

112TH CONGRESS
2D SESSION

S. 2261

To amend the Food, Conservation, and Energy Act of 2008 to establish a revenue loss assistance program, repeal the direct payment and ACRE programs, extend commodity programs through 2017, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 29, 2012

Mr. CONRAD (for himself, Mr. HOEVEN, and Mr. BAUCUS) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Food, Conservation, and Energy Act of 2008 to establish a revenue loss assistance program, repeal the direct payment and ACRE programs, extend commodity programs through 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 “Revenue Loss Assistance and Crop Insurance Enhance-
6 ment Act of 2012”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Revenue loss assistance program and counter-cyclical program.
- Sec. 3. Marketing assistance loans and loan deficiency payments.
- Sec. 4. Extension of expiring authorities.
- Sec. 5. Repeal of direct payment and ACRE programs.
- Sec. 6. Supplemental coverage option.
- Sec. 7. Catastrophic risk protection premium reduction.
- Sec. 8. Adjustment in actual production history to establish insurable yields.
- Sec. 9. Supplemental agricultural disaster assistance.
- Sec. 10. Budgetary effects.
- Sec. 11. Effective date.

SEC. 2. REVENUE LOSS ASSISTANCE PROGRAM AND COUNTER-CYCLICAL PROGRAM.

(a) IN GENERAL.—Title I of the Food, Conservation, and Energy Act of 2008 is amended—

(1) by striking section 1001 (7 U.S.C. 8702);

(2) by striking subtitles A and C (7 U.S.C. 8711 et seq.); and

(3) by inserting before subtitle B (7 U.S.C. 8731 et seq.) the following:

“SEC. 1001. DEFINITIONS.

“In this title:

“(1) BASE ACRES.—The term ‘base acres’, with respect to a covered commodity on a farm, means the number of acres established under section 1101 or 1302 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911, 7952) or section 1101, 1108, or 1302 of this Act, as in effect on September

1 30, 2012, subject to any adjustment under section
2 1101.

3 “(2) COUNTER-CYCLICAL PAYMENT.—The term
4 ‘counter-cyclical payment’ means a payment made to
5 producers on a farm under section 1104.

6 “(3) COUNTER-CYCLICAL PAYMENT ACRES.—
7 The term ‘counter-cyclical payment acres’ means 75
8 percent of the base acres of a covered commodity on
9 a farm for which counter-cyclical payments are
10 made.

11 “(4) COVERED COMMODITY.—The term ‘cov-
12 ered commodity’ means wheat, corn, grain sorghum,
13 barley, oats, upland cotton, long grain rice, medium
14 grain rice, pulse crops, peanuts, soybeans, and other
15 oilseeds.

16 “(5) EFFECTIVE PRICE.—The term ‘effective
17 price’, with respect to a covered commodity for a
18 crop year, means the price calculated by the Sec-
19 retary under section 1104 to determine whether
20 counter-cyclical payments are required to be made
21 for that crop year.

22 “(6) EXTRA LONG STAPLE COTTON.—The term
23 ‘extra long staple cotton’ means cotton that—

24 “(A) is produced from pure strain varieties
25 of the Barbadosense species or any hybrid of the

species, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

“(B) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

“(7) LOAN COMMODITY.—The term ‘loan commodity’ means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, long grain rice, medium grain rice, soybeans, other oilseeds, graded wool, nongraded wool, mohair, honey, dry peas, lentils, peanuts, small chickpeas, and large chickpeas.

“(8) MEDIUM GRAIN RICE.—The term ‘medium grain rice’ includes short grain rice.

“(9) OTHER OILSEED.—The term ‘other oilseed’ means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe,

1 sesame seed, or any oilseed designated by the Sec-
2 retary.

3 “(10) PAYMENT YIELD.—The term ‘payment
4 yield’ means the yield established for counter-cyclical
5 payments under section 1102 or 1302 of the Farm
6 Security and Rural Investment Act of 2002 (7
7 U.S.C. 7912, 7952), section 1102 of 1302 of this
8 Act, as in effect on September 30, 2012, or section
9 1102 or 1106, or for revenue loss assistance pro-
10 gram payments under section 1103, for a farm for
11 a covered commodity.

12 “(11) PRODUCER.—

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

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

22 “(i) not take into consideration the
23 existence of a hybrid seed contract; and

24 “(ii) ensure that program require-
25 ments do not adversely affect the ability of

1 the grower to receive a payment under this
2 title.

3 “(12) PULSE CROP.—The term ‘pulse crop’
4 means dry peas, lentils, small chickpeas, and large
5 chickpeas.

6 “(13) REVENUE LOSS ASSISTANCE PROGRAM
7 PAYMENT.—The term ‘revenue loss assistance pro-
8 gram payment’ means a payment made to producers
9 on a farm under section 1103.

10 “(14) STATE.—The term ‘State’ means—

11 “(A) a State;

12 “(B) the District of Columbia; and

13 “(C) the Commonwealth of Puerto Rico.

14 “(15) TARGET PRICE.—The term ‘target price’
15 means the price per bushel, pound, or hundred-
16 weight (or other appropriate unit) of a covered com-
17 modity used to determine the payment rate for
18 counter-cyclical payments.

19 “(16) UNITED STATES.—The term ‘United
20 States’, when used in a geographical sense, means
21 all of the States.

22 “(17) UNITED STATES PREMIUM FACTOR.—The
23 term ‘United States Premium Factor’ means the
24 percentage by which the difference in the United
25 States loan schedule premiums for Strict Middling

1 (SM) 1 $\frac{1}{8}$ -inch upland cotton and for Middling (M)
 2 1 $\frac{3}{32}$ -inch upland cotton exceeds the difference in the
 3 applicable premiums for comparable international
 4 qualities.

5 **“Subtitle A—Revenue Loss Assist-**
 6 **ance Program and Counter-Cy-**
 7 **clical Program**

8 **“SEC. 1101. BASE ACRES.**

9 “(a) ADJUSTMENT OF BASE ACRES.—

10 “(1) IN GENERAL.—The Secretary shall provide
 11 for an adjustment, as appropriate, in the base acres
 12 for covered commodities for a farm whenever any of
 13 the following circumstances occurs:

14 “(A) A conservation reserve contract en-
 15 tered into under section 1231 of the Food Secu-
 16 rity Act of 1985 (16 U.S.C. 3831) with respect
 17 to the farm expires or is voluntarily terminated,
 18 or was terminated or expired during the period
 19 beginning on October 1, 2007, and ending on
 20 the date of enactment of this Act.

21 “(B) Cropland is released from coverage
 22 under a conservation reserve contract by the
 23 Secretary, or was released during the period be-
 24 ginning on October 1, 2007, and ending on the
 25 date of enactment of this Act.

1 “(C) The producer has eligible oilseed
 2 acreage as the result of the Secretary design-
 3 nating additional oilseeds, which shall be deter-
 4 mined in the same manner as eligible oilseed
 5 acreage under section 1101(a)(2) of the Farm
 6 Security and Rural Investment Act of 2002 (7
 7 U.S.C. 7911(a)(2)).

8 “(2) SPECIAL CONSERVATION RESERVE ACRE-
 9 AGE PAYMENT RULES.—For the crop year in which
 10 a base acres adjustment under subparagraph (A) or
 11 (B) of paragraph (1) is first made, the owner of the
 12 farm shall elect to receive either revenue loss assist-
 13 ance program payments and counter-cyclical pay-
 14 ments with respect to the acreage added to the farm
 15 under this subsection or a prorated payment under
 16 the conservation reserve contract, but not both.

17 “(b) PREVENTION OF EXCESS BASE ACRES.—

18 “(1) REQUIRED REDUCTION.—If the sum of the
 19 base acres for a farm, together with the acreage de-
 20 scribed in paragraph (2) exceeds the actual cropland
 21 acreage of the farm, the Secretary shall reduce the
 22 base acres for 1 or more covered commodities for the
 23 farm so that the sum of the base acres and acreage
 24 described in paragraph (2) does not exceed the ac-
 25 tual cropland acreage of the farm.

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

3 “(A) Any acreage on the farm enrolled in
4 the conservation reserve program or wetlands
5 reserve program under chapter 1 of subtitle D
6 of title XII of the Food Security Act of 1985
7 (16 U.S.C. 3830 et seq.).

8 “(B) Any other acreage on the farm en-
9 rolled in a Federal conservation program for
10 which payments are made in exchange for not
11 producing an agricultural commodity on the
12 acreage.

13 “(C) If the Secretary designates additional
14 oilseeds, any eligible oilseed acreage, which shall
15 be determined in the same manner as eligible
16 oilseed acreage under section 1101(a)(2) of the
17 Farm Security and Rural Investment Act of
18 2002 (7 U.S.C. 7911(a)(2)).

19 “(3) SELECTION OF ACRES.—The Secretary
20 shall give the owner of the farm the opportunity to
21 select the base acres for a covered commodity for the
22 farm against which the reduction required by para-
23 graph (1) will be made.

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

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

3 “(c) REDUCTION IN BASE ACRES.—

4 “(1) REDUCTION AT OPTION OF OWNER.—

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

8 “(B) EFFECT OF REDUCTION.—A reduc-
 9 tion under subparagraph (A) shall be perma-
 10 nent and made in a manner prescribed by the
 11 Secretary.

12 “(2) REQUIRED ACTION BY SECRETARY.—

13 “(A) IN GENERAL.—The Secretary shall
 14 proportionately reduce base acres on a farm for
 15 covered commodities for land that has been sub-
 16 divided and developed for multiple residential
 17 units or other nonfarming uses if the size of the
 18 tracts and the density of the subdivision is such
 19 that the land is unlikely to return to the pre-
 20 vious agricultural use, unless the producers on
 21 the farm demonstrate that the land—

22 “(i) remains devoted to commercial
 23 agricultural production; or

24 “(ii) is likely to be returned to the
 25 previous agricultural use.

1 “(B) REQUIREMENT.—The Secretary shall
 2 establish procedures to identify land described
 3 in subparagraph (A).

4 “(3) REVIEW AND REPORT.—Each year, to en-
 5 sure, to the maximum extent practicable, that pay-
 6 ments are received only by producers, the Secretary
 7 shall submit to Congress a report that describes the
 8 results of the actions taken under paragraph (2).

9 “(d) TREATMENT OF FARMS WITH LIMITED BASE
 10 ACRES.—

11 “(1) PROHIBITION ON PAYMENTS.—Except as
 12 provided in paragraph (2) and notwithstanding any
 13 other provision of this title, a producer on a farm
 14 may not receive revenue loss assistance program
 15 payments or counter-cyclical payments if the sum of
 16 the base acres of the farm is 10 acres or less, as de-
 17 termined by the Secretary.

18 “(2) EXCEPTIONS.—Paragraph (1) shall not
 19 apply to a farm owned or operated by—

20 “(A) a socially disadvantaged farmer or
 21 rancher (as defined in section 355(e) of the
 22 Consolidated Farm and Rural Development Act
 23 (7 U.S.C. 2003(e))); or

24 “(B) a limited resource farmer or rancher,
 25 as defined by the Secretary.

1 “(3) DATA COLLECTION AND PUBLICATION.—

2 The Secretary shall—

3 “(A) collect and publish segregated data
4 and survey information about the farm profiles,
5 utilization of land, and crop production; and

6 “(B) perform an evaluation on the supply
7 and price of fruits and vegetables based on the
8 effects of suspension of base acres under this
9 section.

10 **“SEC. 1102. PAYMENT YIELDS.**

11 “For the purpose of making revenue loss assistance
12 program payments and counter-cyclical payments under
13 this subtitle, the Secretary shall provide for the establish-
14 ment of a payment yield for each farm for any designated
15 oilseed or eligible pulse crop for which a payment yield
16 was not established under section 1102 of the Farm Secu-
17 rity and Rural Investment Act of 2002 (7 U.S.C. 7912)
18 or this section as in effect on September 30, 2012.

19 **“SEC. 1103. REVENUE LOSS ASSISTANCE PROGRAM.**

20 “(a) DEFINITIONS.—In this section:

21 “(1) FARM.—The term ‘farm’ means, in rela-
22 tion to an eligible producer on a farm, the sum of
23 all acreage in all counties of the covered commodity
24 that is planted or intended to be planted for harvest
25 by the eligible producer.

1 “(2) NONINSURED CROP DISASTER ASSISTANCE
2 PROGRAM.—The term ‘noninsured crop disaster as-
3 sistance program’ means the program established by
4 section 196 of the Federal Agriculture Improvement
5 and Reform Act of 1996 (7 U.S.C. 7333).

6 “(3) SOCIALLY DISADVANTAGED FARMER OR
7 RANCHER.—The term ‘socially disadvantaged farmer
8 or rancher’ has the meaning given the term in sec-
9 tion 355(e) of the Consolidated Farm and Rural De-
10 velopment Act (7 U.S.C. 2003(e)).

11 “(b) PAYMENTS REQUIRED.—Beginning with the
12 2013 crop year of each covered commodity, the Secretary
13 shall make revenue loss assistance payments to eligible
14 producers on farms in accordance with this section.

15 “(c) COVERAGE PROVIDED.—The revenue loss assist-
16 ance program under this section shall cover losses suffered
17 by a producer with respect to covered commodities on a
18 farm in excess of 12 percent and up to a maximum of
19 25 percent of the historic revenue of the producer.

20 “(d) ELIGIBILITY.—A producer on a farm shall be
21 eligible for assistance under this section—

22 “(1) in the case of each insurable covered com-
23 modity produced on the farm (excluding grazing
24 land), if the producer obtains a policy or plan of in-
25 surance under subtitle A of the Federal Crop Insur-

1 ance Act (7 U.S.C. 1501 et seq.) (excluding a crop
2 insurance pilot program under that subtitle);

3 “(2) in the case of each noninsurable covered
4 commodity produced on the farm, if the producer
5 files the required paperwork, and pays the adminis-
6 trative fee by the applicable State filing deadline, for
7 the noninsured crop disaster assistance program; or

8 “(3) if the producer is a socially disadvantaged
9 farmer or rancher.

10 “(e) PAYMENT AMOUNT.—

11 “(1) IN GENERAL.—Subject to paragraph (2),
12 the amount of a revenue loss assistance payment for
13 a covered commodity on a farm to be paid to a pro-
14 ducer of the covered commodity on the farm during
15 an applicable crop year shall equal the product ob-
16 tained by multiplying—

17 “(A) the per acre revenue loss of the pro-
18 ducer for the covered commodity on the farm,
19 as determined under paragraph (2)(A);

20 “(B) the payment factor determined under
21 paragraph (2)(B);

22 “(C) in the case of acreage that the pro-
23 ducer was prevented from planting, the applica-
24 ble prevented planting payment factor deter-
25 mined under paragraph (2)(C); and

1 “(D) the payment acres on the farm deter-
 2 mined under paragraph (2)(D).

3 “(2) REVENUE LOSS PAYMENT FACTORS.—For
 4 purposes of paragraph (1):

5 “(A) REVENUE LOSS.—The amount of the
 6 per acre revenue loss of the producer shall be
 7 equal to the product obtained by multiplying—

8 “(i) the lesser of—

9 “(I) the amount that—

10 “(aa) 88 percent of the his-
 11 toric revenue per acre calculated
 12 under subsection (f); exceeds

13 “(bb) the actual crop rev-
 14 enue per acre determined under
 15 subsection (g); or

16 “(II) the amount that is the dif-
 17 ference between—

18 “(aa) 88 percent of the his-
 19 toric revenue per acre calculated
 20 under subsection (f); and

21 “(bb) 75 percent of the his-
 22 toric revenue per acre calculated
 23 under subsection (f); and

24 “(ii) the payment acres calculated
 25 under subparagraph (D).

1 “(B) PAYMENT FACTOR.—Except as pro-
 2 vided in subparagraph (C), the payment factor
 3 shall be 65 percent.

4 “(C) PREVENTED PLANTING PAYMENT
 5 FACTOR.—For producers who have been pre-
 6 vented from planting and have purchased a
 7 crop insurance policy under subtitle A of the
 8 Federal Crop Insurance Act (7 U.S.C. 1501 et
 9 seq.), the prevented planting factor shall be 45
 10 percent.

11 “(D) PAYMENT ACRES.—

12 “(i) IN GENERAL.—The payment
 13 acres for a covered commodity on a farm
 14 shall equal the sum of—

15 “(I) the number of acres planted
 16 to the covered commodity on the
 17 farm; and

18 “(II) the number of acres pre-
 19 vented from being planted to covered
 20 commodity on the farm.

21 “(ii) ADJUSTMENT.—If the total pay-
 22 ment acres for all covered commodities on
 23 the farm exceeds the total base acres for
 24 all covered commodities on the farm, the
 25 total payment acres for the covered com-

modities on the farm shall be equal to the
product obtained by multiplying—

“(I) the total payment acres of
each covered commodity on the farm
determined under clause (i); by

“(II) the factor determined by di-
viding—

“(aa) the total base acres
for all covered commodities on
the farm; by

“(bb) the total acreage
planted or prevented from being
planted to all covered commod-
ities on the farm.

“(f) HISTORIC REVENUE PER ACRE.—

“(1) IN GENERAL.—Subject to subsection (h),
the historic revenue per acre for a covered com-
modity produced on a farm shall be equal to the
product obtained by multiplying—

“(A) the production yield for the covered
commodity determined under paragraph (2)(A);
and

“(B) the historic commodity price for the
covered commodity determined under paragraph
(2)(B).

1 “(2) HISTORIC REVENUE FACTORS.—For pur-
2 poses of paragraph (1):

3 “(A) PRODUCTION YIELD.—The produc-
4 tion yield of a covered commodity shall be the
5 higher of—

6 “(i) a production yield based on the
7 weighted average of the actual production
8 history yields of the producer for all acre-
9 age devoted to the covered commodity on
10 the farm, as determined by the Secretary;

11 “(ii) the weighted average of produc-
12 tion yields for the most recent 5 crop years
13 for all acreage devoted to the covered com-
14 modity on the farm, excluding the crop
15 years with the highest and lowest yields, as
16 determined by the Secretary;

17 “(iii) the production yield that is
18 equal to—

19 “(I) the payment yield estab-
20 lished for the counter-cyclical program
21 that is in effect as of September 30,
22 2012; or

23 “(II) the payment yield estab-
24 lished under section 1102; or

1 “(iv) the yield established by the Sec-
2 retary in the case of a producer on a farm
3 that does not have a production yield es-
4 tablished under clause (i), (ii), or (iii).

5 “(B) HISTORIC COMMODITY PRICE.—The
6 historic commodity price for each crop of a cov-
7 ered commodity produced on a farm shall be
8 equal to the higher of—

9 “(i) the target price for the covered
10 commodity under section 1104(c); or

11 “(ii) subject to subparagraph (C), the
12 average national price (as determined by
13 the Secretary) for each covered commodity,
14 by type or variety as applicable, for the
15 marketing years for the immediately pre-
16 ceding 5 crops, excluding the year in which
17 the average price received was the highest
18 in the period and the year in which the av-
19 erage price received was the lowest in the
20 period, as determined by the Secretary.

21 “(C) LIMITATION.—The average national
22 price for each covered commodity under sub-
23 paragraph (B)(ii) may not exceed the total eco-
24 nomic cost of production for each covered com-

1 modity for the applicable crop year, as deter-
 2 mined by the Secretary.

3 “(g) ACTUAL CROP REVENUE PER ACRE.—

4 “(1) IN GENERAL.—Subject to subsection (h),
 5 the actual crop revenue per acre for a covered com-
 6 modity produced on a farm during the applicable
 7 crop year shall be equal to the sum of—

8 “(A) the product obtained by multi-
 9 plying—

10 “(i) the actual yield for the covered
 11 commodity on the farm determined under
 12 paragraph (2)(A); and

13 “(ii) the average price of the covered
 14 commodity determined under paragraph
 15 (2)(B); and

16 “(B) the average amount of crop insurance
 17 indemnities and noninsured crop disaster assist-
 18 ance payments received by a producer on the
 19 farm determined under paragraph (2)(C).

20 “(2) ACTUAL CROP REVENUE FACTORS.—For
 21 purposes of paragraph (1):

22 “(A) ACTUAL YIELD.—The actual yield of
 23 a covered commodity shall be equal to the
 24 weighted average yield of all planted acres of

1 the covered commodity on the farm, as deter-
2 mined by the Secretary.

3 “(B) AVERAGE PRICE.—

4 “(i) IN GENERAL.—Subject to clause
5 (ii), the average price of a covered com-
6 modity shall be equal to the national aver-
7 age price for each covered commodity on
8 the farm, determined by type or class if
9 applicable in the case of wheat, barley, and
10 rice, for the first 4 months of the mar-
11 keting year of the covered commodity dur-
12 ing which the crop of the covered com-
13 modity would normally be expected to be
14 harvested, as determined by the Secretary.

15 “(ii) ADJUSTMENT.—The Secretary
16 shall adjust the average national price of a
17 covered commodity received by a producer
18 on a farm to reflect—

19 “(I) the average quality discounts
20 applied to the local or regional market
21 price of a crop or mechanically har-
22 vested forage due to damage of the
23 covered commodity from adverse
24 weather, as determined annually by
25 Secretary;

1 “(II) the reduced value of the
 2 covered commodity due to excess
 3 moisture resulting from a disaster-re-
 4 lated condition; or

5 “(III) as the Secretary deter-
 6 mines appropriate, regional variations
 7 in quality recognized under the crop
 8 insurance program under subtitle A of
 9 the Federal Crop Insurance Act (7
 10 U.S.C. 1501 et seq.) and the non-
 11 insured crop disaster assistance pro-
 12 gram.

13 “(C) NET CROP INSURANCE INDEM-
 14 NITIES.—For each covered commodity, the av-
 15 erage amount of crop insurance indemnities and
 16 noninsured crop disaster assistance payments
 17 received by a producer on a farm shall be equal
 18 to the weighted average amount of crop insur-
 19 ance indemnities less the amount of the pro-
 20 ducer-paid premium per acre and noninsured
 21 crop disaster assistance payments per acre re-
 22 ceived by the producer.

23 “(h) EXCLUSION OF GHOST ACRES.—

24 “(1) IN GENERAL.—Except as provided in para-
 25 graph (2), any crop subsequently planted on land de-

1 terminated for purposes of the Federal crop insurance
 2 program to be prevented planting acreage during the
 3 same crop year shall not be considered in calculating
 4 the historic revenue per acre or the actual crop revenue
 5 per acre for the farm under this section.

6 “(2) EXCEPTION.—Paragraph (1) shall not
 7 apply to a farm that, as determined by the Secretary—
 8 retary—

9 “(A) has a history of double-cropping; and

10 “(B) is located in an area in which double-
 11 cropping is an acceptable agricultural practice
 12 for purposes of the Federal crop insurance pro-
 13 gram.

14 **“SEC. 1104. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
 15 **MENTS.**

16 “(a) PAYMENT REQUIRED.—For each of the 2013
 17 through 2017 crop years for each covered commodity, the
 18 Secretary shall make counter-cyclical payments to pro-
 19 ducers on farms for which payment yields and base acres
 20 are established with respect to the covered commodity if
 21 the Secretary determines that the effective price for the
 22 covered commodity is less than the target price for the
 23 covered commodity.

24 “(b) EFFECTIVE PRICE.—

1 “(1) COVERED COMMODITIES OTHER THAN
 2 RICE.—Except as provided in paragraph (2), for
 3 purposes of subsection (a), the effective price for a
 4 covered commodity is equal to the higher of the fol-
 5 lowing:

6 “(A) The national average market price re-
 7 ceived by producers during the first 4 months
 8 of the marketing year for the covered com-
 9 modity, as determined by the Secretary.

10 “(B) The national average loan rate for a
 11 marketing assistance loan for the covered com-
 12 modity in effect for the applicable period under
 13 subtitle B.

14 “(2) RICE.—In the case of long grain rice and
 15 medium grain rice, for purposes of subsection (a),
 16 the effective price for each type or class of rice is
 17 equal to the higher of the following:

18 “(A) The national average market price re-
 19 ceived by producers during the first 4 months
 20 of the marketing year for the type or class of
 21 rice, as determined by the Secretary.

22 “(B) The national average loan rate for a
 23 marketing assistance loan for the type or class
 24 of rice in effect for the applicable period under
 25 subtitle B.

1 “(c) TARGET PRICE.—For purposes of each of the
2 2013 through 2017 crop years, the target prices for cov-
3 ered commodities shall be as follows:

4 “(1) Wheat, \$4.17 per bushel.

5 “(2) Corn, \$2.63 per bushel.

6 “(3) Grain sorghum, \$2.63 per bushel.

7 “(4) Barley, \$2.63 per bushel.

8 “(5) Oats, \$1.79 per bushel.

9 “(6) Upland cotton, \$0.65 per pound.

10 “(7) Long grain rice, \$10.50 per hundred-
11 weight.

12 “(8) Medium grain rice, \$10.50 per hundred-
13 weight.

14 “(9) Soybeans, \$6.00 per bushel.

15 “(10) Other oilseeds, \$12.68 per hundred-
16 weight.

17 “(11) Dry peas, \$8.32 per hundredweight.

18 “(12) Lentils, \$12.81 per hundredweight.

19 “(13) Small chickpeas, \$10.36 per hundred-
20 weight.

21 “(14) Large chickpeas, \$12.81 per hundred-
22 weight.

23 “(15) Peanuts, \$495 per ton.

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

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

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

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

7 “(e) PAYMENT AMOUNT.—If counter-cyclical pay-
8 ments are required to be paid under this section for any
9 of the 2013 through 2017 crop years of a covered com-
10 modity, the amount of the counter-cyclical payment to be
11 paid to the producers on a farm for that crop year shall
12 be equal to the product of the following:

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

15 “(2) The counter-cyclical payment acres of the
16 covered commodity on the farm.

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

19 “(f) TIME FOR PAYMENTS.—If the Secretary deter-
20 mines under subsection (a) that counter-cyclical payments
21 are required to be made under this section for the crop
22 of a covered commodity, as soon as practicable after the
23 end of the first 4 months of the marketing year for the
24 covered commodity, the Secretary shall make the counter-
25 cyclical payments for the crop.

1 **“SEC. 1105. PRODUCER AGREEMENT REQUIRED AS CONDI-**
 2 **TION OF PROVISION OF PAYMENTS.**

3 “(a) COMPLIANCE WITH CERTAIN REQUIRE-
 4 MENTS.—

5 “(1) REQUIREMENTS.—Before the producers on
 6 a farm may receive revenue loss assistance program
 7 payments or counter-cyclical payments with respect
 8 to the farm, the producers shall agree, during the
 9 crop year for which the payments are made and in
 10 exchange for the payments—

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

15 “(B) to comply with applicable wetland
 16 protection requirements under subtitle C of title
 17 XII of that Act (16 U.S.C. 3821 et seq.);

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

20 “(D) to use the land on the farm, in a
 21 quantity equal to the attributable base acres for
 22 the farm for an agricultural or conserving use,
 23 and not for a nonagricultural commercial, in-
 24 dustrial, or residential use, as determined by
 25 the Secretary; and

1 “(E) to effectively control noxious weeds
 2 and otherwise maintain the land in accordance
 3 with sound agricultural practices, as determined
 4 by the Secretary, if the agricultural or con-
 5 serving use involves the noncultivation of any
 6 portion of the land referred to in subparagraph
 7 (D).

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

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

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

19 “(1) TERMINATION.—

20 “(A) IN GENERAL.—Except as provided in
 21 paragraph (2), a transfer of (or change in) the
 22 interest of the producers on a farm in base
 23 acres for which revenue loss assistance program
 24 payments or counter-cyclical payments are
 25 made shall result in the termination of the rev-

1 enue loss assistance program payments or
 2 counter-cyclical payments to the extent the pay-
 3 ments are made or based on the base acres, un-
 4 less the transferee or owner of the acreage
 5 agrees to assume all obligations under sub-
 6 section (a).

7 “(B) EFFECTIVE DATE.—The termination
 8 shall take effect on the date determined by the
 9 Secretary.

10 “(2) EXCEPTION.—If a producer entitled to a
 11 revenue loss assistance program payment or counter-
 12 cyclical payment dies, becomes incompetent, or is
 13 otherwise unable to receive the payment, the Sec-
 14 retary shall make the payment, in accordance with
 15 rules issued by the Secretary.

16 “(c) REPORTS.—

17 “(1) ACREAGE REPORTS.—As a condition on
 18 the receipt of any benefits under this subtitle or sub-
 19 title B, the Secretary shall require producers on a
 20 farm to submit to the Secretary annual acreage re-
 21 ports with respect to all cropland on the farm.

22 “(2) PENALTIES.—No penalty with respect to
 23 benefits under this subtitle or subtitle B shall be as-
 24 sessed against the producers on a farm for an inac-
 25 curate acreage report unless the producers on the

1 farm knowingly and willfully falsified the acreage re-
2 port.

3 “(d) TENANTS AND SHARECROPPERS.—In carrying
4 out this subtitle, the Secretary shall provide adequate safe-
5 guards to protect the interests of tenants and share-
6 croppers.

7 “(e) SHARING OF PAYMENTS.—The Secretary shall
8 provide for the sharing of revenue loss assistance program
9 payments and counter-cyclical payments among the pro-
10 ducers on a farm on a fair and equitable basis.

11 **“SEC. 1106. PLANTING FLEXIBILITY.**

12 “(a) DEFINITION OF NONCOVERED COMMODITY.—In
13 this section, the term ‘noncovered commodity’ means—

14 “(1) fruits;

15 “(2) vegetables; and

16 “(3) wild rice.

17 “(b) PERMITTED CROPS.—Subject to subsection (c),
18 any commodity or crop (other than a controlled substance)
19 may be planted on base acres on a farm.

20 “(c) REDUCTION IN BASE ACRES.—

21 “(1) IN GENERAL.—Subject to paragraph (2),
22 for each crop year for which a noncovered com-
23 modity is planted on base acres on a farm, the total
24 base acres used to calculate revenue loss assistance
25 program payments and counter-cyclical payments

1 shall be reduced by an acre for each acre planted to
2 the noncovered commodity.

3 “(2) DOUBLE-CROPPING.—In any region or on
4 any farm that has a history of double-cropping of
5 covered commodities with noncovered commodities,
6 as determined by the Secretary, a producer may re-
7 ceive full revenue loss assistance program payments
8 and counter-cyclical payments for crops of covered
9 commodities, but no payments for crops of non-
10 covered commodities.

11 **“SEC. 1107. SPECIAL RULE FOR LONG GRAIN AND MEDIUM**
12 **GRAIN RICE.**

13 “(a) CALCULATION METHOD.—Subject to sub-
14 sections (b) and (c), for the purposes of determining the
15 amount of the revenue loss assistance program payments
16 and counter-cyclical payments to be paid to the producers
17 on a farm for long grain rice and medium grain rice under
18 sections 1103 and 1104, respectively, the base acres of
19 rice on the farm shall be apportioned using the 4-year av-
20 erage of the percentages of acreage planted in the applica-
21 ble State to long grain rice and medium grain rice during
22 the 2003 through 2006 crop years, as determined by the
23 Secretary.

24 “(b) PRODUCER ELECTION.—As an alternative to the
25 calculation method described in subsection (a), the Sec-

1 retary shall provide producers on a farm the opportunity
 2 to elect to apportion rice base acres on the farm using
 3 the 4-year average of—

4 “(1) the percentages of acreage planted on the
 5 farm to long grain rice and medium grain rice dur-
 6 ing the 2003 through 2006 crop years;

7 “(2) the percentages of any acreage on the
 8 farm that the producers were prevented from plant-
 9 ing to long grain rice and medium grain rice during
 10 the 2003 through 2006 crop years because of
 11 drought, flood, other natural disaster, or other con-
 12 dition beyond the control of the producers, as deter-
 13 mined by the Secretary; and

14 “(3) in the case of a crop year for which a pro-
 15 ducer on a farm elected not to plant to long grain
 16 and medium grain rice during the 2003 through
 17 2006 crop years, the percentages of acreage planted
 18 in the applicable State to long grain rice and me-
 19 dium grain rice, as determined by the Secretary.

20 “(c) LIMITATION.—In carrying out this section, the
 21 Secretary shall use the same total base acres, counter-cy-
 22 clical payment acres, and payment yields established with
 23 respect to rice under sections 1101 and 1102 of the Farm
 24 Security and Rural Investment Act of 2002 (7 U.S.C.

1 7911, 7912), as in effect on September 30, 2007, subject
 2 to any adjustment under section 1101 of this Act.

3 **“SEC. 1108. PERIOD OF EFFECTIVENESS.**

4 “This subtitle shall be effective beginning with the
 5 2013 crop year of each covered commodity through the
 6 2017 crop year.”.

7 **SEC. 3. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.**

9 (a) LOAN RATES FOR NONRECOURSE MARKETING
 10 ASSISTANCE LOANS.—Section 1202 of the Food, Con-
 11 servation, and Energy Act of 2008 (7 U.S.C. 8732) is
 12 amended—

13 (1) by redesignating subsection (d) as sub-
 14 section (e); and

15 (2) by inserting after subsection (c) the fol-
 16 lowing:

17 “(c) 2013 THROUGH 2017 CROP YEARS.—For pur-
 18 poses of each of the 2013 through 2017 crop year, the
 19 loan rate for a marketing assistance loan under section
 20 1201 for a loan commodity shall be equal to the following:

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

22 “(2) In the case of corn, \$1.95 per bushel.

23 “(3) In the case of grain sorghum, \$1.95 per
 24 bushel.

25 “(4) In the case of barley, \$1.95 per bushel.

1 “(5) In the case of oats, \$1.39 per bushel.

2 “(6) In the case of base quality of upland cot-
3 ton—

4 “(A) for the 2012 crop year, \$0.52 per
5 pound; and

6 “(B) for the 2013 and each subsequent
7 crop year, the simple average of the adjusted
8 prevailing world price for the 2 immediately
9 preceding marketing years, as determined by
10 the Secretary and announced the October 1
11 preceding the next domestic plantings, but in
12 no case less than \$0.47 per pound or more than
13 \$0.52 per 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
17 hundredweight.

18 “(9) In the case of medium grain rice, \$6.50
19 per hundredweight.

20 “(10) In the case of soybeans, \$5.00 per bushel.

21 “(11) In the case of other oilseeds, \$10.09 per
22 hundredweight for each of the following kinds of oil-
23 seeds:

24 “(A) Sunflower seed.

25 “(B) Rapeseed.

1 “(C) Canola.

2 “(D) Safflower.

3 “(E) Flaxseed.

4 “(F) Mustard seed.

5 “(G) Crambe.

6 “(H) Sesame seed.

7 “(I) Other oilseeds designated by the Sec-
8 retary.

9 “(12) In the case of dry peas, \$5.40 per hun-
10 dredweight.

11 “(13) In the case of lentils, \$11.28 per hun-
12 dredweight.

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

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

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

19 “(17) In the case of nongraded wool, \$0.40 per
20 pound.

21 “(18) In the case of mohair, \$4.20 per pound.

22 “(19) In the case of honey, \$0.69 per pound.

23 “(20) In the case of peanuts, \$355 per ton.”.

1 (b) PEANUTS MARKETING.—Section 1204 of the
 2 Food, Conservation, and Energy Act of 2008 (7 U.S.C.
 3 8734) is amended by adding at the end the following:

4 “(i) PEANUTS MARKETING.—A marketing associa-
 5 tion or cooperative may market peanuts for which a loan
 6 is made under this section in any manner that conforms
 7 to consumer needs, including the separation of peanuts by
 8 type and quality.”.

9 **SEC. 4. EXTENSION OF EXPIRING AUTHORITIES.**

10 (a) FOOD, CONSERVATION, AND ENERGY ACT OF
 11 2008.—

12 (1) IN GENERAL.—The following provisions of
 13 the Food, Conservation, and Energy Act of 2008 are
 14 amended by striking “2012” each place it appears
 15 and inserting “2017”:

16 (A) Section 1201(a)(1) (7 U.S.C.
 17 8731(a)(1)).

18 (B) Section 1205(a)(2)(B) (7 U.S.C.
 19 8735(a)(2)(B)).

20 (C) Subsections (a) and (d) of section
 21 1206 (7 U.S.C. 8736).

22 (D) Subsections (a)(2) and (b) of section
 23 1209 (7 U.S.C. 8739).

24 (E) Section 1307(a)(1) (7 U.S.C.
 25 8757(a)(1)).

1 (F) Subsections (g) and (h)(1) of section
2 1506 (7 U.S.C. 8773).

3 (G) Section 1602 (7 U.S.C. 8782).

4 (H) Section 1605(h) (7 U.S.C. 8783(h)).

5 (I) Subsections (b)(2)(A) and (c) of section
6 1612 (7 U.S.C. 8787).

7 (J) Section 1613(c) (7 U.S.C. 8788(c)).

8 (K) Section 1621(d) (7 U.S.C. 8792(d)).

9 (2) OTHER AMENDMENTS.—

10 (A) ADJUSTMENT OF PREVAILING WORLD
11 MARKET PRICE FOR UPLAND COTTON.—Section
12 1204(e)(2)(B) of the Food, Conservation, and
13 Energy Act of 2008 (7 U.S.C. 8734(e)(2)(B))
14 is amended by striking “July 31, 2013” and in-
15 serting “July 31, 2018”.

16 (B) SPECIAL MARKETING LOAN PROVI-
17 SIONS FOR UPLAND COTTON.—Section
18 1207(a)(2)(A) of the Food, Conservation, and
19 Energy Act of 2008 (7 U.S.C. 8737(a)(2)(A))
20 is amended by striking “July 31, 2013” and in-
21 serting “July 31, 2018”.

22 (C) SPECIAL COMPETITIVE PROVISIONS
23 FOR EXTRA LONG STAPLE COTTON.—Section
24 1208(a) of the Food, Conservation, and Energy
25 Act of 2008 (7 U.S.C. 8738(a)) is amended in

1 the matter preceding paragraph (1) by striking
 2 “July 31, 2013” and inserting “July 31,
 3 2018”.

4 (D) DAIRY PRODUCT PRICE SUPPORT PRO-
 5 GRAM.—Section 1501(b) of the Food, Conserva-
 6 tion, and Energy Act of 2008 (7 U.S.C.
 7 8771(b)) is amended by striking “December 31,
 8 2012” and inserting “December 31, 2017”.

9 (E) DAIRY FORWARD PRICING PROGRAM.—
 10 Section 1502(e) of the Food, Conservation, and
 11 Energy Act of 2008 (7 U.S.C. 8772(e)) is
 12 amended—”

13 (i) in paragraph (1), by striking “Sep-
 14 tember 30, 2012” and inserting “Sep-
 15 tember 30, 2017”; and

16 (ii) in paragraph (2), by striking
 17 “September 30, 2015” and inserting “Sep-
 18 tember 30, 2020”.

19 (b) OTHER LAWS.—The following provisions of law
 20 are amended by striking “2012” each place it appears and
 21 inserting “2017”:

22 (1) The matter preceding subparagraph (A) of
 23 section 359b(a)(1) of the Agricultural Adjustment
 24 Act of 1938 (7 U.S.C. 1359bb(a)(1)).

1 (2) Section 359*l*(a) of the Agricultural Adjust-
2 ment Act of 1938 (7 U.S.C. 1359*l*(a)).

3 (3) Section 153(a) of the Food Security Act of
4 1985 (15 U.S.C. 713a–14(a)).

5 (4) Section 3 of Public Law 90–484 (7 U.S.C.
6 450*l*).

7 (5) Section 113(e)(2) of the Dairy Production
8 Stabilization Act of 1983 (7 U.S.C. 4504(e)(2)).

9 (6)(A) Section 156 of the Federal Agriculture
10 Improvement and Reform Act of 1996 (7 U.S.C.
11 7272) is amended—

12 (i) in subsection (a)(5), by striking “the
13 2012 crop year” and inserting “each of the
14 2013 through 2017 crop years”;

15 (ii) in subsection (b)(2), by striking
16 “2012” and inserting “2017”; and

17 (iii) in subsection (i), by striking “2012”
18 and inserting “2017”.

19 (B) Section 1402 of the Food, Conservation,
20 and Energy Act of 2008 (7 U.S.C. 3602 note; Pub-
21 lic Law 110–246) is amended by striking “2007”
22 and inserting “2012”.

23 (c) TECHNICAL CORRECTIONS.—

1 (1) Section 359f(c)(1)(B) of the Agricultural
2 Adjustment Act of 1938 (7 U.S.C. 1359ff(c)(1)(B))
3 is amended by adding a period at the end.

4 (2) Section 1603(g) of the Food, Conservation,
5 and Energy Act of 2008 (Public Law 110–246; 122
6 Stat. 1739) is amended in paragraphs (2) through
7 (6) and the amendments made by those paragraphs
8 by striking “1703(a)” each place it appears and in-
9 serting “1603(a)”.

10 (3) This paragraph and the amendments made
11 by this paragraph take effect as if included in the
12 Food, Conservation, and Energy Act of 2008 (Public
13 Law 110–246; 122 Stat. 1651).

14 **SEC. 5. REPEAL OF DIRECT PAYMENT AND ACRE PRO-**
15 **GRAMS.**

16 (a) FOOD, CONSERVATION, AND ENERGY ACT OF
17 2008.—

18 (1) The table of contents in section 1(b) of the
19 Food, Conservation, and Energy Act of 2008 (122
20 Stat. 1651; 7 U.S.C. 8701 note) is amended in the
21 items relating to title I—

22 (A) by striking the items relating to sub-
23 title A and inserting the following:

“Subtitle A—Revenue Loss Assistance Program and Counter-Cyclical
Program

“Sec. 1101. Base acres.

“Sec. 1102. Payment yields.

“Sec. 1103. Revenue loss assistance program.

“Sec. 1104. Availability of counter-cyclical payments.

“Sec. 1105. Producer agreement required as condition of provision of payments.

“Sec. 1106. Planting flexibility.

“Sec. 1107. Special rule for long grain and medium grain rice.

“Sec. 1108. Period of effectiveness.”;

1 and

2 (B) by striking the items relating to sub-
3 title C.

4 (2) Section 1206(b) of the Food, Conservation,
5 and Energy Act of 2008 (7 U.S.C. 8736(b)) is
6 amended—

7 (A) in paragraph (1)(B)(ii), by striking
8 “the payment yield in effect for the calculation
9 of direct payments under subtitle A with re-
10 spect to that loan commodity on the farm or, in
11 the case of a farm without a payment yield for
12 that loan commodity,”; and

13 (B) in paragraph (2)(B)(ii), by striking
14 “the payment yield in effect for the calculation
15 of direct payments under subtitle A with re-
16 spect to wheat on the farm or, in the case of
17 a farm without a payment yield for wheat,”.

18 (b) FOOD SECURITY ACT OF 1985.—

19 (1) Section 1001 of the Food Security Act of
20 1985 (7 U.S.C. 1308) is amended by striking sub-
21 sections (b) and (c) and inserting the following:

1 “(b) LIMITATION ON REVENUE LOSS ASSISTANCE
 2 PROGRAM PAYMENTS AND COUNTER-CYCLICAL PAY-
 3 MENTS FOR COVERED COMMODITIES.—The total amount
 4 of revenue loss assistance program payments and counter-
 5 cyclical program payments received, directly or indirectly,
 6 by a person or legal entity for any crop year under subtitle
 7 A of title I of the Food, Conservation, and Energy Act
 8 of 2008 (7 U.S.C. 8711 et seq.) for 1 or more covered
 9 commodities may not exceed \$105,000.”.

10 (2) Section 1001D of the Food Security Act of
 11 1985 (7 U.S.C. 1308–3a) is amended—

12 (A) in subsection (b)(1)—

13 (i) by striking subparagraphs (A) and

14 (B) and inserting the following:

15 “(A) IN GENERAL.—Notwithstanding any
 16 other provision of law, a person or legal entity
 17 shall not be eligible to receive any benefit de-
 18 scribed in subparagraph (B) during a crop, fis-
 19 cal, or program year, as appropriate, if the av-
 20 erage adjusted gross income of the person or
 21 legal entity exceeds \$999,000.”;

22 (ii) by redesignating subparagraph

23 (C) as subparagraph (B); and

1 (iii) in subparagraph (B) (as so des-
 2 ignated) by striking clause (i) and insert-
 3 ing the following:

4 “(i) A revenue loss assistance pro-
 5 gram payment or counter-cyclical payment
 6 under title I of the Food, Conservation,
 7 and Energy Act of 2008 (7 U.S.C. 8702 et
 8 seq.).”; and

9 (B) in subsection (f), by striking “2012”
 10 and inserting “2017”.

11 **SEC. 6. SUPPLEMENTAL COVERAGE OPTION.**

12 (a) AVAILABILITY OF SUPPLEMENTAL COVERAGE
 13 OPTION.—Section 508(c) of the Federal Crop Insurance
 14 Act (7 U.S.C. 1508(c)) is amended by striking paragraph
 15 (3) and inserting the following:

16 “(3) YIELD AND LOSS BASIS OPTIONS.—A pro-
 17 ducer shall have the option of purchasing additional
 18 coverage based on—

19 “(A)(i) an individual yield and loss basis;

20 or

21 “(ii) an area yield and loss basis; or

22 “(B) an individual yield and loss basis,
 23 supplemented with coverage based on an area
 24 yield and loss basis to cover a part of the de-

1 ductible under the individual yield and loss pol-
 2 icy, as described in paragraph (4)(C).”.

3 (b) LEVEL OF COVERAGE.—Section 508(c) of the
 4 Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amend-
 5 ed by striking paragraph (4) and inserting the following:

6 “(4) LEVEL OF COVERAGE.—

7 “(A) DOLLAR DENOMINATION.—Except as
 8 provided in subparagraph (C), the level of cov-
 9 erage shall be dollar-denominated.

10 “(B) INFORMATION.—The Corporation
 11 shall provide producers with information on cat-
 12 astrophic risk and additional coverage in terms
 13 of dollar coverage (within the allowable limits of
 14 coverage provided in this paragraph).

15 “(C) SUPPLEMENTAL COVERAGE OP-
 16 TION.—

17 “(i) IN GENERAL.—Notwithstanding
 18 subparagraph (A), in the case of the sup-
 19 plemental coverage option described in
 20 paragraph (3)(B), the Corporation shall
 21 offer producers the opportunity to pur-
 22 chase coverage in combination with an in-
 23 dividual policy or plan of insurance (other
 24 than catastrophic risk protection) offered
 25 under this subtitle that would allow indem-

1 nities to be paid to a producer equal to
 2 part of the deductible under the individual
 3 policy or plan of insurance, if sufficient
 4 area data is available (as determined by
 5 the Corporation).

6 “(ii) TRIGGER.—Coverage offered
 7 under paragraph (3)(B) and clause (i)
 8 shall be triggered only if the losses in the
 9 area exceed 25 percent of normal levels (as
 10 determined by the Corporation).

11 “(iii) COVERAGE.—Subject to the trig-
 12 ger described in clause (ii) and the deduct-
 13 ible required under clause (iv), coverage of-
 14 fered under paragraph (3)(B) and clause
 15 (i) shall cover the first loss incurred by the
 16 producer but not to exceed the difference
 17 between—

18 “(I) 75 percent; and

19 “(II) the coverage level selected
 20 by the producer for the underlying
 21 policy or plan of insurance.

22 “(iv) DEDUCTIBLE.—Coverage offered
 23 under paragraph (3)(B) and clause (i)
 24 shall be subject to a deductible in an
 25 amount equal to 25 percent of the expected

1 value of the crop of the producer under the
 2 underlying policy or plan of insurance, as
 3 determined by the Corporation.

4 “(v) REQUIRED TERMS.—The supple-
 5 mental coverage option shall be offered to
 6 producers of an agricultural commodity in
 7 each county in which the agricultural com-
 8 modity is produced—

9 “(I) at a county-wide level to the
 10 fullest extent practicable; or

11 “(II) in a county that lacks suffi-
 12 cient data, on the basis of such larger
 13 geographical area as the Corporation
 14 determines to provide sufficient data
 15 for purposes of providing the cov-
 16 erage.

17 “(vi) PREMIUM AMOUNT.—Notwith-
 18 standing subsection (d), the premium
 19 shall—

20 “(I) be sufficient to cover antici-
 21 pated losses and a reasonable reserve;
 22 and

23 “(II) include an amount for oper-
 24 ating and administrative expenses es-
 25 tablished in accordance with sub-

1 section (k)(4)(F), but not to exceed 6
 2 percent of the premium used to define
 3 the loss ratio for the supplemental
 4 coverage option.”.

5 (c) PREMIUM.—Section 508(d)(2)(B) of the Federal
 6 Crop Insurance Act (7 U.S.C. 1508(d)(2)(B)) is amended
 7 in the matter preceding clause (i) by inserting “or that
 8 combines an individual yield and loss basis and an area
 9 yield and loss basis” after “not based on individual yield”.

10 (d) PAYMENT OF PORTION OF PREMIUM BY COR-
 11 PORATION.—Section 508(e)(2) of the Federal Crop Insur-
 12 ance Act (7 U.S.C. 1508(e)(2)) is amended by adding at
 13 the end the following:

14 “(H) In the case of the supplemental cov-
 15 erage option described in paragraphs (3)(B)
 16 and (4)(C) of subsection (c), the amount shall
 17 be equal to the sum of—

18 “(i) not less than 70 percent of the
 19 additional premium associated with the
 20 coverage; and

21 “(ii) the amount determined under
 22 subsection (d)(2)(B)(ii) for the coverage to
 23 cover operating and administrative ex-
 24 penses.”.

1 (e) DATA SOURCES.—Section 508(g)(2) of the Fed-
 2 eral Crop Insurance Act (7 U.S.C. 1508(g)(2)) is amended
 3 by adding at the end the following:

4 “(E) SOURCES OF YIELD DATA.—To deter-
 5 mine yields under the program established
 6 under this paragraph, the Corporation shall use
 7 data collected by the Risk Management Agency
 8 or the National Agricultural Statistics Service,
 9 or both.”.

10 (f) ADMINISTRATIVE AND OPERATING COSTS REIM-
 11 BURSEMENT RATE.—Section 508(k)(4)(F) of the Federal
 12 Crop Insurance Act (7 U.S.C. 1508(k)(4)(F)) is amended
 13 by inserting “or as authorized under section
 14 508(c)(4)(C)” after “date of enactment of this subpara-
 15 graph”.

16 (g) 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. 7. CATASTROPHIC RISK PROTECTION PREMIUM RE-**
 22 **DUCTION.**

23 Section 508(d)(2) of the Federal Crop Insurance Act
 24 (7 U.S.C. 1508(d)(2)) is amended by striking subpara-
 25 graph (A) and inserting the following:

1 “(A) CATASTROPHIC RISK PROTECTION.—

2 “(i) IN GENERAL.—For the 2011 and
3 previous crop years, the amount of the pre-
4 mium for catastrophic risk protection cov-
5 erage shall be sufficient to cover antici-
6 pated losses and a reasonable reserve.

7 “(ii) REDUCTION.—For the 2012 and
8 subsequent crop years, the amount of the
9 premium for catastrophic risk protection
10 coverage authorized under clause (i) shall
11 be reduced by the percentage equal to the
12 difference between the average loss ratio
13 for each crop and 100 percent, plus a rea-
14 sonable reserve.”.

15 **SEC. 8. ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO**
16 **ESTABLISH INSURABLE YIELDS.**

17 Section 508(g)(4)(B) of the Federal Crop Insurance
18 Act (7 U.S.C. 1508(g)(4)(B)) is amended by striking “60
19 percent” both places it appears and inserting “70 per-
20 cent”.

21 **SEC. 9. SUPPLEMENTAL AGRICULTURAL DISASTER ASSIST-**
22 **ANCE.**

23 (a) DEFINITIONS.—Section 531(a) of the Federal
24 Crop Insurance Act (7 U.S.C. 1531(a)) is amended—

25 (1) in paragraph (5)—

1 (A) in the matter preceding clause (i), by
 2 striking the first “under”; and

3 (B) by redesignating clauses (i) through
 4 (iii) as subparagraphs (A), (B), and (C), re-
 5 spectively, and indenting appropriately;

6 (2) by striking paragraph (20); and

7 (3) by redesignating paragraph (21) as para-
 8 graph (20).

9 (b) SUPPLEMENTAL REVENUE ASSISTANCE PAY-
 10 MENTS.—Section 531(b) of the Federal Crop Insurance
 11 Act (7 U.S.C. 1531(b)) is amended—

12 (1) in paragraph (1)—

13 (A) in subparagraph (A)—

14 (i) by striking “from the Trust Fund”
 15 and inserting “of the Commodity Credit
 16 Corporation”; and

17 (ii) by striking “the crop year” and
 18 inserting “during the period beginning on
 19 October 1, 2011, and ending on September
 20 30, 2012”; and

21 (B) in subparagraph (B), by striking “crop
 22 of economic significance” and inserting “cov-
 23 ered commodity (as defined in section 1001 of
 24 the Food, Conservation, and Energy Act of
 25 2008 (7 U.S.C. 8702)) or peanuts”;

1 (2) in paragraph (2)(A), in the matter pre-
 2 ceding clause (i), by striking “60 percent” and in-
 3 serting “50 percent”;

4 (3) in paragraph (3)(A)(i), in the matter pre-
 5 ceding subclause (I), by striking “115 percent” and
 6 inserting “112 percent”; and

7 (4) in paragraph (4)—

8 (A) in subparagraph (A)—

9 (i) in clause (i)(II), by inserting “the
 10 first 4 months of” after “received for”;
 11 and

12 (ii) in clause (ii), by striking “15 per-
 13 cent” and inserting “100 percent”; and

14 (B) in subparagraph (C), by inserting “the
 15 first 4 months of” after “during the”.

16 (c) LIVESTOCK INDEMNITY PAYMENTS.—Section
 17 531(c) of the Federal Crop Insurance Act (7 U.S.C.
 18 1531(c)) is amended—

19 (1) in paragraph (1)—

20 (A) by striking “from the Trust Fund”
 21 and inserting “of the funds of the Commodity
 22 Credit Corporation for each of fiscal years 2012
 23 through 2021”; and

24 (B) by inserting “, or due to predators
 25 protected or reintroduced by the Federal Gov-

1 ernment, as determined by the Secretary” be-
 2 fore the period at the end; and

3 (2) in paragraph (2), by striking “75” and in-
 4 serting “65”.

5 (d) LIVESTOCK FORAGE DISASTER PROGRAM.—Sec-
 6 tion 531(d) of the Federal Crop Insurance Act (7 U.S.C.
 7 1531(d)) is amended—

8 (1) in paragraph (2), by striking “from the
 9 Trust Fund” and inserting “of the funds of the
 10 Commodity Credit Corporation for each of fiscal
 11 years 2012 through 2021”;

12 (2) by striking paragraph (5); and

13 (3) by redesignating paragraph (6) as para-
 14 graph (5).

15 (e) EMERGENCY ASSISTANCE FOR LIVESTOCK,
 16 HONEY BEES, AND FARM-RAISED FISH.—Section
 17 531(e)(1) of the Federal Crop Insurance Act (7 U.S.C.
 18 1531(e)(1)) is amended by striking “\$50,000,000 per year
 19 from the Trust Fund” and inserting “\$20,000,000 of the
 20 funds of the Commodity Credit Corporation for each of
 21 fiscal years 2012 through 2021”.

22 (f) TREE ASSISTANCE PROGRAM.—Section 531(f) of
 23 the Federal Crop Insurance Act (7 U.S.C. 1531(f)) is
 24 amended—

1 (1) in paragraph (2)(A), by striking “from the
 2 Trust Fund” and inserting “of the funds of the
 3 Commodity Credit Corporation for each of fiscal
 4 years 2012 through 2021”; and

5 (2) in paragraph (3)—

6 (A) in subparagraph (A)(i), by striking
 7 “70” and inserting “60”; and

8 (B) in subparagraph (B), by striking “50”
 9 and inserting “40”.

10 (g) RISK MANAGEMENT PURCHASE REQUIRE-
 11 MENT.—Section 531(g)(1) of the Federal Crop Insurance
 12 Act (7 U.S.C. 1531(g)(1)) is amended in the matter pre-
 13 ceding subparagraph (A) by striking “and (d)” and insert-
 14 ing “, (d), and (e)”.

15 (h) CONFORMING AMENDMENTS.—

16 (1) Section 531 of the Federal Crop Insurance
 17 Act (7 U.S.C. 1531) is amended—

18 (A) by striking subsection (i); and

19 (B) by redesignating subsections (j) and
 20 (k) as subsections (i) and (j), respectively.

21 (2) Title IX of the Trade Act of 1974 (19
 22 U.S.C. 2497 et seq.) is repealed.

23 (i) EFFECTIVE DATE.—This section and the amend-
 24 ments made by this section take effect on October 1, 2011.

1 **SEC. 10. BUDGETARY EFFECTS.**

2 The budgetary effects of this Act, for the purpose of
3 complying with the Statutory Pay-As-You-Go Act of 2010,
4 shall be determined by reference to the latest statement
5 titled “Budgetary Effects of PAYGO Legislation” for this
6 Act, submitted for printing in the Congressional Record
7 by the Chairman of the Senate Budget Committee, pro-
8 vided that such statement has been submitted prior to the
9 vote on passage.

10 **SEC. 11. EFFECTIVE DATE.**

11 Except as otherwise provided in this Act, this Act and
12 the amendments made by this Act take effect on October
13 1, 2012.

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