1417(m) of the National Agricultural Re-*
19 *search, Extension, and Teaching Policy Act of 1977 (7*
20 *U.S.C. 3152(m)) is amended by striking “section*
21 *\$60,000,000” and all that follows and inserting the fol-*
22 *lowing: “section—*

23 “(1) *\$60,000,000 for each of fiscal years 1990*
24 *through 2012; and*

1 “(2) \$40,000,000 for each of fiscal years 2013
2 through 2017.”.

3 **SEC. 7106. POLICY RESEARCH CENTERS.**

4 Section 1419A of the National Agricultural Research,
5 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
6 3155) is amended—

7 (1) in the section heading, by inserting “**AGRI-**
8 **CULTURAL AND FOOD**” before “**POLICY**”;

9 (2) in subsection (a), in the matter preceding
10 paragraph (1)—

11 (A) by striking “Secretary may” and in-
12 serting “Secretary shall, acting through the Of-
13 fice of the Chief Economist,”;

14 (B) by striking “make grants, competitive
15 grants, and special research grants to, and enter
16 into cooperative agreements and other con-
17 tracting instruments with,” and inserting “make
18 competitive grants to or enter into cooperative
19 agreements with”; and

20 (C) by inserting “with a history of pro-
21 viding unbiased, nonpartisan economic analysis
22 to Congress” after “subsection (b)”;

23 (3) in subsection (b), by striking “other research
24 institutions” and all that follows through “shall be el-

1 *igible” and inserting “and other public research insti-*
2 *tutions and organizations shall be eligible”;*

3 *(4) by redesignating subsections (c) and (d) as*
4 *subsections (d) and (e), respectively;*

5 *(5) by inserting after subsection (b), the fol-*
6 *lowing new subsection:*

7 *“(c) PREFERENCE.—In awarding grants under this*
8 *section, the Secretary shall give a preference to policy re-*
9 *search centers that have extensive databases, models, and*
10 *demonstrated experience in providing Congress with agri-*
11 *cultural market projections, rural development analysis, ag-*
12 *ricultural policy analysis, and baseline projections at the*
13 *farm, multiregional, national, and international levels.”;*
14 *and*

15 *(6) by striking subsection (e) (as redesignated by*
16 *paragraph (4)) and inserting the following new sub-*
17 *section:*

18 *“(e) AUTHORIZATION OF APPROPRIATIONS.—There are*
19 *authorized to be appropriated to carry out this section—*

20 *“(1) such sums as are necessary for each of fiscal*
21 *years 1996 through 2012; and*

22 *“(2) \$5,000,000 for each of fiscal years 2013*
23 *through 2017.”.*

1 **SEC. 7107. REPEAL OF HUMAN NUTRITION INTERVENTION**
2 **AND HEALTH PROMOTION RESEARCH PRO-**
3 **GRAM.**

4 *Section 1424 of the National Agricultural Research,*
5 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
6 *3174) is repealed.*

7 **SEC. 7108. REPEAL OF PILOT RESEARCH PROGRAM TO COM-**
8 **BINE MEDICAL AND AGRICULTURAL RE-**
9 **SEARCH.**

10 *Section 1424A of the National Agricultural Research,*
11 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
12 *3174a) is repealed.*

13 **SEC. 7109. NUTRITION EDUCATION PROGRAM.**

14 *Section 1425(f) of the National Agricultural Research,*
15 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
16 *3175(f)) is amended by striking “2012” and inserting*
17 *“2017”.*

18 **SEC. 7110. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
19 **SEARCH PROGRAMS.**

20 *Section 1433 of the National Agricultural Research,*
21 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
22 *3195) is amended by striking the section designation and*
23 *heading and all that follows through subsection (a) and in-*
24 *serting the following:*

1 **“SEC. 1433. APPROPRIATIONS FOR CONTINUING ANIMAL**
2 **HEALTH AND DISEASE RESEARCH PRO-**
3 **GRAMS.**

4 “(a) *AUTHORIZATION OF APPROPRIATIONS.—*

5 “(1) *IN GENERAL.—There are authorized to be*
6 *appropriated to support continuing animal health*
7 *and disease research programs at eligible institu-*
8 *tions—*

9 “(A) *\$25,000,000 for each of fiscal years*
10 *1991 through 2012; and*

11 “(B) *\$15,000,000 for each of fiscal years*
12 *2013 through 2017.*

13 “(2) *USE OF FUNDS.—Funds made available*
14 *under this section shall be used—*

15 “(A) *to meet the expenses of conducting ani-*
16 *mal health and disease research, publishing and*
17 *disseminating the results of such research, and*
18 *contributing to the retirement of employees sub-*
19 *ject to the Act of March 4, 1940 (7 U.S.C. 331);*

20 “(B) *for administrative planning and di-*
21 *rection; and*

22 “(C) *to purchase equipment and supplies*
23 *necessary for conducting the research described*
24 *in subparagraph (A).”*

1 **SEC. 7111. REPEAL OF APPROPRIATIONS FOR RESEARCH**
2 **ON NATIONAL OR REGIONAL PROBLEMS.**

3 (a) *REPEAL.*—Section 1434 of the National Agricultural
4 *Research, Extension, and Teaching Policy Act of 1977*
5 *(7 U.S.C. 3196)* is repealed.

6 (b) *CONFORMING AMENDMENTS.*—

7 (1) *MATCHING FUNDS.*—Section 1438 of the Na-
8 *tional Agricultural Research, Extension, and Teach-*
9 *ing Policy Act of 1977 (7 U.S.C. 3200)* is amended
10 *in the first sentence by striking “, exclusive of the*
11 *funds provided for research on specific national or re-*
12 *gional animal health and disease problems under the*
13 *provisions of section 1434 of this title.”.*

14 (2) *AUTHORIZATION OF APPROPRIATIONS FOR*
15 *EXISTING AND CERTAIN NEW AGRICULTURAL RE-*
16 *SEARCH PROGRAMS.*—Section 1463(c) of the National
17 *Agricultural Research, Extension, and Teaching Pol-*
18 *icy Act of 1977 (7 U.S.C. 3311(c))* is amended by
19 *striking “sections 1433 and 1434” and inserting “sec-*
20 *tion 1433”.*

21 **SEC. 7112. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**
22 **SCIENCES FACILITIES AT 1890 LAND-GRANT**
23 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**
24 **SITY.**

25 *Section 1447(b) of the National Agricultural Research,*
26 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*

1 3222b(b)) is amended by striking “2012” and inserting
2 “2017”.

3 **SEC. 7113. GRANTS TO UPGRADE AGRICULTURE AND FOOD**
4 **SCIENCE FACILITIES AND EQUIPMENT AT IN-**
5 **SULAR AREA LAND-GRANT INSTITUTIONS.**

6 (a) *SUPPORTING TROPICAL AND SUBTROPICAL AGRI-*
7 *CULTURAL RESEARCH.*—

8 (1) *IN GENERAL.*—Section 1447B(a) of the Na-
9 tional Agricultural Research, Extension, and Teach-
10 ing Policy Act of 1977 (7 U.S.C. 3222b–2(a)) is
11 amended to read as follows:

12 “(a) *PURPOSE.*—It is the intent of Congress to assist
13 the land-grant colleges and universities in the insular areas
14 in efforts to—

15 “(1) acquire, alter, or repair facilities or rel-
16 evant equipment necessary for conducting agricul-
17 tural research; and

18 “(2) support tropical and subtropical agricul-
19 tural research, including pest and disease research.”.

20 (2) *CONFORMING AMENDMENT.*—Section 1447B
21 of the National Agricultural Research, Extension, and
22 Teaching Policy Act of 1977 (7 U.S.C. 3222b–2) is
23 amended in the heading—

1 (A) by inserting “**AND SUPPORT TROP-**
2 **ICAL AND SUBTROPICAL AGRICULTURAL**
3 **RESEARCH**” after “**EQUIPMENT**”; and

4 (B) by striking “**INSTITUTIONS**” and in-
5 serting “**COLLEGES AND UNIVERSITIES**”.

6 (b) *EXTENSION*.—Section 1447B(d) of the National
7 *Agricultural Research, Extension, and Teaching Policy Act*
8 *of 1977 (7 U.S.C. 3222b–2(d)) is amended by striking*
9 *“2012” and inserting “2017”.*

10 **SEC. 7114. REPEAL OF NATIONAL RESEARCH AND TRAINING**
11 **VIRTUAL CENTERS.**

12 Section 1448 of the National Agricultural Research,
13 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
14 *3222c) is repealed.*

15 **SEC. 7115. HISPANIC-SERVING INSTITUTIONS.**

16 Section 1455(c) of the National Agricultural Research,
17 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
18 *3241(c)) is amended by striking “2012” and inserting*
19 *“2017”.*

20 **SEC. 7116. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
21 **RICULTURAL SCIENCE AND EDUCATION PRO-**
22 **GRAMS.**

23 Section 1459A(c) of the National Agricultural Re-
24 *search, Extension, and Teaching Policy Act of 1977 (7*
25 *U.S.C. 3292b(c)) is amended to read as follows:*

1 “(c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated to carry out this section—*

3 “(1) *such sums as are necessary for each of fiscal*
4 *years 1999 through 2012; and*

5 “(2) *\$5,000,000 for each of fiscal years 2013*
6 *through 2017.*”.

7 **SEC. 7117. REPEAL OF RESEARCH EQUIPMENT GRANTS.**

8 *Section 1462A of the National Agricultural Research,*
9 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
10 *3310a) is repealed.*

11 **SEC. 7118. UNIVERSITY RESEARCH.**

12 *Section 1463 of the National Agricultural Research,*
13 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
14 *3311) is amended in both of subsections (a) and (b) by*
15 *striking “2012” and inserting “2017”.*

16 **SEC. 7119. EXTENSION SERVICE.**

17 *Section 1464 of the National Agricultural Research,*
18 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
19 *3312) is amended by striking “2012” and inserting “2017”.*

20 **SEC. 7120. AUDITING, REPORTING, BOOKKEEPING, AND AD-**
21 **MINISTRATIVE REQUIREMENTS.**

22 *Section 1469 of the National Agricultural Research,*
23 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
24 *3315) is amended—*

25 (1) *in subsection (a)—*

1 (A) in paragraph (2), by adding “and” at
2 the end;

3 (B) by striking paragraph (3); and

4 (C) by redesignating paragraph (4) as
5 paragraph (3);

6 (2) by redesignating subsections (b), (c), and (d)
7 as subsections (c), (d), and (e), respectively; and

8 (3) by inserting after subsection (a) the following
9 new subsection:

10 “(b) *ADMINISTRATIVE EXPENSES.*—

11 “(1) *IN GENERAL.*—Except as provided in para-
12 graph (2) and notwithstanding any other provision of
13 law, the Secretary may retain not more than 4 per-
14 cent of amounts made available for agricultural re-
15 search, extension, and teaching assistance programs
16 for the administration of those programs authorized
17 under this Act or any other Act.

18 “(2) *EXCEPTIONS.*—The limitation on adminis-
19 trative expenses under paragraph (1) shall not apply
20 to peer panel expenses under subsection (d) or any
21 other provision of law related to the administration
22 of agricultural research, extension, and teaching as-
23 sistance programs that contains a limitation on ad-
24 ministrative expenses that is less than the limitation
25 under paragraph (1).”.

1 **SEC. 7121. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

2 (a) *AUTHORIZATION OF APPROPRIATIONS AND TERMI-*
3 *NATION.*—Section 1473D of the National Agricultural Re-
4 search, Extension, and Teaching Policy Act of 1977 (7
5 U.S.C. 3319d) is amended—

6 (1) in subsection (a), by striking “2012” and in-
7 serting “2017”; and

8 (2) by adding at the end the following new sub-
9 section:

10 “(e) There are authorized to be appropriated to carry
11 out this section—

12 “(1) such sums as are necessary for fiscal year
13 2012; and

14 “(2) \$1,000,000 for each of fiscal years 2013
15 through 2017.”.

16 (b) *COMPETITIVE GRANTS.*—Section 1473D(c)(1) of
17 the National Agricultural Research, Extension, and Teach-
18 ing Policy Act of 1977 (7 U.S.C. 3319d(c)(1)) is amended
19 by striking “use such research funding, special or competi-
20 tive grants, or other means, as the Secretary determines,”
21 and inserting “make competitive grants”.

22 **SEC. 7122. CAPACITY BUILDING GRANTS FOR NLGCA INSTI-**
23 **TUTIONS.**

24 Section 1473F(b) of the National Agricultural Re-
25 search, Extension, and Teaching Policy Act of 1977 (7

1 *U.S.C. 3319i(b)) is amended by striking “2012” and insert-*
2 *ing “2017”.*

3 **SEC. 7123. AQUACULTURE ASSISTANCE PROGRAMS.**

4 *(a) COMPETITIVE GRANTS.—Section 1475(b) of the*
5 *National Agricultural Research, Extension, and Teaching*
6 *Policy Act of 1977 (7 U.S.C. 3322(b)) is amended in the*
7 *matter preceding paragraph (1), by inserting “competitive”*
8 *before “grants”.*

9 *(b) AUTHORIZATION OF APPROPRIATIONS.—Section*
10 *1477 of the National Agricultural Research, Extension, and*
11 *Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended*
12 *to read as follows:*

13 **“SEC. 1477. AUTHORIZATION OF APPROPRIATIONS.**

14 *“(a) IN GENERAL.—There are authorized to be appro-*
15 *priated to carry out this subtitle—*

16 *“(1) \$7,500,000 for each of fiscal years 1991*
17 *through 2012; and*

18 *“(2) \$5,000,000 for each of fiscal years 2013*
19 *through 2017.*

20 *“(b) PROHIBITION ON USE.—Funds made available*
21 *under this section may not be used to acquire or construct*
22 *a building.”.*

23 **SEC. 7124. RANGELAND RESEARCH PROGRAMS.**

24 *Section 1483(a) of the National Agricultural Research,*
25 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*

1 3336(a)) is amended by striking “subtitle” and all that fol-
 2 lows and inserting the following: “subtitle—

3 “(1) \$10,000,000 for each of fiscal years 1991
 4 through 2012; and

5 “(2) \$2,000,000 for each of fiscal years 2013
 6 through 2017.”.

7 **SEC. 7125. SPECIAL AUTHORIZATION FOR BIOSECURITY**
 8 **PLANNING AND RESPONSE.**

9 Section 1484(a) of the National Agricultural Research,
 10 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
 11 3351(a)) is amended by striking “response such sums as
 12 are necessary” and all that follows and inserting the fol-
 13 lowing: “response—

14 “(1) such sums as are necessary for each of fiscal
 15 years 2002 through 2012; and

16 “(2) \$10,000,000 for each of fiscal years 2013
 17 through 2017.”.

18 **SEC. 7126. DISTANCE EDUCATION AND RESIDENT INSTRU-**
 19 **CTION GRANTS PROGRAM FOR INSULAR AREA**
 20 **INSTITUTIONS OF HIGHER EDUCATION.**

21 (a) **DISTANCE EDUCATION GRANTS FOR INSULAR**
 22 **AREAS.—**

23 (1) **COMPETITIVE GRANTS.**—Section 1490(a) of
 24 the National Agricultural Research, Extension, and

1 *Teaching Policy Act of 1977 (7 U.S.C. 3362(a)) is*
2 *amended by striking “or noncompetitive”.*

3 (2) *AUTHORIZATION OF APPROPRIATIONS.—Section*
4 *1490(f) of the National Agricultural Research,*
5 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
6 *3362(f)) is amended by striking “section” and all that*
7 *follows and inserting the following: “section—*

8 *“(1) such sums as are necessary for each of fiscal*
9 *years 2002 through 2012; and*

10 *“(2) \$2,000,000 for each of fiscal years 2013*
11 *through 2017.”.*

12 (b) *RESIDENT INSTRUCTION GRANTS FOR INSULAR*
13 *AREAS.—Section 1491(c) of the National Agricultural Re-*
14 *search, Extension, and Teaching Policy Act of 1977 (7*
15 *U.S.C. 3363(c)) is amended by striking “such sums as are*
16 *necessary” and all that follows and inserting the following:*
17 *“to carry out this section—*

18 *“(1) such sums as are necessary for each of fiscal*
19 *years 2002 through 2012; and*

20 *“(2) \$2,000,000 for each of fiscal years 2013*
21 *through 2017.”.*

22 **SEC. 7127. MATCHING FUNDS REQUIREMENT.**

23 (a) *IN GENERAL.—The National Agricultural Re-*
24 *search, Extension, and Teaching Policy Act of 1977 (7*

1 *U.S.C. 3101 et seq.) is amended by adding at the end the*
2 *following new subtitle:*

3 **“Subtitle P—General Provisions**

4 **“SEC. 1492. MATCHING FUNDS REQUIREMENT.**

5 “(a) *MATCHING FUNDS REQUIREMENT.*—*The recipi-*
6 *ent of a competitive grant that is awarded by the Secretary*
7 *under a covered law and that involves applied research or*
8 *extension that is commodity-specific or State-specific shall*
9 *provide funds, in-kind contributions, or a combination of*
10 *both, from sources other than funds provided through such*
11 *grant in an amount at least equal to the amount of such*
12 *grant.*

13 “(b) *WAIVER AUTHORITY.*—*The Secretary may waive*
14 *the matching funds requirement under subsection (a) with*
15 *respect to a competitive grant that involves applied research*
16 *or extension that the National Agricultural Research, Ex-*
17 *tension, Education, and Economics Advisory Board has de-*
18 *termined is a national priority under section 1408(c).*

19 “(c) *DEFINITIONS.*—*In this section:*

20 “(1) *APPLIED RESEARCH.*—*The term ‘applied*
21 *research’ has the meaning given such term in section*
22 *251(f)(1)(B) of the Department of Agriculture Reorga-*
23 *nization Act of 1994 (7 U.S.C. 6971(f)(1)(B)).*

24 “(2) *COVERED LAW.*—*The term ‘covered law’*
25 *means each of the following provisions of law:*

1 “(A) *This title.*

2 “(B) *Title XVI of the Food, Agriculture,*
3 *Conservation, and Trade Act of 1990 (7 U.S.C.*
4 *5801 et seq.).*

5 “(C) *The Agricultural Research, Extension,*
6 *and Education Reform Act of 1998 (7 U.S.C.*
7 *7601 et seq.).*

8 “(D) *Section 7405 of the Farm Security*
9 *and Rural Investment Act of 2002 (7 U.S.C.*
10 *3319f).*

11 “(E) *Part III of subtitle E of title VII of the*
12 *Food, Conservation, and Energy Act of 2008 (7*
13 *U.S.C. 3202 et seq.).*

14 “(F) *The Competitive, Special, and Facili-*
15 *ties Research Grant Act (7 U.S.C. 450i).”.*

16 **(b) CONFORMING AMENDMENT.**—*Paragraph (9) of sec-*
17 *tion 2(b) of the Competitive, Special, and Facilities Re-*
18 *search Grant Act (7 U.S.C. 450i(b)) is amended—*

19 *(1) by striking subparagraph (B);*

20 *(2) in the heading, by inserting “FOR EQUIP-*
21 *MENT GRANTS” after “FUNDS”;*

22 *(3) by striking “(A) EQUIPMENT GRANTS.—”;*

23 *and*

1 (4) *by redesignating clauses (i) and (ii) as sub-*
2 *paragraphs (A) and (B), respectively, and moving the*
3 *margins of such subparagraphs two ems to the left.*

4 (c) *APPLICATION TO AMENDMENTS.—*

5 (1) *NEW GRANTS.—Section 1492 of the National*
6 *Agricultural, Research, Extension, and Teaching Pol-*
7 *icy Act of 1977, as added by subsection (a), shall*
8 *apply with respect to grants described in such section*
9 *awarded after October 1, 2012, unless the provision of*
10 *a covered law under which such grants are awarded*
11 *specifically exempts such grants from the matching*
12 *funds requirement under such section.*

13 (2) *EXISTING GRANTS.—A matching funds re-*
14 *quirement in effect on or before October 1, 2012,*
15 *under a covered law shall continue to apply to a*
16 *grant awarded under such provision of law on or be-*
17 *fore that date.*

18 ***Subtitle B—Food, Agriculture, Con-***
19 ***servation, and Trade Act of 1990***

20 ***SEC. 7201. BEST UTILIZATION OF BIOLOGICAL APPLICA-***
21 ***TIONS.***

22 *Section 1624 of the Food, Agriculture, Conservation,*
23 *and Trade Act of 1990 (7 U.S.C. 5814) is amended in the*
24 *first sentence—*

1 (1) *by striking “\$40,000,000 for each fiscal*
2 *year”;* and

3 (2) *by inserting “\$40,000,000 for each of fiscal*
4 *years 2012 through 2017” after “chapter”.*

5 **SEC. 7202. INTEGRATED MANAGEMENT SYSTEMS.**

6 Section 1627(d) of the Food, Agriculture, Conserva-
7 tion, and Trade Act of 1990 (7 U.S.C. 5821(d)) is amended
8 to read as follows:

9 “(d) *AUTHORIZATION OF APPROPRIATIONS.—There*
10 *are authorized to be appropriated to carry out this section*
11 *through the National Institute of Food and Agriculture*
12 *\$20,000,000 for each of fiscal years 2012 through 2017.”.*

13 **SEC. 7203. SUSTAINABLE AGRICULTURE TECHNOLOGY DE-**
14 **VELOPMENT AND TRANSFER PROGRAM.**

15 Section 1628(f) of the Food, Agriculture, Conservation,
16 and Trade Act of 1990 (7 U.S.C. 5831(f)) is amended to
17 read as follows:

18 “(f) *AUTHORIZATION OF APPROPRIATIONS.—There are*
19 *authorized to be appropriated to carry out this section—*

20 “(1) *such sums as are necessary for fiscal year*
21 *2012; and*

22 “(2) *\$5,000,000 for each of fiscal years 2013*
23 *through 2017.”.*

1 **SEC. 7204. NATIONAL TRAINING PROGRAM.**

2 *Section 1629(i) of the Food, Agriculture, Conservation,*
3 *and Trade Act of 1990 (7 U.S.C. 5832(i)) is amended to*
4 *read as follows:*

5 *“(i) AUTHORIZATION OF APPROPRIATIONS.—There are*
6 *authorized to be appropriated to carry out the National*
7 *Training Program \$20,000,000 for each of fiscal years 2012*
8 *through 2017.”.*

9 **SEC. 7205. NATIONAL GENETICS RESOURCES PROGRAM.**

10 *Section 1635(b) of the Food, Agriculture, Conservation,*
11 *and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended—*

12 *(1) by striking “such funds as may be nec-*
13 *essary”; and*

14 *(2) by striking “subtitle” and all that follows*
15 *and inserting the following: “subtitle—*

16 *“(1) such sums as are necessary for each of fiscal*
17 *years 1991 through 2012; and*

18 *“(2) \$1,000,000 for each of fiscal years 2013*
19 *through 2017.”.*

20 **SEC. 7206. REPEAL OF NATIONAL AGRICULTURAL WEATHER**
21 **INFORMATION SYSTEM.**

22 *Subtitle D of title XVI of the Food, Agriculture, Con-*
23 *servation, and Trade Act of 1990 (7 U.S.C. 5851 et seq.)*
24 *is repealed.*

1 **SEC. 7207. REPEAL OF RURAL ELECTRONIC COMMERCE EX-**
2 **TENSION PROGRAM.**

3 *Section 1670 of the Food, Agriculture, Conservation,*
4 *and Trade Act of 1990 (7 U.S.C. 5923) is repealed.*

5 **SEC. 7208. REPEAL OF AGRICULTURAL GENOME INITIATIVE.**

6 *Section 1671 of the Food, Agriculture, Conservation,*
7 *and Trade Act of 1990 (7 U.S.C. 5924) is repealed.*

8 **SEC. 7209. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
9 **TIATIVES.**

10 *Section 1672 of the Food, Agriculture, Conservation,*
11 *and Trade Act of 1990 (7 U.S.C. 5925) is amended—*

12 *(1) in the first sentence of subsection (a), by*
13 *striking “subsections (e) through (i)” and inserting*
14 *“subsections (e) through (g)”;*

15 *(2) in subsection (b)(2), in the first sentence, by*
16 *striking “subsections (e) through (i)” and inserting*
17 *“subsections (e) through (g)”;*

18 *(3) in subsection (c)(2)—*

19 *(A) in subparagraph (A), by striking “or”*
20 *at the end;*

21 *(B) in subparagraph (B), by striking the*
22 *period at the end and inserting “; or”; and*

23 *(C) by adding at the end the following new*
24 *subparagraph:*

25 *“(C) the project involves a pest that has*
26 *been designated as a pest of public health signifi-*

1 *cance by the Environmental Protection Agency*
2 *and the Centers for Disease Control and Preven-*
3 *tion, as described in section 2(nn) of the Federal*
4 *Insecticide, Fungicide, and Rodenticide Act (7*
5 *U.S.C. 136(nn)).”;*

6 *(4) by striking subsections (e), (f), and (i);*

7 *(5) by redesignating subsections (g), (h), and (j)*
8 *as subsections (e), (f), and (h), respectively;*

9 *(6) in subsection (e) (as redesignated by para-*
10 *graph (5))—*

11 *(A) in the heading, by inserting “, BED*
12 *BUGS, AND OTHER PESTS” after “TERMITE”;*
13 *and*

14 *(B) by inserting “, bed bugs, and other*
15 *pests, including pests that the Secretary deter-*
16 *mines are a risk to public health” after “ter-*
17 *mites” each place it appears in paragraphs (1),*
18 *(2)(A), and (3);*

19 *(7) in subsection (f) (as redesignated by para-*
20 *graph (5))—*

21 *(A) by striking “2012” each place it ap-*
22 *pears in paragraphs (1)(B), (2)(B), and (3) and*
23 *inserting “2017”;* and

24 *(B) in paragraph (4)—*

1 (i) in subparagraph (A), by inserting
2 “and honey bee health disorders” after “col-
3 lapse”; and

4 (ii) in subparagraph (B), by inserting
5 “, including best management practices”
6 after “strategies”;

7 (8) by inserting after subsection (f) (as redesign-
8 ated by paragraph (5)), the following new sub-
9 section:

10 “(g) *BED BUG CONTROL.*—

11 “(1) *AUTHORIZATION AND USE OF GRANTS.*—*The*
12 *Secretary, in consultation with a task force appointed*
13 *under subsection (b)(2), shall award grants under this*
14 *subsection for purposes of—*

15 “(A) *developing more efficacious methods of*
16 *detecting, preventing, and managing bed bugs;*
17 *and*

18 “(B) *conducting basic and applied bed bug*
19 *biology research.*

20 “(2) *GRANTS.*—

21 “(A) *REQUESTS FOR PROPOSALS.*—*The Sec-*
22 *retary shall, not later than 180 days after the*
23 *date of the enactment of this subsection and in*
24 *consultation with the task force, publish a re-*
25 *quest for openly competitive grant proposals for*

1 *research projects for the purposes described in*
2 *paragraph (1).*

3 “(B) *AWARD OF GRANTS.*—*Not later than*
4 *180 days after the date of such publication, the*
5 *Secretary shall—*

6 “(i) *evaluate the grant proposals re-*
7 *ferred to in subparagraph (A) in consulta-*
8 *tion with the task force; and*

9 “(ii) *award grants to entities that sub-*
10 *mitted grant proposals for research projects*
11 *the Secretary determines are meritorious for*
12 *the purposes described in paragraph (1).*

13 “(C) *NOTIFICATION REQUIREMENT.*—*The*
14 *Secretary shall notify the task force of any*
15 *award made under subparagraph (B) not later*
16 *than 30 days after awarding such grant.*

17 “(3) *CONSULTATION AND COORDINATION.*—*To*
18 *expedite the approval or registration under section 3,*
19 *section 18, or section 24 of the Federal Insecticide,*
20 *Fungicide and Rodenticide Act (7 U.S.C. 136a, 136p,*
21 *and 136v) of the methods identified or discovered*
22 *through research projects funded under this sub-*
23 *section, the Secretary shall consult and coordinate*
24 *with the Administrator of the Environmental Protec-*
25 *tion Agency regarding—*

1 “(A) the awarding of grants under this sub-
2 section; and

3 “(B) the evaluation of the results of such re-
4 search projects.”; and

5 (9) in subsection (h) (as redesignated by para-
6 graph (5)), by striking “2012” and inserting “2017”.

7 **SEC. 7210. REPEAL OF NUTRIENT MANAGEMENT RESEARCH**
8 **AND EXTENSION INITIATIVE.**

9 Section 1672A of the Food, Agriculture, Conservation,
10 and Trade Act of 1990 (7 U.S.C. 5925a) is repealed.

11 **SEC. 7211. ORGANIC AGRICULTURE RESEARCH AND EXTEN-**
12 **SION INITIATIVE.**

13 Section 1672B of the Food, Agriculture, Conservation,
14 and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

15 (1) by striking subsection (e) and inserting the
16 following new subsection:

17 “(e) *FARM BUSINESS MANAGEMENT ENCOURAGED.*—
18 Following the completion of a peer review process for grant
19 proposals received under this section, the Secretary shall
20 provide a priority to grant proposals found in the review
21 process to be scientifically meritorious using the same cri-
22 teria the Secretary uses to give priority to grants under
23 section 1672D(b).”; and

24 (2) in subsection (f)—

25 (A) in paragraph (1)—

1 (i) in subparagraph (A), by striking
2 “and” at the end;

3 (ii) in subparagraph (B), by striking
4 the period at the end and inserting “; and”;
5 and

6 (iii) by adding at the end the following
7 new subparagraph:

8 “(C) \$16,000,000 for each of fiscal years
9 2013 through 2017.”; and

10 (B) in paragraph (2), by striking “2012”
11 and inserting “2017”.

12 **SEC. 7212. REPEAL OF AGRICULTURAL BIOENERGY FEED-**
13 **STOCK AND ENERGY EFFICIENCY RESEARCH**
14 **AND EXTENSION INITIATIVE.**

15 (a) *REPEAL.*—Section 1672C of the Food, Agriculture,
16 Conservation, and Trade Act of 1990 (7 U.S.C. 5925e) is
17 repealed.

18 (b) *CONFORMING AMENDMENT.*—Section 251(f)(1)(D)
19 of the Department of Agriculture Reorganization Act of
20 1994 (7 U.S.C. 6971(f)(1)(D)) is amended—

21 (1) by striking clause (xi); and

22 (2) by redesignating clauses (xii) and (xiii) as
23 clauses (xi) and (xii), respectively.

1 **SEC. 7213. FARM BUSINESS MANAGEMENT.**

2 *Section 1672D(d) of the Food, Agriculture, Conserva-*
3 *tion, and Trade Act of 1990 (7 U.S.C. 5925f(d)) is amended*
4 *by striking “such sums as are necessary to carry out this*
5 *section.” and inserting the following: “to carry out this sec-*
6 *tion—*

7 *“(1) such sums as are necessary for fiscal year*
8 *2012; and*

9 *“(2) \$5,000,000 for each of fiscal years 2013*
10 *through 2017.”.*

11 **SEC. 7214. REGIONAL CENTERS OF EXCELLENCE.**

12 *The Food, Agriculture, Conservation, and Trade Act*
13 *of 1990 is amended by inserting after section 1672D (7*
14 *U.S.C. 5925f) the following new section:*

15 **“SEC. 1673. REGIONAL CENTERS OF EXCELLENCE.**

16 *“(a) FUNDING PRIORITIES.—The Secretary shall*
17 *prioritize regional centers of excellence established for spe-*
18 *cific agricultural commodities for the receipt of funding for*
19 *any competitive research or extension program adminis-*
20 *tered by the Secretary.*

21 *“(b) COMPOSITION.—A regional center of excellence is*
22 *composed of 1 or more of the eligible entities specified in*
23 *section 2(b)(7) of the Competitive, Special, and Facilities*
24 *Research Grant Act (7 U.S.C. 450i(b)(7)).*

1 “(c) *CRITERIA FOR REGIONAL CENTERS OF EXCEL-*
2 *LENCE.—The criteria for consideration to be recognized as*
3 *a regional center of excellence shall include efforts—*

4 “(1) *to ensure coordination and cost effectiveness*
5 *by reducing unnecessarily duplicative efforts regard-*
6 *ing research, teaching, and extension;*

7 “(2) *to leverage available resources by using pub-*
8 *lic/private partnerships among agricultural industry*
9 *groups, institutions of higher education, and the Fed-*
10 *eral Government;*

11 “(3) *to implement teaching initiatives to in-*
12 *crease awareness and effectively disseminate solutions*
13 *to target audiences through extension activities;*

14 “(4) *to increase the economic returns to rural*
15 *communities by identifying, attracting, and directing*
16 *funds to high-priority agricultural issues; and*

17 “(5) *to improve teaching capacity and infra-*
18 *structure at colleges and universities (including land-*
19 *grant institutions, schools of forestry, schools of veteri-*
20 *nary medicine, and NLGCA Institutions).”.*

21 **SEC. 7215. REPEAL OF RED MEAT SAFETY RESEARCH CEN-**

22 **TER.**

23 *Section 1676 of the Food, Agriculture, Conservation,*
24 *and Trade Act of 1990 (7 U.S.C. 5929) is repealed.*

1 **SEC. 7216. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
 2 **ERS WITH DISABILITIES.**

3 *Section 1680(c)(1) of the Food, Agriculture, Conserva-*
 4 *tion, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is*
 5 *amended—*

6 *(1) by striking “is” and inserting “are”; and*

7 *(2) by striking “section” and all that follows and*
 8 *inserting the following: “section—*

9 *“(A) \$6,000,000 for each of fiscal years*
 10 *1999 through 2012; and*

11 *“(B) \$3,000,000 for each of fiscal years*
 12 *2013 through 2017.”.*

13 **SEC. 7217. NATIONAL RURAL INFORMATION CENTER**
 14 **CLEARINGHOUSE.**

15 *Section 2381(e) of the Food, Agriculture, Conservation,*
 16 *and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by*
 17 *striking “2012” and inserting “2017”.*

18 ***Subtitle C—Agricultural Research,***
 19 ***Extension, and Education Re-***
 20 ***form Act of 1998***

21 **SEC. 7301. RELEVANCE AND MERIT OF AGRICULTURAL RE-**
 22 **SEARCH, EXTENSION, AND EDUCATION FUND-**
 23 **ED BY THE DEPARTMENT.**

24 *Section 103(a)(2) of the Agricultural Research, Exten-*
 25 *sion, and Education Reform Act of 1998 (7 U.S.C.*
 26 *7613(a)(2)) is amended—*

1 (1) *in the heading by striking “MERIT REVIEW*
2 *OF EXTENSION” and inserting “RELEVANCE AND*
3 *MERIT REVIEW OF RESEARCH, EXTENSION,”;*

4 (2) *in subparagraph (A)—*

5 (A) *by inserting “relevance and” before*
6 *“merit”; and*

7 (B) *by striking “extension or education”*
8 *and inserting “research, extension, or edu-*
9 *cation”; and*

10 (3) *in subparagraph (B), by inserting “on a con-*
11 *tinuous basis” after “procedures”.*

12 **SEC. 7302. INTEGRATED RESEARCH, EDUCATION, AND EX-**
13 **TENSION COMPETITIVE GRANTS PROGRAM.**

14 *Section 406(f) of the Agricultural Research, Extension,*
15 *and Education Reform Act of 1998 (7 U.S.C. 7626(f)) is*
16 *amended by striking “2012” and inserting “2017”.*

17 **SEC. 7303. REPEAL OF COORDINATED PROGRAM OF RE-**
18 **SEARCH, EXTENSION, AND EDUCATION TO IM-**
19 **PROVE VIABILITY OF SMALL AND MEDIUM**
20 **SIZE DAIRY, LIVESTOCK, AND POULTRY OPER-**
21 **ATIONS.**

22 (a) *REPEAL.—Section 407 of the Agricultural Re-*
23 *search, Extension, and Education Reform Act of 1998 (7*
24 *U.S.C. 7627) is repealed.*

1 (b) *CONFORMING AMENDMENT.*—Section 251(f)(1)(D)
2 of the Department of Agriculture Reorganization Act of
3 1994 (7 U.S.C. 6971(f)(1)(D)), as amended by section
4 7212(b), is further amended—

5 (1) by striking clause (xi) (as redesignated by
6 section 7212(b)); and

7 (2) by redesignating clause (xii) (as redesignated
8 by section 7212(b)) as clause (xi).

9 **SEC. 7304. REPEAL OF BOVINE JOHNE’S DISEASE CONTROL**
10 **PROGRAM.**

11 Section 409 of the Agricultural Research, Extension,
12 and Education Reform Act of 1998 (7 U.S.C. 7629) is re-
13 pealed.

14 **SEC. 7305. GRANTS FOR YOUTH ORGANIZATIONS.**

15 Section 410(d) of the Agricultural Research, Exten-
16 sion, and Education Reform Act of 1998 (7 U.S.C. 7630(d))
17 is amended by striking “section such sums as are necessary”
18 and all that follows and inserting the following: “section—

19 “(1) such sums as are necessary for each of fiscal
20 years 2008 through 2012; and

21 “(2) \$3,000,000 for each of fiscal years 2013
22 through 2017.”.

1 **SEC. 7306. SPECIALTY CROP RESEARCH INITIATIVE.**

2 *Section 412 of the Agricultural Research, Extension,*
3 *and Education Reform Act of 1998 (7 U.S.C. 7632) is*
4 *amended—*

5 *(1) in subsection (b)—*

6 *(A) in paragraph (1), by striking “and*
7 *genomics” and inserting “genomics, and other*
8 *methods”; and*

9 *(B) in paragraph (3), by inserting “han-*
10 *dling and processing,” after “production effi-*
11 *ciency,”;*

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

14 *“(d) RESEARCH PROJECTS.—In carrying out this sec-*
15 *tion, the Secretary shall award competitive grants on the*
16 *basis of—*

17 *“(1) an initial scientific peer review conducted*
18 *by a panel of subject matter experts from Federal*
19 *agencies, non-Federal entities, and the specialty crop*
20 *industry; and*

21 *“(2) a final funding determination made by the*
22 *Secretary based on a review and ranking for merit,*
23 *relevance, and impact conducted by a panel of spe-*
24 *cialty crop industry representatives for the specific*
25 *specialty crop.”; and*

26 *(3) in subsection (h)—*

1 (A) in paragraph (1)—

2 (i) by striking “(1) IN GENERAL.—Of
3 the funds” and inserting the following:

4 “(1) MANDATORY FUNDING.—

5 “(A) IN GENERAL.—Of the funds”; and

6 (ii) by adding at the end the following
7 new subparagraph:

8 “(B) SUBSEQUENT FUNDING.—Of the funds
9 of the Commodity Credit Corporation, the Sec-
10 retary shall make available to carry out this sec-
11 tion—

12 “(i) \$25,000,000 for fiscal year 2013;

13 “(ii) \$30,000,000 for each of fiscal
14 years 2014 and 2015;

15 “(iii) \$65,000,000 for fiscal year 2016;

16 and

17 “(iv) \$50,000,000 for fiscal year 2017

18 and each fiscal year thereafter.”; and

19 (B) in paragraph (2), by striking “2012”
20 and inserting “2017”.

21 **SEC. 7307. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE**

22 **PROGRAM.**

23 Section 604(e) of the Agricultural Research, Extension,
24 and Education Reform Act of 1998 (7 U.S.C. 7642(e)) is
25 amended by striking “2012” and inserting “2017”.

1 **SEC. 7308. REPEAL OF NATIONAL SWINE RESEARCH CEN-**
2 **TER.**

3 *Section 612 of the Agricultural Research, Extension,*
4 *and Education Reform Act of 1998 (Public Law 105–185;*
5 *112 Stat. 605) is repealed.*

6 **SEC. 7309. OFFICE OF PEST MANAGEMENT POLICY.**

7 *Section 614(f) of the Agricultural Research, Extension,*
8 *and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is*
9 *amended—*

10 *(1) by striking “such sums as are necessary”;*
11 *and*

12 *(2) by striking “section” and all that follows and*
13 *inserting the following: “section—*

14 *“(1) such sums as are necessary for each of fiscal*
15 *years 1999 through 2012; and*

16 *“(2) \$3,000,000 for each of fiscal years 2013*
17 *through 2017.”.*

18 **SEC. 7310. REPEAL OF STUDIES OF AGRICULTURAL RE-**
19 **SEARCH, EXTENSION, AND EDUCATION.**

20 *Subtitle C of title VI of the Agricultural Research, Ex-*
21 *tension, and Education Reform Act of 1998 (7 U.S.C. 7671*
22 *et seq.) is repealed.*

23 ***Subtitle D—Other Laws***

24 **SEC. 7401. CRITICAL AGRICULTURAL MATERIALS ACT.**

25 *Section 16(a) of the Critical Agricultural Materials*
26 *Act (7 U.S.C. 178n(a)) is amended—*

1 (1) *by striking “such sums as are necessary”;*

2 *and*

3 (2) *by striking “Act” and all that follows and*

4 *inserting the following: “Act—*

5 *“(1) such sums as are necessary for each of fiscal*

6 *years 1991 through 2012; and*

7 *“(2) \$2,000,000 for each of fiscal years 2013*

8 *through 2017.”.*

9 **SEC. 7402. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**

10 **ACT OF 1994.**

11 (a) *DEFINITION OF 1994 INSTITUTIONS.—Section 532*

12 *of the Equity in Educational Land-Grant Status Act of*

13 *1994 (7 U.S.C. 301 note; Public Law 103–382) is amend-*

14 *ed—*

15 (1) *in paragraph (8), by striking “Memorial”;*

16 (2) *in paragraph (26), by striking “Communi-*

17 *ty”;*

18 (3) *by striking paragraphs (5), (10), and (27);*

19 (4) *by redesignating paragraphs (1), (2), (3),*

20 *(4), (6), (7), (8), (9), (11), (12), (13), (14), (15), (16),*

21 *(17), (18), (19), (20), (21), (22), (23), (24), (25), (26),*

22 *(28), (29), (30), (31), (32), (33), and (34) as para-*

23 *graphs (2), (3), (4), (8), (9), (10), (5), (11), (12),*

24 *(13), (14), (16), (18), (19), (20), (21), (23), (24), (25),*

25 *(26), (33), (27), (28), (29), (30), (31), (32), (34), (35),*

1 (36), and (15) respectively, and transferring the para-
2 graphs so as to appear in numerical order;

3 (5) by inserting before paragraph (2) (as so re-
4 designated), the following new paragraph:

5 “(1) Aaniih Nakoda College.”;

6 (6) by inserting after paragraph (5) (as so reded-
7 ignated), the following new paragraphs:

8 “(6) College of the Muscogee Nation.

9 “(7) Comanche Nation College.”;

10 (7) by inserting after paragraph (16) (as so re-
11 designated) the following new paragraph:

12 “(17) Keweenaw Bay Ojibwa Community Col-
13 lege.”; and

14 (8) by inserting after paragraph (21) (as so re-
15 designated) the following new paragraph:

16 “(22) Navajo Technical College.”.

17 (b) *ENDOWMENT FOR 1994 INSTITUTIONS.*—Section
18 533(b) of the *Equity in Educational Land-Grant Status*
19 *Act of 1994* (7 U.S.C. 301 note; Public Law 103–382) is
20 amended in the first sentence by striking “2012” and in-
21 serting “2017”.

22 (c) *INSTITUTIONAL CAPACITY BUILDING GRANTS.*—
23 Section 535 of the *Equity in Educational Land-Grant Sta-*
24 *tus Act of 1994* (7 U.S.C. 301 note; Public Law 103–382)

1 *is amended by striking “2012” each place it appears in*
2 *subsections (b)(1) and (c) and inserting “2017”.*

3 *(d) RESEARCH GRANTS.—*

4 *(1) AUTHORIZATION OF APPROPRIATIONS.—Section*
5 *536(c) of the Equity in Educational Land-Grant*
6 *Status Act of 1994 (7 U.S.C. 301 note; Public Law*
7 *103–382) is amended in the first sentence by striking*
8 *“2012” and inserting “2017”.*

9 *(2) RESEARCH GRANT REQUIREMENTS.—Section*
10 *536(b) of the Equity in Educational Land-Grant Sta-*
11 *tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–*
12 *382) is amended by striking “with at least 1 other*
13 *land-grant college or university” and all that follows*
14 *and inserting the following: “with—*

15 *“(1) the Agricultural Research Service of the De-*
16 *partment of Agriculture; or*

17 *“(2) at least 1—*

18 *“(A) other land-grant college or university*
19 *(exclusive of another 1994 Institution);*

20 *“(B) non-land-grant college of agriculture*
21 *(as defined in section 1404 of the National Agri-*
22 *cultural Research, Extension, and Teaching Pol-*
23 *icy Act of 1977 (7 U.S.C. 3103)); or*

24 *“(C) cooperating forestry school (as defined*
25 *in that section).”.*

1 **SEC. 7403. RESEARCH FACILITIES ACT.**

2 *Section 6(a) of the Research Facilities Act (7 U.S.C.*
3 *390d(a)) is amended by striking “2012” and inserting*
4 *“2017”.*

5 **SEC. 7404. REPEAL OF CARBON CYCLE RESEARCH.**

6 *Section 221 of the Agricultural Risk Protection Act of*
7 *2000 (7 U.S.C. 6711) is repealed.*

8 **SEC. 7405. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
9 **SEARCH GRANT ACT.**

10 *(a) EXTENSION.—Section 2(b)(11)(A) of the Competi-*
11 *tive, Special, and Facilities Research Grant Act (7 U.S.C.*
12 *450i(b)(11)(A)) is amended in the matter preceding clause*
13 *(i) by striking “2012” and inserting “2017”.*

14 *(b) PRIORITY AREAS.—Section 2(b)(2) of the Competi-*
15 *tive, Special, and Facilities Research Grant Act (7 U.S.C.*
16 *450i(b)(2)) is amended—*

17 *(1) in subparagraph (A)—*

18 *(A) in clause (vi), by striking “and” at the*
19 *end;*

20 *(B) in clause (vii), by striking the period at*
21 *the end and inserting “; and”; and*

22 *(C) by adding at the end the following new*
23 *clause:*

24 *“(viii) plant-based foods that are*
25 *major sources of nutrients of concern (as de-*
26 *termined by the Secretary).”;*

1 (2) *in subparagraph (B)—*

2 (A) *in clause (vii), by striking “and” at the*
3 *end;*

4 (B) *in clause (viii), by striking the period*
5 *at the end and inserting a semicolon; and*

6 (C) *by adding at the end the following new*
7 *clauses:*

8 “(ix) *the research and development of*
9 *surveillance methods, vaccines, vaccination*
10 *delivery systems, or diagnostic tests for*
11 *zoonotic diseases in wildlife reservoirs pre-*
12 *senting a potential concern to public health*
13 *or domestic livestock; and*

14 “(x) *the identification of animal drug*
15 *needs and the generation and dissemination*
16 *of data for safe and effective therapeutic ap-*
17 *plications of animal drugs for minor species*
18 *and minor uses of such drugs in major spe-*
19 *cies.”;*

20 (3) *in subparagraph (C)—*

21 (A) *in clause (ii), by inserting before the*
22 *semicolon “, including the effects of plant-based*
23 *foods that are major sources of nutrients of con-*
24 *cern on diet and health”;*

1 (B) in clause (iii), by inserting before the
2 semicolon “, including plant-based foods that are
3 major sources of nutrients of concern”;

4 (C) in clause (iv), by inserting before the
5 semicolon “, including postharvest practices con-
6 ducted with respect to plant-based foods that are
7 major sources of nutrients of concern”; and

8 (D) in clause (v), by inserting before the pe-
9 riod “, including improving the functionality of
10 plant-based foods that are major sources of nu-
11 trients of concern”;

12 (4) in subparagraph (D)—

13 (A) by redesignating clauses (iv), (v), and
14 (vi) as clauses (v), (vi), and (vii), respectively;
15 and

16 (B) by inserting after clause (iii) the fol-
17 lowing new clause:

18 “(iv) the effectiveness of conservation
19 practices and technologies designed to ad-
20 dress nutrient losses and improve water
21 quality;”; and

22 (5) in subparagraph (F)—

23 (A) in the matter preceding clause (i), by
24 inserting “economics,” after “trade,”;

1 (B) by redesignating clauses (v) and (vi) as
2 clauses (vi) and (vii), respectively; and

3 (C) by inserting after clause (iv) the fol-
4 lowing new clause:

5 “(v) the economic costs, benefits, and
6 viability of producers adopting conservation
7 practices and technologies designed to im-
8 prove water quality;”.

9 (c) *GENERAL ADMINISTRATION*.—Section 2(b)(4) of
10 the *Competitive, Special, and Facilities Research Grant Act*
11 (7 U.S.C. 450i(b)(4)) is amended—

12 (1) in subparagraph (D), by striking “and” at
13 the end;

14 (2) in subparagraph (E), by striking the period
15 at the end and inserting “; and”; and

16 (3) by adding at the end the following new sub-
17 paragraph:

18 “(F) establish procedures under which a
19 commodity board established under a commodity
20 promotion law (as such term is defined under
21 section 501(a) of the *Federal Agriculture Im-*
22 *provement and Reform Act of 1996* (7 U.S.C.
23 7401(a))) or a State commodity board (or other
24 equivalent State entity) may directly submit to
25 the Secretary proposals for requests for applica-

1 *tions to specifically address particular issues re-*
2 *lated to the priority areas specified in para-*
3 *graph (2).”.*

4 *(d) SPECIAL CONSIDERATIONS.—Section 2(b)(6) of the*
5 *Competitive, Special, and Facilities Research Grant Act (7*
6 *U.S.C. 450i(b)(6)) is amended—*

7 *(1) in subparagraph (C), by striking “and” at*
8 *the end;*

9 *(2) in subparagraph (D), by striking the period*
10 *at the end and inserting “; and”; and*

11 *(3) by adding at the end the following new sub-*
12 *paragraph:*

13 *“(E) to eligible entities to carry out the spe-*
14 *cific research proposals submitted under proce-*
15 *dures established under paragraph (4)(F).”.*

16 *(e) INTER-REGIONAL RESEARCH PROJECT NUMBER*
17 *4.—Section 2(e) of the Competitive, Special, and Facilities*
18 *Research Grant Act (7 U.S.C. 450i(e)) is amended—*

19 *(1) in paragraph (1)(A), by striking “minor use*
20 *pesticides” and inserting “pesticides for minor agri-*
21 *cultural use and for use on specialty crops (as defined*
22 *in section 3 of the Specialty Crop Competitiveness*
23 *Act of 2004 (7 U.S.C. 1621 note)”;* and

24 *(2) in paragraph (4)—*

1 (A) in subparagraph (A), by inserting “and
2 for use on specialty crops” after “minor agricul-
3 tural use”;

4 (B) in subparagraph (B), by striking “and”
5 at the end;

6 (C) by redesignating subparagraph (C) as
7 subparagraph (G); and

8 (D) by inserting after subparagraph (B) the
9 following new subparagraphs:

10 “(C) prioritize potential pest management
11 technology for minor agricultural use and for use
12 on specialty crops;

13 “(D) conduct research to develop the data
14 necessary to facilitate pesticide registrations, re-
15 registrations, and associated tolerances;

16 “(E) assist in removing trade barriers
17 caused by residues of pesticides registered for
18 minor agricultural use and for use on domesti-
19 cally grown specialty crops;

20 “(F) assist in the registration and rereg-
21 istration of pest management technologies for
22 minor agricultural use and for use on specialty
23 crops; and”.

24 (f) *EMPHASIS ON SUSTAINABLE AGRICULTURE.*—Sec-
25 tion 2 of the Competitive, Special, and Facilities Research

1 *Grant Act (7 U.S.C. 450i) is amended by striking sub-*
2 *section (k).*

3 **SEC. 7406. RENEWABLE RESOURCES EXTENSION ACT OF**
4 **1978.**

5 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section 6
6 *of the Renewable Resources Extension Act of 1978 (16*
7 *U.S.C. 1675) is amended in the first sentence by striking*
8 *“2012” and inserting “2017”.*

9 (b) *TERMINATION DATE.*—Section 8 of the *Renewable*
10 *Resources Extension Act of 1978 (16 U.S.C. 1671 note; Pub-*
11 *lic Law 95–306) is amended by striking “2012” and insert-*
12 *ing “2017”.*

13 **SEC. 7407. NATIONAL AQUACULTURE ACT OF 1980.**

14 *Section 10 of the National Aquaculture Act of 1980*
15 *(16 U.S.C. 2809) is amended by striking “2012” each place*
16 *it appears and inserting “2017”.*

17 **SEC. 7408. REPEAL OF USE OF REMOTE SENSING DATA.**

18 *Section 892 of the Federal Agriculture Improvement*
19 *and Reform Act of 1996 (7 U.S.C. 5935) is repealed.*

20 **SEC. 7409. REPEAL OF REPORTS UNDER FARM SECURITY**
21 **AND RURAL INVESTMENT ACT OF 2002.**

22 (a) *REPEAL OF REPORT ON PRODUCERS AND HAN-*
23 *DLERS FOR ORGANIC PRODUCTS.*—Section 7409 of the
24 *Farm Security and Rural Investment Act of 2002 (7 U.S.C.*
25 *5925b note; Public Law 107–171) is repealed.*

1 (b) *REPEAL OF REPORT ON GENETICALLY MODIFIED*
2 *PEST-PROTECTED PLANTS.*—Section 7410 of the Farm Se-
3 *curity and Rural Investment Act of 2002 (Public Law 107–*
4 *171; 116 Stat. 462) is repealed.*

5 (c) *REPEAL OF STUDY ON NUTRIENT BANKING.*—Sec-
6 *tion 7411 of the Farm Security and Rural Investment Act*
7 *of 2002 (7 U.S.C. 5925a note; Public Law 107–171) is re-*
8 *pealed.*

9 **SEC. 7410. BEGINNING FARMER AND RANCHER DEVELOP-**
10 **MENT PROGRAM.**

11 Section 7405 of the Farm Security and Rural Invest-
12 *ment Act of 2002 (7 U.S.C. 3319f) is amended—*

13 (1) *in subsection (c)—*

14 (A) *in paragraph (1), by striking subpara-*
15 *graphs (A) through (R) and inserting the fol-*
16 *lowing new subparagraphs:*

17 “(A) *basic livestock, forest management,*
18 *and crop farming practices;*

19 “(B) *innovative farm, ranch, and private,*
20 *nonindustrial forest land transfer strategies;*

21 “(C) *entrepreneurship and business train-*
22 *ing;*

23 “(D) *financial and risk management train-*
24 *ing (including the acquisition and management*
25 *of agricultural credit);*

1 “(E) natural resource management and
2 planning;

3 “(F) diversification and marketing strate-
4 gies;

5 “(G) curriculum development;

6 “(H) mentoring, apprenticeships, and in-
7 ternships;

8 “(I) resources and referral;

9 “(J) farm financial benchmarking;

10 “(K) assisting beginning farmers or ranch-
11 ers in acquiring land from retiring farmers and
12 ranchers;

13 “(L) agricultural rehabilitation and voca-
14 tional training for veterans; and

15 “(M) other similar subject areas of use to
16 beginning farmers or ranchers.”;

17 (B) in paragraph (7), by striking “and
18 community-based organizations” and inserting
19 “, community-based organizations, and school-
20 based agricultural educational organizations”;

21 (C) by striking paragraph (8) and inserting
22 the following new paragraph:

23 “(8) *MILITARY VETERAN BEGINNING FARMERS*
24 *AND RANCHERS.*—

1 “(A) *IN GENERAL.*—Not less than 5 percent
2 of the funds used to carry out this subsection for
3 a fiscal year shall be used to support programs
4 and services that address the needs of military
5 veteran beginning farmers and ranchers.

6 “(B) *COORDINATION PERMITTED.*—A re-
7 cipient of a grant under this section using the
8 grant as described in subparagraph (A) may co-
9 ordinate with a recipient of a grant under sec-
10 tion 1680 of the Food, Agriculture, Conservation,
11 and Trade Act of 1990 (7 U.S.C. 5933) in ad-
12 dressing the needs of military veteran beginning
13 farmers and ranchers with disabilities.”; and

14 (D) by adding at the end the following new
15 paragraph:

16 “(11) *LIMITATION ON INDIRECT COSTS.*—A re-
17 cipient of a grant under this section may not use
18 more than 10 percent of the funds provided by the
19 grant for the indirect costs of carrying out the initia-
20 tives described in paragraph (1).”;

21 (2) in subsection (h)(1)—

22 (A) in subparagraph (A), by striking “and”
23 at the end;

24 (B) in subparagraph (B), by striking the
25 period at the end and inserting “; and”; and

1 (C) by adding at the end the following new
2 subparagraph:

3 “(C) \$10,000,000 for each of fiscal years
4 2013 through 2017, to remain available until ex-
5 pended.”; and

6 (3) in subsection (h)(2), by striking “2012” and
7 inserting “2017”.

8 **SEC. 7411. INCLUSION OF NORTHERN MARIANA ISLANDS AS**
9 **A STATE UNDER MCINTIRE-STENNIS COOPER-**
10 **ATIVE FORESTRY ACT.**

11 Section 8 of Public Law 87–788 (commonly known as
12 the McIntire-Stennis Cooperative Forestry Act; 16 U.S.C.
13 582a–7) is amended by striking “and Guam” and inserting
14 “Guam, and the Commonwealth of the Northern Mariana
15 Islands”.

16 **Subtitle E—Food, Conservation,**
17 **and Energy Act of 2008**

18 **PART 1—AGRICULTURAL SECURITY**

19 **SEC. 7501. AGRICULTURAL BIOSECURITY COMMUNICATION**
20 **CENTER.**

21 Section 14112(c) of the Food, Conservation, and En-
22 ergy Act of 2008 (7 U.S.C. 8912(c)) is amended to read
23 as follows:

24 “(c) *AUTHORIZATION OF APPROPRIATIONS.*—There are
25 authorized to be appropriated to carry out this section—

1 “(1) such sums as are necessary for each of fiscal
2 years 2008 through 2012; and

3 “(2) \$2,000,000 for each of fiscal years 2013
4 through 2017.”.

5 **SEC. 7502. ASSISTANCE TO BUILD LOCAL CAPACITY IN AG-**
6 **RICULTURAL BIOSECURITY PLANNING, PREP-**
7 **ARATION, AND RESPONSE.**

8 Section 14113 of the Food, Conservation, and Energy
9 Act of 2008 (7 U.S.C. 8913) is amended—

10 (1) in subsection (a)(2)—

11 (A) by striking “such sums as may be nec-
12 essary”; and

13 (B) by striking “subsection” and all that
14 follows and inserting the following: “subsection—

15 “(1) such sums as are necessary for each of fiscal
16 years 2008 through 2012; and

17 “(2) \$15,000,000 for each of fiscal years 2013
18 through 2017.”; and

19 (2) in subsection (b)(2), by striking “is author-
20 ized to be appropriated to carry out this subsection”
21 and all that follows and inserting the following: “are
22 authorized to be appropriated to carry out this sub-
23 section—

24 “(1) \$25,000,000 for each of fiscal years 2008
25 through 2012; and

1 “(2) \$15,000,000 for each of fiscal years 2013
2 through 2017.”.

3 **SEC. 7503. RESEARCH AND DEVELOPMENT OF AGRICUL-**
4 **TURAL COUNTERMEASURES.**

5 Section 14121(b) of the Food, Conservation, and En-
6 ergy Act of 2008 (7 U.S.C. 8921(b)) is amended by striking
7 “is authorized to be appropriated to carry out this section”
8 and all that follows and inserting the following: “are au-
9 thorized to be appropriated to carry out this section—

10 “(1) \$50,000,000 for each of fiscal years 2008
11 through 2012; and

12 “(2) \$15,000,000 for each of fiscal years 2013
13 through 2017.”.

14 **SEC. 7504. AGRICULTURAL BIOSECURITY GRANT PROGRAM.**

15 Section 14122(e) of the Food, Conservation, and En-
16 ergy Act of 2008 (7 U.S.C. 8922(e)) is amended—

17 (1) by striking “sums as are necessary”; and

18 (2) by striking “section” and all that follows and
19 inserting the following: “section—

20 “(1) such sums as are necessary for each of fiscal
21 years 2008 through 2012, to remain available until
22 expended; and

23 “(2) \$5,000,000 for each of fiscal years 2013
24 through 2017, to remain available until expended.”.

1 **PART 2—MISCELLANEOUS**

2 **SEC. 7511. ENHANCED USE LEASE AUTHORITY PILOT PRO-**
3 **GRAM.**

4 *Section 308 of the Federal Crop Insurance Reform and*
5 *Department of Agriculture Reorganization Act of 1994 (7*
6 *U.S.C. 3125a) is amended—*

7 (1) *in subsection (b)(6)(A), by striking “5 years”*
8 *and inserting “9 years”; and*

9 (2) *in subsection (d)(2), by striking “1, 3, and*
10 *5 years” and inserting “5, 7, and 9 years”.*

11 **SEC. 7512. GRAZINGLANDS RESEARCH LABORATORY.**

12 *Section 7502 of the Food, Conservation, and Energy*
13 *Act of 2008 (Public Law 110–246; 122 Stat. 2019) is*
14 *amended by striking “5-year period” and inserting “9-year*
15 *period”.*

16 **SEC. 7513. BUDGET SUBMISSION AND FUNDING.**

17 *Section 7506 of the Food, Conservation, and Energy*
18 *Act of 2008 (7 U.S.C. 7614c) is amended—*

19 (1) *by striking subsection (a) and inserting the*
20 *following new subsection:*

21 “(a) *DEFINITIONS.—In this section:*

22 “(1) *COVERED PROGRAM.—The term ‘covered*
23 *program’ means—*

24 “(A) *each research program carried out by*
25 *the Agricultural Research Service or the Eco-*
26 *nomics Research Service for which annual appro-*

1 *priations are requested in the annual budget*
2 *submission of the President; and*

3 “(B) *each competitive program carried out*
4 *by the National Institute of Food and Agri-*
5 *culture for which annual appropriations are re-*
6 *quested in the annual budget submission of the*
7 *President.*

8 “(2) *REQUEST FOR AWARDS.—The term ‘request*
9 *for awards’ means a funding announcement published*
10 *by the National Institute of Food and Agriculture*
11 *that provides detailed information on funding oppor-*
12 *tunities at the Institute, including the purpose, eligi-*
13 *bility, restriction, focus areas, evaluation criteria,*
14 *regulatory information, and instructions on how to*
15 *apply for such opportunities.’; and*

16 (2) *by adding at the end the following new sub-*
17 *sections:*

18 “(e) *ADDITIONAL PRESIDENTIAL BUDGET SUBMISSION*
19 *REQUIREMENT.—*

20 “(1) *IN GENERAL.—Each year, the President*
21 *shall submit to Congress, together with the annual*
22 *budget submission of the President, the information*
23 *described in paragraph (2) for each funding request*
24 *for a covered program.*

1 “(2) *INFORMATION DESCRIBED.*—*The informa-*
2 *tion described in this paragraph includes—*

3 “(A) *baseline information, including with*
4 *respect to each covered program—*

5 “(i) *the funding level for the program*
6 *for the fiscal year preceding the year the*
7 *annual budget submission of the President*
8 *is submitted;*

9 “(ii) *the funding level requested in the*
10 *annual budget submission of the President,*
11 *including any increase or decrease in the*
12 *funding level; and*

13 “(iii) *an explanation justifying any*
14 *change from the funding level specified in*
15 *clause (i) to the level specified in clause (ii);*

16 “(B) *with respect to each covered program*
17 *that is carried out by the Economic Research*
18 *Service or the Agricultural Research Service, the*
19 *location and staff years of the program;*

20 “(C) *the proposed funding levels to be allo-*
21 *cated to, and the expected publication date,*
22 *scope, and allocation level for, each request for*
23 *awards to be published under or associated*
24 *with—*

1 “(i) each priority area specified in sec-
2 tion 2(b)(2) of the Competitive, Special, and
3 Facilities Research Grant Act (7 U.S.C.
4 450i(b)(2));

5 “(ii) each research and extension
6 project carried out under section 1621(a) of
7 the Food, Agriculture, Conservation, and
8 Trade Act of 1990 (7 U.S.C. 5811(a));

9 “(iii) each grant to be awarded under
10 section 1672B(a) of the Food, Agriculture,
11 Conservation, and Trade Act of 1990 (7
12 U.S.C. 5925b(a));

13 “(iv) each grant awarded under section
14 412(d) of the Agricultural Research, Exten-
15 sion, and Education Reform Act of 1998 (7
16 U.S.C. 7632(d)); and

17 “(v) each grant awarded under
18 7405(c)(1) of the Farm Security and Rural
19 Investment Act of 2002 (7 U.S.C.
20 3319f(c)(1)); or

21 “(D) any other information the Secretary
22 determines will increase congressional oversight
23 with respect to covered programs.

24 “(3) PROHIBITION.—Unless the President sub-
25 mits the information described in paragraph (2)(C)

1 *for a fiscal year, the President may not carry out any*
2 *program during the fiscal year that is authorized*
3 *under—*

4 “(A) *section 2(b) of the Competitive, Spe-*
5 *cial, and Facilities Research Grant Act (7*
6 *U.S.C. 450i(b));*

7 “(B) *section 1621 of the Food, Agriculture,*
8 *Conservation, and Trade Act of 1990 (7 U.S.C.*
9 *5811);*

10 “(C) *section 1672B of the Food, Agriculture,*
11 *Conservation, and Trade Act of 1990 (7 U.S.C.*
12 *5925b);*

13 “(D) *section 412 of the Agricultural Re-*
14 *search, Extension, and Education Reform Act of*
15 *1998 (7 U.S.C. 7632); or*

16 “(E) *section 7405 of the Farm Security and*
17 *Rural Investment Act of 2002 (7 U.S.C. 3319f).*

18 “(f) *REPORT OF THE SECRETARY OF AGRICULTURE.—*
19 *Each year on a date that is not later than the date on which*
20 *the President submits the annual budget, the Secretary shall*
21 *submit to Congress a report containing a description of the*
22 *agricultural research, extension, and education activities*
23 *carried out by the Federal Government during the fiscal*
24 *year that immediately precedes the year for which the re-*
25 *port is submitted, including—*

1 “(1) a review of the extent to which those activi-
2 ties—

3 “(A) are duplicative or overlap within the
4 Department of Agriculture; or

5 “(B) are similar to activities carried out
6 by—

7 “(i) other Federal agencies;

8 “(ii) the States (including the District
9 of Columbia, the Commonwealth of Puerto
10 Rico and other territories or possessions of
11 the United States);

12 “(iii) institutions of higher education
13 (as defined in section 101 of the Higher
14 Education Act of 1965 (20 U.S.C. 1001));
15 or

16 “(iv) the private sector; and

17 “(2) for each report submitted under this section
18 on or after January 1, 2013, a 5-year projection of
19 national priorities with respect to agricultural re-
20 search, extension, and education, taking into account
21 domestic needs.”.

1 **SEC. 7514. REPEAL OF RESEARCH AND EDUCATION GRANTS**
2 **FOR THE STUDY OF ANTIBIOTIC-RESISTANT**
3 **BACTERIA.**

4 *Section 7521 of the Food, Conservation, and Energy*
5 *Act of 2008 (7 U.S.C. 3202) is repealed.*

6 **SEC. 7515. REPEAL OF FARM AND RANCH STRESS ASSIST-**
7 **ANCE NETWORK.**

8 *Section 7522 of the Food, Conservation, and Energy*
9 *Act of 2008 (7 U.S.C. 5936) is repealed.*

10 **SEC. 7516. REPEAL OF SEED DISTRIBUTION.**

11 *Section 7523 of the Food, Conservation, and Energy*
12 *Act of 2008 (7 U.S.C. 415–1) is repealed.*

13 **SEC. 7517. NATURAL PRODUCTS RESEARCH PROGRAM.**

14 *Section 7525(e) of the Food, Conservation, and Energy*
15 *Act of 2008 (7 U.S.C. 5937(e)) is amended to read as fol-*
16 *lows:*

17 *“(e) AUTHORIZATION OF APPROPRIATIONS.—There are*
18 *authorized to be appropriated to carry out this section*
19 *\$7,000,000 for each of fiscal years 2013 through 2017.”.*

20 **SEC. 7518. SUN GRANT PROGRAM.**

21 *(a) IN GENERAL.—Section 7526 of the Food, Conserva-*
22 *tion, and Energy Act of 2008 (7 U.S.C. 8114) is amended—*

23 *(1) in subsection (a)(4)(B), by striking “the De-*
24 *partment of Energy” and inserting “other appro-*
25 *priate Federal agencies (as determined by the Sec-*
26 *retary)”;*

1 (2) *in subsection (c)(1)—*

2 (A) *in subparagraph (B), by striking*
3 “*multistate*” *and all that follows through the pe-*
4 *riod and inserting “integrated, multistate re-*
5 *search, extension, and education programs on*
6 *technology development and technology imple-*
7 *mentation.”;*

8 (B) *by striking subparagraph (C); and*

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

11 (3) *in subsection (d)—*

12 (A) *in paragraph (1)—*

13 (i) *by striking “in accordance with*
14 *paragraph (2)”;*

15 (ii) *by striking “gasification” and in-*
16 *serting “bioproducts”;* *and*

17 (iii) *by striking “the Department of*
18 *Energy” and inserting “other appropriate*
19 *Federal agencies”;*

20 (B) *by striking paragraph (2); and*

21 (C) *by redesignating paragraphs (3) and*
22 (4) *as paragraphs (2) and (3), respectively; and*

23 (4) *in subsection (g), by striking “2012” and in-*
24 *serting “2017”.*

1 (b) *CONFORMING AMENDMENTS.*—Section 7526(f)(1)
2 *of the Food, Conservation, and Energy Act of 2008 (7*
3 *U.S.C. 8114(f)(1)) is amended by striking “subsection*
4 *(c)(1)(D)(i)” and inserting “subsection (c)(1)(C)(i)”.*

5 **SEC. 7519. REPEAL OF STUDY AND REPORT ON FOOD**
6 **DESERTS.**

7 Section 7527 of the *Food, Conservation, and Energy*
8 *Act of 2008 (Public Law 110–246; 122 Stat. 2039) is re-*
9 *pealed.*

10 **SEC. 7520. REPEAL OF AGRICULTURAL AND RURAL TRANS-**
11 **PORTATION RESEARCH AND EDUCATION.**

12 Section 7529 of the *Food, Conservation, and Energy*
13 *Act of 2008 (7 U.S.C. 5938) is repealed.*

14 **SEC. 7521. CONVEYANCE OF LAND COMPRISING SUB-**
15 **TROPICAL HORTICULTURE RESEARCH STA-**
16 **TION.**

17 (a) *DEFINITIONS.*—*In this section:*

18 (1) *COUNTY.*—*The term “County” means*
19 *Miami-Dade County in the State of Florida.*

20 (2) *PROPERTY.*—*The term “Property” means*
21 *approximately 2 acres, more or less, of the federally*
22 *owned land comprising the Subtropical Horticulture*
23 *Research Station in the County, which—*

1 (A) *has been mutually delineated by the*
2 *Secretary and the authorized representative of*
3 *the County; and*

4 (B) *fronts on SW 67th Avenue in Palmetto*
5 *Bay, Florida.*

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

8 (b) *PROPERTY CONVEYANCE.—*

9 (1) *IN GENERAL.—Not later than 120 days after*
10 *the date on which the County deposits the consider-*
11 *ation under paragraph (2) and cost reimbursement*
12 *provided in this section with the Department of Agri-*
13 *culture, the Secretary shall convey and quitclaim to*
14 *the County, all rights, title, and interests of the*
15 *United States in the Property, subject to easements*
16 *and rights of record and such other reservations,*
17 *terms, and conditions as the Secretary may prescribe.*

18 (2) *CONSIDERATION.—*

19 (A) *IN GENERAL.—As consideration for the*
20 *conveyance of the Property, the County shall pay*
21 *to the Secretary an amount in cash equal to the*
22 *market value of the property.*

23 (B) *APPRAISAL.—To determine the market*
24 *value of the Property, the Secretary shall have*
25 *the Property appraised for the highest and best*

1 *use of the Property in conformity with the Uni-*
2 *form Appraisal Standards for Federal Land Ac-*
3 *quisitions developed by the Interagency Land Ac-*
4 *quisition Conference. The approved appraisal*
5 *shall at all times be the property of the United*
6 *States.*

7 (3) *CORRECTIONS.*—*With the agreement of the*
8 *County, the Secretary may make minor corrections or*
9 *modifications to the legal description of the Property.*

10 (4) *COSTS.*—

11 (A) *TRANSACTION COSTS.*—*Except as pro-*
12 *vided in subparagraph (C), the County shall, at*
13 *closing for the conveyance of the Property under*
14 *this section, pay or reimburse the Secretary, as*
15 *appropriate, for the reasonable transaction and*
16 *administrative personnel costs associated with*
17 *the conveyance authorized by this section, includ-*
18 *ing the transaction costs of appraisal, title, haz-*
19 *ardous substances examination, and closing*
20 *costs.*

21 (B) *ADMINISTRATIVE COSTS.*—*In addition*
22 *to transaction costs under subparagraph (A), the*
23 *County shall pay administrative costs in the liq-*
24 *uidated amount of \$50,000.*

1 (C) *ATTORNEYS' FEES.*—*The County and*
2 *the Secretary shall each bear their own attor-*
3 *neys' fees.*

4 (5) *SURVEY.*—*The County shall, at its cost, sur-*
5 *vey the exterior boundaries of the Subtropical Horti-*
6 *culture Research Station and the Property in accord-*
7 *ance with Federal survey standards and to the satis-*
8 *faction of the Secretary, and shall provide to the Sec-*
9 *retary certified originals with signature and raised*
10 *seal.*

11 (6) *RELEASE.*—*The County, by a recordable in-*
12 *strument that the Secretary determines is satisfactory,*
13 *shall release the Department of Agriculture from the*
14 *instrument dated September 8, 2006, titled "Unity of*
15 *Title".*

16 (7) *SECURITY FENCING.*—*On or before closing for*
17 *the conveyance of the Property under this section, the*
18 *County shall, at its cost, contract for the construction*
19 *of a security fence located on the boundary between*
20 *the Property and the adjacent land administered by*
21 *the Secretary. The fence shall be of materials and*
22 *standards approved in advance by the Secretary. The*
23 *Secretary may approve temporary security structures*
24 *for use during construction phases of the fence.*

1 (8) *OTHER TERMS.*—*The Secretary and the*
2 *County may otherwise effect the purpose of this sec-*
3 *tion on such additional terms as are mutually accept-*
4 *able and which are not inconsistent with the provi-*
5 *sions of this section.*

6 (c) *RECEIPTS.*—

7 (1) *IN GENERAL.*—*The Secretary shall deposit*
8 *all funds received from the conveyance authorized*
9 *under this section, including the market value consid-*
10 *eration and the reimbursement for costs, into the*
11 *Treasury of the United States to be credited to the ap-*
12 *propriation for the Agricultural Research Service.*

13 (2) *USE OF FUNDS.*—*Notwithstanding any limi-*
14 *tation in applicable appropriation Acts for the De-*
15 *partment of Agriculture or the Agricultural Research*
16 *Service, all funds deposited into the Treasury pursu-*
17 *ant to subsection (b) shall be available to the Sec-*
18 *retary until expended, without further appropriation,*
19 *for the operation, upkeep, and maintenance of the*
20 *Subtropical Horticulture Research Station.*

21 **SEC. 7522. CONCESSIONS, FEES, AND VOLUNTARY SERVICES**

22 **AT NATIONAL ARBORETUM.**

23 *Section 6 of the Act of March 4, 1927 (20 U.S.C. 196)*
24 *is amended—*

1 (1) *in subsection (a)(1), by inserting “or non-*
2 *profit organizations that support the purpose of the*
3 *National Arboretum” after “mission of the National*
4 *Arboretum”; and*

5 (2) *by adding at the end the following new sub-*
6 *section:*

7 “(d) *RECOGNITION OF DONORS.—A non-profit organi-*
8 *zation granted a concession under subsection (a)(1) may*
9 *recognize donors if such recognition is approved in advance*
10 *by the Secretary.”.*

11 **SEC. 7523. COTTON DISEASE RESEARCH REPORT.**

12 *Not later than 180 days after the date of the enactment*
13 *of this Act, the Secretary shall submit to Congress a report*
14 *on the fungus fusarium oxysporum f. sp. vasinfectum race*
15 *4 (referred to in this section as “FOV Race 4”) and the*
16 *impact of such fungus on cotton, including—*

17 (1) *an overview of the threat FOV Race 4 poses*
18 *to the cotton industry in the United States;*

19 (2) *the status and progress of Federal research*
20 *initiatives to detect, contain, or eradicate FOV Race*
21 *4, including current FOV Race 4-specific research*
22 *projects; and*

23 (3) *a comprehensive strategy to combat FOV*
24 *Race 4 that establishes—*

25 (A) *detection and identification goals;*

- 1 (B) containment goals;
- 2 (C) eradication goals; and
- 3 (D) a plan to partner with the cotton in-
- 4 dustry in the United States to maximize re-
- 5 sources, information sharing, and research re-
- 6 sponsiveness and effectiveness.

7 **SEC. 7524. MISCELLANEOUS TECHNICAL CORRECTIONS.**

8 Sections 7408 and 7409 of the Food, Conservation, and

9 Energy Act of 2008 (Public Law 110–246; 122 Stat. 2013)

10 are both amended by striking “Title III of the Department

11 of Agriculture Reorganization Act of 1994” and inserting

12 “Title III of the Federal Crop Insurance Reform and De-

13 partment of Agriculture Reorganization Act of 1994”.

14 **TITLE VIII—FORESTRY**

15 **Subtitle A—Repeal of Certain**

16 **Forestry Programs**

17 **SEC. 8001. FOREST LAND ENHANCEMENT PROGRAM.**

18 (a) *REPEAL*.—Section 4 of the Cooperative Forestry

19 Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

20 (b) *CONFORMING AMENDMENT*.—Section 8002 of the

21 Farm Security and Rural Investment Act of 2002 (Public

22 Law 107–171; 16 U.S.C. 2103 note) is amended by striking

23 subsection (a).

24 (c) *EFFECTIVE DATE*.—The amendments made by this

25 section shall take effect on October 1, 2012.

1 **SEC. 8002. WATERSHED FORESTRY ASSISTANCE PROGRAM.**

2 (a) *REPEAL.*—Section 6 of the Cooperative Forestry
3 Assistance Act of 1978 (16 U.S.C. 2103b) is repealed.

4 (b) *EFFECTIVE DATE.*—The amendment made by this
5 section shall take effect on October 1, 2012.

6 **SEC. 8003. EXPIRED COOPERATIVE NATIONAL FOREST**
7 **PRODUCTS MARKETING PROGRAM.**

8 Section 18 of the Cooperative Forestry Assistance Act
9 of 1978 (16 U.S.C. 2112) is repealed.

10 **SEC. 8004. HISPANIC-SERVING INSTITUTION AGRICUL-**
11 **TURAL LAND NATIONAL RESOURCES LEADER-**
12 **SHIP PROGRAM.**

13 (a) *REPEAL.*—Section 8402 of the Food, Conservation,
14 and Energy Act of 2008 (16 U.S.C. 1649a) is repealed.

15 (b) *EFFECTIVE DATE.*—The amendment made by this
16 section shall take effect on October 1, 2012.

17 **SEC. 8005. TRIBAL WATERSHED FORESTRY ASSISTANCE**
18 **PROGRAM.**

19 (a) *REPEAL.*—Section 303 of the Healthy Forests Res-
20 toration Act of 2003 (16 U.S.C. 6542) is repealed.

21 (b) *EFFECTIVE DATE.*—The amendment made by this
22 section shall take effect on October 1, 2012.

23 **SEC. 8006. SEPARATE FOREST SERVICE DECISIONMAKING**
24 **AND APPEALS PROCESS.**

25 Section 322 of the Department of the Interior and Re-
26 lated Agencies Appropriations Act, 1993 (Public Law 102–

1 381; 16 U.S.C. 1612 note) is repealed. Section 428 of divi-
2 sion E of the Consolidated Appropriations Act, 2012 (Pub-
3 lic Law 112–74; 125 Stat. 1046; 16 U.S.C. 6515 note) shall
4 not apply to any project or activity implementing a land
5 and resource management plan developed under section 6
6 of the Forest and Rangeland Renewable Resources Planning
7 Act of 1974 (16 U.S.C. 1604) that is categorically excluded
8 from documentation in an environmental assessment or an
9 environmental impact statement under the National Envi-
10 ronmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

11 **Subtitle B—Reauthorization of Co-**
12 **operative Forestry Assistance Act**
13 **of 1978 Programs**

14 **SEC. 8101. FOREST LEGACY PROGRAM.**

15 Subsection (m) of section 7 of the Cooperative Forestry
16 Assistance Act of 1978 (16 U.S.C. 2103c) is amended to
17 read as follows:

18 “(m) *AUTHORIZATION OF APPROPRIATIONS.—To*
19 *carry out this section, there are authorized to be appro-*
20 *priated—*

21 “(1) *such sums as are necessary for fiscal year*
22 *2012; and*

23 “(2) *\$55,000,000 for each of fiscal years 2013*
24 *through 2017.”.*

1 **SEC. 8102. COMMUNITY FOREST AND OPEN SPACE CON-**
2 **SERVATION PROGRAM.**

3 *Subsection (g) of section 7A of the Cooperative For-*
4 *estry Assistance Act of 1978 (16 U.S.C. 2103d) is amended*
5 *to read as follows:*

6 “(g) *AUTHORIZATION OF APPROPRIATIONS.—To carry*
7 *out this section, there are authorized to be appropriated—*

8 *“(1) such sums as are necessary for fiscal year*
9 *2012; and*

10 *“(2) \$1,500,000 for each of fiscal years 2013*
11 *through 2017.”.*

12 ***Subtitle C—Reauthorization of***
13 ***Other Forestry-Related Laws***

14 **SEC. 8201. RURAL REVITALIZATION TECHNOLOGIES.**

15 *Section 2371(d)(2) of the Food, Agriculture, Conserva-*
16 *tion, and Trade Act of 1990 (7 U.S.C. 6601(d)(2)) is*
17 *amended by striking “2012” and inserting “2017”.*

18 **SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.**

19 *Subsection (d) of section 2405 of the Global Climate*
20 *Change Prevention Act of 1990 (7 U.S.C. 6704) is amended*
21 *to read as follows:*

22 “(d) *AUTHORIZATION OF APPROPRIATIONS.—To carry*
23 *out this section, there are authorized to be appropriated—*

24 *“(1) such sums as are necessary for each of fiscal*
25 *years 1996 through 2012; and*

1 “(2) \$6,000,000 for each of fiscal years 2013
2 through 2017.”.

3 **SEC. 8203. CHANGE IN FUNDING SOURCE FOR HEALTHY**
4 **FORESTS RESERVE PROGRAM.**

5 Section 508 of the Healthy Forests Restoration Act of
6 2003 (16 U.S.C. 6578) is amended—

7 (1) in subsection (a), by striking “IN GENERAL”
8 and inserting “FISCAL YEARS 2009 THROUGH 2012”;
9 (2) by redesignating subsection (b) as subsection
10 (d); and

11 (3) by inserting after subsection (a) the following
12 new subsections:

13 “(b) FISCAL YEARS 2013 THROUGH 2017.—There is
14 authorized to be appropriated to the Secretary of Agri-
15 culture to carry out this section \$9,750,000 for each of fiscal
16 years 2013 through 2017.

17 “(c) ADDITIONAL SOURCE OF FUNDS.—In addition to
18 funds appropriated pursuant to the authorization of appro-
19 priations in subsection (b) for a fiscal year, the Secretary
20 may use such amount of the funds appropriated for that
21 fiscal year to carry out the Soil Conservation and Domestic
22 Allotment Act (16 U.S.C. 590a et seq.) as the Secretary de-
23 termines necessary to cover the cost of technical assistance,
24 management, and enforcement responsibilities for land en-

1 rolled in the healthy forests reserve program pursuant to
2 subsections (a) and (b) of section 504.”.

3 **SEC. 8204. STEWARDSHIP END RESULT CONTRACTING**
4 **PROJECT AUTHORITY.**

5 Section 347(a) of the Department of the Interior and
6 Related Agencies Appropriations Act, 1999 (as contained
7 in section 101(e) of division A of Public Law 105–277; 16
8 U.S.C. 2104 note) is amended by striking “2013” and in-
9 serting “2017”.

10 **Subtitle D—National Forest**
11 **Critical Area Response**

12 **SEC. 8301. DEFINITIONS.**

13 *In this title:*

14 (1) **CRITICAL AREA.**—The term “critical area”
15 means an area of the National Forest System des-
16 ignated by the Secretary under section 8302

17 (2) **NATIONAL FOREST SYSTEM.**—The term “Na-
18 tional Forest System” has the meaning given that
19 term in section 11(a) of the Forest and Rangeland
20 Renewable Resources Planning Act of 1974 (16
21 U.S.C. 1609(a)).

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

1 **SEC. 8302. DESIGNATION OF CRITICAL AREAS.**

2 (a) *DESIGNATION REQUIREMENTS.*—*The Secretary of*
3 *Agriculture shall designate critical areas within the Na-*
4 *tional Forest System for the purposes of addressing—*

5 (1) *deteriorating forest health conditions in ex-*
6 *istence as of the date of the enactment of this Act due*
7 *to insect infestation, drought, disease, or storm dam-*
8 *age; and*

9 (2) *the future risk of insect infestations or dis-*
10 *ease outbreaks through preventative treatments.*

11 (b) *DESIGNATION METHOD.*—*In considering National*
12 *Forest System land for designation as a critical area, the*
13 *Secretary shall use—*

14 (1) *for purposes of subsection (a)(1), the most re-*
15 *cent annual forest health aerial surveys of mortality*
16 *and defoliation; and*

17 (2) *for purposes of subsection (a)(2), the Na-*
18 *tional Insect and Disease Risk Map.*

19 (c) *TIME FOR INITIAL DESIGNATIONS.*—*The first crit-*
20 *ical areas shall be designated by the Secretary not later*
21 *than 60 days after the date of the enactment of this Act.*

22 (d) *DURATION OF DESIGNATION.*—*The designation of*
23 *a critical area shall expire not later than 10 years after*
24 *the date of the designation.*

1 **SEC. 8303. APPLICATION OF EXPEDITED PROCEDURES AND**
2 **ACTIVITIES OF THE HEALTHY FORESTS RES-**
3 **TORATION ACT OF 2003 TO CRITICAL AREAS.**

4 (a) *APPLICABILITY.*—Subject to subsections (b)
5 through (e), title I of the Healthy Forests Restoration Act
6 of 2003 (16 U.S.C. 6511 et seq.) (including the environ-
7 mental analysis requirements of section 104 of that Act (16
8 U.S.C. 6514), the special administrative review process
9 under section 105 of that Act (16 U.S.C. 6515), and the
10 judicial review process under section 106 of that Act (16
11 U.S.C. 6516)), shall apply to all Forest Service projects and
12 activities carried out in a critical area.

13 (b) *APPLICATION OF OTHER LAW.*—Section 322 of
14 Public Law 102–381 (16 U.S.C. 1612 note; 106 Stat. 1419)
15 shall not apply to projects conducted in accordance with
16 this section.

17 (c) *REQUIRED MODIFICATIONS.*—In applying title I
18 of the Healthy Forests Restoration Act of 2003 (16 U.S.C.
19 6511 et seq.) to Forest Service projects and activities in a
20 critical area, the Secretary shall make the following modi-
21 fications:

22 (1) *The authority shall apply to the entire crit-*
23 *ical area, including land that is outside of a*
24 *wildland-urban interface area or that does not satisfy*
25 *any of the other eligibility criteria specified in section*
26 *102(a) of that Act (16 U.S.C. 6512(a)).*

1 (2) *All projects and activities of the Forest Serv-*
2 *ice, including necessary connected actions (as de-*
3 *scribed in section 1508.25(a)(1) of title 40, Code of*
4 *Federal Regulations (or a successor regulation)), shall*
5 *be considered to be authorized hazardous fuel reduc-*
6 *tion projects for purposes of applying the title.*

7 (d) *SMALLER PROJECTS.—*

8 (1) *IN GENERAL.—Except as provided in para-*
9 *graph (2), a project conducted in a critical area in*
10 *accordance with this section that comprises less than*
11 *10,000 acres shall be—*

12 (A) *considered an action categorically ex-*
13 *cluded from the requirements for an environ-*
14 *mental assessment or an environmental impact*
15 *statement under section 1508.4 of title 40, Code*
16 *of Federal Regulations (or a successor regula-*
17 *tion); and*

18 (B) *exempt from the special administrative*
19 *review process under section 105 of the Healthy*
20 *Forests Restoration Act of 2003 (16 U.S.C.*
21 *6515).*

22 (2) *EXCLUSION OF CERTAIN AREAS.—Paragraph*
23 *(1) does not apply to—*

24 (A) *a component of the National Wilderness*
25 *Preservation System;*

1 (B) any Federal land on which, by Act of
2 Congress or Presidential proclamation, the re-
3 moval of vegetation is restricted or prohibited;

4 (C) a congressionally designated wilderness
5 study area; or

6 (D) an area in which activities under para-
7 graph (1) would be inconsistent with the appli-
8 cable land and resource management plan.

9 (e) *FOREST MANAGEMENT PLANS.*—All projects and
10 activities carried out in a critical area pursuant to this
11 subtitle shall be consistent with the land and resource man-
12 agement plan established under section 6 of the Forest and
13 Rangeland Renewable Resources Planning Act of 1974 (16
14 U.S.C. 1604) for the unit of the National Forest System
15 containing the critical area.

16 **SEC. 8304. GOOD NEIGHBOR AUTHORITY.**

17 (a) *DEFINITIONS.*—In this section:

18 (1) *ELIGIBLE STATE.*—The term “eligible State”
19 means a State that contains National Forest System
20 land.

21 (2) *SECRETARY.*—The term “Secretary” means
22 the Secretary of Agriculture.

23 (3) *STATE FORESTER.*—The term “State for-
24 ester” means the head of a State agency with jurisdic-
25 tion over State forestry programs in an eligible State.

1 **(b) COOPERATIVE AGREEMENTS AND CONTRACTS.—**

2 **(1) IN GENERAL.—***The Secretary may enter into*
3 *a cooperative agreement or contract (including a sole*
4 *source contract) with a State forester to authorize the*
5 *State forester to provide the forest, rangeland, and*
6 *watershed restoration and protection services de-*
7 *scribed in paragraph (2) on National Forest System*
8 *land in the eligible State.*

9 **(2) AUTHORIZED SERVICES.—***The forest, range-*
10 *land, and watershed restoration and protection serv-*
11 *ices referred to in paragraph (1) include the conduct*
12 *of—*

13 **(A)** *activities to treat insect infected trees;*
14 **(B)** *activities to reduce hazardous fuels; and*
15 **(C)** *any other activities to restore or im-*
16 *prove forest, rangeland, and watershed health,*
17 *including fish and wildlife habitat.*

18 **(3) STATE AS AGENT.—***Except as provided in*
19 *paragraph (6), a cooperative agreement or contract*
20 *entered into under paragraph (1) may authorize the*
21 *State forester to serve as the agent for the Secretary*
22 *in providing the restoration and protection services*
23 *authorized under that paragraph.*

24 **(4) SUBCONTRACTS.—***In accordance with appli-*
25 *cable contract procedures for the eligible State, a*

1 *State forester may enter into subcontracts to provide*
2 *the restoration and protection services authorized*
3 *under a cooperative agreement or contract entered*
4 *into under paragraph (1).*

5 (5) *TIMBER SALES.*—*Subsections (d) and (g) of*
6 *section 14 of the National Forest Management Act of*
7 *1976 (16 U.S.C. 472a) shall not apply to services per-*
8 *formed under a cooperative agreement or contract en-*
9 *tered into under paragraph (1).*

10 (6) *RETENTION OF NEPA RESPONSIBILITIES.*—
11 *Any decision required to be made under the National*
12 *Environmental Policy Act of 1969 (42 U.S.C. 4321 et*
13 *seq.) with respect to any restoration and protection*
14 *services to be provided under this section by a State*
15 *forester on National Forest System land shall not be*
16 *delegated to a State forester or any other officer or*
17 *employee of the eligible State.*

18 (7) *APPLICABLE LAW.*—*The restoration and pro-*
19 *tection services to be provided under this section shall*
20 *be carried out on a project-to-project basis under ex-*
21 *isting authorities of the Forest Service.*

1 **Subtitle E—Miscellaneous**
2 **Provisions**

3 **SEC. 8401. REVISION OF STRATEGIC PLAN FOR FOREST IN-**
4 **VENTORY AND ANALYSIS.**

5 (a) *REVISION REQUIRED.*—Not later than 180 days
6 *after the date of the enactment of this Act, the Secretary*
7 *of Agriculture shall revise the strategic plan for forest inven-*
8 *tory and analysis initially prepared pursuant to section*
9 *3(e) of the Forest and Rangeland Renewable Resources Re-*
10 *search Act of 1978 (16 U.S.C. 1642(e)) to address the re-*
11 *quirements imposed by subsection (b).*

12 (b) *ELEMENTS OF REVISED STRATEGIC PLAN.*—In re-
13 *vising the strategic plan, the Secretary of Agriculture shall*
14 *describe in detail the organization, procedures, and funding*
15 *needed to achieve each of the following:*

16 (1) *Complete the transition to a fully annualized*
17 *forest inventory program and include inventory and*
18 *analysis of interior Alaska.*

19 (2) *Implement an annualized inventory of trees*
20 *in urban settings, including the status and trends of*
21 *trees and forests, and assessments of their ecosystem*
22 *services, values, health, and risk to pests and diseases.*

23 (3) *Report information on renewable biomass*
24 *supplies and carbon stocks at the local, State, re-*

1 *gional, and national level, including by ownership*
2 *type.*

3 *(4) Engage State foresters and other users of in-*
4 *formation from the forest inventory and analysis in*
5 *reevaluating the list of core data variables collected on*
6 *forest inventory and analysis plots with an emphasis*
7 *on demonstrated need.*

8 *(5) Improve the timeliness of the timber product*
9 *output program and accessibility of the annualized*
10 *information on that database.*

11 *(6) Foster greater cooperation among the forest*
12 *inventory and analysis program, research station*
13 *leaders, and State foresters and other users of infor-*
14 *mation from the forest inventory and analysis.*

15 *(7) Promote availability of and access to non-*
16 *Federal resources to improve information analysis*
17 *and information management.*

18 *(8) Collaborate with the Natural Resources Con-*
19 *servation Service, National Aeronautics and Space*
20 *Administration, National Oceanic and Atmospheric*
21 *Administration, and United States Geological Survey*
22 *to integrate remote sensing, spatial analysis tech-*
23 *niques, and other new technologies in the forest inven-*
24 *tory and analysis program.*

1 (9) *Understand and report on changes in land*
2 *cover and use.*

3 (10) *Expand existing programs to promote sus-*
4 *tainable forest stewardship through increased under-*
5 *standing, in partnership with other Federal agencies,*
6 *of the over 10 million family forest owners, their de-*
7 *mographics, and the barriers to forest stewardship.*

8 (11) *Implement procedures to improve the statis-*
9 *tical precision of estimates at the sub-State level.*

10 (c) *SUBMISSION OF REVISED STRATEGIC PLAN.—The*
11 *Secretary of Agriculture shall submit the revised strategic*
12 *plan to the Committee on Agriculture of the House of Rep-*
13 *resentatives and the Committee on Agriculture, Nutrition,*
14 *and Forestry of the Senate.*

15 **SEC. 8402. FOREST SERVICE PARTICIPATION IN ACES PRO-**
16 **GRAM.**

17 *The Secretary of Agriculture, acting through the Chief*
18 *of the Forest Service, may use funds derived from conserva-*
19 *tion-related programs executed on National Forest System*
20 *lands to utilize the Agriculture Conservation Experienced*
21 *Services Program established pursuant to section 1252 of*
22 *the Food Security Act of 1985 (16 U.S.C. 3851) to provide*
23 *technical services for conservation-related programs and au-*
24 *thorities carried out by the Secretary on National Forest*
25 *System lands.*

TITLE IX—ENERGY**SEC. 9001. DEFINITION OF RENEWABLE ENERGY SYSTEM.**

Section 9001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101) is amended by—

(1) striking paragraph (4) and inserting the following:

“(4) BIOBASED PRODUCT.—

“(A) IN GENERAL.—The term ‘biobased product’ means a product determined by the Secretary to be a commercial or industrial product (other than food or feed) that is—

“(i) composed, in whole or in significant part, of biological products, including renewable domestic agricultural materials and forestry materials; or

“(ii) an intermediate ingredient or feedstock.

“(B) INCLUSION.—The term ‘biobased product’, with respect to forestry materials, includes forest products that meet biobased content requirements, notwithstanding the market share the product holds, the age of the product, or whether the market for the product is new or emerging.”;

1 (2) redesignating paragraphs (9), (10), (11),
2 (12), (13), and (14) as paragraphs (10), (11), (12),
3 (13), (14), and (16);

4 (3) inserting after paragraph (8), the following
5 new paragraph:

6 “(9) *FOREST PRODUCT*.—

7 “(A) *IN GENERAL*.—The term ‘forest prod-
8 uct’ means a product made from materials de-
9 rived from the practice of forestry or the man-
10 agement of growing timber.

11 “(B) *INCLUSIONS*.—The term ‘forest prod-
12 uct’ includes—

13 “(i) pulp, paper, paperboard, pellets,
14 and wood products; and

15 “(ii) any recycled products derived
16 from forest materials.”; and

17 (4) inserting after paragraph (14) (as so redesign-
18 ated), the following new paragraph:

19 “(15) *RENEWABLE ENERGY SYSTEM*.—

20 “(A) *IN GENERAL*.—Subject to subpara-
21 graph (B), the term ‘renewable energy system’
22 means a system that—

23 “(i) produces usable energy from a re-
24 newable energy source; and

1 “(i) may include distribution compo-
2 nents necessary to move energy produced by
3 such system to the initial point of sale.

4 “(B) *LIMITATION.*—A system described in
5 subparagraph (A) may not include a mechanism
6 for dispensing energy at retail.”.

7 **SEC. 9002. BIOBASED MARKETS PROGRAM.**

8 Section 9002(h) of the Farm Security and Rural In-
9 vestment Act of 2002 (7 U.S.C. 8102(h)) is amended—

10 (1) in the heading of paragraph (1), by inserting
11 “FOR FISCAL YEARS 2008 THROUGH 2012” after
12 “FUNDING”;

13 (2) in the heading of paragraph (2), by inserting
14 “FOR FISCAL YEARS 2009 THROUGH 2012” after
15 “FUNDING”; and

16 (3) by adding at the end the following new para-
17 graph:

18 “(3) *FISCAL YEARS 2013 THROUGH 2017.*—
19 There are authorized to be appropriated to carry out
20 this section \$2,000,000 for each of fiscal years 2013
21 through 2017.”.

22 **SEC. 9003. BIOREFINERY ASSISTANCE.**

23 (a) *PROGRAM ADJUSTMENTS.*—Section 9003 of the
24 Farm Security and Rural Investment Act of 2002 (7 U.S.C.
25 8103) is amended—

1 (1) *in subsection (c), by striking “to eligible enti-*
2 *ties” and all that follows through “guarantees for*
3 *loans” and inserting “to eligible entities guarantees*
4 *for loans”;*

5 (2) *by striking subsection (d);*

6 (3) *by redesignating subsections (e), (f), (g), and*
7 *(h) as subsections (d), (e), (f), and (g), respectively;*
8 *and*

9 (4) *in subsection (d) (as so redesignated)—*

10 (A) *by striking “subsection (c)(2)” each*
11 *place it appears and inserting “subsection (c)”;*
12 *and*

13 (B) *in paragraph (2)(C), by striking “sub-*
14 *section (h)” and inserting “subsection (g)”.*

15 (b) *FUNDING.—Section 9003(g) of the Farm Security*
16 *and Rural Investment Act of 2002, as redesignated by sub-*
17 *section (a)(3), is amended—*

18 (1) *in the heading of paragraph (1), by inserting*
19 *“FOR FISCAL YEARS 2009 AND 2010” after “FUND-*
20 *ING”;*

21 (2) *in the heading of paragraph (2), by inserting*
22 *“FOR FISCAL YEARS 2009 THROUGH 2012” after*
23 *“FUNDING”;* *and*

24 (3) *by adding at the end the following new para-*
25 *graph:*

1 “(3) *FISCAL YEARS 2013 THROUGH 2017.*—
2 *There are authorized to be appropriated to carry out*
3 *this section \$75,000,000 for each of fiscal years 2013*
4 *through 2017.*”.

5 **SEC. 9004. REPEAL OF REPOWERING ASSISTANCE PROGRAM**
6 **AND TRANSFER OF REMAINING FUNDS.**

7 (a) *REPEAL.*—Subject to subsection (b), section 9004
8 of the *Farm Security and Rural Investment Act of 2002*
9 (7 U.S.C. 8104) is repealed.

10 (b) *USE OF REMAINING FUNDING FOR RURAL ENERGY*
11 *FOR AMERICA PROGRAM.*—Funds made available pursuant
12 to subsection (d) of such section 9004 that are unobligated
13 on the day before the date of the enactment of this section
14 shall—

15 (1) *remain available until expended;*

16 (2) *be used by the Secretary of Agriculture to*
17 *carry out financial assistance for energy efficiency*
18 *improvements and renewable energy systems under*
19 *section 9007(a)(2) of the Farm Security and Rural*
20 *Investment Act of 2002 (7 U.S.C. 8107(a)(2)); and*

21 (3) *be in addition to any other funds made*
22 *available to carry out that program.*

1 **SEC. 9005. BIOENERGY PROGRAM FOR ADVANCED**
2 **BIOFUELS.**

3 *Section 9005(g) of the Farm Security and Rural In-*
4 *vestment Act of 2002 (7 U.S.C. 8105(c)) is amended—*

5 *(1) in the heading of paragraph (1), by inserting*
6 *“FOR FISCAL YEARS 2009 THROUGH 2012” after*
7 *“FUNDING”;*

8 *(2) in the heading of paragraph (2), by inserting*
9 *“FOR FISCAL YEARS 2009 THROUGH 2012” after*
10 *“FUNDING”;*

11 *(3) by redesignating paragraph (3) as para-*
12 *graph (4); and*

13 *(4) by inserting after paragraph (2) the fol-*
14 *lowing new paragraph:*

15 *“(3) FISCAL YEARS 2013 THROUGH 2017.—*
16 *There are authorized to be appropriated to carry out*
17 *this section \$50,000,000 for each of fiscal years 2013*
18 *through 2017.”.*

19 **SEC. 9006. BIODIESEL FUEL EDUCATION PROGRAM.**

20 *Subsection (d) of section 9006 of the Farm Security*
21 *and Rural Investment Act of 2002 (7 U.S.C. 8106(d)) is*
22 *amended to read as follows:*

23 *“(d) AUTHORIZATION OF APPROPRIATIONS.—There*
24 *are authorized to be appropriated to carry out this section*
25 *\$2,000,000 for each of fiscal years 2013 through 2017.”.*

1 **SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.**

2 (a) *PROGRAM ADJUSTMENTS.*—

3 (1) *REPEAL OF FEASIBILITY STUDIES.*—Section
4 9007(c) of the *Farm Security and Rural Investment*
5 *Act of 2002* (7 U.S.C. 8107(c)) is amended by strik-
6 *ing paragraph (3).*

7 (2) *TIERED APPLICATION PROCESS.*—Section
8 9007(c) of the *Farm Security and Rural Investment*
9 *Act of 2002* (7 U.S.C. 8107(c)) is further amended
10 *by—*

11 (A) *redesignating paragraph (2) as para-*
12 *graph (3); and*

13 (B) *by inserting after paragraph (1) the fol-*
14 *lowing new paragraph:*

15 “(2) *TIERED APPLICATION PROCESS.*—*In car-*
16 *rying out this subsection, the Secretary shall establish*
17 *a three-tiered application, evaluation, and oversight*
18 *process that varies based on the cost of the proposed*
19 *project with the process most simplified for projects*
20 *referred to in subparagraph (A), more comprehensive*
21 *for projects referred to in subparagraph (B), and most*
22 *comprehensive for projects referred to in subpara-*
23 *graph (C). The three tiers for such process shall be as*
24 *follows:*

1 “(A) *TIER 1.*—*Projects for which the cost of*
2 *the project funded under this subsection is not*
3 *more than \$80,000.*

4 “(B) *TIER 2.*—*Projects for which the cost of*
5 *the project funded under this subsection is more*
6 *than \$80,000 but less than \$200,000.*

7 “(C) *TIER 3.*—*Projects for which the cost of*
8 *the project funded under this subsection is*
9 *\$200,000 or more.”.*

10 **(b) FUNDING.**—*Section 9007(g) of the Farm Security*
11 *and Rural Investment Act of 2002 (7 U.S.C. 8107(g)) is*
12 *amended—*

13 (1) *in the heading of paragraph (1), by inserting*
14 *“FOR FISCAL YEARS 2009 THROUGH 2012” after*
15 *“FUNDING”;*

16 (2) *in the heading of paragraph (2), by inserting*
17 *“FOR FISCAL YEARS 2009 THROUGH 2012” after*
18 *“FUNDING”;*

19 (3) *in the heading of paragraph (3), by inserting*
20 *“FOR FISCAL YEARS 2009 THROUGH 2012” after*
21 *“FUNDING”; and*

22 (4) *by adding at the end the following new para-*
23 *graph:*

24 “(4) *FISCAL YEARS 2013 THROUGH 2017.*—
25 *There are authorized to be appropriated to carry out*

1 *this section \$45,000,000 for each of fiscal years 2013*
2 *through 2017.”.*

3 **SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT.**

4 *Section 9008(h) of the Farm Security and Rural In-*
5 *vestment Act of 2002 (7 U.S.C. 8108(h)) is amended—*

6 *(1) in the heading of paragraph (1), by inserting*
7 *“FOR FISCAL YEARS 2009 THROUGH 2012” after*
8 *“FUNDING”;*

9 *(2) in the heading of paragraph (2), by inserting*
10 *“FOR FISCAL YEARS 2009 THROUGH 2012” after*
11 *“FUNDING”; and*

12 *(3) by adding at the end the following new para-*
13 *graph:*

14 *“(3) FISCAL YEARS 2013 THROUGH 2017.—*
15 *There are authorized to be appropriated to carry out*
16 *this section \$20,000,000 for each of fiscal years 2013*
17 *through 2017.”.*

18 **SEC. 9009. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**
19 **ENERGY PRODUCERS.**

20 *Section 9010(b) of the Farm Security and Rural In-*
21 *vestment Act of 2002 (7 U.S.C. 8110(b)) is amended—*

22 *(1) in paragraph (1)(A), by striking “2012” and*
23 *inserting “2017”; and*

24 *(2) in paragraph (2)(A), by striking “2012” and*
25 *inserting “2017”.*

1 **SEC. 9010. BIOMASS CROP ASSISTANCE PROGRAM.**

2 *Section 9011 of the Farm Security and Rural Invest-*
3 *ment Act of 2002 (7 U.S.C. 8111) is amended—*

4 *(1) in subsection (a)—*

5 *(A) by striking paragraph (6); and*

6 *(B) by redesignating paragraphs (7) and*
7 *(8) as paragraphs (6) and (7), respectively;*

8 *(2) in subsection (b)—*

9 *(A) by striking “Program to” and all that*
10 *follows through “support the establishment” and*
11 *inserting “Program to support the establish-*
12 *ment”;*

13 *(B) by striking “; and” and inserting a pe-*
14 *riod; and*

15 *(C) by striking paragraph (2);*

16 *(3) in subsection (c)—*

17 *(A) in paragraph (2)(B)—*

18 *(i) in clause (viii), by striking “; and”*
19 *and inserting a semicolon;*

20 *(ii) by redesignating clause (ix) as*
21 *clause (x); and*

22 *(iii) by inserting after clause (viii) the*
23 *following new clause:*

24 *“(ix) existing project areas that have*
25 *received funding under this section and the*
26 *continuation of funding of such project*

1 *areas to advance the maturity of such*
2 *project areas; and”;* and

3 *(B) in paragraph (5)(C)(ii)—*

4 *(i) by striking subclause (III); and*

5 *(ii) by redesignating subclauses (IV)*

6 *and (V) as subclauses (III) and (IV), re-*
7 *spectively;*

8 *(4) by striking subsection (d);*

9 *(5) by redesignating subsections (e) and (f) as*
10 *subsections (d) and (e), respectively; and*

11 *(6) in subsection (e) (as so redesignated)—*

12 *(A) by striking “(e) FUNDING.—Of the*
13 *funds” and inserting “(e) FUNDING.—*

14 *“(1) FISCAL YEARS 2008 THROUGH 2012.—Of*
15 *the funds”;* and

16 *(B) by adding at the end the following new*
17 *paragraph:*

18 *“(2) FISCAL YEARS 2013 THROUGH 2017.—*

19 *“(A) IN GENERAL.—Subject to subpara-*
20 *graph (B), there are authorized to be appro-*
21 *priated to carry out this section \$75,000,000 for*
22 *each of fiscal years 2013 through 2017.*

23 *“(B) MULTIYEAR CONTRACTS.—For each*
24 *multiyear contract entered into by the Secretary*
25 *during a fiscal year under this section, the Sec-*

1 *retary shall ensure that sufficient funds are obli-*
2 *gated from the appropriation for that fiscal year*
3 *to fully cover all payments required by the con-*
4 *tract for all years of the contract.”.*

5 **SEC. 9011. COMMUNITY WOOD ENERGY PROGRAM.**

6 *Section 9013(e) of the Farm Security and Rural In-*
7 *vestment Act of 2002 (7 U.S.C. 8113(e)) is amended by*
8 *striking “carry out this section” and all that follows and*
9 *inserting the following: “carry out this section—*

10 *“(1) \$5,000,000 for each of fiscal years 2009*
11 *through 2012; and*

12 *“(2) \$2,000,000 for each of fiscal years 2013*
13 *through 2017.”.*

14 **SEC. 9012. REPEAL OF BIOFUELS INFRASTRUCTURE STUDY.**

15 *Section 9002 of the Food, Conservation, and Energy*
16 *Act of 2008 (Public Law 110–246; 122 Stat. 2095) is re-*
17 *pealed.*

18 **SEC. 9013. REPEAL OF RENEWABLE FERTILIZER STUDY.**

19 *Section 9003 of the Food, Conservation, and Energy*
20 *Act of 2008 (Public Law 110–246; 122 Stat. 2096) is re-*
21 *pealed.*

1 **TITLE X—HORTICULTURE**

2 **SEC. 10001. SPECIALTY CROPS MARKET NEWS ALLOCATION.**

3 *Section 10107(b) of the Food, Conservation, and En-*
4 *ergy Act of 2008 (7 U.S.C. 1622b(b)) is amended by striking*
5 *“2012” and inserting “2017”.*

6 **SEC. 10002. REPEAL OF GRANT PROGRAM TO IMPROVE**
7 **MOVEMENT OF SPECIALTY CROPS.**

8 *Section 10403 of the Food, Conservation, and Energy*
9 *Act of 2008 (7 U.S.C. 1622c) is repealed.*

10 **SEC. 10003. FARMERS MARKET AND LOCAL FOOD PRO-**
11 **MOTION PROGRAM.**

12 *Section 6 of the Farmer-to-Consumer Direct Marketing*
13 *Act of 1976 (7 U.S.C. 3005) is amended—*

14 (1) *in the section heading, by inserting “AND*
15 *LOCAL FOOD” after “FARMERS’ MARKET”;*

16 (2) *in subsection (a)—*

17 (A) *by inserting “and Local Food” after*
18 *“Farmers’ Market”;*

19 (B) *by striking “farmers’ markets and to*
20 *promote”;* and

21 (C) *by striking the period and inserting*
22 *“and assist in the development of local food busi-*
23 *ness enterprises.”;*

24 (3) *in subsection (b), by striking paragraph (1)*
25 *and inserting the following new paragraph:*

1 “(1) *IN GENERAL.*—*The purposes of the Program*
2 *are to increase domestic consumption of, and con-*
3 *sumer access to, locally and regionally produced agri-*
4 *cultural products by assisting in the development, im-*
5 *provement, and expansion of—*

6 “(A) *domestic farmers’ markets, roadside*
7 *stands, community-supported agriculture pro-*
8 *grams, agritourism activities, and other direct*
9 *producer-to-consumer market opportunities; and*

10 “(B) *local and regional food business enter-*
11 *prises that process, distribute, aggregate, and*
12 *store locally or regionally produced food prod-*
13 *ucts.”;*

14 (4) *in subsection (c)(1)—*

15 (A) *by inserting “or other agricultural busi-*
16 *ness entity” after “cooperative”; and*

17 (B) *by inserting “, including a community*
18 *supported agriculture network or association”*
19 *after “association”;*

20 (5) *by redesignating subsection (e) as subsection*
21 (i);

22 (6) *by inserting after subsection (d) the following*
23 *new subsections:*

24 “(e) *PRIORITY.*—*In awarding grants under this sec-*
25 *tion, the Secretary shall give priority to applications sub-*

1 mitted by eligible entities that include proposals for projects
2 that—

3 “(1) benefit underserved communities;

4 “(2) develop market opportunities for small and
5 mid-sized farm and ranch operations; and

6 “(3) include a strategic plan to maximize the use
7 of funds to build capacity for local and regional food
8 systems in a community.

9 “(f) FUNDS REQUIREMENTS FOR ELIGIBLE ENTI-
10 TIES.—

11 “(1) MATCHING FUNDS.—An entity receiving a
12 grant under this section for a project to carry out a
13 purpose described in subsection (b)(1)(B) shall pro-
14 vide matching funds in the form of cash or an in-kind
15 contribution in an amount equal to 25 percent of the
16 total cost of such project.

17 “(2) LIMITATION ON USE OF FUNDS.—An eligible
18 entity may not use a grant or other assistance pro-
19 vided under this section for the purchase, construc-
20 tion, or rehabilitation of a building or structure.”;
21 and

22 (7) in subsection (g) (as redesignated by para-
23 graph (5))—

24 (A) in paragraph (1)—

1 (i) in subparagraph (B), by striking
2 “and” at the end;

3 (ii) in subparagraph (C), by striking
4 the period at the end and inserting “; and”;
5 and

6 (iii) by adding at the end the following
7 new subparagraph:

8 “(D) \$20,000,000 for each of fiscal years
9 2013 through 2017.”;

10 (B) by striking paragraphs (2) and (4);

11 (C) by redesignating paragraph (3) as
12 paragraph (5); and

13 (D) by inserting after paragraph (1) the fol-
14 lowing new paragraphs:

15 “(2) *AUTHORIZATION OF APPROPRIATIONS.*—

16 *There are authorized to be appropriated to carry out*
17 *this section \$10,000,000 for each of fiscal years 2013*
18 *through 2017.*

19 “(3) *USE OF FUNDS.*—*Of the funds made avail-*
20 *able to carry out this section for a fiscal year, 50 per-*
21 *cent of such funds shall be used for the purposes de-*
22 *scribed in subparagraph (A) of subsection (b)(1) and*
23 *50 percent of such funds shall be used for the purposes*
24 *described in subparagraph (B) of such subsection.*

1 “(4) *LIMITATION ON ADMINISTRATIVE EXPENSES.*—Not more than 5 percent of the total
2 amount made available to carry out this section for
3 a fiscal year may be used for administrative ex-
4 penses.”.

6 **SEC. 10004. ORGANIC AGRICULTURE.**

7 (a) *ORGANIC PRODUCTION AND MARKET DATA INITIA-*
8 *TIVES.*—Section 7407(d) of the Farm Security and Rural
9 Investment Act of 2002 (7 U.S.C. 5925c(d)) is amended—

10 (1) by redesignating paragraph (2) as para-
11 graph (3);

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

14 “(2) *MANDATORY FUNDING.*—In addition to
15 funds made available under paragraph (1), of the
16 funds of the Commodity Credit Corporation, the Sec-
17 retary shall use to carry out this section \$5,000,000,
18 to remain available until expended.”; and

19 (3) in paragraph (3) (as redesignated by para-
20 graph (1))—

21 (A) by striking “paragraph (1)” and insert-
22 ing “paragraphs (1) and (2)”; and

23 (B) by striking “2012” and inserting
24 “2017”.

1 **(b) MODERNIZATION AND TECHNOLOGY UPGRADE FOR**
2 **NATIONAL ORGANIC PROGRAM.**—Section 2122 of the Or-
3 ganic Foods Production Act of 1990 (7 U.S.C. 6521) is
4 amended by adding at the end the following new subsection:

5 **“(c) MODERNIZATION AND TECHNOLOGY UPGRADE**
6 **FOR NATIONAL ORGANIC PROGRAM.**—The Secretary shall
7 modernize database and technology systems of the national
8 organic program.”.

9 **(c) AUTHORIZATION OF APPROPRIATIONS FOR NA-**
10 **TIONAL ORGANIC PROGRAM.**—Section 2123 of the Organic
11 Foods Production Act of 1990 (7 U.S.C. 6522) is amend-
12 ed—

13 (1) in subsection (b)—

14 (A) in paragraph (5), by striking “and” at
15 the end;

16 (B) by redesignating paragraph (6) as
17 paragraph (7); and

18 (C) by inserting after paragraph (5) the fol-
19 lowing new paragraph:

20 “(6) \$11,000,000 for each of fiscal years 2013
21 through 2017; and”; and

22 (2) by adding at the end the following new sub-
23 section:

24 **“(c) MODERNIZATION AND TECHNOLOGY UPGRADE**
25 **FOR NATIONAL ORGANIC PROGRAM.**—Of the funds of the

1 *Commodity Credit Corporation and in addition to any*
2 *other funds made available to carry out section 2122(c), the*
3 *Secretary shall use to carry out such section \$5,000,000 for*
4 *fiscal year 2013, to remain available until expended.”.*

5 *(d) NATIONAL ORGANIC CERTIFICATION COST-SHARE*
6 *PROGRAM.—Section 10606 of the Farm Security and Rural*
7 *Investment Act of 2002 (7 U.S.C. 6523) is repealed.*

8 **SEC. 10005. INVESTIGATIONS AND ENFORCEMENT OF THE**
9 **ORGANIC FOODS PRODUCTION ACT OF 1990.**

10 *The Organic Foods Production Act of 1990 is amended*
11 *by inserting after section 2122 (7 U.S.C. 6521) the fol-*
12 *lowing new section:*

13 **“SEC. 2122A. INVESTIGATIONS AND ENFORCEMENT.**

14 **“(a) INVESTIGATION.—**

15 **“(1) IN GENERAL.—***The Secretary may take such*
16 *investigative actions as the Secretary considers to be*
17 *necessary to carry out this title—*

18 *“(A) to verify the accuracy of any informa-*
19 *tion reported or made available under this title;*
20 *and*

21 *“(B) to determine, with regard to actions,*
22 *practices, or information required under this*
23 *title, whether a person covered by this title has*
24 *committed a violation of any provision of this*
25 *title.*

1 “(2) *INVESTIGATIVE POWERS.*—*The Secretary*
2 *may administer oaths and affirmations, subpoena*
3 *witnesses, compel attendance of witnesses, take evi-*
4 *dence, and require the production of any records re-*
5 *quired to be maintained under section 2112(d) or*
6 *2116(c) that are relevant to the investigation.*

7 “(b) *UNLAWFUL ACT.*—*It shall be unlawful and a vio-*
8 *lation of this title for any person covered by this title—*

9 “(1) *to refuse to provide information required by*
10 *the Secretary under this title; or*

11 “(2) *to violate—*

12 “(A) *a suspension or revocation of the or-*
13 *ganic certification of a producer or handler; or*

14 “(B) *a suspension or revocation of the ac-*
15 *creditation of a certifying agent.*

16 “(c) *ENFORCEMENT.*—

17 “(1) *SUSPENSION.*—

18 “(A) *IN GENERAL.*—*The Secretary may,*
19 *after notice and opportunity for an expedited*
20 *administrative hearing, suspend the organic cer-*
21 *tification of a producer or handler, or accredita-*
22 *tion of a certifying agent, if the Secretary has*
23 *reason to believe that a person producing or han-*
24 *dling an agricultural product, or a certifying*
25 *agent, has violated or is violating any provision*

1 *of this title. The decision to suspend a certifi-*
2 *cation under this subparagraph by the Secretary*
3 *may be appealed to a United States district*
4 *court not later than 30 days after such decision*
5 *is made and shall not take effect until judicial*
6 *review of such decision is completed.*

7 “(B) CONTINUATION OF SUSPENSION
8 THROUGH APPEAL.—*If the Secretary determines*
9 *subsequent to an investigation that a violation of*
10 *this title by a person covered by this title has oc-*
11 *curred, the suspension shall remain in effect*
12 *until the Secretary issues a revocation of the cer-*
13 *tification of the person or of the accreditation of*
14 *the certifying agent, covered by this title, after*
15 *an expedited administrative appeal under sec-*
16 *tion 2121 has been completed.*

17 “(2) REVOCATION.—*After notice and oppor-*
18 *tunity for an administrative appeal under section*
19 *2121, if a violation of this title is determined to have*
20 *occurred, the Secretary shall revoke the organic cer-*
21 *tification of the producer or handler, or the accredita-*
22 *tion of the certifying agent.*

23 “(d) APPEAL.—

24 “(1) IN GENERAL.—*A revocation of a certifi-*
25 *cation or an accreditation under subsection (c)(2)*

1 *shall be final and conclusive unless the affected person*
2 *files an appeal of the revocation, if the affected person*
3 *so elects, to a United States district court as provided*
4 *in section 2121(b) not later than 30 days after the*
5 *date of the revocation under subsection (c)(2).*

6 “(2) *STANDARD.*—*A revocation of a certification*
7 *or an accreditation under subsection (c)(2) shall be*
8 *set aside only if the revocation of such certification or*
9 *such accreditation is clearly erroneous.*

10 “(e) *NONCOMPLIANCE.*—

11 “(1) *IN GENERAL.*—*If a person covered by this*
12 *title fails to obey a revocation of a certification or an*
13 *accreditation under subsection (c)(2) after such rev-*
14 *ocation has become final and conclusive or after the*
15 *appropriate United States district court has entered*
16 *a final judgment in favor of the Secretary, the United*
17 *States may apply to the appropriate United States*
18 *district court for enforcement of such revocation.*

19 “(2) *ENFORCEMENT.*—*If the court determines*
20 *that the revocation was lawfully made and duly*
21 *served and that the person violated the revocation, the*
22 *court shall enforce the revocation.*

23 “(3) *CIVIL PENALTY.*—*If the court finds that the*
24 *person violated the revocation of a certification or an*
25 *accreditation under subsection (c)(2), the person shall*

1 *be subject to one or more of the penalties provided in*
2 *subsections (a) and (b) of section 2120.”.*

3 **SEC. 10006. FOOD SAFETY EDUCATION INITIATIVES.**

4 *Section 10105(c) of the Food, Conservation, and En-*
5 *ergy Act of 2008 (7 U.S.C. 7655a(c)) is amended by striking*
6 *“2012” and inserting “2017”.*

7 **SEC. 10007. SPECIALTY CROP BLOCK GRANTS.**

8 *Section 101 of the Specialty Crops Competitiveness Act*
9 *of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is*
10 *amended—*

11 *(1) in subsection (a)—*

12 *(A) by striking “subsection (j)” and insert-*
13 *ing “subsection (l)”;* and

14 *(B) by striking “2012” and inserting*
15 *“2017”;*

16 *(2) by striking subsection (b) and inserting the*
17 *following new subsection:*

18 *“(b) GRANTS BASED ON VALUE AND ACREAGE.—Sub-*
19 *ject to subsection (c), for each State whose application for*
20 *a grant for a fiscal year that is accepted by the Secretary*
21 *under subsection (f), the amount of the grant for such fiscal*
22 *year to the State under this section shall bear the same ratio*
23 *to the total amount made available under subsection (l)(1)*
24 *for such fiscal year as—*

1 “(1) the average of the most recent available
2 value of specialty crop production in the State and
3 the acreage of specialty crop production in the State,
4 as demonstrated in the most recent Census of Agri-
5 culture data; bears to

6 “(2) the average of the most recent available
7 value of specialty crop production in all States and
8 the acreage of specialty crop production in all States,
9 as demonstrated in the most recent Census of Agri-
10 culture data.”;

11 (3) by redesignating subsection (j) as subsection
12 (l);

13 (4) by inserting after subsection (i) the following
14 new subsections:

15 “(j) *MULTISTATE PROJECTS*.—Not later than 180
16 days after the effective date of the Federal Agriculture Re-
17 form and Risk Management Act of 2012, the Secretary of
18 Agriculture shall issue guidance for the purpose of making
19 grants to multistate projects under this section for projects
20 involving—

21 “(1) food safety;

22 “(2) plant pests and disease;

23 “(3) research;

24 “(4) crop-specific projects addressing common
25 issues; and

1 “(5) any other area that furthers the purposes of
2 this section, as determined by the Secretary.

3 “(k) ADMINISTRATION.—

4 “(1) DEPARTMENT.—The Secretary of Agri-
5 culture may not use more than 3 percent of the funds
6 made available to carry out this section for a fiscal
7 year for administrative expenses.

8 “(2) STATES.—A State receiving a grant under
9 this section may not use more than 8 percent of the
10 funds received under the grant for a fiscal year for
11 administrative expenses.”; and

12 (5) in subsection (l) (as redesignated by para-
13 graph (3))—

14 (A) by redesignating paragraphs (1), (2),
15 and (3) as subparagraphs (A), (B), and (C), re-
16 spectively, and moving such subparagraphs two
17 ems to the right;

18 (B) by striking “Of the funds” and insert-
19 ing the following:

20 “(1) IN GENERAL.—Of the funds”;

21 (C) in paragraph (1) (as so designated)—

22 (i) in subparagraph (B) (as redesign-
23 ated by subparagraph (A)), by striking
24 “and” at the end;

1 (ii) in subparagraph (C) (as redesignig-
2 nated by subparagraph (A)), by striking the
3 period at the end and inserting “; and”;
4 and

5 (iii) by adding at the end the following
6 new subparagraph:

7 “(D) \$70,000,000 for fiscal year 2013 and
8 each fiscal year thereafter.”; and

9 (D) by adding at the end the following new
10 paragraph:

11 “(2) *MULTISTATE PROJECTS.*—Of the funds
12 made available under paragraph (1), the Secretary
13 may use to carry out subsection (j), to remain avail-
14 able until expended—

15 “(A) \$1,000,000 for fiscal year 2013;

16 “(B) \$2,000,000 for fiscal year 2014;

17 “(C) \$3,000,000 for fiscal year 2015;

18 “(D) \$4,000,000 for fiscal year 2016; and

19 “(E) \$5,000,000 for fiscal year 2017.”.

20 **SEC. 10008. REPORT ON SPECIALTY CROP PRODUCTION BY**
21 **CERTAIN FARMERS.**

22 (a) *REPORT REQUIRED.*—The Secretary of Agriculture
23 shall, in consultation with interested persons, submit to the
24 Committee on Agriculture of the House of Representatives
25 a report on specialty crop production by small-holder,

1 *women, minority, and socially disadvantaged producers (as*
2 *defined in section 355(e) of the Consolidated Farm and*
3 *Rural Development Act (7 U.S.C. 2003(e))) throughout the*
4 *United States, including—*

5 *(1) an assessment of—*

6 *(A) the number of such producers in the*
7 *United States;*

8 *(B) the economic and social challenges such*
9 *producers have in increasing production capac-*
10 *ity and value; and*

11 *(C) the resources needed to increase or add*
12 *value to the production of such producers;*

13 *(2) a list of the resources available at the De-*
14 *partment of Agriculture to provide assistance to such*
15 *producers;*

16 *(3) an evaluation of private sector resources and*
17 *initiatives that could be used to increase production*
18 *capacity and value for the crops grown by such pro-*
19 *ducers; and*

20 *(4) an evaluation of how geographic differences*
21 *affect opportunities available to small-holder pro-*
22 *ducers.*

23 *(b) UPDATES AND COMPLETION.—The Secetary shall*
24 *submit the completed report required under subsection (a)*
25 *not later than one year after the date of the enactment of*

1 *the Federal Agriculture Reform and Risk Management Act*
2 *of 2012. Beginning on such date of enactment, the Secretary*
3 *shall update the Committee on Agriculture of the House of*
4 *Representatives every 90 days on the progress made toward*
5 *completing the report.*

6 **SEC. 10009. REPORT ON HONEY.**

7 (a) *REPORT.*—Not later than 180 days after the date
8 *of the enactment of this Act, the Secretary of Agriculture,*
9 *in consultation with persons affected by the potential estab-*
10 *lishment of a Federal standard for the identity of honey,*
11 *shall submit to the Commissioner of Food and Drugs a re-*
12 *port describing how an appropriate Federal standard for*
13 *the identity of honey would be in the interest of consumers,*
14 *the honey industry, and United States agriculture.*

15 (b) *CONSIDERATIONS.*—In preparing the report re-
16 *quired under subsection (a), the Secretary shall take into*
17 *consideration the March, 2006, Standard of Identity citi-*
18 *zens petition filed with the Food and Drug Administration,*
19 *including any current industry amendments or clarifica-*
20 *tions necessary to update such petition.*

21 **SEC. 10010. BULK SHIPMENTS OF APPLES TO CANADA.**

22 (a) *BULK SHIPMENT OF APPLES TO CANADA.*—Section
23 *4 of the Export Apple Act (7 U.S.C. 584) is amended—*

24 (1) *by striking “Apples in” and inserting “(a)*
25 *Apples in”;* and

1 (2) *by adding at the end the following new sub-*
2 *section:*

3 “(b) *Apples may be shipped to Canada in bulk bins*
4 *without complying with the provisions of this Act.*”.

5 (b) *DEFINITION OF BULK BIN.—Section 9 of the Ex-*
6 *port Apple Act (7 U.S.C. 589) is amended by adding at*
7 *the end the following new paragraph:*

8 “(5) *The term ‘bulk bin’ means a bin that contains*
9 *a quantity of apples weighing more than 100 pounds.*”.

10 (c) *REGULATIONS.—Not later than 60 days after the*
11 *date of the enactment of this Act, the Secretary of Agri-*
12 *culture shall issue regulations to carry out the amendments*
13 *made by this section*

14 **SEC. 10011. INCLUSION OF OLIVE OIL IN IMPORT CON-**
15 **TROLS UNDER THE AGRICULTURAL ADJUST-**
16 **MENT ACT.**

17 *Section 8e(a) of the Agricultural Adjustment Act (7*
18 *U.S.C. 608e–1(a)) is amended by inserting “olive oil,” after*
19 *“olives (other than Spanish-style green olives),”.*

20 **SEC. 10012. PETITIONS TO DETERMINE ORGANISM NOT A**
21 **PLANT PEST.**

22 (a) *PETITION TO DETERMINE ORGANISM NOT A PLANT*
23 *PEST.—The Plant Protection Act is amended by inserting*
24 *after section 411 (7 U.S.C. 7711) the following new section:*

1 **“SEC. 411A. PETITION TO DETERMINE ORGANISM NOT A**
2 **PLANT PEST.**

3 “(a) *PETITION.*—A person may petition the Secretary
4 for a determination that an organism that is subject to reg-
5 ulation by the Secretary as a plant pest under this Act is
6 not a plant pest for purposes of this Act.

7 “(b) *REVIEW OF PETITION.*—

8 “(1) *ASSESSMENT AND ANALYSIS REQUIRED.*—In
9 reviewing a petition submitted under subsection (a),
10 the Secretary shall conduct the following with respect
11 to an organism that is the subject of the petition:

12 “(A) *PLANT PEST RISK ASSESSMENT.*—An
13 assessment of the likelihood that such organism
14 is a plant pest.

15 “(B) *ENVIRONMENTAL ANALYSIS.*—An anal-
16 ysis of any likely adverse effects of such organism
17 on the soil, water, air quality, non-target orga-
18 nisms, and listed threatened and endangered spe-
19 cies and the critical habitat of such species for
20 the environment in which such organism is like-
21 ly to be grown or otherwise used under the condi-
22 tions specified in such petition.

23 “(2) *DETERMINATION.*—The Secretary shall issue
24 a determination that an organism is not a plant pest
25 for purposes of this Act if the Secretary determines,
26 based on sound science and the plant pest risk assess-

1 *ment conducted under paragraph (1)(A), that an or-*
2 *ganism is not likely to be a plant pest.*

3 *“(3) REVIEW PERIOD.—*

4 *“(A) INITIAL REVIEW PERIOD.—Not later*
5 *than one year after the date on which the Sec-*
6 *retary determines that a petition submitted*
7 *under subsection (a) is complete, the Secretary*
8 *shall complete the plant pest risk assessment and*
9 *the environmental analysis required under para-*
10 *graph (1) and issue a determination with respect*
11 *to such petition under paragraph (2).*

12 *“(B) EXTENSION.—The Secretary may ex-*
13 *tend the one-year review period referred to in*
14 *subparagraph (A) for a petition for one addi-*
15 *tional period of not more than 180 days if the*
16 *Secretary determines that additional review is*
17 *necessary. The Secretary shall notify the person*
18 *who submitted the petition, in writing, of the*
19 *reasons for the extension and an estimate of the*
20 *time period necessary to complete the review.*

21 *“(4) EFFECT OF FAILURE TO MEET TIME PE-*
22 *RIOD.—Notwithstanding any other provision of law,*
23 *if after completing the plant pest risk assessment, but*
24 *not the environmental analysis, required under para-*
25 *graph (1), the Secretary finds that there is no reason*

1 to believe that an organism is a plant pest and does
2 not grant or deny a petition submitted under sub-
3 section (a) with respect to such organism within the
4 time period required under paragraph (3), such orga-
5 nism shall be deemed not to be a plant pest for pur-
6 poses of this Act.

7 “(5) *EFFECT ON PESTICIDE REGISTRATION.*—In
8 the case of an organism containing a plant-incor-
9 porated protectant (as defined in section 174.3 of title
10 40, Code of Federal Regulations, or any successor reg-
11 ulation) with respect to which an application for reg-
12 istration of the plant-incorporated protectant is pend-
13 ing under the Federal Insecticide, Fungicide, and
14 Rodenticide Act (7 U.S.C. 136a et seq.), a determina-
15 tion made under paragraph (2) that an organism is
16 not a plant pest or the deeming that an organism is
17 not a plant pest under paragraph (4) shall not be ef-
18 fective until the registration of the plant-incorporated
19 protectant contained in such organism is approved
20 under the Federal Insecticide, Fungicide, and
21 Rodenticide Act (7 U.S.C. 136a et seq.). If such reg-
22 istration is not approved, a determination made
23 under paragraph (2) that an organism is not a plant
24 pest or a deeming that an organism is not a plant
25 pest under paragraph (4) shall not become effective.

1 “(6) *SUBSEQUENT AUTHORITY TO REGULATE.*—
2 *Notwithstanding a determination that an organism is*
3 *not a plant pest under paragraph (2) or that such or-*
4 *ganism has been deemed not to be a plant pest under*
5 *paragraph (4), the Secretary may issue a determina-*
6 *tion, based on information discovered after the date of*
7 *such determination or the date on which the organism*
8 *was so deemed and sound science, that an organism*
9 *is a plant pest for purposes of this Act.*

10 “(7) *PUBLIC NOTICE.*—

11 “(A) *NOTICE.*—*The Secretary shall publish*
12 *notice in the Federal Register of—*

13 “(i) *the grant or denial of a petition*
14 *submitted under subsection (a) with respect*
15 *to an organism; or*

16 “(ii) *the deeming that such organism*
17 *is not a plant pest under paragraph (4).*

18 “(B) *RISK ASSESSMENTS AND ENVIRON-*
19 *MENTAL ANALYSIS.*—*The Secretary shall provide*
20 *to the person who submitted a petition under*
21 *subsection (a), and make available to the public,*
22 *the risk assessment and environmental analysis*
23 *prepared under paragraph (1) with respect to*
24 *such petition.*

1 “(c) *APPLICABILITY OF ENVIRONMENTAL ANALYSIS*
2 *CONDUCTED FOR PETITION TO DETERMINE ORGANISM NOT*
3 *A PLANT PEST.*—

4 “(1) *EXCLUSIVE ANALYSIS PERFORMED.*—*Not-*
5 *withstanding any other provision of law, the environ-*
6 *mental analysis required under subsection (b)(1) and*
7 *as specifically described in such subsection shall be*
8 *the only analysis or procedure regarding the effects on*
9 *the environment of an organism that is the subject of*
10 *a petition submitted under subsection (a) required or*
11 *authorized by law with respect to reviewing and tak-*
12 *ing action on such a petition.*

13 “(2) *PROHIBITION ON USE OF FUNDS FOR*
14 *OTHER ANALYSES.*—*No funds made available by any*
15 *Act shall be obligated, expended, or used for any anal-*
16 *ysis or procedure regarding the effects on the environ-*
17 *ment of an organism conducted for purposes of this*
18 *section other than the environmental analysis re-*
19 *quired under subsection (b)(1).*

20 “(3) *PROHIBITION ON SOLICITATION OF FUNDS*
21 *FOR ENVIRONMENTAL ANALYSIS.*—*The Secretary shall*
22 *not require or solicit any financial assistance from a*
23 *person submitting a petition under subsection (a) for*
24 *any analysis or procedure regarding the effects on the*
25 *environment of an organism or for any other analysis*

1 or procedure not specifically authorized by subsection
2 (b)(1).

3 “(d) *USE OF DATA FROM PERMITS FOR PURPOSES OF*
4 *PETITION FOR A DETERMINATION THAT AN ORGANISM NOT*
5 *A PLANT PEST.*—Notwithstanding any other provision of
6 law, the Secretary shall use data collected under a permit
7 issued by the Secretary under section 411(a) with respect
8 to an organism, among other relevant data, for purposes
9 of the review of a petition submitted under subsection (a)
10 with respect to such organism.”.

11 (b) *AUTHORITY OF REVIEW FOR AND ENVIRONMENTAL*
12 *ANALYSIS APPLICABLE TO PERMITS.*—Section 411 of the
13 *Plant Protection Act (7 U.S.C. 7711) is amended—*

14 (1) *by redesignating subsections (c), (d), and (e)*
15 *as subsections (e), (f), and (g), respectively; and*

16 (2) *by inserting after subsection (b), the fol-*
17 *lowing new subsections:*

18 “(c) *LIMITATION ON ANALYSES AND PROCEDURES FOR*
19 *PERMITS.*—Notwithstanding any other provision of law,
20 the analyses or procedures required under the regulations
21 issued by the Secretary under the Federal Plant Pest Act
22 and continued in effect in accordance with section 438(c)
23 shall be the only analyses or procedures required or author-
24 ized by law with respect to reviewing and taking action

1 *on an application for a permit submitted under subsection*
2 *(a).*

3 “(d) *ENVIRONMENTAL ANALYSIS APPLICABLE TO CER-*
4 *TAIN PERMITS.*—*Notwithstanding any other provision of*
5 *law, in reviewing an application for a permit submitted*
6 *under subsection (a) that is not excluded from environ-*
7 *mental review under regulations issued by the Secretary in*
8 *effect on the date of the enactment of this subsection (or*
9 *any successor regulations), the Secretary shall conduct an*
10 *environmental analysis described in section 411A(b)(1)(B).*
11 *Such analysis shall be the only environmental analysis or*
12 *procedure required or authorized by law with respect to re-*
13 *viewing and taking action on such an application.”.*

14 (c) *TRANSITIONAL PROVISIONS.*—

15 (1) *COMPLETENESS.*—

16 (A) *COMPLETENESS OF PETITIONS.*—*Not-*
17 *withstanding any other provision of law, includ-*
18 *ing section 411A of the Plant Protection Act (as*
19 *added by subsection (a)), if the Secretary of Ag-*
20 *riculture determined that a petition submitted*
21 *before the date of the enactment of this section*
22 *under section 340.6 of title 7, Code of Federal*
23 *Regulations, for a determination that an orga-*
24 *nism is not a plant pest was complete before*
25 *such date, the Secretary shall consider such peti-*

1 *tion to be complete and maintain the status such*
2 *petition had in the process for the review of such*
3 *petition on such date under section 340.6 of title*
4 *7, Code of Federal Regulations.*

5 *(B) COMPLETENESS OF APPLICATIONS FOR*
6 *PERMITS.—Notwithstanding any other provision*
7 *of law, including subsection (c) of section 411 of*
8 *the Plant Protection Act (7 U.S.C. 7711) (as*
9 *amended by subsection (b)), if the Secretary of*
10 *Agriculture determined that an application for a*
11 *permit submitted under subsection (a) of such*
12 *section (7 U.S.C. 7711) before the date of the en-*
13 *actment of this section was complete before such*
14 *date, the Secretary shall consider such applica-*
15 *tion to be complete and maintain the status such*
16 *application had in the process for the review of*
17 *such application on such date under subsection*
18 *(a) of such section.*

19 *(2) USE OF ENVIRONMENTAL ANALYSIS.—*

20 *(A) USE OF ENVIRONMENTAL ANALYSIS FOR*
21 *PETITIONS.—Notwithstanding any other provi-*
22 *sion of law, the Secretary of Agriculture shall*
23 *use any environmental analysis conducted for*
24 *purposes of a petition submitted under section*
25 *340.6 of title 7, Code of Federal Regulations, be-*

1 *fore the date of the enactment of this section with*
2 *respect to an organism to the greatest extent pos-*
3 *sible to complete the environmental analysis con-*
4 *ducted under section 411A of the Plant Protec-*
5 *tion Act (as added by subsection (a)) for pur-*
6 *poses of a petition submitted under subsection*
7 *(a) of such section with respect to such organism.*

8 *(B) USE OF ENVIRONMENTAL ANALYSIS FOR*
9 *APPLICATIONS FOR PERMITS.—Notwithstanding*
10 *any other provision of law, the Secretary of Ag-*
11 *riculture shall use any environmental analysis*
12 *conducted for purposes of an application for a*
13 *permit submitted under subsection (a) of section*
14 *411 of the Plant Protection Act (7 U.S.C. 7711)*
15 *before the date of the enactment of this section*
16 *with respect to such organism to the greatest ex-*
17 *tent possible to complete the environmental anal-*
18 *ysis conducted under subsection (d) of such sec-*
19 *tion (as amended by subsection (b)) with respect*
20 *to such organism.*

21 *(3) SPECIAL CONSIDERATION FOR REVIEW OF*
22 *CERTAIN PETITIONS.—*

23 *(A) PENDING PETITIONS WITHOUT A COM-*
24 *PLETED PLANT PEST RISK ASSESSMENT.—Not-*
25 *withstanding section 411A(b)(3) of the Plant*

1 *Protection Act (as added by subsection (a)), the*
2 *Secretary of Agriculture shall determine the*
3 *length of the period for the review of petitions*
4 *submitted under section 340.6 of title 7, Code of*
5 *Federal Regulations, before the date of the enact-*
6 *ment of this section for which a plant pest risk*
7 *assessment has not been completed on or before*
8 *such date of enactment.*

9 (B) *PENDING PETITIONS WITH A COM-*
10 *PLETED PLANT PEST RISK ASSESSMENT.—*

11 (i) *DEEMING OF CERTAIN PETI-*
12 *TIONS.—Notwithstanding any other provi-*
13 *sion of law, with respect to each covered pe-*
14 *tition, if the Secretary finds that there is no*
15 *reason to believe that the organism that is*
16 *the subject of such covered petition is a*
17 *plant pest and the Secretary does not grant*
18 *or deny such covered petition not later than*
19 *90 days after the date of the enactment of*
20 *this section, such organism shall be deemed*
21 *not to be a plant pest for purposes of the*
22 *Plant Protection Act (7 U.S.C. 7701 et*
23 *seq.).*

24 (ii) *COVERED PETITION DEFINED.—In*
25 *this subparagraph, the term “covered peti-*

tion” means a petition submitted before the date of the enactment of this section under section 340.6 of title 7, Code of Federal Regulations, for a determination that an organism is not a plant pest for which a plant pest risk assessment and an environmental assessment have been published and a notice and comment period on each assessment has been completed as of such date of enactment.

(4) *REGULATIONS.*—Not later than 180 days after the date of the enactment of this section, the Secretary of Agriculture shall issue such regulations as the Secretary considers necessary to carry out the amendments made by this section.

**SEC. 10013. CONSOLIDATION OF PLANT PEST AND DISEASE
MANAGEMENT AND DISASTER PREVENTION
PROGRAMS.**

(a) *RELOCATION OF LEGISLATIVE LANGUAGE RELATING TO NATIONAL CLEAN PLANT NETWORK.*—Section 420 of the Plant Protection Act (7 U.S.C. 7721) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

“(e) *NATIONAL CLEAN PLANT NETWORK.*—

1 “(1) *IN GENERAL.*—*The Secretary shall establish*
2 *a program to be known as the ‘National Clean Plant*
3 *Network’ (referred to in this subsection as the ‘Pro-*
4 *gram’).*

5 “(2) *REQUIREMENTS.*—*Under the Program, the*
6 *Secretary shall establish a network of clean plant cen-*
7 *ters for diagnostic and pathogen elimination serv-*
8 *ices—*

9 “(A) *to produce clean propagative plant*
10 *material; and*

11 “(B) *to maintain blocks of pathogen-tested*
12 *plant material in sites located throughout the*
13 *United States.*

14 “(3) *AVAILABILITY OF CLEAN PLANT SOURCE MA-*
15 *TERIAL.*—*Clean plant source material produced or*
16 *maintained under the Program may be made avail-*
17 *able to—*

18 “(A) *a State for a certified plant program*
19 *of the State; and*

20 “(B) *private nurseries and producers.*

21 “(4) *CONSULTATION AND COLLABORATION.*—*In*
22 *carrying out the Program, the Secretary shall—*

23 “(A) *consult with—*

24 “(i) *State departments of agriculture;*
25 *and*

1 “(ii) *land-grant colleges and univer-*
2 *sities and NLGCA Institutions (as those*
3 *terms are defined in section 1404 of the Na-*
4 *tional Agricultural Research, Extension,*
5 *and Teaching Policy Act of 1977 (7 U.S.C.*
6 *3103)); and*

7 “(B) *to the extent practicable and with*
8 *input from the appropriate State officials and*
9 *industry representatives, use existing Federal or*
10 *State facilities to serve as clean plant centers.”.*

11 (b) *FUNDING.—Subsection (f) of section 420 of the*
12 *Plant Protection Act (7 U.S.C. 7721) (as so redesignated)*
13 *is amended—*

14 (1) *in paragraph (3), by striking “and” at the*
15 *end;*

16 (2) *in paragraph (4), by striking “and each fis-*
17 *cal year thereafter.” and inserting “; and”; and*

18 (3) *by adding at the end the following new para-*
19 *graph:*

20 “(5) *\$71,500,000 for fiscal year 2013 and each*
21 *fiscal year thereafter.”.*

22 (c) *REPEAL OF EXISTING PROVISION.—Section 10202*
23 *of the Food, Conservation, and Energy Act of 2008 (7*
24 *U.S.C. 7761) is repealed.*

1 (d) *CLARIFICATION OF USE OF FUNDS FOR TECH-*
2 *NICAL ASSISTANCE.*—Section 420 of the Plant Protection
3 Act (7 U.S.C. 7721) (as amended by subsection (a)) is
4 amended by adding at the end the following new subsection:

5 “(g) *RELATIONSHIP TO OTHER LAW.*—The use of
6 Commodity Credit Corporation funds under this section to
7 provide technical assistance shall not be considered an allot-
8 ment or fund transfer from the Commodity Credit Corpora-
9 tion for purposes of the limit on expenditures for technical
10 assistance imposed by section 11 of the Commodity Credit
11 Corporation Charter Act (15 U.S.C. 714i).”.

12 **SEC. 10014. AUTHORITY FOR REGULATION OF PLANTS.**

13 (a) *REGULATION OF PLANTS UNDER PLANT PROTEC-*
14 *TION ACT.*—Subject to subsection (b), any living stage of
15 a plant, including any nucleic acid or other genetic mate-
16 rial as contained in such plant, shall be exclusively subject
17 to regulation under statutes under which the Secretary of
18 Agriculture is authorized to issue regulations with respect
19 to plants, including the Plant Protection Act (7 U.S.C.
20 7701 et seq.).

21 (b) *REGULATION OF CERTAIN PESTICIDAL SUB-*
22 *STANCES UNDER FEDERAL INSECTICIDE, FUNGICIDE, AND*
23 *RODENTICIDE ACT.*—A pesticidal substance contained in a
24 plant shall be subject to regulation as a plant-incorporated
25 protectant (as defined in section 174.3 of title 40, Code of

1 *Federal Regulations, or any successor regulation) under the*
2 *Federal Insecticide, Fungicide, and Rodenticide Act (7*
3 *U.S.C. 136 et seq.).*

4 (c) *REQUIREMENTS FOR REGULATION OF CERTAIN*
5 *PESTICIDAL SUBSTANCES UNDER FEDERAL INSECTICIDE,*
6 *FUNGICIDE, AND RODENTICIDE ACT.—The regulations*
7 *issued by the Administrator of the Environmental Protec-*
8 *tion Agency with respect to plant-incorporated protectants*
9 *under the Federal Insecticide, Fungicide, and Rodenticide*
10 *Act (7 U.S.C. 136 et seq.), including section 3(c)(1)(C) of*
11 *such Act (7 U.S.C. 136a(c)(1)(C)), section 3(c)(2)(A) of*
12 *such Act (7 U.S.C. 136a(c)(2)(A)), section 7 of such Act*
13 *(7 U.S.C. 136e), section 8 of such Act (7 U.S.C. 136f), sec-*
14 *tion 9 of such Act (7 U.S.C. 136g), and section 17 of such*
15 *Act (7 U.S.C. 136o), shall—*

16 (1) *be based on sound science;*

17 (2) *use the least burdensome requirements; and*

18 (3) *provide for exemptions from the requirements*
19 *otherwise applicable to pesticides that are not plant-*
20 *incorporated protectants.*

21 (d) *DEFINITIONS.—In this section:*

22 (1) *PLANT.—The term “plant” has the meaning*
23 *given such term in section 403 of the Plant Protection*
24 *Act (7 U.S.C. 7702).*

1 (2) *PESTICIDAL SUBSTANCE*.—The term “*pes-*
2 *ticidal substance*” means a substance or a mixture of
3 substances that—

4 (A) is contained in any living stage of a
5 plant that—

6 (i) as of the date of the enactment of
7 this subsection, is subject to part 340 of title
8 7, Code of Federal Regulations; or

9 (ii) has been determined not to be a
10 plant pest under section 411A(b)(2) or
11 deemed not to be a plant pest under section
12 411A(b)(4); and

13 (B) is intended for preventing, destroying,
14 repelling, or mitigating any pest.

15 **SEC. 10015. REPORT TO CONGRESS ON REGULATION OF**
16 **BIOTECHNOLOGY.**

17 Not later than one year after the date of the enactment
18 of this section, the Secretary, in consultation with the Sec-
19 retary of Health and Human Services and the Adminis-
20 trator of the Environmental Protection Agency, shall sub-
21 mit to Congress a report on the measures taken and pro-
22 posed to be taken by the Secretaries and the Administrator
23 to provide for balanced and appropriate regulatory over-
24 sight of agricultural biotechnology products, by—

1 (1) *reducing regulatory burdens on research con-*
2 *ducted by academic institutions, small businesses, and*
3 *public entities in developing lower-cost plant and ani-*
4 *mal sources of food, feed, fuel, and fiber developed*
5 *through biotechnology, with special emphasis on*
6 *minor use crops, orphan crops, and sources of protein;*

7 (2) *identifying categories of products developed*
8 *through biotechnology for which a history of safe use*
9 *has been established and providing with respect to*
10 *such products reduced data requirements, expedited*
11 *review periods, exemptions from regulation, and other*
12 *measures, as appropriate, based on sound science; and*

13 (3) *developing and implementing a cohesive na-*
14 *tional policy for the low-level presence of agronomic*
15 *biotechnology material in crops, including grain and*
16 *other commodity crops, for food, feed, and processing.*

17 **SEC. 10016. PESTICIDE REGISTRATION IMPROVEMENT.**

18 (a) *MAINTENANCE FEES.*—

19 (1) *FEES.*—*Section 4(i) of the Federal Insecti-*
20 *cide, Fungicide, and Rodenticide Act (7 U.S.C. 136a-*
21 *1(i)) is amended—*

22 (A) *in paragraph (5)—*

23 (i) *in subparagraph (C), by striking*
24 *“aggregate amount of” and all that follows*
25 *through the end of the subparagraph and*

1 *inserting “aggregate amount of \$27,800,000*
2 *for each of fiscal years 2013 through 2017.”;*

3 *(ii) in subparagraph (D)—*

4 *(I) in clause (i), by striking “shall*
5 *be” and all that follows through the*
6 *semicolon and inserting “shall be*
7 *\$115,500 for each of fiscal years 2013*
8 *through 2017.”; and*

9 *(II) in clause (i), by striking*
10 *“shall be” and all that follows through*
11 *the period and inserting “shall be*
12 *\$184,800 for each of fiscal years 2013*
13 *through 2017.”;*

14 *(iii) in subparagraph (E)(i)—*

15 *(I) in subclause (I), by striking*
16 *“shall be” and all that follows through*
17 *the semicolon and inserting “shall be*
18 *\$70,600 for each of fiscal years 2013*
19 *through 2017.”; and*

20 *(II) in subclause (II), by striking*
21 *“shall be” and all that follows through*
22 *the period and inserting “shall be*
23 *\$122,100 for each of fiscal years 2013*
24 *through 2017.”;*

1 (iv) by redesignating subparagraphs
2 (F), (G), and (H) as subparagraphs (G),
3 (H), and (I), respectively;

4 (v) by inserting after subparagraph
5 (E), the following new subparagraph:

6 “(F) FEE REDUCTION FOR CERTAIN SMALL
7 BUSINESSES.—

8 “(i) WAIVER.—Except as provided in
9 clause (ii), the Administrator shall waive
10 25 percent of the fee under this paragraph
11 applicable to the first registration of any
12 qualified small business entity under this
13 paragraph.

14 “(ii) LIMITATION.—The Administrator
15 shall not grant a waiver under clause (i) to
16 a qualified small business entity if the Ad-
17 ministrator determines that the entity has
18 been formed or manipulated primarily for
19 the purpose of qualifying for the waiver.

20 “(iii) DEFINITION.—For purposes of
21 this subparagraph, the term ‘qualified small
22 business entity’ means a corporation, part-
23 nership, or unincorporated business that—

24 “(I) has 500 or fewer employees;

1 “(II) during the 3-year period
2 prior to the most recent maintenance
3 fee billing cycle, had an average an-
4 nual global gross revenue from all
5 sources that did not exceed
6 \$10,000,000; and

7 “(III) holds not more than 5 pes-
8 ticide registrations under this para-
9 graph.”;

10 (vi) in subparagraph (G) (as redesignig-
11 nated by clause (iv)), by striking “para-
12 graph (3)” and inserting “this paragraph”;
13 and

14 (vii) in subparagraph (I) (as so redesi-
15 gnated), by striking “2012” and inserting
16 “2017”;

17 (B) in paragraph (6)—

18 (i) by striking “2014” and inserting
19 “2019”; and

20 (ii) by striking “paragraphs (1)
21 through (5)” and inserting “paragraph
22 (5)”;

23 (C) by striking paragraphs (1), (2), (3), (4),
24 and (7); and

1 (D) by redesignating paragraphs (5) and
2 (6) as paragraphs (1) and (2), respectively.

3 (2) *EXTENSION OF PROHIBITION ON TOLERANCE*
4 *FEES.*—Section 408(m)(3) of the Federal Food, Drug,
5 and Cosmetic Act (21 U.S.C. 346a(m)(3)) is amended
6 by striking “September 30, 2012” and inserting
7 “September 30, 2017”.

8 (3) *REREGISTRATION AND EXPEDITED PROC-*
9 *ESSING FUND.*—

10 (A) *SOURCE AND USE.*—Section 4(k)(2)(A)
11 of the Federal Insecticide, Fungicide, and
12 Rodenticide Act (7 U.S.C. 136a–1(k)(2)(A)) is
13 amended—

14 (i) by inserting “, to enhance the infor-
15 mation systems capabilities to improve the
16 tracking of pesticide registration decisions,”
17 after “paragraph (3)” each place it ap-
18 pears; and

19 (ii) in clause (i)—

20 (I) by inserting “offset” before
21 “the costs of reregistration”; and

22 (II) by striking “in the same por-
23 tion as appropriated funds”.

24 (B) *EXPEDITED PROCESSING OF SIMILAR*
25 *APPLICATIONS.*—Section 4(k)(3)(A) of the Fed-

1 *eral Insecticide, Fungicide, and Rodenticide Act*
2 *(7 U.S.C. 136a–1(k)(3)(A)) is amended—*

3 *(i) in the matter preceding clause (i),*
4 *by striking “2008 through 2012, between 1/*
5 *8 and 1/7” and inserting “2013 through*
6 *2017, between 1/9 and 1/8”; and*

7 *(ii) in clause (i), by striking “new”.*

8 (C) *ENHANCEMENTS OF INFORMATION*
9 *TECHNOLOGY SYSTEMS FOR IMPROVEMENT IN*
10 *REVIEW OF PESTICIDE APPLICATIONS.—Section*
11 *4(k) of the Federal Insecticide, Fungicide, and*
12 *Rodenticide Act (7 U.S.C. 136a–1(k)) is amend-*
13 *ed—*

14 *(i) by redesignating paragraphs (4)*
15 *and (5) as paragraphs (5) and (6), respec-*
16 *tively;*

17 *(ii) by inserting after paragraph (3)*
18 *the following new paragraph:*

19 “(4) *ENHANCEMENTS OF INFORMATION TECH-*
20 *NOLOGY SYSTEMS FOR IMPROVEMENT IN REVIEW OF*
21 *PESTICIDE APPLICATIONS.—*

22 “(A) *IN GENERAL.—For each of fiscal years*
23 *2013 through 2017, the Administrator shall use*
24 *not more than \$800,000 of the amounts made*
25 *available to the Administrator in the Reregistra-*

1 *tion and Expedited Processing Fund for the ac-*
2 *tivities described in subparagraph (B).*

3 “(B) *ACTIVITIES.*—*The Administrator shall*
4 *use amounts made available from such Fund to*
5 *improve the information systems capabilities for*
6 *the Office of Pesticide Programs to enhance*
7 *tracking of pesticide registration decisions, which*
8 *shall include—*

9 “(i) *the electronic tracking of—*

10 “(I) *registration submissions; and*

11 “(II) *the status of conditional reg-*
12 *istrations;*

13 “(ii) *enhancing the database for infor-*
14 *mation regarding endangered species assess-*
15 *ments for registration review;*

16 “(iii) *implementing the capability to*
17 *electronically review labels submitted with*
18 *registration actions; and*

19 “(iv) *acquiring and implementing the*
20 *capability to electronically assess and evalu-*
21 *ate confidential statements of formula sub-*
22 *mitted with registration actions.”; and*

23 (iii) *in the first sentence of paragraph*
24 (6) *(as redesignated by clause (i)), by strik-*
25 *ing “to carry out the goals established under*

1 *subsection (l)” and inserting “for the pur-*
2 *poses described in paragraphs (2), (3), and*
3 *(4) and to carry out the goals established*
4 *under subsection (l)”.*

5 *(b) PESTICIDE REGISTRATION SERVICE FEES.—*

6 *(1) AMOUNT OF FEES.—Section 33(b) of the Fed-*
7 *eral Insecticide, Fungicide, and Rodenticide Act (7*
8 *U.S.C. 136w–8(b)) is amended—*

9 *(A) in paragraph (3)—*

10 *(i) in subparagraph (A), by striking*
11 *“Pesticide Registration Improvement Re-*
12 *newal Act” and inserting “Federal Agri-*
13 *culture Reform and Risk Management Act*
14 *of 2012”; and*

15 *(ii) in subparagraph (B), by striking*
16 *“S10409” and all that follows through the*
17 *period and inserting “S_____ through*
18 *S_____, dated _____.”;*

19 *(B) in paragraph (6)—*

20 *(i) in subparagraph (A)—*

21 *(I) by striking “October 1, 2008”*
22 *and inserting “October 1, 2013”; and*

23 *(II) by striking “September 30,*
24 *2010” and inserting “September 30,*
25 *2015”; and*

1 (ii) in subparagraph (B)—

2 (I) by striking “October 1, 2010”

3 and inserting “October 1, 2015”; and

4 (II) by striking “September 30,

5 2010” and inserting “September 30,

6 2015”; and

7 (C) in paragraph (8)(C)(ii)—

8 (i) in subclause (I), by striking “or” at

9 the end;

10 (ii) in subclause (II), by striking the

11 period at the end and inserting “; or”; and

12 (iii) by adding at the end the following

13 new subclause:

14 “(III) on the basis that the Ad-

15 ministrators rejected the application

16 under subsection (f)(4)(B).”.

17 (2) *PESTICIDE REGISTRATION FUND*.—Section

18 33(c)(3)(B) of the Federal Insecticide, Fungicide, and

19 Rodenticide Act (7 U.S.C. 136w–8(c)(3)(B)) is

20 amended—

21 (A) in clause (i), by striking “2008 through

22 2012” and inserting “2013 through 2017”;

23 (B) in clause (ii), by striking “grants” and

24 all that follows through the end of clause (ii) and

1 inserting “grants, for each of fiscal years 2013
2 through 2017, \$500,000.”; and

3 (C) in clause (iii), by striking “2008
4 through 2012” and inserting “2013 through
5 2017”.

6 (3) *ASSESSMENT OF FEES*.—Section 33(d) of the
7 *Federal Insecticide, Fungicide, and Rodenticide Act*
8 (7 U.S.C. 136w–8(d)) is amended—

9 (A) in paragraph (2), by striking “2002”
10 each place it appears and inserting “2012”;

11 (B) by striking paragraph (4); and

12 (C) by redesignating paragraph (5) as
13 paragraph (4).

14 (4) *REFORMS TO REDUCE DECISION TIME RE-*
15 *VIEW PERIODS*.—Section 33(e) of the *Federal Insecti-*
16 *cide, Fungicide, and Rodenticide Act* (7 U.S.C.
17 136w–8(e)) is amended by striking “Pesticide Reg-
18 istration Improvement Act of 2003” and inserting
19 “Federal Agriculture Reform and Risk Management
20 Act of 2012”.

21 (5) *DECISION TIME REVIEW PERIODS*.—Section
22 33(f) of the *Federal Insecticide, Fungicide, and*
23 *Rodenticide Act* (7 U.S.C. 136w–8(f)) is amended—

24 (A) in paragraph (1), by striking “Pesticide
25 Registration Improvement Renewal Act” and in-

1 serting “*Federal Agriculture Reform and Risk*
2 *Management Act of 2012*”;

3 (B) in paragraph (2), by striking “S10409”
4 and all that follows through the period and in-
5 serting “S_____ through S_____, dated
6 _____.”; and

7 (C) in paragraph (4)—

8 (i) in subparagraph (A), by inserting
9 “and fee” before the period; and

10 (ii) in subparagraph (B)—

11 (I) in the heading, by striking
12 “COMPLETENESS OF APPLICATION”
13 and inserting “INITIAL CONTENT AND
14 PRELIMINARY TECHNICAL
15 SCREENINGS”;

16 (II) in clause (i)—

17 (aa) by striking “Not later”
18 and inserting the following:

19 “(I) Not later”.

20 (bb) by adding at the end the
21 following new subclause:

22 “(II) After conducting the initial
23 content screening described in sub-
24 clause (I) and in accordance with
25 clause (iv), the Administrator shall

1 *conduct a preliminary technical*
2 *screening—*

3 *“(aa) not later than 45 days*
4 *after the date on which the deci-*
5 *sion time review period begins*
6 *(for applications with decision*
7 *time review periods of not more*
8 *than 180 days); and*

9 *“(bb) not later than 90 days*
10 *after the date on which the deci-*
11 *sion time review period begins*
12 *(for applications with decision*
13 *time review periods greater than*
14 *180 days).”;*

15 *(III) in clause (i) by striking*
16 *“under clause (i)” and all that follows*
17 *through the period and inserting “at*
18 *any time before the Administrator*
19 *completes the preliminary technical*
20 *screening under clause (i)(II) that the*
21 *application failed the initial content or*
22 *preliminary technical screening and*
23 *the applicant does not correct such*
24 *failure before the date that is 10 busi-*
25 *ness days after the applicant receives a*

1 *notification of the failure, the Admin-*
2 *istrator shall reject the application.*
3 *The Administrator shall make every ef-*
4 *fort to provide a written notification of*
5 *such rejection during the 10-day period*
6 *that begins on the date the Adminis-*
7 *trator completes the preliminary tech-*
8 *nical screening.”;*

9 *(IV) in clause (iii)—*

10 *(aa) in the heading, by in-*
11 *serting “INITIAL CONTENT” before*
12 *“SCREENING” ;*

13 *(bb) in the matter preceding*
14 *subclause (I), by inserting “con-*
15 *tent” after “initial”; and*

16 *(cc) in subclause (II), by*
17 *striking “contains” and inserting*
18 *“appears to contain”; and*

19 *(V) by adding at the end the fol-*
20 *lowing new clause:*

21 *“(iv) REQUIREMENTS OF PRELIMINARY*
22 *TECHNICAL SCREENING.—In conducting a*
23 *preliminary technical screening of an appli-*
24 *cation, the Administrator shall determine*
25 *if—*

1 “(I) the application and the data
2 and information submitted with such
3 application are accurate and complete;
4 and

5 “(II) the application, data, and
6 information are consistent with the
7 proposed labeling and any proposal for
8 a tolerance or exemption from the re-
9 quirement for a tolerance under section
10 408 of the Federal Food, Drug, and
11 Cosmetic Act, and are such that, sub-
12 ject to full review under the standards
13 of this Act, could result in the granting
14 of the application.”.

15 (6) *REPORTS.*—Section 33(k) of the Federal In-
16 secticide, Fungicide, and Rodenticide Act (7 U.S.C.
17 136w–8(k)) is amended—

18 (A) in paragraph (1), by striking “March 1,
19 2014” and inserting “March 1, 2017”; and

20 (B) in paragraph (2)—

21 (i) in subparagraph (A)—

22 (I) in clause (vi), by striking
23 “and” at the end;

24 (II) in clause (vii), by inserting
25 “and” at the end; and

1 (III) by adding at the end the fol-
2 lowing new clause:

3 “(viii) the number of extensions of de-
4 cision time review periods agreed to under
5 subsection (f)(5) along with a description of
6 the reason that the Administrator was un-
7 able to make a decision within the initial
8 decision time review period;”;

9 (ii) in subparagraph (E), by striking
10 “and” at the end;

11 (iii) in subparagraph (F), by striking
12 the period and inserting a semicolon; and

13 (iv) by adding at the end the following
14 new subparagraphs:

15 “(G) a review of the progress made to-
16 ward—

17 “(i) carrying out section 4(k)(4) and
18 the amounts from the Reregistration and
19 Expedited Processing Fund used for the
20 purposes described in such section;

21 “(ii) implementing systems for the elec-
22 tronic tracking of registration submissions
23 by December 31, 2013;

24 “(iii) implementing a system for track-
25 ing the status of conditional registrations,

1 *including making non-confidential informa-*
2 *tion related to such conditional registra-*
3 *tions publicly available by December 31,*
4 *2013;*

5 “(iv) *implementing enhancements to*
6 *the endangered species knowledge database,*
7 *including making non-confidential informa-*
8 *tion related to such database publicly avail-*
9 *able;*

10 “(v) *implementing the capability to*
11 *electronically submit and review labels sub-*
12 *mitted with registration actions;*

13 “(vi) *acquiring and implementing the*
14 *capability to electronically assess and evalu-*
15 *ate confidential statements of formula sub-*
16 *mitted with registration actions by Decem-*
17 *ber 31, 2014; and*

18 “(vii) *facilitating public participation*
19 *in certain registration actions and the reg-*
20 *istration review process by providing elec-*
21 *tronic notification to interested parties of*
22 *additions to the public docket;*

23 “(H) *the number of applications rejected by*
24 *the Administrator under the initial content and*

1 *preliminary technical screening conducted under*
2 *subsection (f)(4);*

3 “(I) *a review of the progress made in up-*
4 *dating the Pesticide Incident Data System, in-*
5 *cluding progress toward making the information*
6 *contained in such System available to the public*
7 *(as the Administrator determines is appro-*
8 *priate); and*

9 “(J) *an assessment of the public avail-*
10 *ability of summary pesticide usage data.”.*

11 (7) *TERMINATION OF EFFECTIVENESS.—Section*
12 *33(m) of the Federal Insecticide, Fungicide, and*
13 *Rodenticide Act (7 U.S.C. 136w–8(m)) is amended—*

14 (A) *in paragraph (1), by striking “2012”*
15 *and inserting “2017”; and*

16 (B) *in paragraph (2)—*

17 (i) *in subparagraph (A)—*

18 (I) *in the heading, by striking*
19 *“2013” and inserting “2018”;*

20 (II) *by striking “2013,” and in-*
21 *serting “2018,”; and*

22 (III) *by striking “September 30,*
23 *2012” and inserting “September 30,*
24 *2017”;*

25 (ii) *in subparagraph (B)—*

1 (I) in the heading by striking
2 “2014” and inserting “2019”;

3 (II) by striking “2014,” and in-
4 sserting “2019,”; and

5 (III) by striking “September 30,
6 2012” and inserting “September 30,
7 2017”;

8 (iii) in subparagraph (C)—

9 (I) in the heading by striking
10 “2014” and inserting “2019”; and

11 (II) by striking “September 30,
12 2014” and inserting “September 30,
13 2019”; and

14 (iv) in subparagraph (D), by striking
15 “2012” each place it appears and inserting
16 “2017”.

17 **SEC. 10017. MODIFICATION, CANCELLATION, OR SUSPEN-**
18 **SION ON BASIS OF A BIOLOGICAL OPINION.**

19 (a) *IN GENERAL.*—*Except in the case of a voluntary*
20 *request from a pesticide registrant to amend a registration*
21 *under section 3 of the Federal Insecticide, Fungicide, and*
22 *Rodenticide Act (7 U.S.C. 136a), a registration of a pes-*
23 *ticide may be modified, canceled, or suspended on the basis*
24 *of the implementation of a Biological Opinion issued by*
25 *the National Marine Fisheries Service or the United States*

1 *Fish and Wildlife Service prior to the date of completion*
2 *of the study referred to in subsection (b), or January 1,*
3 *2014, whichever is earlier, only if—*

4 (1) *the modification, cancellation, or suspension*
5 *is undertaken pursuant to section 6 of such Act (7*
6 *U.S.C. 136d); and*

7 (2) *the Biological Opinion complies with the rec-*
8 *ommendations contained in the study referred to in*
9 *subsection (b).*

10 (b) *NATIONAL ACADEMY OF SCIENCES STUDY.—The*
11 *study commissioned by the Administrator of the Environ-*
12 *mental Protection Agency on March 10, 2011, shall include,*
13 *at a minimum, each of the following:*

14 (1) *A formal, independent, and external peer re-*
15 *view, consistent with Office of Management and*
16 *Budget policies, of each Biological Opinion described*
17 *in subsection (a).*

18 (2) *Assessment of economic impacts of measures*
19 *or alternatives recommended in each such Biological*
20 *Opinion.*

21 (3) *An examination of the specific scientific and*
22 *procedural questions and issues pertaining to eco-*
23 *nomics feasibility contained in the June 23, 2011 let-*
24 *ter sent to the Administrator (and other Federal offi-*
25 *cial) by the Chairmen of the Committee on Agri-*

1 *culture, the Committee on Natural Resources, and the*
2 *Subcommittee on Interior, Environment, and Related*
3 *Agencies of the Committee on Appropriations, of the*
4 *House of Representatives.*

5 **SEC. 10018. USE AND DISCHARGES OF AUTHORIZED PES-**
6 **TICIDES.**

7 (a) *SHORT TITLE.*—*This section may be cited as the*
8 *“Reducing Regulatory Burdens Act of 2012”.*

9 (b) *USE OF AUTHORIZED PESTICIDES.*—*Section 3(f)*
10 *of the Federal Insecticide, Fungicide, and Rodenticide Act*
11 *(7 U.S.C. 136a(f)) is amended by adding at the end the*
12 *following:*

13 “(5) *USE OF AUTHORIZED PESTICIDES.*—*Except*
14 *as provided in section 402(s) of the Federal Water*
15 *Pollution Control Act, the Administrator or a State*
16 *may not require a permit under such Act for a dis-*
17 *charge from a point source into navigable waters of*
18 *a pesticide authorized for sale, distribution, or use*
19 *under this Act, or the residue of such a pesticide, re-*
20 *sulting from the application of such pesticide.”.*

21 (c) *DISCHARGES OF PESTICIDES.*—*Section 402 of the*
22 *Federal Water Pollution Control Act (33 U.S.C. 1342) is*
23 *amended by adding at the end the following:*

24 “(s) *DISCHARGES OF PESTICIDES.*—

1 “(1) *NO PERMIT REQUIREMENT.*—*Except as pro-*
2 *vided in paragraph (2), a permit shall not be re-*
3 *quired by the Administrator or a State under this Act*
4 *for a discharge from a point source into navigable*
5 *waters of a pesticide authorized for sale, distribution,*
6 *or use under the Federal Insecticide, Fungicide, and*
7 *Rodenticide Act, or the residue of such a pesticide, re-*
8 *sulting from the application of such pesticide.*

9 “(2) *EXCEPTIONS.*—*Paragraph (1) shall not*
10 *apply to the following discharges of a pesticide or pes-*
11 *ticide residue:*

12 “(A) *A discharge resulting from the appli-*
13 *cation of a pesticide in violation of a provision*
14 *of the Federal Insecticide, Fungicide, and*
15 *Rodenticide Act that is relevant to protecting*
16 *water quality, if—*

17 “(i) *the discharge would not have oc-*
18 *curred but for the violation; or*

19 “(ii) *the amount of pesticide or pes-*
20 *ticide residue in the discharge is greater*
21 *than would have occurred without the viola-*
22 *tion.*

23 “(B) *Stormwater discharges subject to regu-*
24 *lation under subsection (p).*

1 “(C) *The following discharges subject to reg-*
2 *ulation under this section:*

3 “(i) *Manufacturing or industrial efflu-*
4 *ent.*

5 “(ii) *Treatment works effluent.*

6 “(iii) *Discharges incidental to the nor-*
7 *mal operation of a vessel, including a dis-*
8 *charge resulting from ballasting operations*
9 *or vessel biofouling prevention.”.*

10 **SEC. 10019. INCLUSION OF BED BUGS IN DEFINITION OF**
11 **VECTOR ORGANISMS.**

12 (a) *DEFINITION.*—Section 2(oo) of the Federal Insecti-
13 *cide, Fungicide, and Rodenticide Act (7 U.S.C. 136(oo)) is*
14 *amended by inserting “bed bugs,” after “cockroaches,”.*

15 (b) *EFFICACY DATA FOR EXEMPTED PESTICIDES.*—
16 *Section 25(b) of the Federal Insecticide, Fungicide, and*
17 *Rodenticide Act (7 U.S.C. 136w(b)) is amended by adding*
18 *at the end the following new sentences: “Notwithstanding*
19 *the exemption of a pesticide under this subsection, the Ad-*
20 *ministrator shall require the submission of efficacy data*
21 *(and evaluate such data) if the pesticide is labeled for or*
22 *proposed to be labeled for the control of a pest of public*
23 *health significance. The Administrator shall not permit the*
24 *sale or distribution of any product that is marketed, distrib-*
25 *uted, or sold with a claim that such product will control*

1 *a public health pest if the efficacy data submitted under*
2 *this subsection does not support such claim.”.*

3 **SEC. 10020. EFFECTIVE DATE.**

4 (a) *IN GENERAL.*—*Except as provided in subsection*
5 *(b), this title and the amendments made by this title take*
6 *effect on October 1, 2012.*

7 (b) *EXCEPTIONS.*—*The following provisions of this*
8 *title shall take effect on the date of the enactment of this*
9 *Act:*

10 (1) *Section 10008.*

11 (2) *Section 10009.*

12 (3) *Section 10010.*

13 **TITLE XI—CROP INSURANCE**

14 **SEC. 11001. INFORMATION SHARING.**

15 *Section 502(c) of the Federal Crop Insurance Act (7*
16 *U.S.C. 1502(c)) is amended by adding at the end the fol-*
17 *lowing new paragraph:*

18 “(4) *INFORMATION.*—

19 “(A) *REQUEST.*—*Subject to subparagraph*
20 *(B), the Farm Service Agency shall, in a timely*
21 *manner, provide to an agent or an approved in-*
22 *surance provider authorized by the producer any*
23 *information (including Farm Service Agency*
24 *Form 578s (or any successor form) or maps (or*
25 *any corrections to those forms or maps) that*

1 *may assist the agent or approved insurance pro-*
 2 *vider in insuring the producer under a policy or*
 3 *plan of insurance under this subtitle.*

4 “(B) *PRIVACY.*—*Except as provided in sub-*
 5 *paragraph (C), an agent or approved insurance*
 6 *provider that receives the information of a pro-*
 7 *ducer pursuant to subparagraph (A) shall treat*
 8 *the information in accordance with paragraph*
 9 *(1).*

10 “(C) *SHARING.*—*Nothing in this section*
 11 *prohibits the sharing of the information of a pro-*
 12 *ducer pursuant to subparagraph (A) between the*
 13 *agent and the approved insurance provider of the*
 14 *producer.”.*

15 **SEC. 11002. PUBLICATION OF INFORMATION ON VIOLA-**
 16 **TIONS OF PROHIBITION ON PREMIUM AD-**
 17 **JUSTMENTS.**

18 *Section 508(a)(9) of the Federal Crop Insurance Act*
 19 *(7 U.S.C. 1508(a)(9)) is amended by adding at the end the*
 20 *following new subparagraph:*

21 “(C) *PUBLICATION OF VIOLATIONS.*—

22 “(i) *PUBLICATION REQUIRED.*—*Subject*
 23 *to clause (ii), the Corporation shall publish*
 24 *in a timely manner on the website of the*
 25 *Risk Management Agency information re-*

1 *garding each violation of this paragraph,*
2 *including any sanctions imposed in re-*
3 *sponse to the violation, in sufficient detail*
4 *so that the information may serve as effec-*
5 *tive guidance to approved insurance pro-*
6 *viders, agents, and producers.*

7 “(ii) *PROTECTION OF PRIVACY.—In*
8 *providing information under clause (i) re-*
9 *garding violations of this paragraph, the*
10 *Corporation shall redact the identity of the*
11 *persons and entities committing the viola-*
12 *tions in order to protect their privacy.”.*

13 **SEC. 11003. SUPPLEMENTAL COVERAGE OPTION.**

14 *(a) AVAILABILITY OF SUPPLEMENTAL COVERAGE OP-*
15 *TION.—Paragraph (3) of section 508(c) of the Federal Crop*
16 *Insurance Act (7 U.S.C. 1508(c)) is amended to read as*
17 *follows:*

18 “(3) *YIELD AND LOSS BASIS OPTIONS.—A pro-*
19 *ducer shall have the option of purchasing additional*
20 *coverage based on—*

21 “(A)(i) *an individual yield and loss basis;*

22 *or*

23 “(i) *an area yield and loss basis;*

24 “(B) *an individual yield and loss basis,*
25 *supplemented with coverage based on an area*

1 yield and loss basis to cover a part of the deduct-
2 ible under the individual yield and loss policy,
3 as described in paragraph (4)(C); or

4 “(C) a margin basis alone or in combina-
5 tion with the coverages available in subpara-
6 graph (A) or (B).”.

7 (b) *LEVEL OF COVERAGE.*—Paragraph (4) of section
8 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c))
9 is amended to read as follows:

10 “(4) *LEVEL OF COVERAGE.*—

11 “(A) *DOLLAR DENOMINATION AND PER-*
12 *CENTAGE OF YIELD.*—Except as provided in sub-
13 paragraph (C), the level of coverage—

14 “(i) shall be dollar denominated; and

15 “(ii) may be purchased at any level
16 not to exceed 85 percent of the individual
17 yield or 95 percent of the area yield (as de-
18 termined by the Corporation).

19 “(B) *INFORMATION.*—The Corporation shall
20 provide producers with information on cata-
21 strophic risk and additional coverage in terms of
22 dollar coverage (within the allowable limits of
23 coverage provided in this paragraph).

24 “(C) *SUPPLEMENTAL COVERAGE OPTION.*—

1 “(i) *IN GENERAL.*—Notwithstanding
2 subparagraph (A), in the case of the supple-
3 mental coverage option described in para-
4 graph (3)(B), the Corporation shall offer
5 producers the opportunity to purchase cov-
6 erage in combination with a policy or plan
7 of insurance offered under this subtitle that
8 would allow indemnities to be paid to a
9 producer equal to a part of the deductible
10 under the policy or plan of insurance—

11 “(I) at a county-wide level to the
12 fullest extent practicable; or

13 “(II) in counties that lack suffi-
14 cient data, on the basis of such larger
15 geographical area as the Corporation
16 determines to provide sufficient data
17 for purposes of providing the coverage.

18 “(ii) *TRIGGER.*—Coverage offered
19 under paragraph (3)(B) and clause (i) shall
20 be triggered only if the losses in the area ex-
21 ceed 10 percent of normal levels (as deter-
22 mined by the Corporation).

23 “(iii) *COVERAGE.*—Subject to the trig-
24 ger described in clause (ii), coverage offered

1 *under paragraph (3)(B) and clause (i) shall*
2 *not exceed the difference between—*

3 “(I) 90 percent; and

4 “(II) the coverage level selected by
5 the producer for the underlying policy
6 or plan of insurance.

7 “(iv) *INELIGIBLE CROPS AND ACRES.—*
8 *Crops for which the producer has elected*
9 *under section 1107(c)(1) of the Federal Ag-*
10 *riculture Reform and Risk Management Act*
11 *of 2012 to receive revenue loss coverage and*
12 *acres that are enrolled in the stacked income*
13 *protection plan under section 508B shall*
14 *not be eligible for supplemental coverage*
15 *under this subparagraph.*

16 “(v) *CALCULATION OF PREMIUM.—Not-*
17 *withstanding subsection (d), the premium*
18 *for coverage offered under paragraph (3)(B)*
19 *and clause (i) shall—*

20 “(I) *be sufficient to cover antici-*
21 *ipated losses and a reasonable reserve;*
22 *and*

23 “(II) *include an amount for oper-*
24 *ating and administrative expenses es-*

1 *tablished in accordance with subsection*
2 *(k)(4)(F).”.*

3 *(c) PAYMENT OF PORTION OF PREMIUM BY CORPORA-*
4 *TION.—Section 508(e)(2) of the Federal Crop Insurance Act*
5 *(7 U.S.C. 1508(e)(2)) is amended by adding at the end the*
6 *following new subparagraph:*

7 *“(H) In the case of the supplemental cov-*
8 *erage option authorized in subsection (c)(4)(C),*
9 *the amount shall be equal to the sum of—*

10 *“(i) 70 percent of the additional pre-*
11 *mium associated with the coverage; and*

12 *“(ii) the amount determined under*
13 *subsection (c)(4)(C)(vi)(II), subject to sub-*
14 *section (k)(4)(F), for the coverage to cover*
15 *operating and administrative expenses.”.*

16 *(d) EFFECTIVE DATE.—The Federal Crop Insurance*
17 *Corporation shall begin to provide additional coverage*
18 *based on an individual yield and loss basis, supplemented*
19 *with coverage based on an area yield and loss basis, not*
20 *later than for the 2013 crop year.*

21 **SEC. 11004. PREMIUM AMOUNTS FOR CATASTROPHIC RISK**
22 **PROTECTION.**

23 *Subparagraph (A) of section 508(d)(2) of the Federal*
24 *Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended to*
25 *read as follows:*

1 “(A) *In the case of catastrophic risk protec-*
2 *tion, the amount of the premium established by*
3 *the Corporation for each crop for which cata-*
4 *strophic risk protection is available shall be re-*
5 *duced by the percentage equal to the difference*
6 *between the average loss ratio for the crop and*
7 *100 percent, plus a reasonable reserve.”.*

8 **SEC. 11005. REPEAL OF PERFORMANCE-BASED DISCOUNT.**

9 (a) *REPEAL.*—Section 508(d) of the Federal Crop In-
10 *surance Act (7 U.S.C. 1508(d)) is amended—*

11 (1) *by striking paragraph (3); and*

12 (2) *by redesignating paragraph (4) as para-*
13 *graph (3).*

14 (b) *CONFORMING AMENDMENT.*—Section 508(a)(9)(B)
15 *of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(9)(B))*
16 *is amended—*

17 (1) *by inserting “or” at the end of clause (i);*

18 (2) *by striking clause (ii); and*

19 (3) *by redesignating clause (iii) as clause (ii).*

20 **SEC. 11006. PERMANENT ENTERPRISE UNIT SUBSIDY.**

21 Subparagraph (A) of section 508(e)(5) of the Federal
22 *Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended to*
23 *read as follows:*

24 “(A) *IN GENERAL.*—The Corporation may
25 *pay a portion of the premiums for plans or poli-*

1 *cies of insurance for which the insurable unit is*
2 *defined on a whole farm or enterprise unit basis*
3 *that is higher than would otherwise be paid in*
4 *accordance with paragraph (2).”.*

5 **SEC. 11007. ENTERPRISE UNITS FOR IRRIGATED AND NON-**
6 **IRRIGATED CROPS.**

7 *Section 508(e)(5) of the Federal Crop Insurance Act*
8 *(7 U.S.C. 1508(e)(5)) is amended by adding at the end the*
9 *following new subparagraph:*

10 *“(D) NONIRRIGATED CROPS.—Beginning*
11 *with the 2013 crop year, the Corporation shall*
12 *make available separate enterprise units for irri-*
13 *gated and nonirrigated acreage of crops in coun-*
14 *ties.”.*

15 **SEC. 11008. DATA COLLECTION.**

16 *Section 508(g)(2) of the Federal Crop Insurance Act*
17 *(7 U.S.C. 1508(g)(2)) is amended by adding at the end the*
18 *following new subparagraph:*

19 *“(E) SOURCES OF YIELD DATA.—To deter-*
20 *mine yields under this paragraph, the Corpora-*
21 *tion—*

22 *“(i) shall use county data collected by*
23 *the Risk Management Agency or the Na-*
24 *tional Agricultural Statistics Service, or*
25 *both; or*

1 “(ii) if sufficient county data is not
2 available, may use other data considered
3 appropriate by the Secretary.”.

4 **SEC. 11009. ADJUSTMENT IN ACTUAL PRODUCTION HIS-**
5 **TORY TO ESTABLISH INSURABLE YIELDS.**

6 Section 508(g)(4)(B) of the Federal Crop Insurance
7 Act (7 U.S.C. 1508(g)(4)(B)) is amended by striking “60”
8 each place it appears and inserting “70”.

9 **SEC. 11010. SUBMISSION AND REVIEW OF POLICIES.**

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

12 (1) in paragraph (1)—

13 (A) by redesignating subparagraphs (A)
14 and (B) as clauses (i) and (ii), respectively, and
15 indenting appropriately;

16 (B) by striking “(1) IN GENERAL.—In addi-
17 tion” and inserting the following:

18 “(1) **AUTHORITY TO SUBMIT.**—

19 “(A) **IN GENERAL.**—In addition”; and

20 (C) by adding at the end the following new
21 subparagraph:

22 “(B) **REVIEW AND SUBMISSION BY COR-**
23 **PORATION.**—The Corporation shall review any
24 policy developed under section 522(c) or any
25 pilot program developed under section 523 and

1 *submit the policy or program to the Board under*
2 *this subsection if the Corporation, at the sole dis-*
3 *cretion of the Corporation, finds that the policy*
4 *or program—*

5 *“(i) will likely result in a viable and*
6 *marketable policy consistent with this sub-*
7 *section;*

8 *“(ii) would provide crop insurance*
9 *coverage in a significantly improved form;*
10 *and*

11 *“(iii) adequately protects the interests*
12 *of producers.”; and*

13 *(2) in paragraph (3)—*

14 *(A) by striking “A policy” and inserting*
15 *the following:*

16 *“(A) IN GENERAL.—A policy”; and*

17 *(B) by adding at the end the following new*
18 *subparagraph:*

19 *“(B) SPECIFIED REVIEW AND APPROVAL*
20 *PRIORITIES.—In reviewing policies and other*
21 *materials submitted to the Board under this sub-*
22 *section for approval, the Board—*

23 *“(i) shall make the development and*
24 *approval of a revenue policy for peanut*
25 *producers a priority so that a revenue pol-*

1 *icy is available to peanut producers in time*
 2 *for the 2013 crop year;*

3 *“(ii) shall make the development and*
 4 *approval of a downed rice policy and mar-*
 5 *gin coverage policy for rice producers a pri-*
 6 *ority so that each policy is available to rice*
 7 *producers in time for the 2013 crop year;*
 8 *and*

9 *“(iii) may approve a submission that*
 10 *is made pursuant to this subsection that*
 11 *would, beginning with the 2013 crop year,*
 12 *allow producers that purchase policies in*
 13 *accordance with subsection (e)(5)(A) to sep-*
 14 *arate enterprise units by risk rating for*
 15 *acreage of crops in counties.”.*

16 **SEC. 11011. EQUITABLE RELIEF FOR SPECIALTY CROP POLI-**
 17 **CIES.**

18 *Section 508(k)(8)(E) of the Federal Crop Insurance*
 19 *Act of 1938 (7 U.S.C. 1508(k)(8)(E)) is amended by adding*
 20 *at the end the following new clause:*

21 *“(iii) EQUITABLE RELIEF FOR SPE-*
 22 *CIALTY CROP POLICIES.—*

23 *“(I) IN GENERAL.—For each of*
 24 *the 2011 through 2015 reinsurance*
 25 *years, in addition to the total amount*

1 *of funding for reimbursement of ad-*
2 *ministrative and operating costs that*
3 *is otherwise required to be made avail-*
4 *able in each such reinsurance year*
5 *pursuant to an agreement entered into*
6 *by the Corporation, the Corporation*
7 *shall use \$41,000,000 to provide addi-*
8 *tional reimbursement with respect to*
9 *eligible insurance contracts for any ag-*
10 *ricultural commodity that is not eligi-*
11 *ble for a benefit under subtitles A, B or*
12 *C of title I of the Federal Agriculture*
13 *Reform and Risk Management Act of*
14 *2012.*

15 “(II) *TREATMENT.—Additional*
16 *reimbursements made under this clause*
17 *shall be included as part of the base*
18 *level of administrative and operating*
19 *expense reimbursement to which any*
20 *limit on compensation to persons in-*
21 *volved in the direct sale and service of*
22 *any eligible crop insurance contract re-*
23 *quired under an agreement entered*
24 *into by the Corporation is applied.*

1 “(III) *RULE OF CONSTRUCTION.*—
2 *Nothing in this clause shall be con-*
3 *strued as statutory assent to the limit*
4 *described in subclause (II).”.*

5 **SEC. 11012. BUDGET LIMITATIONS ON RENEGOTIATION OF**
6 **THE STANDARD REINSURANCE AGREEMENT.**

7 *Section 508(k)(8) of the Federal Crop Insurance Act*
8 *of 1938 (7 U.S.C. 1508(k)(8)) is amended by adding at the*
9 *end the following new subparagraph:*

10 “(F) *BUDGET.*—

11 “(i) *IN GENERAL.*—*The Board shall*
12 *ensure that any Standard Reinsurance*
13 *Agreement negotiated under subparagraph*
14 *(A)(ii), as compared to the previous Stand-*
15 *ard Reinsurance Agreement—*

16 “(I) *to the maximum extent prac-*
17 *ticable, shall be budget neutral; and*

18 “(II) *in no event, may signifi-*
19 *cantly depart from budget neutrality.*

20 “(ii) *USE OF SAVINGS.*—*To the extent*
21 *that any budget savings is realized in the*
22 *renegotiation of a Standard Reinsurance*
23 *Agreement under subparagraph (A)(ii), and*
24 *the savings are determined not to be a sig-*
25 *nificant departure from budget neutrality*

1 *under clause (i), the savings shall be used to*
2 *increase the obligations of the Corporation*
3 *under subsections (e)(2) or (k)(4) or section*
4 *523.”.*

5 **SEC. 11013. CROP PRODUCTION ON NATIVE SOIL.**

6 *(a) FEDERAL CROP INSURANCE.—Section 508(o) of*
7 *the Federal Crop Insurance Act (7 U.S.C. 1508(o)) is*
8 *amended—*

9 *(1) in paragraph (1)(B), by inserting “, or the*
10 *producer cannot substantiate that the ground has ever*
11 *been tilled,” after “tilled”;*

12 *(2) in paragraph (2)—*

13 *(A) in the paragraph heading, by striking*
14 *“INELIGIBILITY FOR” and inserting “REDUCTION*
15 *IN”;* and

16 *(B) in subparagraph (A), by striking “for*
17 *benefits under—” and all that follows through*
18 *the period at the end and inserting “for—*

19 *“(i) a portion of crop insurance pre-*
20 *mium subsidies under this subtitle in ac-*
21 *cordance with paragraph (3);*

22 *“(ii) benefits under section 196 of the*
23 *Federal Agriculture Improvement and Re-*
24 *form Act of 1996 (7 U.S.C. 7333); and*

1 “(iii) payments described in subsection
2 (b) or (c) of section 1001 of the Food Secu-
3 rity Act of 1985 (7 U.S.C. 1308).”; and
4 (3) by striking paragraph (3) and inserting the
5 following new paragraphs:

6 “(3) ADMINISTRATION.—

7 “(A) IN GENERAL.—During the first 4 crop
8 years of planting on native sod acreage by a pro-
9 ducer described in paragraph (2)—

10 “(i) paragraph (2) shall apply to 65
11 percent of the transitional yield of the pro-
12 ducer; and

13 “(ii) the crop insurance premium sub-
14 sidy provided for the producer under this
15 subtitle shall be 50 percentage points less
16 than the premium subsidy that would other-
17 wise apply.

18 “(B) YIELD SUBSTITUTION.—During the
19 period native sod acreage is covered by this sub-
20 section, a producer may not substitute yields for
21 the native sod acreage.

22 “(4) APPLICATION.—This subsection shall only
23 apply to native sod in the Prairie Pothole National
24 Priority Area.”.

1 (b) *NONINSURED CROP DISASTER ASSISTANCE*.—*Sec-*
2 *tion 196(a)(4) of the Federal Agriculture Improvement and*
3 *Reform Act of 1996 (7 U.S.C. 7333(a)(4)) is amended—*

4 (1) *in the paragraph heading, by striking “IN-*
5 *ELIGIBILITY” and inserting “BENEFIT REDUCTION”;*

6 (2) *in subparagraph (A)(ii), by inserting “, or*
7 *the producer cannot substantiate that the ground has*
8 *ever been tilled,” after “tilled”;*

9 (3) *in subparagraph (B)—*

10 (A) *in the subparagraph heading, by strik-*
11 *ing “INELIGIBILITY” and inserting “REDUCTION*
12 *IN”;* and

13 (B) *in clause (i), by striking “for benefits*
14 *under—” and all that follows through the period*
15 *at the end and inserting “for—*

16 *“(I) benefits under this section;*

17 *“(II) a portion of crop insurance*
18 *premium subsidies under the Federal*
19 *Crop Insurance Act (7 U.S.C. 1501 et*
20 *seq.) in accordance with subparagraph*
21 *(C); and*

22 *“(III) payments described in sub-*
23 *section (b) or (c) of section 1001 of the*
24 *Food Security Act of 1985 (7 U.S.C.*
25 *1308).”;* and

1 (4) *by striking subparagraph (C) and inserting*
2 *the following new subparagraphs:*

3 “(C) *ADMINISTRATION.*—

4 “(i) *IN GENERAL.*—*During the first 4*
5 *crop years of planting on native sod acreage*
6 *by a producer described in subparagraph*
7 *(B)—*

8 “(I) *subparagraph (B) shall apply*
9 *to 65 percent of the transitional yield*
10 *of the producer; and*

11 “(II) *the crop insurance premium*
12 *subsidy provided for the producer*
13 *under the Federal Crop Insurance Act*
14 *(7 U.S.C. 1501 et seq.) shall be 50 per-*
15 *centage points less than the premium*
16 *subsidy that would otherwise apply.*

17 “(ii) *YIELD SUBSTITUTION.*—*During*
18 *the period native sod acreage is covered by*
19 *this paragraph, a producer may not sub-*
20 *stitute yields for the native sod acreage.*

21 “(D) *APPLICATION.*—*This paragraph shall*
22 *only apply to native sod in the Prairie Pothole*
23 *National Priority Area.”.*

24 “(c) *CROPLAND REPORT.*—

1 (1) *BASELINE.*—Not later than 180 days after
2 the date of enactment of this Act, the Secretary of Ag-
3 riculture shall submit to the Committee on Agri-
4 culture of the House of Representatives and the Com-
5 mittee on Agriculture, Nutrition, and Forestry of the
6 Senate a report that describes the cropland acreage in
7 each applicable county and State, and the change in
8 cropland acreage from the preceding year in each ap-
9 plicable county and State, beginning with calendar
10 year 2000 and including that information for the
11 most recent year for which that information is avail-
12 able.

13 (2) *ANNUAL UPDATES.*—Not later than January
14 1, 2014, and each January 1 thereafter through Janu-
15 ary 1, 2017, the Secretary of Agriculture shall submit
16 to the Committee on Agriculture of the House of Rep-
17 resentatives and the Committee on Agriculture, Nutri-
18 tion, and Forestry of the Senate a report that de-
19 scribes—

20 (A) the cropland acreage in each applicable
21 county and State as of the date of submission of
22 the report; and

23 (B) the change in cropland acreage from the
24 preceding year in each applicable county and
25 State.

1 **SEC. 11014. COVERAGE LEVELS BY PRACTICE.**

2 *Section 508 of the Federal Crop Insurance Act of 1938*
3 *(7 U.S.C. 1508) is amended by adding at the end the fol-*
4 *lowing new subsection:*

5 *“(p) COVERAGE LEVELS BY PRACTICE.—Beginning*
6 *with the 2014 crop year, a producer that produces an agri-*
7 *cultural commodity on both dry land and irrigated land*
8 *may elect a different coverage level for each production*
9 *practice.”.*

10 **SEC. 11015. BEGINNING FARMER AND RANCHER PROVI-**
11 **SIONS.**

12 *(a) DEFINITION.—Section 502(b) of the Federal Crop*
13 *Insurance Act (7 U.S.C. 1502(b)) is amended—*

14 *(1) by redesignating paragraphs (3) through (9)*
15 *as paragraphs (4) through (10), respectively; and*

16 *(2) by inserting after paragraph (2) the fol-*
17 *lowing:*

18 *“(3) BEGINNING FARMER OR RANCHER.—The*
19 *term ‘beginning farmer or rancher’ means a farmer*
20 *or rancher who has not actively operated and man-*
21 *aged a farm or ranch with a bona fide insurable in-*
22 *terest in a crop or livestock as an owner-operator,*
23 *landlord, tenant, or sharecropper for more than 5*
24 *crop years, as determined by the Secretary.”.*

25 *(b) PREMIUM ADJUSTMENTS.—Section 508 of the Fed-*
26 *eral Crop Insurance Act (7 U.S.C. 1508) is amended—*

1 (1) in subsection (b)(5)(E), by inserting “and be-
2 ginning farmers or ranchers” after “limited resource
3 farmers”;

4 (2) in subsection (e), by adding at the end the
5 following new paragraph:

6 “(8) *PREMIUM FOR BEGINNING FARMERS OR*
7 *RANCHERS.—Notwithstanding any other provision of*
8 *this subsection regarding payment of a portion of pre-*
9 *miums, a beginning farmer or rancher shall receive*
10 *premium assistance that is 10 percentage points*
11 *greater than premium assistance that would otherwise*
12 *be available under paragraphs (2) (except for sub-*
13 *paragraph (A) of that paragraph), (5), (6), and (7)*
14 *for the applicable policy, plan of insurance, and cov-*
15 *erage level selected by the beginning farmer or ranch-*
16 *er.”; and*

17 (3) in subsection (g)—

18 (A) in paragraph (2)(B)—

19 (i) in clause (i), by striking “or” at
20 the end;

21 (ii) in clause (ii)(III), by striking the
22 period at the end and inserting “; or”; and

23 (iii) by adding at the end the fol-
24 lowing:

1 “(iii) if the producer is a beginning
2 farmer or rancher who was previously in-
3 volved in a farming or ranching operation,
4 including involvement in the decision-
5 making or physical involvement in the pro-
6 duction of the crop or livestock on the farm,
7 for any acreage obtained by the beginning
8 farmer or rancher, a yield that is the higher
9 of—

10 “(I) the actual production history
11 of the previous producer of the crop or
12 livestock on the acreage determined
13 under subparagraph (A); or

14 “(II) a yield of the producer, as
15 determined in clause (i).”; and

16 (B) in paragraph (4)(B)(ii) (as amended by
17 section 11009)—

18 (i) by inserting “(I)” after “(ii)”;

19 (ii) by striking the period at the end
20 and inserting “; or”; and

21 (iii) by adding at the end the fol-
22 lowing:

23 “(II) in the case of beginning
24 farmers or ranchers, replace each
25 excluded yield with a yield equal

1 to 80 percent of the applicable
2 transitional yield.”.

3 **SEC. 11016. STACKED INCOME PROTECTION PLAN FOR PRO-**
4 **DUCERS OF UPLAND COTTON.**

5 (a) AVAILABILITY OF STACKED INCOME PROTECTION
6 PLAN FOR PRODUCERS OF UPLAND COTTON.—The Federal
7 Crop Insurance Act is amended by inserting after section
8 508A (7 U.S.C. 1508a) the following new section:

9 **“SEC. 508B. STACKED INCOME PROTECTION PLAN FOR PRO-**
10 **DUCERS OF UPLAND COTTON.**

11 “(a) AVAILABILITY.—Beginning not later than the
12 2013 crop of upland cotton, the Corporation shall make
13 available to producers of upland cotton an additional policy
14 (to be known as the ‘Stacked Income Protection Plan’),
15 which shall provide coverage consistent with the Group Risk
16 Income Protection Plan (and the associated Harvest Rev-
17 enue Option Endorsement) offered by the Corporation for
18 the 2011 crop year.

19 “(b) REQUIRED TERMS.—The Corporation may mod-
20 ify the Stacked Income Protection Plan on a program-wide
21 basis, except that the Stacked Income Protection Plan shall
22 comply with the following requirements:

23 “(1) Provide coverage for revenue loss of not less
24 than 10 percent and not more than 30 percent of ex-
25 pected county revenue, specified in increments of 5

1 *percent. The deductible is the minimum percent of*
2 *revenue loss at which indemnities are triggered under*
3 *the plan, not to be less than 10 percent of the expected*
4 *county revenue.*

5 *“(2) Be offered to producers of upland cotton in*
6 *all counties with upland cotton production—*

7 *“(A) at a county-wide level to the fullest ex-*
8 *tent practicable; or*

9 *“(B) in counties that lack sufficient data,*
10 *on the basis of such larger geographical area as*
11 *the Corporation determines to provide sufficient*
12 *data for purposes of providing the coverage.*

13 *“(3) Be purchased in addition to any other indi-*
14 *vidual or area coverage in effect on the producer’s*
15 *acreage or as a stand-alone policy, except that if a*
16 *producer has an individual or area coverage for the*
17 *same acreage, the maximum coverage available under*
18 *the Stacked Income Protection Plan shall not exceed*
19 *the deductible for the individual or area coverage.*

20 *“(4) Establish coverage based on—*

21 *“(A) an expected price that is the higher*
22 *of—*

23 *“(i) the expected price established*
24 *under existing Group Risk Income Protec-*
25 *tion or area wide policy offered by the Cor-*

1 *poration for the applicable county (or area)*
2 *and crop year; or*

3 *“(ii) \$0.6861 per pound; and*

4 *“(B) an expected county yield that is the*
5 *higher of—*

6 *“(i) the expected county yield estab-*
7 *lished for the existing area-wide plans of-*
8 *fered by the Corporation for the applicable*
9 *county (or area) and crop year (or, in geo-*
10 *graphic areas where area-wide plans are*
11 *not offered, an expected yield determined in*
12 *a manner consistent with those of area-wide*
13 *plans); or*

14 *“(ii) the average of the applicable yield*
15 *data for the county (or area) for the most*
16 *recent 5 years, excluding the highest and*
17 *lowest observations, from the Risk Manage-*
18 *ment Agency or the National Agricultural*
19 *Statistics Service (or both) or, if sufficient*
20 *county data is not available, such other*
21 *data considered appropriate by the Sec-*
22 *retary.*

23 *“(5) Use a multiplier factor to establish max-*
24 *imum protection per acre (referred to as a ‘protection*

1 *factor’)* of not less than the higher of the level estab-
2 *lished on a program wide basis or 120 percent.*

3 “(6) *Pay an indemnity based on the amount*
4 *that the expected county revenue exceeds the actual*
5 *county revenue, as applied to the individual coverage*
6 *of the producer. Indemnities under the Stacked In-*
7 *come Protection Plan shall not include or overlap the*
8 *amount of the deductible selected under paragraph*
9 *(1).*

10 “(7) *In all counties for which data are available,*
11 *establish separate coverage levels for irrigated and*
12 *non-irrigated practices.*

13 “(c) *REINSURANCE.—When the \$0.6861 reference price*
14 *is equal to or greater than the expected price established*
15 *under the existing Group Risk Income Protection or area*
16 *wide policy offered by the Corporation for the applicable*
17 *county (or area) and crop year or the yield established*
18 *under subsection (b)(4)(B) is used to establish the expected*
19 *county yield, the Corporation shall reinsure at 100 percent*
20 *that portion of the indemnity that is attributable to the dif-*
21 *ference between—*

22 “(1) *the \$0.6861 reference price and the expected*
23 *price established under the existing Group Risk In-*
24 *come Protection or area wide policy offered by the*

1 Corporation for the applicable county (or area) and
2 crop year; and

3 “(2) the yield established under subsection
4 (b)(4)(B).

5 “(d) PREMIUM.—Notwithstanding section 508(d), the
6 premium for the Stacked Income Protection Plan shall—

7 “(1) be sufficient to cover anticipated losses and
8 a reasonable reserve; and

9 “(2) include an amount for operating and ad-
10 ministrative expenses established in accordance with
11 section 508(k)(4)(F).

12 “(e) PAYMENT OF PORTION BY CORPORATION.—Sub-
13 ject to section 508(e)(4), the amount of premium paid by
14 the Corporation for all qualifying coverage levels of the
15 Stacked Income Protection Plan shall be—

16 “(1) 80 percent of the amount of the premium es-
17 tablished under subsection (d) for the coverage level
18 selected; and

19 “(2) the amount determined under subsection
20 (d)(2), subject to section 508(k)(4)(F), for the coverage
21 to cover administrative and operating expenses.

22 “(f) RELATION TO OTHER COVERAGES.—The Stacked
23 Income Protection Plan is in addition to all other coverages
24 available to producers of upland cotton.”

1 (b) *CONFORMING AMENDMENT.*—Section 508(k)(4)(F)
2 *of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(F))*
3 *is amended by inserting “or authorized under subsection*
4 *(c)(4)(C) or section 508B” after “of this subparagraph”.*

5 **SEC. 11017. PEANUT REVENUE CROP INSURANCE.**

6 *The Federal Crop Insurance Act is amended by insert-*
7 *ing after section 508B, as added by the previous section,*
8 *the following new section:*

9 **“SEC. 508C. PEANUT REVENUE CROP INSURANCE.**

10 “(a) *IN GENERAL.*—Effective beginning with the 2013
11 *crop year, the Risk Management Agency and the Corpora-*
12 *tion shall make available to producers of peanuts a revenue*
13 *crop insurance program for peanuts.*

14 “(b) *EFFECTIVE PRICE.*—Subject to subsection (c), for
15 *purposes of the revenue crop insurance program and the*
16 *multiperil crop insurance program under this Act, the effec-*
17 *tive price for peanuts shall be equal to the Rotterdam price*
18 *index for peanuts, as adjusted to reflect the farmer stock*
19 *price of peanuts in the United States.*

20 “(c) *ADJUSTMENTS.*—

21 “(1) *IN GENERAL.*—The effective price for pea-
22 *nuts established under subsection (b) may be adjusted*
23 *by the Risk Management Agency and the Corporation*
24 *to correct distortions.*

1 “(2) *ADMINISTRATION.*—*If an adjustment is*
2 *made under paragraph (1), the Risk Management*
3 *Agency and the Corporation shall—*

4 “(A) *make the adjustment in an open and*
5 *transparent manner; and*

6 “(B) *submit to the Committee on Agri-*
7 *culture of the House of Representatives and the*
8 *Committee on Agriculture, Nutrition, and For-*
9 *estry of the Senate a report that describes the*
10 *reasons for the adjustment.*”.

11 **SEC. 11018. AUTHORITY TO CORRECT ERRORS.**

12 *Section 515(c) of the Federal Crop Insurance Act (7*
13 *U.S.C. 1515(c)) is amended—*

14 (1) *in the first sentence, by striking “The Sec-*
15 *retary” and inserting the following:*

16 “(1) *IN GENERAL.*—*The Secretary*”;

17 (2) *in the second sentence, by striking “Begin-*
18 *ning with” and inserting the following:*

19 “(2) *FREQUENCY.*—*Beginning with*”; and

20 (3) *by adding at the end the following new para-*
21 *graph:*

22 “(3) *CORRECTIONS.*—

23 “(A) *IN GENERAL.*—*In addition to the cor-*
24 *rections permitted by the Corporation as of the*
25 *date of enactment of the Federal Agriculture Re-*

1 *form and Risk Management Act of 2012, the*
2 *Corporation shall allow an agent or an approved*
3 *insurance provider, subject to subparagraph*
4 *(B)—*

5 *“(i) within a reasonable amount of*
6 *time following the applicable sales closing*
7 *date, to correct unintentional errors in in-*
8 *formation that is provided by a producer*
9 *for the purpose of obtaining coverage under*
10 *any policy or plan of insurance made avail-*
11 *able under this subtitle to ensure that the*
12 *eligibility information is correct;*

13 *“(ii) within a reasonable amount of*
14 *time following—*

15 *“(I) the acreage reporting date, to*
16 *correct unintentional errors in factual*
17 *information that is provided by a pro-*
18 *ducer after the sales closing date to rec-*
19 *oncile the information with the infor-*
20 *mation reported by the producer to the*
21 *Farm Service Agency; or*

22 *“(II) the date of any subsequent*
23 *correction of data by the Farm Service*
24 *Agency made as a result of the*
25 *verification of information; and*

1 “(iii) at any time, to correct unintentional errors that were made by the Farm
2 Service Agency or an agent or approved insurance provider in transmitting the information provided by the producer to the approved insurance provider or the Corporation.
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8 “(B) *LIMITATION.*—In accordance with the procedures of the Corporation, correction to the information described in clauses (i) and (ii) of subparagraph (A) may only be made if the corrections do not allow the producer—
9
10
11
12

13 “(i) to avoid ineligibility requirements for insurance;
14

15 “(ii) to obtain, enhance, or increase an insurance guarantee or indemnity, or avoid premium owed, if a cause of loss exists or has occurred before any correction has been made; or
16
17
18
19

20 “(iii) to avoid an obligation or requirement under any Federal or State law.
21

22 “(C) *EXCEPTION TO LATE FILING SANCTIONS.*—Any corrections made pursuant to this paragraph shall not be subject to any late filing
23
24

1 *sanctions authorized in the reinsurance agree-*
2 *ment with the Corporation.”.*

3 **SEC. 11019. IMPLEMENTATION.**

4 *Section 515 of the Federal Crop Insurance Act (7*
5 *U.S.C. 1515) is amended—*

6 *(1) in subsection (j), by striking paragraph (1)*
7 *and inserting the following new paragraph:*

8 “(1) *SYSTEMS MAINTENANCE AND UPGRADES.—*

9 “(A) *IN GENERAL.—The Secretary shall*
10 *maintain and upgrade the information manage-*
11 *ment systems of the Corporation used in the ad-*
12 *ministration and enforcement of this subtitle.*

13 “(B) *REQUIREMENT.—*

14 “(i) *IN GENERAL.—In maintaining*
15 *and upgrading the systems, the Secretary*
16 *shall ensure that new hardware and soft-*
17 *ware are compatible with the hardware and*
18 *software used by other agencies of the De-*
19 *partment to maximize data sharing and*
20 *promote the purposes of this section.*

21 “(ii) *ACREAGE REPORT STREAMLINING*
22 *INITIATIVE PROJECT.—As soon as prac-*
23 *ticable, the Secretary shall develop and im-*
24 *plement an acreage report streamlining ini-*
25 *tiative project to allow producers to report*

1 *acreage and other information directly to*
2 *the Department.”; and*

3 *(2) in subsection (k), by striking paragraph (1)*
4 *and inserting the following new paragraph:*

5 *“(1) INFORMATION TECHNOLOGY.—*

6 *“(A) IN GENERAL.—For purposes of sub-*
7 *section (j)(1), the Corporation may use, from*
8 *amounts made available from the insurance fund*
9 *established under section 516(c), not more*
10 *than—*

11 *“(i)(I) for fiscal year 2013,*
12 *\$25,000,000; and*

13 *“(II) for each of fiscal years 2014*
14 *through 2017, \$10,000,000; or*

15 *“(ii) if the Acreage Crop Reporting*
16 *Streamlining Initiative (ACRSI) project is*
17 *substantially completed by September 30,*
18 *2014, not more than \$15,000,000 for each of*
19 *the fiscal years 2014 through 2017.*

20 *“(B) NOTIFICATION.—The Secretary shall*
21 *notify the Committee on Agriculture of the House*
22 *of Representatives and the Committee on Agri-*
23 *culture, Nutrition, and Forestry of the Senate of*
24 *the substantial completion of the Acreage Crop*

1 *Reporting Streamlining Initiative (ACRSI)*
2 *project not later than July 1, 2014.”.*

3 **SEC. 11020. RESEARCH AND DEVELOPMENT PRIORITIES.**

4 *Section 522(c)(6) of the Federal Crop Insurance Act*
5 *(7 U.S.C. 1522(c)(6)) is amended by striking “a pasture,*
6 *range, and forage program” and inserting “policies that in-*
7 *crease participation by producers of underserved agricul-*
8 *tural commodities, including sweet sorghum, biomass sor-*
9 *ghum, rice, peanuts, and sugarcane”.*

10 **SEC. 11021. ADDITIONAL RESEARCH AND DEVELOPMENT**
11 **CONTRACTING REQUIREMENTS.**

12 *Section 522(c) of the Federal Crop Insurance Act (7*
13 *U.S.C. 1522(c)) is amended—*

14 *(1) in paragraph (10)—*

15 *(A) in subparagraph (A), by striking “the*
16 *Food, Conservation, and Energy Act of 2008”*
17 *and inserting “the Federal Agriculture Reform*
18 *and Risk Management Act of 2012”;*

19 *(B) in subparagraph (B)(iii), by striking*
20 *“2009” and inserting “2013”; and*

21 *(C) in subparagraph (C)—*

22 *(i) in clause (ii), by striking “2010”*
23 *and inserting “2013”; and*

24 *(ii) in clause (iii), by striking “Food,*
25 *Conservation, and Energy Act of 2008” and*

1 inserting “the Federal Agriculture Reform
2 and Risk Management Act of 2012”;

3 (2) by redesignating paragraph (17) as para-
4 graph (24); and

5 (3) by inserting after paragraph (16), the fol-
6 lowing new paragraphs:

7 “(17) MARGIN COVERAGE FOR CATFISH.—

8 “(A) IN GENERAL.—The Corporation shall
9 offer to enter into a contract with a qualified en-
10 tity to conduct research and development regard-
11 ing a policy to insure producers against reduc-
12 tion in the margin between the market value of
13 catfish and selected costs incurred in the produc-
14 tion of catfish.

15 “(B) ELIGIBILITY.—Eligibility for the pol-
16 icy described in subparagraph (A) shall be lim-
17 ited to freshwater species of catfish that are
18 propagated and reared in controlled or selected
19 environments.

20 “(C) IMPLEMENTATION.—The Board shall
21 review the policy described in subparagraph (B)
22 under subsection 508(h) and approve the policy
23 if the Board finds that the policy—

1 “(i) will likely result in a viable and
2 marketable policy consistent with this sub-
3 section;

4 “(ii) would provide crop insurance
5 coverage in a significantly improved form;

6 “(iii) adequately protects the interests
7 of producers; and

8 “(iv) the proposed policy meets other
9 requirements of this subtitle determined ap-
10 propriate by the Board.

11 “(18) *BIOMASS AND SWEET SORGHUM ENERGY*
12 *CROP INSURANCE POLICIES.*—

13 “(A) *AUTHORITY.*—*The Corporation shall*
14 *offer to enter into 1 or more contracts with*
15 *qualified entities to carry out research and devel-*
16 *opment regarding—*

17 “(i) a policy to insure biomass sor-
18 ghum that is grown expressly for the pur-
19 pose of producing a feedstock for renewable
20 biofuel, renewable electricity, or biobased
21 products; and

22 “(ii) a policy to insure sweet sorghum
23 that is grown for a purpose described in
24 clause (i).

1 “(B) *RESEARCH AND DEVELOPMENT.*—*Re-*
2 *search and development with respect to each of*
3 *the policies required in subparagraph (A) shall*
4 *evaluate the effectiveness of risk management*
5 *tools for the production of biomass sorghum or*
6 *sweet sorghum, including policies and plans of*
7 *insurance that—*

8 “(i) *are based on market prices and*
9 *yields;*

10 “(ii) *to the extent that insufficient*
11 *data exist to develop a policy based on mar-*
12 *ket prices and yields, evaluate the policies*
13 *and plans of insurance based on the use of*
14 *weather indices, including excessive or inad-*
15 *equately rainfall, to protect the interest of*
16 *crop producers; and*

17 “(iii) *provide protection for production*
18 *or revenue losses, or both.*

19 “(19) *STUDY ON SWINE CATASTROPHIC DISEASE*
20 *PROGRAM.*—

21 “(A) *IN GENERAL.*—*The Corporation shall*
22 *contract with a qualified person to conduct a*
23 *study to determine the feasibility of insuring*
24 *swine producers for a catastrophic event.*

1 “(B) *REPORT.*—Not later than 1 year after
2 the date of the enactment of this paragraph, the
3 Corporation shall submit to the Committee on
4 Agriculture of the House of Representatives and
5 the Committee on Agriculture, Nutrition, and
6 Forestry of the Senate a report that describes the
7 results of the study conducted under subpara-
8 graph (A).

9 “(20) *WHOLE FARM DIVERSIFIED RISK MANAGE-*
10 *MENT INSURANCE PLAN.*—

11 “(A) *IN GENERAL.*—The Corporation shall
12 conduct activities or enter into contracts to carry
13 out research and development to develop a whole
14 farm risk management insurance plan, with a
15 liability limitation of \$1,000,000, that allows a
16 diversified crop or livestock producer the option
17 to qualify for an indemnity if actual gross farm
18 revenue is below 85 percent of the average gross
19 farm revenue or the expected gross farm revenue
20 that can reasonably be expected of the producer,
21 as determined by the Corporation.

22 “(B) *ELIGIBLE PRODUCERS.*—The Corpora-
23 tion shall permit producers (including direct-to-
24 consumer marketers and producers servicing
25 local and regional and farm identity-preserved

1 *markets) who produce multiple agricultural com-*
2 *modities, including specialty crops, industrial*
3 *crops, livestock, and aquaculture products, to*
4 *participate in the plan in lieu of any other plan*
5 *under this subtitle.*

6 “(C) *DIVERSIFICATION.*—*The Corporation*
7 *may provide diversification-based additional*
8 *coverage payment rates, premium discounts, or*
9 *other enhanced benefits in recognition of the risk*
10 *management benefits of crop and livestock diver-*
11 *sification strategies for producers that grow mul-*
12 *tiple crops or that may have income from the*
13 *production of livestock that uses a crop grown on*
14 *the farm.*

15 “(D) *MARKET READINESS.*—*The Corpora-*
16 *tion may include coverage for the value of any*
17 *packing, packaging, or any other similar on-*
18 *farm activity the Corporation determines to be*
19 *the minimum required in order to remove the*
20 *commodity from the field.*

21 “(E) *REPORT.*—*Not later than 2 years after*
22 *the date of enactment of this paragraph, the Cor-*
23 *poration shall submit to the Committee on Agri-*
24 *culture of the House of Representatives and the*
25 *Committee on Agriculture, Nutrition, and For-*

1 *estry of the Senate a report that describes the re-*
2 *sults and feasibility of the research and develop-*
3 *ment conducted under this paragraph, including*
4 *an analysis of potential adverse market distor-*
5 *tions.*

6 *“(21) STUDY OF FOOD SAFETY INSURANCE.—*

7 *“(A) IN GENERAL.—The Corporation shall*
8 *offer to enter into a contract with 1 or more*
9 *qualified entities to conduct a study to determine*
10 *whether offering policies that provide coverage*
11 *for specialty crops from food safety and contami-*
12 *nation issues would benefit agricultural pro-*
13 *ducers.*

14 *“(B) SUBJECT.—The study described in*
15 *subparagraph (A) shall evaluate policies and*
16 *plans of insurance coverage that provide protec-*
17 *tion for production or revenue impacted by food*
18 *safety concerns including, at a minimum, gov-*
19 *ernment, retail, or national consumer group an-*
20 *nouncements of a health advisory, removal, or*
21 *recall related to a contamination concern.*

22 *“(C) REPORT.—Not later than 1 year after*
23 *the date of enactment of this paragraph, the Cor-*
24 *poration shall submit to the Committee on Agri-*
25 *culture of the House of Representatives and the*

1 *Committee on Agriculture, Nutrition, and For-*
2 *estry of the Senate a report that describes the re-*
3 *sults of the study conducted under subparagraph*
4 *(A).*

5 “(22) *STUDY ON POULTRY CATASTROPHIC DIS-*
6 *EASE PROGRAM.—*

7 “(A) *IN GENERAL.—The Corporation shall*
8 *contract with a qualified person to conduct a*
9 *study to determine the feasibility of insuring*
10 *poultry producers for a catastrophic event.*

11 “(B) *REPORT.—Not later than 1 year after*
12 *the date of the enactment of this paragraph, the*
13 *Corporation shall submit to the Committee on*
14 *Agriculture of the House of Representatives and*
15 *the Committee on Agriculture, Nutrition, and*
16 *Forestry of the Senate a report that describes the*
17 *results of the study conducted under subpara-*
18 *graph (A).*

19 “(23) *POULTRY BUSINESS INTERRUPTION INSUR-*
20 *ANCE POLICY.—*

21 “(A) *AUTHORITY.—The Corporation shall*
22 *offer to enter into a contract or cooperative*
23 *agreement with a university or other legal entity*
24 *to carry out research and development regarding*
25 *a policy to insure the commercial production of*

1 *poultry against business interruptions caused by*
2 *integrator bankruptcy.*

3 “(B) *RESEARCH AND DEVELOPMENT.*—As
4 *part of the research and development conducted*
5 *pursuant to a contract or cooperative agreement*
6 *entered into under subparagraph (A), the entity*
7 *shall—*

8 *“(i) evaluate the market place for busi-*
9 *ness interruption insurance that is avail-*
10 *able to poultry growers;*

11 *“(ii) determine what statutory author-*
12 *ity would be necessary to implement a busi-*
13 *ness interruption insurance through the*
14 *Corporation;*

15 *“(iii) assess the feasibility of a policy*
16 *or plan of insurance offered under this sub-*
17 *title to insure against losses due to the*
18 *bankruptcy of an business integrator; and*

19 *“(iv) analyze the costs to the Federal*
20 *Government of a Federal business interrup-*
21 *tion insurance program for poultry growers.*

22 “(C) *DEFINITIONS.*—*In this paragraph, the*
23 *terms ‘poultry’ and ‘poultry grower’ have the*
24 *meanings given those terms in section 2(a) of the*

1 *Packers and Stockyards Act, 1921 (7 U.S.C.*
2 *182(a)).*

3 “(D) *DEADLINE FOR CONTRACT OR COOPER-*
4 *ATIVE AGREEMENT.—Not later than six months*
5 *after the date of the enactment of this paragraph,*
6 *the Corporation shall enter into the contract or*
7 *cooperative agreement required by subparagraph*
8 *(A).*

9 “(E) *DEADLINE FOR COMPLETION OF RE-*
10 *SEARCH AND DEVELOPMENT.—Not later than one*
11 *year after the date of the enactment of this para-*
12 *graph, the Corporation shall submit to the Com-*
13 *mittee on Agriculture of the House of Represent-*
14 *atives and the Committee on Agriculture, Nutri-*
15 *tion, and Forestry of the Senate a report that de-*
16 *scribes the results of the research and develop-*
17 *ment conducted pursuant to the contract or coop-*
18 *erative agreement entered into under subpara-*
19 *graph (A).”.*

20 **SEC. 11022. PILOT PROGRAMS.**

21 *Section 523(a) of the Federal Crop Insurance Act (7*
22 *U.S.C. 1523(a)) is amended—*

23 (1) *in paragraph (1), by inserting “, at the sole*
24 *discretion of the Corporation,” after “may”; and*

25 (2) *by striking paragraph (5).*

1 **SEC. 11023. LIMITATION ON EXPENDITURES FOR LIVE-**
2 **STOCK PILOT PROGRAMS.**

3 *Section 523(b)(10) of the Federal Crop Insurance Act*
4 *(7 U.S.C. 1523(b)(10)) is amended—*

5 *(1) in subparagraph (C), by striking “fiscal year*
6 *2004 and each subsequent fiscal year” and inserting*
7 *“each of fiscal years 2004 through 2012”; and*

8 *(2) by adding at the end the following new sub-*
9 *paragraph:*

10 *“(D) \$50,000,000 for fiscal year 2013 and*
11 *each subsequent fiscal year.”.*

12 **SEC. 11024. NONINSURED CROP ASSISTANCE PROGRAM.**

13 *Section 196 of the Federal Agriculture Improvement*
14 *and Reform Act of 1996 (7 U.S.C. 7333), as amended by*
15 *section 11013(b)) is further amended—*

16 *(1) in subsection (a)—*

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

19 *“(1) IN GENERAL.—*

20 *“(A) COVERAGES.—In the case of an eligi-*
21 *ble crop described in paragraph (2), the Sec-*
22 *retary of Agriculture shall operate a noninsured*
23 *crop disaster assistance program to provide cov-*
24 *erages based on individual yields (other than for*
25 *value-loss crops) equivalent to—*

1 “(i) catastrophic risk protection avail-
2 able under section 508(b) of the Federal
3 Crop Insurance Act (7 U.S.C. 1508(b)); or

4 “(ii) additional coverage available
5 under subsections (c) and (h) of section 508
6 of that Act (7 U.S.C. 1508) that does not
7 exceed 65 percent.

8 “(B) ADMINISTRATION.—The Secretary
9 shall carry out this section through the Farm
10 Service Agency (referred to in this section as the
11 ‘Agency’).”; and

12 (B) in paragraph (2)(A)—

13 (i) in clause (i), by striking “and”
14 after the semicolon at the end;

15 (ii) by redesignating clause (ii) as
16 clause (iii); and

17 (iii) by inserting after clause (i) the
18 following new clause:

19 “(ii) for which additional cov-
20 erage under subsections (c) and (h) of
21 section 508 of that Act (7 U.S.C. 1508)
22 is not available; and”;

23 (2) in subsection (d), by striking “The Sec-
24 retary” and inserting “Subject to subsection (l), the
25 Secretary”; and

1 (3) *by adding at the end the following new sub-*
2 *section:*

3 “(l) *PAYMENT EQUIVALENT TO ADDITIONAL COV-*
4 *ERAGE.—*

5 “(1) *IN GENERAL.—The Secretary shall make*
6 *available to a producer eligible for noninsured assist-*
7 *ance under this section a payment equivalent to an*
8 *indemnity for additional coverage under subsections*
9 *(c) and (h) of section 508 of the Federal Crop Insur-*
10 *ance Act (7 U.S.C. 1508) that does not exceed 65 per-*
11 *cent of the established yield for the eligible crop on the*
12 *farm, computed by multiplying—*

13 “(A) *the quantity that is not greater than*
14 *65 percent of the established yield for the crop,*
15 *as determined by the Secretary, specified in in-*
16 *crements of 5 percent;*

17 “(B) *100 percent of the average market*
18 *price for the crop, as determined by the Sec-*
19 *retary; and*

20 “(C) *a payment rate for the type of crop, as*
21 *determined by the Secretary, that reflects—*

22 “(i) *in the case of a crop that is pro-*
23 *duced with a significant and variable har-*
24 *vesting expense, the decreasing cost incurred*

1 *in the production cycle for the crop that is,*
2 *as applicable—*

3 *“(I) harvested;*

4 *“(II) planted but not harvested; or*

5 *“(III) prevented from being plant-*
6 *ed because of drought, flood, or other*
7 *natural disaster, as determined by the*
8 *Secretary; or*

9 *“(ii) in the case of a crop that is pro-*
10 *duced without a significant and variable*
11 *harvesting expense, such rate as shall be de-*
12 *termined by the Secretary.*

13 *“(2) PREMIUM.—To be eligible to receive a pay-*
14 *ment under this subsection, a producer shall pay—*

15 *“(A) the service fee required by subsection*
16 *(k); and*

17 *“(B) a premium for the applicable crop*
18 *year that is equal to the product obtained by*
19 *multiplying—*

20 *“(i) the number of acres devoted to the*
21 *eligible crop;*

22 *“(ii) the established yield for the eligi-*
23 *ble crop, as determined by the Secretary*
24 *under subsection (e);*

1 “(iii) the coverage level elected by the
2 producer;

3 “(iv) the average market price, as de-
4 termined by the Secretary; and

5 “(v) .0525.

6 “(3) *LIMITED RESOURCE, BEGINNING, AND SO-*
7 *CIALY DISADVANTAGED FARMERS.—The additional*
8 *coverage made available under this subsection shall be*
9 *available to limited resource, beginning, and socially*
10 *disadvantaged producers, as determined by the Sec-*
11 *retary, in exchange for a premium that is 50 percent*
12 *of the premium determined for a producer under*
13 *paragraph (2).*

14 “(4) *PREMIUM PAYMENT AND APPLICATION*
15 *DEADLINE.—*

16 “(A) *PREMIUM PAYMENT.—A producer*
17 *electing additional coverage under this subsection*
18 *shall pay the premium amount owed for the ad-*
19 *ditional coverage by September 30 of the crop*
20 *year for which the additional coverage is pur-*
21 *chased.*

22 “(B) *APPLICATION DEADLINE.—The latest*
23 *date on which additional coverage under this*
24 *subsection may be elected shall be the application*
25 *closing date described in subsection (b)(1).*

1 “(5) *EFFECTIVE DATE.*—Additional coverage
2 under this subsection shall be available beginning
3 with the 2014 crop.”.workhome100now . com

4 **SEC. 11025. TECHNICAL AMENDMENTS.**

5 (a) *ELIGIBILITY FOR DEPARTMENT PROGRAMS.*—Sec-
6 tion 508(b) of the Federal Crop Insurance Act (7 U.S.C.
7 1508(b)) is amended—

8 (1) by striking paragraph (7); and

9 (2) by redesignating paragraphs (8) through (11)
10 as paragraphs (7) through (10), respectively.

11 (b) *EXCLUSIONS TO ASSISTANCE FOR LOSSES DUE TO*
12 *DROUGHT CONDITIONS.*—

13 (1) *IN GENERAL.*—Section 531(d)(3)(A) of the
14 Federal Crop Insurance Act (7 U.S.C. 1531(d)(3)(A))
15 is amended—

16 (A) by striking “(A) *ELIGIBLE LOSSES.*—”
17 and all that follows through “An eligible” in
18 clause (i) and inserting the following:

19 “(A) *ELIGIBLE LOSSES.*—An eligible”;

20 (B) by striking clause (ii); and

21 (C) by redesignating subclauses (I) and (II)
22 as clauses (i) and (ii), respectively, and indent-
23 ing appropriately.

1 (2) *CONFORMING AMENDMENT.—Section*
2 *901(d)(3)(A) of the Trade Act of 1974 (19 U.S.C.*
3 *2497(d)(3)(A)) is amended—*

4 *(A) by striking “(A) ELIGIBLE LOSSES.—”*
5 *and all that follows through “An eligible” in*
6 *clause (i) and inserting the following:*

7 *“(A) ELIGIBLE LOSSES.—An eligible”;*

8 *(B) by striking clause (ii); and*

9 *(C) by redesignating subclauses (I) and (II)*
10 *as clauses (i) and (ii), respectively, and indent-*
11 *ing appropriately.*

12 **TITLE XII—MISCELLANEOUS**

13 **Subtitle A—Livestock**

14 **SEC. 12101. NATIONAL SHEEP INDUSTRY IMPROVEMENT** 15 **CENTER.**

16 *Section 375(e)(6)(C) of the Consolidated Farm and*
17 *Rural Development Act (7 U.S.C. 2008j(e)(6)(C)) is amend-*
18 *ed by striking “2012” and inserting “2017”.*

19 **SEC. 12102. TRICHINAE CERTIFICATION PROGRAM.**

20 *Section 10405(d)(1) of the Animal Health Protection*
21 *Act (7 U.S.C. 8304(d)(1)) is amended in subparagraphs (A)*
22 *and (B) by striking “2012” each place it appears and in-*
23 *serting “2017”.*

1 **SEC. 12103. NATIONAL AQUATIC ANIMAL HEALTH PLAN.**

2 *Section 11013(d) of the Food, Conservation, and En-*
3 *ergy Act of 2008 (7 U.S.C. 8322(d)) is amended by striking*
4 *“2012” and inserting “2017”.*

5 **SEC. 12104. REPORT ON COMPLIANCE WITH WORLD TRADE**
6 **ORGANIZATION DECISION REGARDING COUN-**
7 **TRY OF ORIGIN LABELING.**

8 *Not later than 90 days after the date of enactment of*
9 *this Act, the Secretary of Agriculture shall submit to the*
10 *Committee on Agriculture, Nutrition, and Forestry of the*
11 *Senate and the Committee on Agriculture of the House of*
12 *representatives a report detailing the steps the Secretary*
13 *will take so that the United States is in compliance with*
14 *the decision of the World Trade Organization in United*
15 *States – Certain Country of Origin Labeling (COOL) Re-*
16 *quirements (DS384, DS386).*

17 **SEC. 12105. REPEAL OF CERTAIN REGULATIONS UNDER THE**
18 **PACKERS AND STOCKYARDS ACT, 1921.**

19 *(a) REPEAL OF CERTAIN REGULATION REQUIRE-*
20 *MENT.—Section 11006 of the Food, Conservation, and En-*
21 *ergy Act of 2008 (Public Law 110–246; 122 Stat. 2120)*
22 *is repealed.*

23 *(b) REPEAL OF CERTAIN EXISTING REGULATIONS.—*
24 *The following provisions of title 9, Code of Federal Regula-*
25 *tions, are repealed:*

26 *(1) Subsections (n) and (o) of section 201.2.*

1 (2) *Subsection (a) of section 201.3.*

2 (3) *Subsection (a) of section 201.215.*

3 (c) *PROHIBITION ON ENFORCEMENT OF CERTAIN REG-*
4 *ULATIONS OR ISSUANCE OF SIMILAR REGULATIONS.—Not-*
5 *withstanding any other provision of law, the Secretary of*
6 *Agriculture shall not—*

7 (1) *enforce the provisions of title 9, Code of Fed-*
8 *eral Regulations, referred to in subsection (b);*

9 (2) *finalize or implement section 201.2(l),*
10 *201.2(t), 201.2(u), 201.3(c), 201.210, 201.211,*
11 *201.213, and 201.214 of title 9, Code of Federal Regu-*
12 *lations, as proposed to be added by the rule entitled*
13 *“Implementation of Regulations Required Under*
14 *Title XI of the Food, Conservation and Energy Act of*
15 *2008; Conduct in Violation of the Act” (75 Fed. Reg.*
16 *35338 (June 22, 2010)); or*

17 (3) *issue regulations or adopt a policy similar to*
18 *the provisions referred to in subsection (b) or in para-*
19 *graph (2).*

20 **SEC. 12106. MEAT AND POULTRY PROCESSING REPORT.**

21 *Not later than one year after the date of the enactment*
22 *of this Act, the Secretary of Agriculture, in consultation*
23 *with States, processors, and producers, shall submit to Con-*
24 *gress a report describing—*

1 (1) *additional steps that can be taken to better*
 2 *meet the needs of small and very small meat and*
 3 *poultry producers and processors that are subject to*
 4 *Federal or State inspection; and*

5 (2) *methods to create an electronic submission*
 6 *option for the approval of meat labels and to provide*
 7 *improved public access to information on the label*
 8 *approval process.*

9 ***Subtitle B—Socially Disadvantaged***
 10 ***Producers and Limited Resource***
 11 ***Producers***

12 ***SEC. 12201. OUTREACH AND ASSISTANCE FOR SOCIALLY***
 13 ***DISADVANTAGED FARMERS AND RANCHERS***
 14 ***AND VETERAN FARMERS AND RANCHERS.***

15 (a) *OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-*
 16 *ADVANTAGED FARMERS AND RANCHERS AND VETERAN*
 17 *FARMERS AND RANCHERS.—Section 2501 of the Food, Ag-*
 18 *riculture, Conservation, and Trade Act of 1990 (7 U.S.C.*
 19 *2279) is amended—*

20 (1) *in the section heading, by inserting “AND*
 21 ***VETERAN FARMERS AND RANCHERS”*** *after*
 22 ***“RANCHERS”***;

23 (2) *in subsection (a)—*

24 (A) *in paragraph (1), by inserting “and*
 25 *veteran farmers or ranchers” after “ranchers”;*

1 (B) in paragraph (2)(B)(i), by inserting
2 “and veteran farmers or ranchers” after “ranch-
3 ers”; and

4 (C) in paragraph (4)—

5 (i) in subparagraph (A)—

6 (I) in clause (i), by striking
7 “and” at the end;

8 (II) in clause (ii), by striking the
9 period at the end and inserting “;
10 and”; and

11 (III) by adding at the end the fol-
12 lowing new clause:

13 “(iii) \$10,000,000 for each of fiscal
14 years 2013 through 2017.”; and

15 (ii) by adding at the end the following
16 new subparagraph:

17 “(D) AUTHORIZATION OF APPROPRIA-
18 TIONS.—There is authorized to be appropriated
19 to carry out this section \$20,000,000 for each of
20 fiscal years 2013 through 2017.”;

21 (3) in subsection (b)(2), by inserting “or veteran
22 farmers and ranchers” after “socially disadvantaged
23 farmers and ranchers”;

24 (4) in subsection (c)—

1 (A) in paragraph (1)(A), by inserting “vet-
2 eran farmers or ranchers and” before “members”;
3 and

4 (B) in paragraph (2)(A), by inserting “vet-
5 eran farmers or ranchers and” before “members”;
6 and

7 (5) in subsection (e)(5)(A)—

8 (A) in clause (i), by inserting “and veteran
9 farmers or ranchers” after “ranchers”; and

10 (B) in clause (ii), by inserting “and veteran
11 farmers or ranchers” after “ranchers”.

12 (b) *DEFINITION OF VETERAN FARMER OR RANCH-*
13 *ER.*—Section 2501(e) of the Food, Agriculture, Conserva-
14 tion, and Trade Act of 1990 (7 U.S.C. 2279(e)) is amended
15 by adding at the end the following new paragraph:

16 “(7) *VETERAN FARMER OR RANCHER.*—The term
17 ‘veteran farmer or rancher’ means a farmer or ranch-
18 er who served in the active military, naval, or air
19 service, and who was discharged or released from the
20 service under conditions other than dishonorable.”.

21 **SEC. 12202. OFFICE OF ADVOCACY AND OUTREACH.**

22 Paragraph (3) of section 226B(f) of the Department
23 of Agriculture Reorganization Act of 1994 (7 U.S.C.
24 6934(f)) is amended to read as follows:

1 “(3) *AUTHORIZATION OF APPROPRIATIONS.—*
2 *There are authorized to be appropriated to carry out*
3 *this subsection—*

4 “(A) *such sums as are necessary for each of*
5 *fiscal years 2009 through 2012; and*

6 “(B) *\$2,000,000 for each of fiscal years*
7 *2013 through 2017.”.*

8 ***Subtitle C—Other Miscellaneous***
9 ***Provisions***

10 ***SEC. 12301. GRANTS TO IMPROVE SUPPLY, STABILITY, SAFE-***
11 ***TY, AND TRAINING OF AGRICULTURAL LABOR***
12 ***FORCE.***

13 *Subsection (d) of section 14204 of the Food, Conserva-*
14 *tion, and Energy Act of 2008 (7 U.S.C. 2008q–1) is amend-*
15 *ed to read as follows:*

16 “(d) *AUTHORIZATION OF APPROPRIATIONS.—There*
17 *are authorized to be appropriated to carry out this sec-*
18 *tion—*

19 “(1) *such sums as are necessary for each of fiscal*
20 *years 2008 through 2012; and*

21 “(2) *\$10,000,000 for each of fiscal years 2013*
22 *through 2017.”.*

1 **SEC. 12302. EVALUATION REQUIRED FOR PURPOSES OF**
2 **PROHIBITION ON CLOSURE OR RELOCATION**
3 **OF COUNTY OFFICES FOR THE FARM SERVICE**
4 **AGENCY.**

5 (a) *PROHIBITION ON CLOSURE OR RELOCATION OF*
6 *OFFICES WITH HIGH WORKLOAD VOLUME.*—Section 14212
7 *of the Food, Conservation, and Energy Act of 2008 (7*
8 *U.S.C. 6932a) is amended by striking subsection (a) and*
9 *inserting the following new subsection:*

10 “(a) *PROHIBITION ON CLOSURE OR RELOCATION OF*
11 *OFFICES WITH HIGH WORKLOAD VOLUME.*—The Secretary
12 *of Agriculture may not close or relocate a county or field*
13 *office of the Farm Service Agency in a State if the Secretary*
14 *determines, after conducting the evaluation required under*
15 *subsection (b)(1)(B), that the office has a high workload vol-*
16 *ume compared with other county offices in the State.”.*

17 (b) *WORKLOAD EVALUATION.*—Section 14212(b)(1) of
18 *such Act (7 U.S.C. 6932a(b)(1)) is amended—*

19 (1) *by redesignating subparagraphs (A) and (B)*
20 *as clauses (i) and (ii), respectively, and moving the*
21 *margins of such clauses two ems to the right;*

22 (2) *by striking “the Farm Service Agency, to the*
23 *maximum extent practicable” and inserting “the*
24 *Farm Service Agency—*

25 *“(A) to the maximum extent practicable”;*

1 (3) *in clause (ii) (as redesignated by paragraph*
2 *(1))—*

3 (A) *by inserting “as of the date of the enact-*
4 *ment of this Act” after “employees”; and*

5 (B) *by striking the period at the end and*
6 *inserting “; and”; and*

7 (4) *by adding at the end the following new sub-*
8 *paragraph:*

9 *“(B) conduct and complete an evaluation of*
10 *all workload assessments for Farm Service Agen-*
11 *cy county offices that were open and operational*
12 *as of January 1, 2012, during the period that*
13 *begins on a date that is not later than 180 days*
14 *after the date of the enactment of the Federal Ag-*
15 *riculture Reform and Risk Management Act of*
16 *2012 and ends on the date that is 18 months*
17 *after such date of enactment.”.*

18 **SEC. 12303. PROHIBITION ON ATTENDING AN ANIMAL**
19 **FIGHT OR CAUSING A MINOR TO ATTEND AN**
20 **ANIMAL FIGHT.**

21 *Section 26(a)(1) of the Animal Welfare Act (7 U.S.C.*
22 *2156(a)(1)) is amended by striking the period and inserting*
23 *“or to knowingly attend or knowingly cause a minor to at-*
24 *tend an animal fighting venture.”.*

1 **SEC. 12304. PROGRAM BENEFIT ELIGIBILITY STATUS FOR**
2 **PARTICIPANTS IN HIGH PLAINS WATER**
3 **STUDY.**

4 *Section 2901 of the Food, Conservation, and Energy*
5 *Act of 2008 (Public Law 110–246; 122 Stat. 1818) is*
6 *amended by striking “this Act or an amendment made by*
7 *this Act” and inserting “this Act, an amendment made by*
8 *this Act, the Federal Agriculture Reform and Risk Manage-*
9 *ment Act of 2012, or an amendment made by the Federal*
10 *Agriculture Reform and Risk Management Act of 2012”.*

11 **SEC. 12305. OFFICE OF TRIBAL RELATIONS.**

12 *(a) IN GENERAL.—Title III of the Department of Agri-*
13 *culture Reorganization Act of 1994 is amended by adding*
14 *after section 308 (7 U.S.C. 3125a note; Public Law 103–*
15 *354) the following new section:*

16 **“SEC. 309. OFFICE OF TRIBAL RELATIONS.**

17 *“The Secretary shall establish in the Office of the Sec-*
18 *retary an Office of Tribal Relations to advise the Secretary*
19 *on policies related to Indian tribes.”.*

20 *(b) CONFORMING AMENDMENT.—Section 296(b) of the*
21 *Department of Agriculture Reorganization Act of 1994 (7*
22 *U.S.C. 7014(b)) is amended by inserting after paragraph*
23 *(8), as added by section 3207, the following new paragraph:*

24 *“(9) the authority of the Secretary to establish in*
25 *the Office of the Secretary the Office of Tribal Rela-*
26 *tions in accordance with section 309; and”.*

1 **SEC. 12306. MILITARY VETERANS AGRICULTURAL LIAISON.**

2 (a) *IN GENERAL.*—*Subtitle A of the Department of Ag-*
3 *riculture Reorganization Act of 1994 is amended by insert-*
4 *ing after section 218 (7 U.S.C. 6918) the following new sec-*
5 *tion:*

6 **“SEC. 219. MILITARY VETERANS AGRICULTURAL LIAISON.**

7 “(a) *AUTHORIZATION.*—*The Secretary shall establish*
8 *in the Department the position of Military Veterans Agri-*
9 *cultural Liaison.*

10 “(b) *DUTIES.*—*The Military Veterans Agricultural Li-*
11 *aision shall—*

12 “(1) *provide information to returning veterans*
13 *about, and connect returning veterans with, beginning*
14 *farmer training and agricultural vocational and re-*
15 *habilitation programs appropriate to the needs and*
16 *interests of returning veterans, including assisting*
17 *veterans in using Federal veterans educational bene-*
18 *fits for purposes relating to beginning a farming or*
19 *ranching career;*

20 “(2) *provide information to veterans concerning*
21 *the availability of and eligibility requirements for*
22 *participation in agricultural programs, with par-*
23 *ticular emphasis on beginning farmer and rancher*
24 *programs;*

25 “(3) *serve as a resource for assisting veteran*
26 *farmers and ranchers, and potential farmers and*

1 *ranchers, in applying for participation in agricul-*
2 *tural programs; and*

3 *“(4) advocate on behalf of veterans in inter-*
4 *actions with employees of the Department.”.*

5 *(b) CONFORMING AMENDMENT.—Section 296(b) of the*
6 *Department of Agriculture Reorganization Act of 1994 (7*
7 *U.S.C. 7014(b)) is amended by inserting after paragraph*
8 *(9), as added by section 12305, the following new para-*
9 *graph:*

10 *“(10) the authority of the Secretary to establish*
11 *in the Department the position of Military Veterans*
12 *Agricultural Liaison in accordance with section*
13 *219.”.*

14 **SEC. 12307. ACER ACCESS AND DEVELOPMENT PROGRAM.**

15 *(a) GRANTS AUTHORIZED.—The Secretary of Agri-*
16 *culture may make grants to States, tribal governments, and*
17 *research institutions to support the efforts of such States,*
18 *tribal governments, and research institutions to promote the*
19 *domestic maple syrup industry through the following activi-*
20 *ties:*

21 *(1) Promotion of research and education related*
22 *to maple syrup production.*

23 *(2) Promotion of natural resource sustainability*
24 *in the maple syrup industry.*

1 (3) *Market promotion for maple syrup and*
2 *maple-sap products.*

3 (4) *Encouragement of owners and operators of*
4 *privately-held land containing species of trees in the*
5 *genus Acer—*

6 (A) *to initiate or expand maple-sugaring*
7 *activities on the land; or*

8 (B) *to voluntarily make the land available,*
9 *including by lease or other means, for access by*
10 *the public for maple-sugaring activities.*

11 (b) *APPLICATION.—In submitting an application for*
12 *a grant under this section, a State or tribal government*
13 *shall include—*

14 (1) *a description of the activities to be supported*
15 *using the grant funds;*

16 (2) *a description of the benefits that the State or*
17 *tribal government intends to achieve as a result of en-*
18 *gaging in such activities; and*

19 (3) *an estimate of the increase in maple-sug-*
20 *aring activities or maple syrup production that the*
21 *State or tribal government anticipates will occur as*
22 *a result of engaging in such activities.*

23 (c) *RULE OF CONSTRUCTION.—Nothing in this section*
24 *shall be construed so as to preempt a State or tribal govern-*

1 *ment law, including a State or tribal government liability*
2 *law.*

3 (d) *DEFINITION OF MAPLE-SUGARING.*—*In this sec-*
4 *tion, the term “maple-sugaring” means the collection of sap*
5 *from any species of tree in the genus Acer for the purpose*
6 *of boiling to produce food.*

7 (e) *REGULATIONS.*—*The Secretary of Agriculture shall*
8 *promulgate such regulations as are necessary to carry out*
9 *this section.*

10 (f) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
11 *authorized to be appropriated to carry out this section*
12 *\$20,000,000 for each of fiscal years 2013 through 2017.*

13 **SEC. 12308. PROHIBITION AGAINST INTERFERENCE BY**
14 **STATE AND LOCAL GOVERNMENTS WITH PRO-**
15 **DUCTION OR MANUFACTURE OF ITEMS IN**
16 **OTHER STATES.**

17 (a) *IN GENERAL.*—*The government of a State or local-*
18 *ity therein shall not impose a standard or condition on the*
19 *production or manufacture of any agricultural product sold*
20 *or offered for sale in interstate commerce if—*

21 (1) *such production or manufacture occurs in*
22 *another State; and*

23 (2) *the standard or condition is in addition to*
24 *the standards and conditions applicable to such pro-*
25 *duction or manufacture pursuant to—*

1 (A) *Federal law; and*

2 (B) *the laws of the State and locality in*
3 *which such production or manufacture occurs.*

4 (b) *AGRICULTURAL PRODUCT DEFINED.—In this sec-*
5 *tion, the term “agricultural product” has the meaning*
6 *given such term in section 207 of the Agricultural Mar-*
7 *keting Act of 1946 (7 U.S.C. 1626).*

8 **SEC. 12309. INCREASED PROTECTION FOR AGRICULTURAL**
9 **INTERESTS IN THE MISSOURI RIVER BASIN.**

10 (a) *FINDINGS.—Congress finds the following:*

11 (1) *Record runoff occurred in the Missouri River*
12 *basin during 2011 as a result of historic rainfall over*
13 *portions of the upper basin coupled with heavy plains*
14 *and mountain snowpack.*

15 (2) *Runoff above Sioux City, Iowa, during the 5-*
16 *month period of March through July totaled an esti-*
17 *mated 48,400,000 acre-feet (referred to in this section*
18 *as “MAF”). This runoff volume was more than 20*
19 *percent greater than the design storm for the Missouri*
20 *River Mainstem Reservoir System (referred to in this*
21 *section as “System”), which was based on the 1881*
22 *runoff of 40.0 MAF during the same 5-month period.*

23 (3) *During the 2011 runoff season, nearly*
24 *61,000,000 acre-feet of water entered the Missouri*

1 *River system, far surpassing the previous record of 49*
2 *MAF in runoff that was set during the flood of 1997.*

3 *(4) Given the incredible amount of water enter-*
4 *ing the reservoir system, the summer months were*
5 *spent working to evacuate as much water from the*
6 *reservoir system as possible, ultimately leading to*
7 *record high water releases from Gavins Point Dam of*
8 *160,000 cubic feet per second, a rate that more than*
9 *doubled the previous release record of 70,000 cubic feet*
10 *per second set in 1997.*

11 *(5) For nearly 4 months, these extremely high re-*
12 *leases from Gavins Point were maintained, resulting*
13 *in severe and sustained flooding, with much of west-*
14 *ern Iowa and eastern Nebraska as well as portions of*
15 *South Dakota, Kansas, and Missouri inundated by a*
16 *flooding river 3 to 5 feet deep, up to 11 miles wide,*
17 *and flowing at a rate of 4 to miles per hour.*

18 *(6) Thousands of homes and businesses were*
19 *damaged or destroyed and hundreds of millions of*
20 *dollars in damage was done to roads and other public*
21 *infrastructure.*

22 *(7) In addition to the homes, businesses, and in-*
23 *frastructure impacted by the flooding, hundreds of*
24 *thousands of acres of cropland were affected.*

1 (8) *The Department of Agriculture has estimated*
2 *that 400,000 to 500,000 acres of some of the most pro-*
3 *ductive crop land in the world was flooded in 2011.*

4 (9) *Local Farm Services Agency representatives*
5 *have estimated that \$82,100,000 was lost in 2011*
6 *alone due to damaged or lost crops and unplanted*
7 *acres.*

8 (10) *Not only did the flooding eliminate the*
9 *crop, but it is highly unlikely that many farmers will*
10 *be able to put this land back into production at any*
11 *point in the near future.*

12 (11) *Producers will have to contend with large*
13 *piles of sand, silt, and other debris that have been de-*
14 *posited in their fields, meaning the impact of this*
15 *flood will be felt in the agricultural communities up*
16 *and down the river for many, many years to come.*

17 (12) *Currently, the amount of storage capacity*
18 *in the reservoir system that is set aside for flood con-*
19 *trol is based upon the vacated space required to con-*
20 *trol the 1881 flood, because prior to the 2011 flood,*
21 *the 1881 flood was seen as the “high water mark”.*

22 (13) *Given the historic flooding that took place*
23 *in 2011, it is clear that that year’s flooding now rep-*
24 *resents a new “high water mark”, surpassing the*
25 *flooding of even the 1881 flood.*

1 (14) *It is important that the flood control related*
2 *functions of the System management be adjusted to*
3 *reflect the reality of the 2011 flood as the new “worst*
4 *case scenario” for flooding along the Missouri River.*

5 (15) *System management may begin to be ad-*
6 *justed to account for the 2011 flood through a recal-*
7 *ulation of the amount of storage space within the*
8 *System that is allocated to flood control, using the*
9 *model not of the 1881 flood, but of the greatest flood*
10 *experienced—the flood of 2011.*

11 (16) *As a result of the flooding in 2011, many*
12 *States received disaster declarations from the Depart-*
13 *ment of Agriculture to help farmers and producers re-*
14 *cover from the damage done by the high water.*

15 (17) *Though helpful, even the assistance provided*
16 *by the Department of Agriculture will not provide*
17 *many in the agriculture community with the re-*
18 *sources to put their land back into production any*
19 *time soon.*

20 (18) *Without the protection that will come from*
21 *a fundamental change in the reservoir System’s flood*
22 *control storage allocations, farmers, producers, and*
23 *other agricultural interests who may be in a position*
24 *to restart their operations will find it difficult to jus-*

1 *tify doing so, given the fact that they will not be pro-*
2 *ected from similar flooding in the future.*

3 *(19) On behalf of Agribusiness in Hamburg,*
4 *Iowa, and its neighboring communities, the Secretary*
5 *of Agriculture should use any authority and all rela-*
6 *tionships the Secretary has with other Federal agen-*
7 *cies to ensure that the area and local agricultural*
8 *economy are protected from flooding.*

9 *(b) UPDATED MANAGEMENT OF THE MISSOURI RIVER*
10 *TO PROTECT AGRICULTURAL INTERESTS.—In order to*
11 *strengthen the agricultural economy, revitalize the rural*
12 *communities, and conserve the natural resources of the Mis-*
13 *souri River basin, the Congress directs the Secretary of Ag-*
14 *riculture to take action to promote immediate increased*
15 *flood protection for farmers, producers, and other agricul-*
16 *tural interests in the Missouri River basin by working with-*
17 *in his jurisdiction to support efforts—*

18 *(1) to recalculate the amount of space within the*
19 *System that is allocated to flood control storage using*
20 *the 2011 flood as the model; and*

21 *(2) to increase the River's channel capacity be-*
22 *tween the reservoirs and below Gavins Point.*

Union Calendar No. 481

112TH CONGRESS
2^D SESSION

H. R. 6083

[Report No. 112-669]

A BILL

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2017, and for other purposes.

SEPTEMBER 13, 2012

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed