

In the Senate of the United States,

July 18, 2013.

Resolved, That the bill from the House of Representatives (H.R. 2642) entitled “An Act to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

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

2 (a) *IN GENERAL.*—*This Act may be cited as the “Agriculture Reform, Food, and Jobs Act of 2013”.*

3
4 (b) *TABLE OF CONTENTS.*—*The table of contents for*
5 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Secretary.

TITLE I—COMMODITY PROGRAMS

Subtitle A—Repeals and Reforms

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. Availability of adverse market payments.*
- Sec. 1108. Agriculture risk coverage.*
- Sec. 1109. Producer agreement required as condition of provision of payments.*
- Sec. 1110. Period of effectiveness.*

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

- Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.*
- Sec. 1202. Loan rates for nonrecourse marketing assistance loans.*
- Sec. 1203. Term of loans.*
- Sec. 1204. Repayment of loans.*
- Sec. 1205. Loan deficiency payments.*
- Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.*
- Sec. 1207. Economic adjustment assistance to users of 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 PRODUCTION MARGIN PROTECTION AND DAIRY MARKET STABILIZATION PROGRAMS

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

SUBPART A—DAIRY PRODUCTION MARGIN PROTECTION PROGRAM

- Sec. 1411. Establishment of dairy production margin protection program.*
- Sec. 1412. Participation of dairy operations in production margin protection program.*
- Sec. 1413. Production history of participating dairy operations.*
- Sec. 1414. Basic production margin protection.*
- Sec. 1415. Supplemental production margin protection.*
- Sec. 1416. Effect of failure to pay administration 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 payments.*
- Sec. 1433. Milk marketings information.*
- Sec. 1434. Calculation and collection of reduced dairy operation payments.*
- Sec. 1435. Remitting funds to the Secretary and use of funds.*
- Sec. 1436. Suspension of reduced payment requirement.*
- Sec. 1437. Enforcement.*
- Sec. 1438. Audit requirements.*
- Sec. 1439. Study; report.*

SUBPART C—ADMINISTRATION

- Sec. 1451. Duration.*

Sec. 1452. Administration and enforcement.

PART II—DAIRY MARKET TRANSPARENCY

Sec. 1461. Dairy product mandatory reporting.

Sec. 1462. Federal milk marketing order program pre-hearing procedure for Class III pricing.

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

Sec. 1471. Repeal of dairy product price support and milk income loss contract programs.

Sec. 1472. Repeal of dairy export incentive program.

Sec. 1473. Extension of dairy forward pricing program.

Sec. 1474. Extension of dairy indemnity program.

Sec. 1475. Extension of dairy promotion and research program.

Sec. 1476. Extension of Federal Milk Marketing Order Review Commission.

PART IV—FEDERAL MILK MARKETING ORDER REFORM

Sec. 1481. Federal milk marketing orders.

PART V—EFFECTIVE DATE

Sec. 1491. Effective date.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

Sec. 1501. Supplemental agricultural disaster assistance programs.

Subtitle F—Administration

Sec. 1601. Administration generally.

Sec. 1602. Suspension of permanent price support authority.

Sec. 1603. Payment limitations.

Sec. 1604. Payments limited to active farmers.

Sec. 1605. Adjusted gross income limitation.

Sec. 1606. Geographically disadvantaged farmers and ranchers.

Sec. 1607. Personal liability of producers for deficiencies.

Sec. 1608. Prevention of deceased individuals receiving payments under farm commodity programs.

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Sec. 1611. Assignment of payments.

Sec. 1612. Tracking of benefits.

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Sec. 1614. Implementation.

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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. Definitions.
Sec. 2203. Establishment and administration.
Sec. 2204. Evaluation of applications.
Sec. 2205. Duties of producers.
Sec. 2206. Limitation on payments.
Sec. 2207. Conservation innovation grants and payments.
Sec. 2208. Effective date.

Subtitle D—Agricultural Conservation Easement Program

- Sec. 2301. Agricultural Conservation Easement Program.*

Subtitle E—Regional Conservation Partnership Program

- Sec. 2401. Regional Conservation Partnership Program.*

Subtitle F—Other Conservation Programs

- Sec. 2501. Conservation of private grazing land.*
Sec. 2502. Grassroots source water protection program.
Sec. 2503. Voluntary public access and habitat incentive program.
Sec. 2504. Agriculture conservation experienced services program.
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Sec. 2507. Terminal lakes assistance.
Sec. 2508. Study of potential improvements to the wetland mitigation process.
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Sec. 2610. Adjusted gross income limitation for conservation programs.

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Sec. 2702. Emergency forestry conservation reserve program.

- Sec. 2703. Wetlands reserve program.*
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- Sec. 2705. Grassland reserve program.*
- Sec. 2706. Agricultural water enhancement program.*
- Sec. 2707. Wildlife habitat incentive program.*
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- Sec. 3004. Reauthorization of Food Aid Consultative Group.*
- Sec. 3005. Oversight, monitoring, and evaluation of Food for Peace Act programs.*
- Sec. 3006. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.*
- Sec. 3007. Limitation on total volume of commodities monetized.*
- Sec. 3008. Flexibility.*
- Sec. 3009. Procurement, transportation, testing, and storage of agricultural commodities for prepositioning in the United States and foreign countries.*
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- Sec. 3102. Funding for market access program.*
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- Sec. 3202. Bill Emerson Humanitarian Trust.*
- Sec. 3203. Promotion of agricultural exports to emerging markets.*
- Sec. 3204. McGovern-Dole International Food for Education and Child Nutrition Program.*
- Sec. 3205. Technical assistance for specialty crops.*
- Sec. 3206. Global Crop Diversity Trust.*
- Sec. 3207. Local and regional food aid procurement projects.*
- Sec. 3208. Donald Payne Horn of Africa food resilience program.*
- Sec. 3209. Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs.*

TITLE IV—NUTRITION

Subtitle A—Supplemental Nutrition Assistance Program

- Sec. 4001. Access to Grocery Delivery for Homebound Seniors and Individuals with Disabilities eligible for supplemental nutrition assistance benefits.*
- Sec. 4002. Food distribution program on Indian reservations.*
- Sec. 4003. Standard utility allowances based on the receipt of energy assistance payments.*
- Sec. 4004. Eligibility disqualifications.*
- Sec. 4005. Ending supplemental nutrition assistance program benefits for lottery or gambling winners.*
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- Sec. 4008. Technology modernization for retail food stores.*
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- Sec. 4010. Restaurant meals program.*
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- Sec. 4019. Technical and conforming amendments.*
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- Sec. 4102. Commodity supplemental food program.*
- Sec. 4103. Distribution of surplus commodities to special nutrition projects.*
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- Sec. 4201. Purchase of fresh fruits and vegetables for distribution to schools and service institutions.*
- Sec. 4202. Seniors farmers' market nutrition program.*
- Sec. 4203. Nutrition information and awareness pilot program.*
- Sec. 4204. Hunger-free communities.*
- Sec. 4205. Healthy Food Financing Initiative.*
- Sec. 4206. Pulse crop products.*
- Sec. 4207. Dietary Guidelines for Americans.*
- Sec. 4208. Purchases of locally produced foods.*
- Sec. 4209. Multiagency task force.*
- Sec. 4210. Food and Agriculture Service Learning Program.*

TITLE V—CREDIT

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- Sec. 5001. Farmer loans, servicing, and other assistance under the Consolidated Farm and Rural Development Act.*

Subtitle B—Miscellaneous

- Sec. 5101. State agricultural mediation programs.*
Sec. 5102. Loans to purchasers of highly fractionated land.
Sec. 5103. Removal of duplicative appraisals.
Sec. 5104. Compensation disclosure by Farm Credit System institutions.

TITLE VI—RURAL DEVELOPMENT*Subtitle A—Reorganization of the Consolidated Farm and Rural Development Act*

- Sec. 6001. Reorganization of the Consolidated Farm and Rural Development Act.*
Sec. 6002. Conforming amendments.

Subtitle B—Rural Electrification

- Sec. 6101. Definition of rural area.*
Sec. 6102. Guarantees for bonds and notes issued for electrification or telephone purposes.
Sec. 6103. Expansion of 911 access.
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Sec. 6206. Agricultural transportation policy.
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Sec. 7108. Continuing animal health and disease research programs.
Sec. 7109. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
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Sec. 7119. Special authorization for biosecurity planning and response.
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Sec. 7208. High-priority research and extension initiatives.
Sec. 7209. Organic agriculture research and extension initiative.
Sec. 7210. Farm business management.
Sec. 7211. Regional centers of excellence.
Sec. 7212. 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. Support for research regarding diseases of wheat, triticale, and barley caused by *Fusarium graminearum* or by *Tilletia indica*.*
Sec. 7304. Grants for youth organizations.
Sec. 7305. Specialty crop research initiative.
Sec. 7306. Food animal residue avoidance database program.
Sec. 7307. Office of pest management policy.
Sec. 7308. Authorization of regional integrated pest management centers.

Subtitle D—Other Laws

- Sec. 7401. Critical Agricultural Materials Act.*
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Sec. 7403. Research Facilities Act.
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Sec. 7406. Renewable Resources Extension Act of 1978.
Sec. 7407. National Aquaculture Act of 1980.
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- Sec. 7501. Agricultural biosecurity communication center.*

Sec. 7502. Assistance to build local capacity in agricultural biosecurity planning, preparation, and response.

Sec. 7503. Research and development of agricultural countermeasures.

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Sec. 7512. Budget submission and funding.

Sec. 7513. Natural products research program.

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Sec. 8002. Hispanic-serving institution agricultural land national resources leadership program.

Sec. 8003. Tribal watershed forestry assistance program.

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

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Sec. 8202. Office of International Forestry.

Sec. 8203. Insect and disease infestation.

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Sec. 9009. Biomass Crop Assistance Program.

Sec. 9010. Repeal of forest biomass for energy.

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Sec. 9012. Repeal of renewable fertilizer study.

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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. Study on local food production and program evaluation.*
- Sec. 10005. Organic agriculture.*
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- Sec. 10007. Coordinated plant management program.*
- Sec. 10008. Specialty crop block grants.*
- Sec. 10009. Recordkeeping, investigations, and enforcement.*
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- Sec. 11001. Supplemental coverage option.*
- Sec. 11002. Crop margin coverage option.*
- Sec. 11003. Premium amounts for catastrophic risk protection.*
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- Sec. 11006. Data collection.*
- Sec. 11007. Adjustment in actual production history to establish insurable yields.*
- Sec. 11008. Submission and review of policies.*
- Sec. 11009. Board review and approval.*
- Sec. 11010. Consultation.*
- Sec. 11011. Budget limitations on renegotiation of the Standard Reinsurance Agreement.*
- Sec. 11012. Test weight for corn.*
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- Sec. 11014. Peanut revenue crop insurance.*
- Sec. 11015. Authority to correct errors.*
- Sec. 11016. Implementation.*
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- Sec. 11018. Approval of costs for research and development.*
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- Sec. 11020. Study of food safety insurance.*
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- Sec. 11022. Margin coverage for catfish.*
- Sec. 11023. Poultry business disruption insurance policy.*
- Sec. 11024. Study of crop insurance for seafood harvesters.*
- Sec. 11025. Biomass and sweet sorghum energy crop insurance policies.*
- Sec. 11026. Alfalfa crop insurance policy.*
- Sec. 11027. Crop insurance for organic crops.*
- Sec. 11028. Research and development.*
- Sec. 11029. Pilot programs.*
- Sec. 11030. Index-based weather insurance pilot program.*
- Sec. 11031. Enhancing producer self-help through farm financial benchmarking.*
- Sec. 11032. Beginning farmer and rancher provisions.*
- Sec. 11033. Limitation on premium subsidy based on average adjusted gross income.*

- Sec. 11034. Agricultural management assistance, risk management education, and organic certification cost share assistance.*
- Sec. 11035. Crop production on native sod.*
- Sec. 11036. Technical amendments.*
- Sec. 11037. Greater accessibility for crop insurance.*
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TITLE XII—MISCELLANEOUS

Subtitle A—Socially Disadvantaged Producers and Limited Resource Producers

- Sec. 12001. Outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.*
- Sec. 12002. Socially disadvantaged farmers and ranchers policy research center.*
- Sec. 12003. Office of Advocacy and Outreach.*

Subtitle B—Livestock

- Sec. 12101. Wildlife reservoir zoonotic disease initiative.*
- Sec. 12102. Trichinae certification program.*
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- Sec. 12104. Sheep production and marketing grant program.*
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- Sec. 12106. National animal health laboratory network.*
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Subtitle C—Other Miscellaneous Provisions

- Sec. 12201. Military Veterans Agricultural Liaison.*
- Sec. 12202. Information gathering.*
- Sec. 12203. Grants to improve supply, stability, safety, and training of agricultural labor force.*
- Sec. 12204. Noninsured crop assistance program.*
- Sec. 12205. Bioenergy coverage in noninsured crop assistance program.*
- Sec. 12206. Regional economic and infrastructure development.*
- Sec. 12207. Office of Tribal Relations.*
- Sec. 12208. Acer access and development program.*
- Sec. 12209. Prohibition on attending an animal fight or causing a minor to attend an animal fight; enforcement of animal fighting provisions.*
- Sec. 12210. Pima cotton trust fund.*
- Sec. 12211. Agriculture wool apparel manufacturers trust fund.*
- Sec. 12212. Citrus disease research and development trust fund.*

1 SEC. 2. DEFINITION OF SECRETARY.

2 *In this Act, the term “Secretary” means the Secretary*

3 *of Agriculture.*

1 **TITLE I—COMMODITY**
2 **PROGRAMS**

3 **Subtitle A—Repeals and Reforms**

4 **SEC. 1101. REPEAL OF DIRECT PAYMENTS.**

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

8 (b) *CONTINUED APPLICATION FOR 2013 CROP YEAR.*—
9 Sections 1103 and 1303 of the Food, Conservation, and En-
10 ergy Act of 2008 (7 U.S.C. 8713, 8753), as in effect on the
11 day before the date of enactment of this Act, shall continue
12 to apply through the 2013 crop year with respect to all cov-
13 ered commodities (as defined in section 1001 of that Act
14 (7 U.S.C. 8702)) (except pulse crops) and peanuts on a
15 farm.

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

17 (a) *REPEAL.*—Sections 1104 and 1304 of the Food,
18 Conservation, and Energy Act of 2008 (7 U.S.C. 8714,
19 8754) are repealed.

20 (b) *CONTINUED APPLICATION FOR 2013 CROP YEAR.*—
21 Sections 1104 and 1304 of the Food, Conservation, and En-
22 ergy Act of 2008 (7 U.S.C. 8714, 8754), as in effect on the
23 day before the date of enactment of this Act, shall continue
24 to apply through the 2013 crop year with respect to all cov-

1 *ered commodities (as defined in section 1001 of that Act*
2 *(7 U.S.C. 8702)) and peanuts on a farm.*

3 **SEC. 1103. REPEAL OF AVERAGE CROP REVENUE ELECTION**
4 **PROGRAM.**

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

7 *(b) CONTINUED APPLICATION FOR 2013 CROP YEAR.—*
8 *Section 1105 of the Food, Conservation, and Energy Act*
9 *of 2008 (7 U.S.C. 8715), as in effect on the day before the*
10 *date of enactment of this Act, shall continue to apply*
11 *through the 2013 crop year with respect to all covered com-*
12 *modities (as defined in section 1001 of that Act (7 U.S.C.*
13 *8702)) and peanuts on a farm for which the irrevocable*
14 *election under section 1105 of that Act is made before the*
15 *date of enactment of this Act.*

16 **SEC. 1104. DEFINITIONS.**

17 *In this subtitle, subtitle B, and subtitle F:*

18 *(1) ACTUAL CROP REVENUE.—The term “actual*
19 *crop revenue”, with respect to a covered commodity*
20 *for a crop year, means the amount determined by the*
21 *Secretary under section 1108(c)(3).*

22 *(2) ADVERSE MARKET PAYMENT.—The term “ad-*
23 *verse market payment” means a payment made to*
24 *producers on a farm under section 1107.*

1 (3) *AGRICULTURE RISK COVERAGE GUAR-*
2 *ANTEE.—The term “agriculture risk coverage guar-*
3 *antee”, with respect to a covered commodity for a*
4 *crop year, means the amount determined by the Sec-*
5 *retary under section 1108(c)(4).*

6 (4) *AGRICULTURE RISK COVERAGE PAYMENT.—*
7 *The term “agriculture risk coverage payment” means*
8 *a payment under section 1108(c).*

9 (5) *AVERAGE INDIVIDUAL YIELD.—The term “av-*
10 *erage individual yield” means the yield reported by*
11 *a producer for purposes of subtitle A of the Federal*
12 *Crop Insurance Act (7 U.S.C. 1501 et seq.), to the*
13 *maximum extent practicable.*

14 (6) *BASE ACRES.—The term “base acres”, with*
15 *respect to a covered commodity on a farm, means the*
16 *number of acres established under section 1101 or*
17 *1302 of the Farm Security and Rural Investment Act*
18 *of 2002 (7 U.S.C. 7911, 7952) as in effect on the date*
19 *of enactment of this Act, subject to any adjustment*
20 *under section 1105 of this Act.*

21 (7) *COUNTY COVERAGE.—For the purposes of ag-*
22 *riculture risk coverage under section 1108, the term*
23 *“county coverage” means coverage determined using*
24 *the total quantity of all acreage in a county of the*
25 *covered commodity that is planted or prevented from*

1 *being planted for harvest by a producer with the yield*
2 *determined by the average county yield described in*
3 *subsection (c) of that section.*

4 (8) *COVERED COMMODITY.—*

5 (A) *IN GENERAL.—The term “covered com-*
6 *modity” means wheat, corn, grain sorghum, bar-*
7 *ley, oats, long grain rice, medium grain rice,*
8 *pulse crops, soybeans, other oilseeds, and pea-*
9 *nuts.*

10 (B) *POPCORN.—The Secretary—*

11 (i) *shall study the feasibility of includ-*
12 *ing popcorn as a covered commodity by*
13 *2014; and*

14 (ii) *if the Secretary determines it to be*
15 *feasible, shall designate popcorn as a cov-*
16 *ered commodity.*

17 (9) *ELIGIBLE ACRES.—*

18 (A) *IN GENERAL.—Except as provided in*
19 *subparagraphs (B) through (D), the term “eligi-*
20 *ble acres” means all acres planted or prevented*
21 *from being planted to all covered commodities on*
22 *a farm in any crop year.*

23 (B) *MAXIMUM.—Except as provided in sub-*
24 *paragraph (C), the total quantity of eligible*
25 *acres on a farm determined under subparagraph*

1 (A) shall not exceed the average total acres plant-
2 ed or prevented from being planted to covered
3 commodities and upland cotton on the farm for
4 the 2009 through 2012 crop years, as determined
5 by the Secretary.

6 (C) *ADJUSTMENT.*—The Secretary shall
7 provide for an adjustment, as appropriate, in
8 the eligible acres for covered commodities for a
9 farm if any of the following circumstances oc-
10 curs:

11 (i) If a conservation reserve contract
12 for a farm in a county entered into under
13 section 1231 of the Food Security Act of
14 1985 (16 U.S.C. 3831) expires or is volun-
15 tarily terminated or cropland is released
16 from coverage under a conservation reserve
17 contract, the Secretary shall provide for an
18 adjustment, as appropriate, in the eligible
19 acres for the farm to a total quantity that
20 is the higher of—

21 (I) the total base acreage for the
22 farm, less any upland cotton base acre-
23 age, that was suspended during the
24 conservation reserve contract; or

1 (ii) the product obtained by mul-
2 tipling—

3 (aa) the average proportion
4 that—

5 (AA) the total number of
6 acres planted to covered com-
7 modities and upland cotton
8 in the county for crop years
9 2009 through 2012; bears to

10 (BB) the total number
11 of all acres of covered com-
12 modities, grassland, and up-
13 land cotton acres in the
14 county for the same crop
15 years; by

16 (bb) the total acres for which
17 coverage has expired, voluntarily
18 terminated, or been released under
19 the conservation reserve contract.

20 (ii) The producer has eligible oilseed
21 acreage as the result of the Secretary desig-
22 nating additional oilseeds, which shall be
23 determined in the same manner as eligible
24 oilseed acreage under section 1101(a)(1)(D)

1 *of the Food, Conservation, and Energy Act*
2 *of 2008 (7 U.S.C. 8711(a)(1)(D)).*

3 *(iii) The producer has any acreage not*
4 *cropped during the 2009 through 2012 crop*
5 *years, but placed into an established rota-*
6 *tion practice for the purposes of enriching*
7 *land or conserving moisture for subsequent*
8 *crop years, including summer fallow, as de-*
9 *termined by the Secretary.*

10 *(D) EXCLUSION.—The term “eligible acres”*
11 *does not include any crop subsequently planted*
12 *during the same crop year on the same land for*
13 *which the first crop is eligible for payments*
14 *under this subtitle, unless the crop was planted*
15 *in an area approved for double cropping, as de-*
16 *termined by the Secretary.*

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

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

1 *gions of the United States designated by the Sec-*
2 *retary or other areas designated by the Secretary*
3 *as suitable for the production of the varieties or*
4 *types; and*

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

8 *(11) INDIVIDUAL COVERAGE.—For purposes of*
9 *agriculture risk coverage under section 1108, the term*
10 *“individual coverage” means coverage determined*
11 *using the total quantity of all acreage in a county of*
12 *the covered commodity that is planted or prevented*
13 *from being planted for harvest by a producer with the*
14 *yield determined by the average individual yield of*
15 *the producer described in subsection (c) of that sec-*
16 *tion.*

17 *(12) MEDIUM GRAIN RICE.—The term “medium*
18 *grain rice” includes short grain rice.*

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

23 *(14) PAYMENT ACRES.—The term “payment*
24 *acres” means, in the case of adverse market pay-*
25 *ments, 85 percent of the base acres for a covered com-*

1 *modity on a farm on which adverse market payments*
2 *are made.*

3 (15) *PAYMENT YIELD.*—*The term “payment*
4 *yield” means the yield established for adverse market*
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) as in effect on the date of enactment of*
8 *this Act, or under section 1106 of this Act, for a farm*
9 *for a covered commodity.*

10 (16) *PRODUCER.*—

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

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

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

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

1 (17) *PULSE CROP*.—The term “pulse crop”
2 means dry peas, lentils, small chickpeas, and large
3 chickpeas.

4 (18) *STATE*.—The term “State” means—

5 (A) a State;

6 (B) the District of Columbia;

7 (C) the Commonwealth of Puerto Rico; and

8 (D) any other territory or possession of the
9 United States.

10 (19) *REFERENCE PRICE*.—The term “reference
11 price” means the price per bushel, pound, or hundred-
12 weight (or other appropriate unit) of a covered com-
13 modity used to determine the payment rate for ad-
14 verse market payments.

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

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

22 (22) *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) 1¹/₈-inch upland cotton and for Middling (M)
2 1³/₃₂-inch upland cotton exceeds the difference in the
3 applicable premiums for comparable international
4 qualities.

5 **SEC. 1105. BASE ACRES.**

6 (a) *ADJUSTMENT OF BASE ACRES.*—

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

11 (A) *A conservation reserve contract entered*
12 *into under section 1231 of the Food Security Act*
13 *of 1985 (16 U.S.C. 3831) with respect to the*
14 *farm expires or is voluntarily terminated, or was*
15 *terminated or expired during the period begin-*
16 *ning on October 1, 2012, and ending on the date*
17 *of enactment of this Act.*

18 (B) *Cropland is released from coverage*
19 *under a conservation reserve contract by the Sec-*
20 *retary, or was released during the period begin-*
21 *ning on October 1, 2012, and ending on the date*
22 *of enactment of this Act.*

23 (C) *The producer has eligible pulse crop*
24 *acreage, which shall be determined in the same*
25 *manner as eligible oilseed acreage under section*

1 1101(a)(2) of the Farm Security and Rural In-
2 vestment Act of 2002 (7 U.S.C. 7911(a)(2)).

3 (D) The producer has eligible oilseed acre-
4 age as the result of the Secretary designating ad-
5 ditional oilseeds, which shall be determined in
6 the same manner as eligible oilseed acreage
7 under section 1101(a)(2) of the Farm Security
8 and Rural Investment Act of 2002 (7 U.S.C.
9 7911(a)(2)).

10 (2) *SPECIAL CONSERVATION RESERVE ACREAGE*
11 *PAYMENT RULES.*—For the crop year in which a base
12 acres adjustment under subparagraph (A) or (B) of
13 paragraph (1) is first made, the producer on the farm
14 shall elect to receive either adverse market payments
15 with respect to the acreage added to the farm under
16 this subsection or a prorated payment under the con-
17 servation reserve contract, but not both.

18 (3) *OPTIONAL ADJUSTMENT.*—

19 (A) *ELECTION.*—

20 (i) *IN GENERAL.*—For the purpose of
21 making adverse market payments, the Sec-
22 retary shall give a producer on a farm a 1-
23 time opportunity to adjust the peanut base
24 acres on the farm.

1 (ii) *NOTICE.*—As soon as practicable
2 after the date of enactment of this Act, the
3 Secretary shall provide notice of the election
4 described in clause (i) to producers on
5 farms with peanut base acres, including—

6 (I) the manner in which the elec-
7 tion is to be transmitted to the Sec-
8 retary;

9 (II) a deadline for transmission;
10 and

11 (III) notification that the election
12 is a 1-time opportunity.

13 (iii) *EFFECT OF FAILURE TO MAKE*
14 *ELECTION.*—If the producer on a farm fails
15 to notify the Secretary of an election by the
16 deadline described in clause (ii), the pro-
17 ducer shall be considered to have not elected
18 to update the peanut base acres on the farm.

19 (B) *CALCULATION.*—

20 (i) *IN GENERAL.*—If the producer on a
21 farm makes the election described in sub-
22 paragraph (A), the base acres for peanuts
23 on the farm established pursuant to section
24 1302 of the Farm Security and Rural In-
25 vestment Act of 2002 (7 U.S.C. 7952) shall

1 *be equal to the average acreage planted on*
2 *the farm to peanuts for harvest or similar*
3 *purposes for the 2009 through 2012 crop*
4 *years, as determined by the Secretary.*

5 *(ii) INCLUSIONS.—In making the cal-*
6 *culatation described in clause (i), the Sec-*
7 *retary shall include—*

8 *(I) any acreage on the farm that*
9 *the producer was prevented from plant-*
10 *ing to peanuts during the 2009*
11 *through 2012 crop years because of*
12 *drought, flood, or other natural dis-*
13 *aster, or other condition beyond the*
14 *control of the producer;*

15 *(II) any crop year in which pea-*
16 *nuts were not planted on the farm; and*

17 *(III) any adjustment, as appro-*
18 *priate, whenever either of the following*
19 *occurs:*

20 *(aa) A conservation reserve*
21 *contract entered into under sec-*
22 *tion 1231 of the Food Security*
23 *Act of 1985 (16 U.S.C. 3831) with*
24 *respect to the peanut base acres on*

1 *the farm expires or is voluntarily*
2 *terminated.*

3 *(bb) Peanut cropland is re-*
4 *leased from coverage under a con-*
5 *servation reserve contract by the*
6 *Secretary.*

7 *(C) LIMIT.—*

8 *(i) IN GENERAL.—If the producer on a*
9 *farm makes the election described in sub-*
10 *paragraph (A), the Secretary shall ensure*
11 *that the adjustment does not result in a net*
12 *increase in the total base acres for the farm*
13 *(including the upland cotton base acres de-*
14 *scribed in subsection (e)).*

15 *(ii) REDUCTION REQUIRED.—If the ad-*
16 *justment in base acres made pursuant to an*
17 *election described in subparagraph (A) re-*
18 *sults in a net increase in the total base*
19 *acres of all covered commodities and upland*
20 *cotton on the farm, the Secretary shall re-*
21 *duce the base acres on the farm for all cov-*
22 *ered commodities (other than peanuts) and*
23 *upland cotton proportionately, as deter-*
24 *mined by the Secretary.*

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

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

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

11 (A) Any acreage on the farm enrolled in the
12 conservation reserve program or agricultural
13 conservation easement program under subchapter
14 B of chapter 1 of subtitle D and subtitle H, re-
15 spectively, of title XII of the Food Security Act
16 of 1985 (16 U.S.C. 3831 et seq.).

17 (B) Any other acreage on the farm enrolled
18 in a Federal conservation program for which
19 payments are made in exchange for not pro-
20 ducing an agricultural commodity on the acre-
21 age.

22 (C) Any eligible pulse crop acreage, which
23 shall be determined in the same manner as eligi-
24 ble oilseed acreage under section 1101(a)(2) of

1 *the Farm Security and Rural Investment Act of*
2 *2002 (7 U.S.C. 7911(a)(2)).*

3 *(D) If the Secretary designates additional*
4 *oilseeds, any eligible oilseed acreage, which shall*
5 *be determined in the same manner as eligible oil-*
6 *seed acreage under section 1101(a)(2) of the*
7 *Farm Security and Rural Investment Act of*
8 *2002 (7 U.S.C. 7911(a)(2)).*

9 *(3) SELECTION OF ACRES.—The Secretary shall*
10 *give the producer on the farm the opportunity to se-*
11 *lect the base acres for a covered commodity for the*
12 *farm against which the reduction required by para-*
13 *graph (1) will be made.*

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

18 *(c) REDUCTION IN BASE ACRES.—*

19 *(1) REDUCTION AT OPTION OF PRODUCER.—*

20 *(A) IN GENERAL.—The producer on a farm*
21 *may reduce, at any time, the base acres for any*
22 *covered commodity for the farm.*

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

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

2 (A) *IN GENERAL.*—*The Secretary shall pro-*
3 *portionately reduce base acres on a farm for cov-*
4 *ered commodities for land that has been sub-*
5 *divided and developed for multiple residential*
6 *units or other nonfarming uses if the size of the*
7 *tracts and the density of the subdivision is such*
8 *that the land is unlikely to return to the pre-*
9 *vious agricultural use, unless the producers on*
10 *the farm demonstrate that the land—*

11 (i) *remains devoted to commercial ag-*
12 *ricultural production; or*

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

15 (B) *REQUIREMENT.*—*The Secretary shall*
16 *establish procedures to identify land described in*
17 *subparagraph (A).*

18 (3) *REVIEW AND REPORT.*—*Each year, to ensure,*
19 *to the maximum extent practicable, that payments*
20 *are received only by producers, the Secretary shall*
21 *submit to Congress a report that describes the results*
22 *of the actions taken under paragraph (2).*

23 (d) *TREATMENT OF FARMS WITH LIMITED BASE*
24 *ACRES.*—

1 (1) *PROHIBITION ON PAYMENTS.*—*Except as pro-*
2 *vided in paragraph (2) and notwithstanding any*
3 *other provision of this title, a producer on a farm*
4 *may not receive adverse market payments if the sum*
5 *of the base acres of the farm is 10 acres or less, as*
6 *determined by the Secretary.*

7 (2) *EXCEPTIONS.*—*Paragraph (1) shall not*
8 *apply to a farm owned or operated by—*

9 (A) *a socially disadvantaged farmer (as de-*
10 *defined in section 3002 of the Consolidated Farm*
11 *and Rural Development Act); or*

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

14 (3) *DATA COLLECTION AND PUBLICATION.*—*The*
15 *Secretary shall—*

16 (A) *collect and publish segregated data and*
17 *survey information about farm profiles, utiliza-*
18 *tion of land, and crop production; and*

19 (B) *perform an evaluation on the supply*
20 *and price of fruits and vegetables based on the*
21 *effects of suspension of base acres under this sec-*
22 *tion.*

23 (e) *TREATMENT OF FARMS WITH UPLAND COTTON*
24 *BASE ACRES.*—*The Secretary shall maintain a record of*

1 *farms with upland cotton base acres in effect on the day*
2 *before the date of enactment of this Act.*

3 **SEC. 1106. PAYMENT YIELDS.**

4 (a) *DESIGNATED OILSEED OR ELIGIBLE PULSE*
5 *CROP.—*

6 (1) *ADJUSTMENT.—For the purpose of making*
7 *adverse market payments under this subtitle, the Sec-*
8 *retary shall provide for the establishment of a yield*
9 *for each farm for any designated oilseed or eligible*
10 *pulse crop for which a payment yield was not estab-*
11 *lished under section 1102 of the Farm Security and*
12 *Rural Investment Act of 2002 (7 U.S.C. 7912) in ac-*
13 *cordance with this section.*

14 (2) *PAYMENT YIELDS FOR DESIGNATED OIL-*
15 *SEEDS AND ELIGIBLE PULSE CROPS.—*

16 (A) *DETERMINATION OF AVERAGE YIELD.—*
17 *In the case of designated oilseeds and eligible*
18 *pulse crops, the Secretary shall determine the av-*
19 *erage yield per planted acre for the designated*
20 *oilseed or pulse crop on a farm for the 1998*
21 *through 2001 crop years, excluding any crop*
22 *year in which the acreage planted to the des-*
23 *ignated oilseed or pulse crop was zero.*

24 (B) *ADJUSTMENT FOR PAYMENT YIELD.—*

1 (i) *IN GENERAL.*—*The payment yield*
2 *for a farm for a designated oilseed or eligi-*
3 *ble pulse crop shall be equal to the product*
4 *of the following:*

5 (I) *The average yield for the des-*
6 *ignated oilseed or pulse crop deter-*
7 *mined under subparagraph (A).*

8 (II) *The ratio resulting from di-*
9 *viding the national average yield for*
10 *the designated oilseed or pulse crop for*
11 *the 1981 through 1985 crops by the na-*
12 *tional average yield for the designated*
13 *oilseed or pulse crop for the 1998*
14 *through 2001 crops.*

15 (ii) *NO NATIONAL AVERAGE YIELD IN-*
16 *FORMATION AVAILABLE.*—*To the extent that*
17 *national average yield information for a*
18 *designated oilseed or pulse crop is not avail-*
19 *able, the Secretary shall use such informa-*
20 *tion as the Secretary determines to be fair*
21 *and equitable to establish a national aver-*
22 *age yield under this section.*

23 (C) *USE OF PARTIAL COUNTY AVERAGE*
24 *YIELD.*—*If the yield per planted acre for a crop*
25 *of a designated oilseed or pulse crop for a farm*

1 *for any of the 1998 through 2001 crop years was*
2 *less than 75 percent of the county yield for that*
3 *designated oilseed or pulse crop, the Secretary*
4 *shall assign a yield for that crop year equal to*
5 *75 percent of the county yield for the purpose of*
6 *determining the average under subparagraph*
7 *(A).*

8 *(D) NO HISTORIC YIELD DATA AVAIL-*
9 *ABLE.—In the case of establishing yields for des-*
10 *ignated oilseeds and eligible pulse crops, if his-*
11 *toric yield data is not available, the Secretary*
12 *shall use the ratio for dry peas calculated under*
13 *subparagraph (B)(i)(II) in determining the*
14 *yields for designated oilseeds and eligible pulse*
15 *crops, as determined to be fair and equitable by*
16 *the Secretary.*

17 *(b) RICE.—*

18 *(1) ADJUSTMENT.—For the purpose of making*
19 *adverse market payments under this subtitle, the Sec-*
20 *retary shall give a producer on a farm a 1-time op-*
21 *portunity to adjust the payment yield for base acres*
22 *of rice on the farm that was established under section*
23 *1102 of the Farm Security and Rural Investment Act*
24 *of 2002 (7 U.S.C. 7912).*

25 *(2) ELECTION.—*

1 (A) *NOTICE.*—As soon as practicable after
2 the date of enactment of this Act, the Secretary
3 shall provide notice of the election described in
4 paragraph (1) to producers on farms with rice
5 base acres, including—

6 (i) the manner in which the election is
7 to be transmitted to the Secretary;

8 (ii) a deadline for transmission; and

9 (iii) notification that the election is a
10 1-time opportunity.

11 (B) *EFFECT OF FAILURE TO MAKE ELEC-*
12 *TION.*—If the producer on a farm fails to notify
13 the Secretary of an election by the deadline de-
14 scribed in subparagraph (A), the producer shall
15 be considered to have not elected to update the
16 payment yields for base acres of rice on the farm.

17 (3) *CALCULATION.*—

18 (A) *IN GENERAL.*—If the producer on a
19 farm makes the election described in paragraph
20 (2), the Secretary shall adjust the payment
21 yields for the base acres of rice using an average
22 yield described in subparagraph (B) and adjust-
23 ment described in subparagraph (C).

24 (B) *DETERMINATION OF AVERAGE YIELD.*—
25 Subject to subparagraph (D), the Secretary shall

1 *determine the average yield per planted acre for*
2 *the rice on the farm for the 2009 through 2012*
3 *crop years, excluding any crop year in which the*
4 *acreage planted to rice was zero.*

5 *(C) DETERMINATION OF ADJUSTMENT.—The*
6 *Secretary shall adjust the payment yield for the*
7 *base acres of rice on the farm that was estab-*
8 *lished under section 1102 of the Farm Security*
9 *and Rural Investment Act of 2002 (7 U.S.C.*
10 *7912) in accordance with the following:*

11 *(i) In a case in which less than 50 per-*
12 *cent of the rice base acres on the farm were*
13 *planted to rice, on average, during the 2009*
14 *through 2012 crop years, the adjustment*
15 *shall be equal to the sum obtained by add-*
16 *ing to the payment yield—*

17 *(I) the product obtained by multi-*
18 *plying—*

19 *(aa) the difference between*
20 *the average yield and the payment*
21 *yield; by*

22 *(bb) the percent of rice plant-*
23 *ed on the base acres of rice on the*
24 *farm, on average.*

1 (ii) *In a case in which more than 50*
2 *percent of the rice base acres on the farm*
3 *were planted to rice, on average, during the*
4 *2009 through 2012 crop years, the payment*
5 *yield shall be equal to the product obtained*
6 *by multiplying—*

7 (I) *the average yield; by*

8 (II) *90 percent.*

9 (D) *USE OF PARTIAL COUNTY AVERAGE*
10 *YIELD.—If the yield per planted acre for a crop*
11 *of rice for a farm for any of the 2009 through*
12 *2012 crop years was less than 75 percent of the*
13 *county yield for that rice crop, the Secretary*
14 *shall assign a yield for that crop year equal to*
15 *75 percent of the county yield for purposes of de-*
16 *termining the average under subparagraph (B).*

17 (c) *PEANUTS.—*

18 (1) *ADJUSTMENT.—If the producer on a farm*
19 *elects to adjust the peanut base acres for the farm*
20 *pursuant to section 1105, the Secretary shall adjust*
21 *the payment yields for the base acres of peanuts for*
22 *purposes of making adverse market payments.*

23 (2) *CALCULATION.—Notwithstanding the pay-*
24 *ment yields established under section 1102 of the*
25 *Farm Security and Rural Investment Act of 2002 (7*

1 *U.S.C. 7912), the payment yield for the base acres of*
2 *peanuts adjusted pursuant to section 1105 shall be the*
3 *average yield per planted acre for such base acres for*
4 *the 2009 through 2012 crop years, excluding any crop*
5 *year in which the acreage planted to peanuts was*
6 *zero.*

7 *(3) USE OF PARTIAL COUNTY AVERAGE YIELD.—*
8 *If the yield per planted acre for a crop of peanuts for*
9 *a farm for any of the 2009 through 2012 crop years*
10 *was less than 75 percent of the county yield for that*
11 *peanut crop, the Secretary shall assign a yield for*
12 *that crop year equal to 75 percent of the county yield*
13 *for purposes of determining the average under para-*
14 *graph (2).*

15 **SEC. 1107. AVAILABILITY OF ADVERSE MARKET PAYMENTS.**

16 *(a) PAYMENT REQUIRED.—For each of the 2014*
17 *through 2018 crop years for each covered commodity, the*
18 *Secretary shall make adverse market payments to producers*
19 *on farms for which payment yields and base acres are estab-*
20 *lished with respect to the covered commodity if the Sec-*
21 *retary determines that the actual price for the covered com-*
22 *modity is less than the reference price for the covered com-*
23 *modity.*

24 *(b) ACTUAL PRICE.—*

1 (1) *COVERED COMMODITIES OTHER THAN*
2 *RICE.—Except as provided in paragraph (2), for pur-*
3 *poses of subsection (a), the actual price for a covered*
4 *commodity is equal to the higher of the following:*

5 (A) *The national average market price re-*
6 *ceived by producers during the 12-month mar-*
7 *keting year for the covered commodity, as deter-*
8 *mined by the Secretary.*

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

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

17 (A) *The national average market price re-*
18 *ceived by producers during the 12-month mar-*
19 *keting year for the type or class of rice, as deter-*
20 *mined by the Secretary.*

21 (B) *The national average loan rate for a*
22 *marketing assistance loan for the type or class of*
23 *rice in effect for the applicable period under sub-*
24 *title B.*

1 (c) *REFERENCE PRICE.*—*The reference price for a cov-*
2 *ered commodity shall be determined as follows:*

3 (1) *IN GENERAL.*—*Subject to paragraph (2), the*
4 *reference price for a covered commodity shall be the*
5 *product obtained by multiplying—*

6 (A) *55 percent; by*

7 (B) *the average national marketing year*
8 *average price for the most recent 5 crop years,*
9 *excluding each of the crop years with the highest*
10 *and lowest prices.*

11 (2) *ALTERNATIVE PRICE FOR RICE AND PEA-*
12 *NUTS.*—*In the case of long and medium grain rice*
13 *and peanuts, the reference price shall be—*

14 (A) *in the case of long and medium grain*
15 *rice, \$13.30 per hundredweight; and*

16 (B) *in the case of peanuts, \$523.77 per ton.*

17 (d) *PAYMENT RATE.*—*The payment rate used to make*
18 *adverse market payments with respect to a covered com-*
19 *modity for a crop year shall be equal to the amount that—*

20 (1) *the reference price under subsection (c) for*
21 *the covered commodity; exceeds*

22 (2) *the actual price determined under subsection*
23 *(b) for the covered commodity.*

24 (e) *PAYMENT AMOUNT.*—*If adverse market payments*
25 *are required to be paid under this section for any of the*

1 2014 through 2018 crop years of a covered commodity, the
2 amount of the adverse market payment to be paid to the
3 producers on a farm for that crop year shall be equal to
4 the product of the following:

5 (1) The payment rate specified in subsection (d).

6 (2) The payment acres of the covered commodity
7 on the farm.

8 (3) The payment yield for the covered commodity
9 for the farm.

10 (f) **DUTIES OF THE SECRETARY.**—In carrying out the
11 calculations in subsections (b) and (c), the Secretary shall
12 differentiate by type or class the national average price of—

13 (1) sunflower seeds;

14 (2) barley, using malting barley values; and

15 (3) wheat.

16 (g) **TIME FOR PAYMENTS.**—If the Secretary determines
17 under subsection (a) that adverse market payments are re-
18 quired to be made under this section for the crop of a cov-
19 ered commodity, beginning October 1, or as soon as prac-
20 ticable thereafter, after the end of the applicable marketing
21 year for the covered commodity, the Secretary shall make
22 the adverse market payments for the crop.

23 **SEC. 1108. AGRICULTURE RISK COVERAGE.**

24 (a) **PAYMENTS REQUIRED.**—If the Secretary deter-
25 mines that payments are required under subsection (c), the

1 *Secretary shall make payments for each covered commodity*
2 *available to producers in accordance with this section.*

3 *(b) COVERAGE ELECTION.—*

4 *(1) IN GENERAL.—For the period of crop years*
5 *2014 through 2018, the producers shall make a 1-*
6 *time, irrevocable election to receive—*

7 *(A) individual coverage under this section,*
8 *as determined by the Secretary; or*

9 *(B) in the case of a county with sufficient*
10 *data (as determined by the Secretary), county*
11 *coverage under this section.*

12 *(2) EFFECT OF ELECTION.—The election made*
13 *under paragraph (1) shall be binding on the pro-*
14 *ducers making the election, regardless of covered com-*
15 *modities planted, and applicable to all acres under*
16 *the operational control of the producers, in a manner*
17 *that—*

18 *(A) acres brought under the operational*
19 *control of the producers after the election are in-*
20 *cluded; and*

21 *(B) acres no longer under the operational*
22 *control of the producers after the election are no*
23 *longer subject to the election of the producers but*
24 *become subject to the election of the subsequent*
25 *producers.*

1 (3) *DUTIES OF THE SECRETARY.*—*The Secretary*
2 *shall ensure that producers are precluded from taking*
3 *any action, including reconstitution, transfer, or*
4 *other similar action, that would have the effect of al-*
5 *tering or reversing the election made under paragraph*
6 *(1).*

7 (c) *AGRICULTURE RISK COVERAGE.*—

8 (1) *PAYMENTS.*—*The Secretary shall make agri-*
9 *culture risk coverage payments available under this*
10 *subsection for each of the 2014 through 2018 crop*
11 *years if the Secretary determines that—*

12 (A) *the actual crop revenue for the crop*
13 *year for the covered commodity; is less than*

14 (B) *the agriculture risk coverage guarantee*
15 *for the crop year for the covered commodity.*

16 (2) *TIME FOR PAYMENTS.*—*If the Secretary de-*
17 *termines under this subsection that agriculture risk*
18 *coverage payments are required to be made for the*
19 *covered commodity, beginning October 1, or as soon*
20 *as practicable thereafter, after the end of the applica-*
21 *ble marketing year for the covered commodity, the*
22 *Secretary shall make the agriculture risk coverage*
23 *payments.*

24 (3) *ACTUAL CROP REVENUE.*—*The amount of the*
25 *actual crop revenue for a crop year of a covered com-*

1 *modity shall be equal to the product obtained by mul-*
 2 *tiplying—*

3 *(A)(i) in the case of individual coverage, the*
 4 *actual average individual yield for the covered*
 5 *commodity, as determined by the Secretary; or*

6 *(ii) in the case of county coverage, the ac-*
 7 *tual average yield for the county for the covered*
 8 *commodity, as determined by the Secretary; and*

9 *(B) the higher of—*

10 *(i) the national average market price*
 11 *received by producers during the 12-month*
 12 *marketing year for the covered commodity,*
 13 *as determined by the Secretary; or*

14 *(ii) if applicable, the reference price for*
 15 *the covered commodity under section 1107.*

16 (4) *AGRICULTURE RISK COVERAGE GUAR-*
 17 *ANTEE.—*

18 *(A) IN GENERAL.—The agriculture risk cov-*
 19 *erage guarantee for a crop year for a covered*
 20 *commodity shall equal 88 percent of the bench-*
 21 *mark revenue.*

22 *(B) BENCHMARK REVENUE.—*

23 *(i) IN GENERAL.—The benchmark rev-*
 24 *enue shall be the product obtained by multi-*
 25 *plying—*

1 (I)(aa) in the case of individual
2 coverage, subject to clause (ii), the av-
3 erage individual yield, as determined
4 by the Secretary, for the most recent 5
5 crop years, excluding each of the crop
6 years with the highest and lowest
7 yields; or

8 (bb) in the case of county cov-
9 erage, the average county yield, as de-
10 termined by the Secretary, for the most
11 recent 5 crop years, excluding each of
12 the crop years with the highest and
13 lowest yields; and

14 (II) the average national mar-
15 keting year average price for the most
16 recent 5 crop years, excluding each of
17 the crop years with the highest and
18 lowest prices.

19 (ii) USE OF TRANSITIONAL YIELDS.—If
20 the yield determined under clause
21 (i)(I)(aa)—

22 (I) for the 2013 crop year or any
23 prior crop year, is less than 60 percent
24 of the applicable transitional yield, the
25 Secretary shall use 60 percent of the

1 applicable transitional yield for that
2 crop year; and

3 (II) for the 2014 crop year and
4 any subsequent crop year, is less than
5 65 percent of the applicable transi-
6 tional yield, the Secretary shall use 65
7 percent of the applicable transitional
8 yield for that crop year.

9 (5) PAYMENT RATE.—The payment rate for each
10 covered commodity shall be equal to the lesser of—

11 (A) the amount that—

12 (i) the agriculture risk coverage guar-
13 antee for the covered commodity; exceeds

14 (ii) the actual crop revenue for the
15 crop year of the covered commodity; or

16 (B) 10 percent of the benchmark revenue for
17 the crop year of the covered commodity.

18 (6) PAYMENT AMOUNT.—If agriculture risk cov-
19 erage payments under this subsection are required to
20 be paid for any of the 2014 through 2018 crop years
21 of a covered commodity, the amount of the agriculture
22 risk coverage payment for the crop year shall be equal
23 to the product obtained by multiplying—

24 (A) the payment rate under paragraph (5);

25 and

1 (B)(i) in the case of individual coverage the
2 sum of—

3 (I) 65 percent of the planted eligible
4 acres of the covered commodity; and

5 (II) 45 percent of the eligible acres that
6 were prevented from being planted to the
7 covered commodity; or

8 (ii) in the case of county coverage—

9 (I) 80 percent of the planted eligible
10 acres of the covered commodity; and

11 (II) 45 percent of the eligible acres that
12 were prevented from being planted to the
13 covered commodity.

14 (7) *DUTIES OF THE SECRETARY.*—In carrying
15 out the program under this subsection, the Secretary
16 shall—

17 (A) to the maximum extent practicable, use
18 all available information and analysis to check
19 for anomalies in the determination of payments
20 under the program;

21 (B) to the maximum extent practicable, cal-
22 culate a separate actual crop revenue and agri-
23 culture risk coverage guarantee for irrigated and
24 nonirrigated covered commodities;

1 (C) differentiate by type or class the na-
2 tional average price of—

3 (i) sunflower seeds;

4 (ii) barley, using malting barley val-
5 ues; and

6 (iii) wheat; and

7 (D) assign a yield for each acre planted or
8 prevented from being planted for the crop year
9 for the covered commodity on the basis of the
10 yield history of representative farms in the State,
11 region, or crop reporting district, as determined
12 by the Secretary, if the Secretary cannot estab-
13 lish the yield as determined under paragraph
14 (3)(A)(ii) or (4)(B)(i) or if the yield determined
15 under paragraph (3)(A)(ii) or (4) is an unrepr-
16 sentative average yield for the covered com-
17 modity as determined by the Secretary.

18 **SEC. 1109. PRODUCER AGREEMENT REQUIRED AS CONDI-**

19 **TION OF PROVISION OF PAYMENTS.**

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

21 (1) *REQUIREMENTS.*—Before the producers on a
22 farm may receive agriculture risk coverage payments
23 or adverse market payments, the producers shall
24 agree, during the crop year for which the payments
25 are made and in exchange for the payments—

1 (A) to comply with applicable conservation
2 requirements under subtitle B of title XII of the
3 Food Security Act of 1985 (16 U.S.C. 3811 et
4 seq.);

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

8 (C) to use the land on the farm for an agri-
9 cultural or conserving use in a quantity equal to
10 the attributable eligible acres of the farm, and
11 not for a nonagricultural commercial, industrial,
12 or residential use, as determined by the Sec-
13 retary; and

14 (D) to effectively control noxious weeds and
15 otherwise maintain the land in accordance with
16 sound agricultural practices, as determined by
17 the Secretary, if the agricultural or conserving
18 use involves the noncultivation of any portion of
19 the land referred to in subparagraph (C).

20 (2) COMPLIANCE.—The Secretary may issue such
21 rules as the Secretary considers necessary to ensure
22 producer compliance with the requirements of para-
23 graph (1).

24 (3) MODIFICATION.—At the request of the trans-
25 feree or owner, the Secretary may modify the require-

1 *ments of this subsection if the modifications are con-*
2 *sistent with the objectives of this subsection, as deter-*
3 *mined by the Secretary.*

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

5 *(1) TERMINATION.—*

6 *(A) IN GENERAL.—Except as provided in*
7 *paragraph (2), a transfer of (or change in) the*
8 *interest of the producers on a farm for which ag-*
9 *riculture risk coverage payments or adverse mar-*
10 *ket payments are made shall result in the termi-*
11 *nation of the payments, unless the transferee or*
12 *owner of the acreage agrees to assume all obliga-*
13 *tions under subsection (a).*

14 *(B) EFFECTIVE DATE.—The termination*
15 *shall take effect on the date determined by the*
16 *Secretary.*

17 *(2) EXCEPTION.—If a producer entitled to an*
18 *agriculture risk coverage payment or adverse market*
19 *payment dies, becomes incompetent, or is otherwise*
20 *unable to receive the payment, the Secretary shall*
21 *make the payment, in accordance with rules issued by*
22 *the Secretary.*

23 *(c) REPORTS.—*

24 *(1) ACREAGE REPORTS.—As a condition on the*
25 *receipt of any benefits under this subtitle or subtitle*

1 *B, the Secretary shall require producers on a farm to*
2 *submit to the Secretary annual acreage reports with*
3 *respect to all cropland on the farm.*

4 (2) *PRODUCTION REPORTS.*—*As a condition on*
5 *the receipt of any benefits under section 1108, the*
6 *Secretary shall require producers on a farm to submit*
7 *to the Secretary annual production reports with re-*
8 *spect to all covered commodities produced on the*
9 *farm.*

10 (3) *PENALTIES.*—*No penalty with respect to ben-*
11 *efits under this subtitle or subtitle B shall be assessed*
12 *against the producers on a farm for an inaccurate*
13 *acreage or production report unless the producers on*
14 *the farm knowingly and willfully falsified the acreage*
15 *or production report.*

16 (4) *DATA REPORTING.*—*To the maximum extent*
17 *practicable, the Secretary shall use data reported by*
18 *the producer pursuant to requirements under the Fed-*
19 *eral Crop Insurance Act (7 U.S.C. 1501 et seq.) to*
20 *meet the obligations described in paragraphs (1) and*
21 *(2), without additional submissions to the Depart-*
22 *ment.*

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

1 (e) *SHARING OF PAYMENTS.*—*The Secretary shall pro-*
 2 *vide for the sharing of adverse market payments and agri-*
 3 *culture risk coverage payments among the producers on a*
 4 *farm on a fair and equitable basis.*

5 **SEC. 1110. PERIOD OF EFFECTIVENESS.**

6 *Sections 1104 through 1109 shall be effective beginning*
 7 *with the 2014 crop year of each covered commodity through*
 8 *the 2018 crop year.*

9 ***Subtitle B—Marketing Assistance***
 10 ***Loans and Loan Deficiency Pay-***
 11 ***ments***

12 **SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING**
 13 **ASSISTANCE LOANS FOR LOAN COMMOD-**
 14 **ITIES.**

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

21 (b) *NONRECOURSE LOANS AVAILABLE.*—

22 (1) *IN GENERAL.*—*For each of the 2014 through*
 23 *2018 crops of each loan commodity, the Secretary*
 24 *shall make available to producers on a farm non-*

1 *recourse marketing assistance loans for loan commod-*
2 *ities produced on the farm.*

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

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

12 (d) *COMPLIANCE WITH CONSERVATION AND WET-*
13 *LANDS REQUIREMENTS.*—

14 (1) *REQUIREMENTS.*—*Before the producers on a*
15 *farm may receive a marketing assistance loan or any*
16 *other payment or benefit under this subtitle, the pro-*
17 *ducers shall agree, for the crop year for which the*
18 *payments are made and in exchange for the pay-*
19 *ments—*

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

4 (C) to use the land on the farm for an agri-
5 cultural or conserving use in a quantity equal to
6 the attributable eligible acres of the farm, and
7 not for a nonagricultural commercial, industrial,
8 or residential use, as determined by the Sec-
9 retary; and

10 (D) to effectively control noxious weeds and
11 otherwise maintain the land in accordance with
12 sound agricultural practices, as determined by
13 the Secretary, if the agricultural or conserving
14 use involves the noncultivation of any portion of
15 the land referred to in subparagraph (C).

16 (2) COMPLIANCE.—The Secretary may issue such
17 rules as the Secretary considers necessary to ensure
18 producer compliance with paragraph (1).

19 (3) MODIFICATION.—At the request of a trans-
20 feree or owner, the Secretary may modify the require-
21 ments of this subsection if the modifications are con-
22 sistent with the purposes of this subsection, as deter-
23 mined by the Secretary.

24 (e) SPECIAL RULES FOR PEANUTS.—

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

3 (2) *OPTIONS FOR OBTAINING LOAN.*—*A mar-*
4 *keting assistance loan under this section, and loan de-*
5 *ficiency payments under section 1205, may be ob-*
6 *tained at the option of the producers on a farm*
7 *through—*

8 (A) *a designated marketing association or*
9 *marketing cooperative of producers that is ap-*
10 *proved by the Secretary; or*

11 (B) *the Farm Service Agency.*

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

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

19 (B) *to comply with such additional require-*
20 *ments as the Secretary considers appropriate to*
21 *accomplish the purposes of this section and pro-*
22 *mote fairness in the administration of the bene-*
23 *fits of this section.*

24 (4) *STORAGE, HANDLING, AND ASSOCIATED*
25 *COSTS.*—

1 (A) *IN GENERAL.*—*To ensure proper storage*
2 *of peanuts for which a loan is made under this*
3 *section, the Secretary shall pay handling and*
4 *other associated costs (other than storage costs)*
5 *incurred at the time at which the peanuts are*
6 *placed under loan, as determined by the Sec-*
7 *retary.*

8 (B) *REDEMPTION AND FORFEITURE.*—*The*
9 *Secretary shall—*

10 (i) *require the repayment of handling*
11 *and other associated costs paid under sub-*
12 *paragraph (A) for all peanuts pledged as*
13 *collateral for a loan that is redeemed under*
14 *this section; and*

15 (ii) *pay storage, handling, and other*
16 *associated costs for all peanuts pledged as*
17 *collateral that are forfeited under this sec-*
18 *tion.*

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

24 (6) *REIMBURSABLE AGREEMENTS AND PAYMENT*
25 *OF ADMINISTRATIVE EXPENSES.*—*The Secretary may*

1 *implement any reimbursable agreements or provide*
2 *for the payment of administrative expenses under this*
3 *subsection only in a manner that is consistent with*
4 *those activities in regard to other loan commodities.*

5 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**
6 **ASSISTANCE LOANS.**

7 *(a) IN GENERAL.—For purposes of each of the 2014*
8 *through 2018 crop years, the loan rate for a marketing as-*
9 *sistance loan under section 1201 for a loan commodity shall*
10 *be equal to the following:*

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

12 *(2) In the case of corn, \$1.95 per bushel.*

13 *(3) In the case of grain sorghum, \$1.95 per bush-*
14 *el.*

15 *(4) In the case of barley, \$1.95 per bushel.*

16 *(5) In the case of oats, \$1.39 per bushel.*

17 *(6) In the case of base quality of upland cotton,*
18 *for the 2014 and each subsequent crop year, the sim-*
19 *ple average of the adjusted prevailing world price for*
20 *the 2 immediately preceding marketing years, as de-*
21 *termined by the Secretary and announced October 1*
22 *preceding the next domestic plantings, but in no case*
23 *less than \$0.45 per pound or more than \$0.52 per*
24 *pound.*

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

3 (8) *In the case of long grain rice, \$6.50 per hun-*
4 *dredweight.*

5 (9) *In the case of medium grain rice, \$6.50 per*
6 *hundredweight.*

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

8 (11) *In the case of other oilseeds, \$10.09 per hun-*
9 *dredweight for each of the following kinds of oilseeds:*

10 (A) *Sunflower seed.*

11 (B) *Rapeseed.*

12 (C) *Canola.*

13 (D) *Safflower.*

14 (E) *Flaxseed.*

15 (F) *Mustard seed.*

16 (G) *Crambe.*

17 (H) *Sesame seed.*

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

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

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

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

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

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

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

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

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

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

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

13 **SEC. 1203. TERM OF LOANS.**

14 (a) *TERM OF LOAN.—In the case of each loan com-*
15 *modity, a marketing assistance loan under section 1201*
16 *shall have a term of 9 months beginning on the first day*
17 *of the first month after the month in which the loan is*
18 *made.*

19 (b) *EXTENSIONS PROHIBITED.—The Secretary may*
20 *not extend the term of a marketing assistance loan for any*
21 *loan commodity.*

22 **SEC. 1204. REPAYMENT OF LOANS.**

23 (a) *GENERAL RULE.—The Secretary shall permit the*
24 *producers on a farm to repay a marketing assistance loan*
25 *under section 1201 for a loan commodity (other than up-*

1 *land cotton, long grain rice, medium grain rice, extra long*
2 *staple cotton, peanuts and confectionery and each other*
3 *kind of sunflower seed (other than oil sunflower seed)) at*
4 *a rate that is the lesser of—*

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

10 (2) *a rate (as determined by the Secretary)*
11 *that—*

12 (A) *is calculated based on average market*
13 *prices for the loan commodity during the pre-*
14 *ceding 30-day period; and*

15 (B) *will minimize discrepancies in mar-*
16 *keting loan benefits across State boundaries and*
17 *across county boundaries; or*

18 (3) *a rate that the Secretary may develop using*
19 *alternative methods for calculating a repayment rate*
20 *for a loan commodity that the Secretary determines*
21 *will—*

22 (A) *minimize potential loan forfeitures;*

23 (B) *minimize the accumulation of stocks of*
24 *the commodity by the Federal Government;*

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

3 (D) allow the commodity produced in the
4 United States to be marketed freely and competi-
5 tively, both domestically and internationally;
6 and

7 (E) minimize discrepancies in marketing
8 loan benefits across State boundaries and across
9 county boundaries.

10 (b) *REPAYMENT RATES FOR UPLAND COTTON, LONG*
11 *GRAIN RICE, AND MEDIUM GRAIN RICE.*—The Secretary
12 shall permit producers to repay a marketing assistance loan
13 under section 1201 for upland cotton, long grain rice, and
14 medium grain rice at a rate that is the lesser of—

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

20 (2) the prevailing world market price for the
21 commodity, as determined and adjusted by the Sec-
22 retary in accordance with this section.

23 (c) *REPAYMENT RATES FOR EXTRA LONG STAPLE*
24 *COTTON.*—Repayment of a marketing assistance loan for
25 extra long staple cotton shall be at the loan rate established

1 *for the commodity under section 1202, plus interest (deter-*
2 *mined in accordance with section 163 of the Federal Agri-*
3 *culture Improvement and Reform Act of 1996 (7 U.S.C.*
4 *7283)).*

5 *(d) PREVAILING WORLD MARKET PRICE.—For pur-*
6 *poses of this section, the Secretary shall prescribe by regula-*
7 *tion—*

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

11 *(2) a mechanism by which the Secretary shall*
12 *announce periodically those prevailing world market*
13 *prices.*

14 *(e) ADJUSTMENT OF PREVAILING WORLD MARKET*
15 *PRICE FOR UPLAND COTTON, LONG GRAIN RICE, AND ME-*
16 *DIUM GRAIN RICE.—*

17 *(1) RICE.—The prevailing world market price*
18 *for long grain rice and medium grain rice determined*
19 *under subsection (d) shall be adjusted to United*
20 *States quality and location.*

21 *(2) COTTON.—The prevailing world market price*
22 *for upland cotton determined under subsection (d)—*
23 *(A) shall be adjusted to United States qual-*
24 *ity and location, with the adjustment to in-*
25 *clude—*

1 (i) a reduction equal to any United
2 States Premium Factor for upland cotton of
3 a quality higher than Middling (M) $1\frac{3}{32}$ -
4 inch; and

5 (ii) the average costs to market the
6 commodity, including average transpor-
7 tation costs, as determined by the Secretary;
8 and

9 (B) may be further adjusted, during the pe-
10 riod beginning on the date of enactment of this
11 Act and ending on July 31, 2019, if the Sec-
12 retary determines the adjustment is necessary—

13 (i) to minimize potential loan forfeit-
14 ures;

15 (ii) to minimize the accumulation of
16 stocks of upland cotton by the Federal Gov-
17 ernment;

18 (iii) to ensure that upland cotton pro-
19 duced in the United States can be marketed
20 freely and competitively, both domestically
21 and internationally; and

22 (iv) to ensure an appropriate transi-
23 tion between current-crop and forward-crop
24 price quotations, except that the Secretary
25 may use forward-crop price quotations

1 *prior to July 31 of a marketing year only*

2 *if—*

3 *(I) there are insufficient current-*

4 *crop price quotations; and*

5 *(II) the forward-crop price*

6 *quotation is the lowest such quotation*

7 *available.*

8 *(3) GUIDELINES FOR ADDITIONAL ADJUST-*

9 *MENTS.—In making adjustments under this sub-*

10 *section, the Secretary shall establish a mechanism for*

11 *determining and announcing the adjustments in*

12 *order to avoid undue disruption in the United States*

13 *market.*

14 *(f) REPAYMENT RATES FOR CONFECTIONERY AND*

15 *OTHER KINDS OF SUNFLOWER SEEDS.—The Secretary*

16 *shall permit the producers on a farm to repay a marketing*

17 *assistance loan under section 1201 for confectionery and*

18 *each other kind of sunflower seed (other than oil sunflower*

19 *seed) at a rate that is the lesser of—*

20 *(1) the loan rate established for the commodity*

21 *under section 1202, plus interest (determined in ac-*

22 *cordance with section 163 of the Federal Agriculture*

23 *Improvement and Reform Act of 1996 (7 U.S.C.*

24 *7283)); or*

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

3 (g) *PAYMENT OF COTTON STORAGE COSTS.—Effective*
4 *for each of the 2014 through 2018 crop years, the Secretary*
5 *shall make cotton storage payments available in the same*
6 *manner, and at the same rates as the Secretary provided*
7 *storage payments for the 2006 crop of cotton, except that*
8 *the rates shall be reduced by 20 percent.*

9 (h) *REPAYMENT RATE FOR PEANUTS.—The Secretary*
10 *shall permit producers on a farm to repay a marketing as-*
11 *sistance loan for peanuts under subsection (a) at a rate that*
12 *is the lesser of—*

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

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

19 (A) *minimize potential loan forfeitures;*

20 (B) *minimize the accumulation of stocks of*
21 *peanuts by the Federal Government;*

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

1 (D) allow peanuts produced in the United
2 States to be marketed freely and competitively,
3 both domestically and internationally.

4 (i) *AUTHORITY TO TEMPORARILY ADJUST REPAY-*
5 *MENT RATES.*—

6 (1) *ADJUSTMENT AUTHORITY.*—*In the event of a*
7 *severe disruption to marketing, transportation, or re-*
8 *lated infrastructure, the Secretary may modify the re-*
9 *payment rate otherwise applicable under this section*
10 *for marketing assistance loans under section 1201 for*
11 *a loan commodity.*

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

17 **SEC. 1205. LOAN DEFICIENCY PAYMENTS.**

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

19 (1) *IN GENERAL.*—*Except as provided in sub-*
20 *section (d), the Secretary may make loan deficiency*
21 *payments available to producers on a farm that, al-*
22 *though eligible to obtain a marketing assistance loan*
23 *under section 1201 with respect to a loan commodity,*
24 *agree to forgo obtaining the loan for the commodity*

1 *in return for loan deficiency payments under this sec-*
2 *tion.*

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

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

9 (B) *LOAN DEFICIENCY PAYMENT.—Effective*
10 *for the 2014 through 2018 crop years, the Sec-*
11 *retary may make loan deficiency payments*
12 *available under this section to producers on a*
13 *farm that produce unshorn pelts or hay and si-*
14 *lage derived from a loan commodity.*

15 (b) *COMPUTATION.—A loan deficiency payment for a*
16 *loan commodity or commodity referred to in subsection*
17 *(a)(2) shall be equal to the product obtained by multi-*
18 *plying—*

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

21 (2) *the quantity of the commodity produced by*
22 *the eligible producers, excluding any quantity for*
23 *which the producers obtain a marketing assistance*
24 *loan under section 1201.*

25 (c) *PAYMENT RATE.—*

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

4 (A) *the loan rate established under section*
5 *1202 for the loan commodity; exceeds*

6 (B) *the rate at which a marketing assist-*
7 *ance loan for the loan commodity may be repaid*
8 *under section 1204.*

9 (2) *UNSHORN PELTS.*—*In the case of unshorn*
10 *pelts, the payment rate shall be the amount by*
11 *which—*

12 (A) *the loan rate established under section*
13 *1202 for ungraded wool; exceeds*

14 (B) *the rate at which a marketing assist-*
15 *ance loan for ungraded wool may be repaid*
16 *under section 1204.*

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

20 (A) *the loan rate established under section*
21 *1202 for the loan commodity from which the hay*
22 *or silage is derived; exceeds*

23 (B) *the rate at which a marketing assist-*
24 *ance loan for the loan commodity may be repaid*
25 *under section 1204.*

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

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

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

13 (a) *ELIGIBLE PRODUCERS.*—

14 (1) *IN GENERAL.*—*Effective for the 2014 through*
15 *2018 crop years, in the case of a producer that would*
16 *be eligible for a loan deficiency payment under sec-*
17 *tion 1205 for wheat, barley, or oats, but that elects to*
18 *use acreage planted to the wheat, barley, or oats for*
19 *the grazing of livestock, the Secretary shall make a*
20 *payment to the producer under this section if the pro-*
21 *ducer enters into an agreement with the Secretary to*
22 *forgo any other harvesting of the wheat, barley, or*
23 *oats on that acreage.*

24 (2) *GRAZING OF TRITICALE ACREAGE.*—*Effective*
25 *for the 2014 through 2018 crop years, with respect to*

1 *a producer on a farm that uses acreage planted to*
2 *triticale for the grazing of livestock, the Secretary*
3 *shall make a payment to the producer under this sec-*
4 *tion if the producer enters into an agreement with the*
5 *Secretary to forgo any other harvesting of triticale on*
6 *that acreage.*

7 ***(b) PAYMENT AMOUNT.—***

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

12 ***(A)*** *the loan deficiency payment rate deter-*
13 *mined under section 1205(c) in effect, as of the*
14 *date of the agreement, for the county in which*
15 *the farm is located; by*

16 ***(B)*** *the payment quantity determined by*
17 *multiplying—*

18 ***(i)*** *the quantity of the grazed acreage*
19 *on the farm with respect to which the pro-*
20 *ducer elects to forgo harvesting of wheat,*
21 *barley, or oats; and*

22 ***(ii)(I)*** *the yield in effect for the cal-*
23 *culatation of agriculture risk coverage pay-*
24 *ments under subtitle A with respect to that*
25 *loan commodity on the farm; or*

1 (II) in the case of a farm without a
2 payment yield for that loan commodity, an
3 appropriate yield established by the Sec-
4 retary.

5 (2) *GRAZING OF TRITICALE ACREAGE.*—The
6 amount of a payment made under this section to a
7 producer on a farm described in subsection (a)(2)
8 shall be equal to the amount determined by multi-
9 plying—

10 (A) the loan deficiency payment rate deter-
11 mined under section 1205(c) in effect for wheat,
12 as of the date of the agreement, for the county in
13 which the farm is located; by

14 (B) the payment quantity determined by
15 multiplying—

16 (i) the quantity of the grazed acreage
17 on the farm with respect to which the pro-
18 ducer elects to forgo harvesting of triticale;
19 and

20 (ii)(I) the yield in effect for the cal-
21 culation of agriculture risk coverage pay-
22 ments under subtitle A with respect to
23 wheat on the farm; or

24 (II) in the case of a farm without a
25 payment yield for wheat, an appropriate

1 *yield established by the Secretary in a man-*
2 *ner consistent with section 1102 of the*
3 *Food, Conservation, and Energy Act of*
4 *2008 (7 U.S.C. 8712).*

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

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

10 *(2) AVAILABILITY.—*

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

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

20 *(d) PROHIBITION ON CROP INSURANCE INDEMNITY OR*
21 *NONINSURED CROP ASSISTANCE.—A 2014 through 2018*
22 *crop of wheat, barley, oats, or triticale planted on acreage*
23 *that a producer elects, in the agreement required by sub-*
24 *section (a), to use for the grazing of livestock in lieu of any*
25 *other harvesting of the crop shall not be eligible for an in-*

1 demnity under a policy or plan of insurance authorized
2 under the Federal Crop Insurance Act (7 U.S.C. 1501 et
3 seq.) or noninsured crop assistance under section 196 of the
4 Federal Agriculture Improvement and Reform Act of 1996
5 (7 U.S.C. 7333).

6 **SEC. 1207. ECONOMIC ADJUSTMENT ASSISTANCE TO USERS**
7 **OF UPLAND COTTON.**

8 (a) *IN GENERAL.*—Subject to subsection (b), the Sec-
9 retary shall, on a monthly basis, make economic adjustment
10 assistance available to domestic users of upland cotton in
11 the form of payments for all documented use of that upland
12 cotton during the previous monthly period regardless of the
13 origin of the upland cotton.

14 (b) *VALUE OF ASSISTANCE.*—Effective beginning on
15 August 1, 2012, the value of the assistance provided under
16 subsection (a) shall be 3 cents per pound.

17 (c) *ALLOWABLE PURPOSES.*—Economic adjustment
18 assistance under this section shall be made available only
19 to domestic users of upland cotton that certify that the as-
20 sistance shall be used only to acquire, construct, install,
21 modernize, develop, convert, or expand land, plant, build-
22 ings, equipment, facilities, or machinery.

23 (d) *REVIEW OR AUDIT.*—The Secretary may conduct
24 such review or audit of the records of a domestic user under

1 *this subsection as the Secretary determines necessary to*
2 *carry out this subsection.*

3 *(e) IMPROPER USE OF ASSISTANCE.—If the Secretary*
4 *determines, after a review or audit of the records of the do-*
5 *mestic user, that economic adjustment assistance under this*
6 *subsection was not used for the purposes specified in sub-*
7 *section (c), the domestic user shall be—*

8 *(1) liable for the repayment of the assistance to*
9 *the Secretary, plus interest, as determined by the Sec-*
10 *retary; and*

11 *(2) ineligible to receive assistance under this sub-*
12 *section for a period of 1 year following the determina-*
13 *tion of the Secretary.*

14 **SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
15 **LONG STAPLE COTTON.**

16 *(a) COMPETITIVENESS PROGRAM.—Notwithstanding*
17 *any other provision of law, during the period beginning on*
18 *the date of enactment of this Act through July 31, 2019,*
19 *the Secretary shall carry out a program—*

20 *(1) to maintain and expand the domestic use of*
21 *extra long staple cotton produced in the United*
22 *States;*

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

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

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

7 (1) *for a consecutive 4-week period, the world*
8 *market price for the lowest priced competing growth*
9 *of extra long staple cotton (adjusted to United States*
10 *quality and location and for other factors affecting*
11 *the competitiveness of such cotton), as determined by*
12 *the Secretary, is below the prevailing United States*
13 *price for a competing growth of extra long staple cot-*
14 *ton; and*

15 (2) *the lowest priced competing growth of extra*
16 *long staple cotton (adjusted to United States quality*
17 *and location and for other factors affecting the com-*
18 *petitiveness of such cotton), as determined by the Sec-*
19 *retary, is less than 134 percent of the loan rate for*
20 *extra long staple cotton.*

21 (c) *ELIGIBLE RECIPIENTS.—The Secretary shall make*
22 *payments available under this section to domestic users of*
23 *extra long staple cotton produced in the United States and*
24 *exporters of extra long staple cotton produced in the United*
25 *States that enter into an agreement with the Commodity*

1 *Credit Corporation to participate in the program under*
2 *this section.*

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

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

12 (a) *HIGH MOISTURE FEED GRAINS.*—

13 (1) *DEFINITION OF HIGH MOISTURE STATE.*—*In*
14 *this subsection, the term “high moisture state” means*
15 *corn or grain sorghum having a moisture content in*
16 *excess of Commodity Credit Corporation standards*
17 *for marketing assistance loans made by the Secretary*
18 *under section 1201.*

19 (2) *RECOURSE LOANS AVAILABLE.*—*For each of*
20 *the 2014 through 2018 crops of corn and grain sor-*
21 *ghum, the Secretary shall make available recourse*
22 *loans, as determined by the Secretary, to producers on*
23 *a farm that—*

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

4 (B) present—

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

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

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

1 *by the users of corn and grain sorghum in a*
2 *high moisture state; and*

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

8 (3) *ELIGIBILITY OF ACQUIRED FEED GRAINS.—*
9 *A loan under this subsection shall be made on a*
10 *quantity of corn or grain sorghum of the same crop*
11 *acquired by the producer equivalent to a quantity de-*
12 *termined by multiplying—*

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

16 *(B) the lower of the actual average yield*
17 *used to make payments under subtitle A or the*
18 *actual yield on a field, as determined by the Sec-*
19 *retary, that is similar to the field from which the*
20 *corn or grain sorghum was obtained.*

21 (b) *RECOURSE LOANS AVAILABLE FOR SEED COT-*
22 *TON.—For each of the 2014 through 2018 crops of upland*
23 *cotton and extra long staple cotton, the Secretary shall make*
24 *available recourse seed cotton loans, as determined by the*
25 *Secretary, on any production.*

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

7 **SEC. 1210. ADJUSTMENTS OF LOANS.**

8 (a) *ADJUSTMENT AUTHORITY.*—*Subject to subsection*
9 *(e), the Secretary may make appropriate adjustments in*
10 *the loan rates for any loan commodity (other than cotton)*
11 *for differences in grade, type, quality, location, and other*
12 *factors.*

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

20 (c) *ADJUSTMENT ON COUNTY BASIS.*—

21 (1) *IN GENERAL.*—*The Secretary may establish*
22 *loan rates for a crop for producers in individual*
23 *counties in a manner that results in the lowest loan*
24 *rate being 95 percent of the national average loan*

1 rate, if those loan rates do not result in an increase
2 in outlays.

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

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

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

10 (2) *REVISIONS TO QUALITY ADJUSTMENTS FOR*
11 *UPLAND COTTON.*—

12 (A) *IN GENERAL.*—Not later than 180 days
13 after the date of enactment of this Act, the Sec-
14 retary shall implement revisions in the adminis-
15 tration of the marketing assistance loan program
16 for upland cotton to more accurately and effi-
17 ciently reflect market values for upland cotton.

18 (B) *MANDATORY REVISIONS.*—Revisions
19 under subparagraph (A) shall include—

20 (i) the elimination of warehouse loca-
21 tion differentials;

22 (ii) the establishment of differentials
23 for the various quality factors and staple
24 lengths of cotton based on a 3-year, weight-
25 ed moving average of the weighted des-

1 *ignated spot market regions, as determined*
2 *by regional production;*

3 *(iii) the elimination of any artificial*
4 *split in the premium or discount between*
5 *upland cotton with a 32 or 33 staple length*
6 *due to micronaire; and*

7 *(iv) a mechanism to ensure that no*
8 *premium or discount is established that ex-*
9 *ceeds the premium or discount associated*
10 *with a leaf grade that is 1 better than the*
11 *applicable color grade.*

12 *(C) DISCRETIONARY REVISIONS.—Revisions*
13 *under subparagraph (A) may include—*

14 *(i) the use of non-spot market price*
15 *data, in addition to spot market price data,*
16 *that would enhance the accuracy of the*
17 *price information used in determining qual-*
18 *ity adjustments under this subsection;*

19 *(ii) adjustments in the premiums or*
20 *discounts associated with upland cotton*
21 *with a staple length of 33 or above due to*
22 *micronaire with the goal of eliminating any*
23 *unnecessary artificial splits in the calcula-*
24 *tions of the premiums or discounts; and*

1 (iii) such other adjustments as the Sec-
2 retary determines appropriate, after con-
3 sultations conducted in accordance with
4 paragraph (3).

5 (3) CONSULTATION WITH PRIVATE SECTOR.—

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

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

16 (4) REVIEW OF ADJUSTMENTS.—The Secretary
17 may review the operation of the upland cotton quality
18 adjustments implemented pursuant to this subsection
19 and may make further revisions to the administration
20 of the loan program for upland cotton, by—

21 (A) revoking or revising any actions taken
22 under paragraph (2)(B); or

23 (B) revoking or revising any actions taken
24 or authorized to be taken under paragraph
25 (2)(C).

1 (e) *RICE*.—*The Secretary shall not make adjustments*
2 *in the loan rates for long grain rice and medium grain*
3 *rice, except for differences in grade and quality (including*
4 *milling yields).*

5 ***Subtitle C—Sugar***

6 ***SEC. 1301. SUGAR PROGRAM.***

7 (a) *CONTINUATION OF CURRENT PROGRAM AND LOAN*
8 *RATES*.—

9 (1) *SUGARCANE*.—*Section 156(a)(5) of the Fed-*
10 *eral Agriculture Improvement and Reform Act of*
11 *1996 (7 U.S.C. 7272(a)(5)) is amended by striking*
12 *“the 2012 crop year” and inserting “each of the 2014*
13 *through 2018 crop years”.*

14 (2) *SUGAR BEETS*.—*Section 156(b)(2) of the*
15 *Federal Agriculture Improvement and Reform Act of*
16 *1996 (7 U.S.C. 7272(b)(2)) is amended by striking*
17 *“2012” and inserting “2018”.*

18 (3) *EFFECTIVE PERIOD*.—*Section 156(i) of the*
19 *Federal Agriculture Improvement and Reform Act of*
20 *1996 (7 U.S.C. 7272(i)) is amended by striking*
21 *“2012” and inserting “2018”.*

22 (b) *FLEXIBLE MARKETING ALLOTMENTS FOR*
23 *SUGAR*.—

24 (1) *SUGAR ESTIMATES*.—*Section 359b(a)(1) of*
25 *the Agricultural Adjustment Act of 1938 (7 U.S.C.*

1 1359bb(a)(1)) is amended by striking “2012” and in-
2 serting “2018”.

3 (2) *EFFECTIVE PERIOD.*—Section 359l(a) of the
4 Agricultural Adjustment Act of 1938 (7 U.S.C.
5 1359ll(a)) is amended by striking “2012” and insert-
6 ing “2018”.

7 **Subtitle D—Dairy**

8 **PART I—DAIRY PRODUCTION MARGIN PROTEC-** 9 **TION AND DAIRY MARKET STABILIZATION** 10 **PROGRAMS**

11 **SEC. 1401. DEFINITIONS.**

12 *In this part:*

13 (1) *ACTUAL DAIRY PRODUCTION MARGIN.*—The
14 term “actual dairy production margin” means the
15 difference between the all-milk price and the average
16 feed cost, as calculated under section 1402.

17 (2) *ALL-MILK PRICE.*—The term “all-milk price”
18 means the average price received, per hundredweight
19 of milk, by dairy operations for all milk sold to
20 plants and dealers in the United States, as deter-
21 mined by the Secretary.

22 (3) *ANNUAL PRODUCTION HISTORY.*—The term
23 “annual production history” means the production
24 history determined for a participating dairy oper-
25 ation under section 1413(b) whenever the partici-

1 *participating dairy operation purchases supplemental pro-*
2 *duction margin protection.*

3 (4) *AVERAGE FEED COST.—The term “average*
4 *feed cost” means the average cost of feed used by a*
5 *dairy operation to produce a hundredweight of milk,*
6 *determined under section 1402 using the sum of the*
7 *following:*

8 (A) *The product determined by multiplying*
9 *1.0728 by the price of corn per bushel.*

10 (B) *The product determined by multiplying*
11 *0.00735 by the price of soybean meal per ton.*

12 (C) *The product determined by multiplying*
13 *0.0137 by the price of alfalfa hay per ton.*

14 (5) *BASIC PRODUCTION HISTORY.—The term*
15 *“basic production history” means the production his-*
16 *tory determined for a participating dairy operation*
17 *under section 1413(a) for provision of basic produc-*
18 *tion margin protection.*

19 (6) *CONSECUTIVE 2-MONTH PERIOD.—The term*
20 *“consecutive 2-month period” refers to the 2-month*
21 *period consisting of the months of January and Feb-*
22 *ruary, March and April, May and June, July and*
23 *August, September and October, or November and De-*
24 *cember, respectively.*

25 (7) *DAIRY OPERATION.—*

1 (A) *IN GENERAL.*—*The term “dairy operation” means, as determined by the Secretary, 1*
2 *or more dairy producers that produce and mar-*
3 *ket milk as a single dairy operation in which*
4 *each dairy producer—*

5 (i) *shares in the pooling of resources*
6 *and a common ownership structure;*

7 (ii) *is at risk in the production of milk*
8 *on the dairy operation; and*

9 (iii) *contributes land, labor, manage-*
10 *ment, equipment, or capital to the dairy op-*
11 *eration.*

12 (B) *ADDITIONAL OWNERSHIP STRUC-*
13 *TURES.*—*The Secretary shall determine addi-*
14 *tional ownership structures to be covered by the*
15 *definition of dairy operation.*

16 (8) *HANDLER.*—

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

22 (B) *PRODUCER-HANDLER.*—*The term in-*
23 *cludes a “producer-handler” when the producer*
24 *satisfies the definition in subparagraph (A).*
25

1 (9) *PARTICIPATING DAIRY OPERATION.*—*The*
2 *term “participating dairy operation” means a dairy*
3 *operation that—*

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

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

9 (10) *PRODUCTION MARGIN PROTECTION PRO-*
10 *GRAM.*—*The term “production margin protection pro-*
11 *gram” means the dairy production margin protection*
12 *program required by subpart A.*

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

15 (12) *STABILIZATION PROGRAM.*—*The term “sta-*
16 *bilization program” means the dairy market sta-*
17 *bilization program required by subpart B for all par-*
18 *ticipating dairy operations.*

19 (13) *STABILIZATION PROGRAM BASE.*—*The term*
20 *“stabilization program base”, with respect to a par-*
21 *ticipating dairy operation, means the stabilization*
22 *program base calculated for the participating dairy*
23 *operation under section 1431(b).*

24 (14) *UNITED STATES.*—*The term “United*
25 *States”, in a geographical sense, means the 50 States,*

1 *the District of Columbia, American Samoa, Guam,*
2 *the Commonwealth of the Northern Mariana Islands,*
3 *the Commonwealth of Puerto Rico, the Virgin Islands*
4 *of the United States, and any other territory or pos-*
5 *session of the United States.*

6 **SEC. 1402. CALCULATION OF AVERAGE FEED COST AND AC-**
7 **TUAL DAIRY PRODUCTION MARGINS.**

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

11 *(1) The price of corn for a month shall be the*
12 *price received during that month by farmers in the*
13 *United States for corn, as reported in the monthly*
14 *Agricultural Prices report by the Secretary.*

15 *(2) The price of soybean meal for a month shall*
16 *be the central Illinois price for soybean meal, as re-*
17 *ported in the Market News—Monthly Soybean Meal*
18 *Price Report by the Secretary.*

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

23 *(b) CALCULATION OF ACTUAL DAIRY PRODUCTION*
24 *MARGINS.—*

1 (1) *PRODUCTION MARGIN PROTECTION PRO-*
2 *GRAM.*—*For use in the production margin protection*
3 *program under subpart A, the Secretary shall cal-*
4 *culate the actual dairy production margin for each*
5 *consecutive 2-month period by subtracting—*

6 (A) *the average feed cost for that consecutive*
7 *2-month period, determined in accordance with*
8 *subsection (a); from*

9 (B) *the all-milk price for that consecutive 2-*
10 *month period.*

11 (2) *STABILIZATION PROGRAM.*—*For use in the*
12 *stabilization program under subpart B, the Secretary*
13 *shall calculate each month the actual dairy produc-*
14 *tion margin for the preceding month by subtracting—*

15 (A) *the average feed cost for that preceding*
16 *month, determined in accordance with subsection*
17 *(a); from*

18 (B) *the all-milk price for that preceding*
19 *month.*

20 (3) *TIME FOR CALCULATIONS.*—*The calculations*
21 *required by paragraphs (1) and (2) shall be made as*
22 *soon as practicable using the full month price of the*
23 *applicable reference month.*

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

2 **Program**

3 **SEC. 1411. ESTABLISHMENT OF DAIRY PRODUCTION MAR-**
4 **GIN PROTECTION PROGRAM.**

5 *Effective not later than 120 days after the effective date*
6 *of this subtitle, the Secretary shall establish and administer*
7 *a dairy production margin protection program under*
8 *which participating dairy operations are paid—*

9 (1) *basic production margin protection program*
10 *payments under section 1414 when actual dairy pro-*
11 *duction margins are less than the threshold levels for*
12 *such payments; and*

13 (2) *supplemental production margin protection*
14 *program payments under section 1415 if purchased*
15 *by a participating dairy operation.*

16 **SEC. 1412. PARTICIPATION OF DAIRY OPERATIONS IN PRO-**
17 **DUCTION MARGIN PROTECTION PROGRAM.**

18 (a) *ELIGIBILITY.*—*All dairy operations in the United*
19 *States shall be eligible to participate in the production mar-*
20 *gin protection program, except that a participating dairy*
21 *operation shall be required to register with the Secretary*
22 *before the participating dairy operation may receive—*

23 (1) *basic production margin protection program*
24 *payments under section 1414; and*

25 (2) *if the participating dairy operation pur-*
26 *chases supplemental production margin protection*

1 *under section 1415, supplemental production margin*
2 *protection program payments under such section.*

3 *(b) REGISTRATION PROCESS.—*

4 *(1) IN GENERAL.—The Secretary shall specify*
5 *the manner and form by which a participating dairy*
6 *operation may register to participate in the produc-*
7 *tion margin protection program.*

8 *(2) TREATMENT OF MULTIPRODUCER DAIRY OP-*
9 *ERATIONS.—If a participating dairy operation is op-*
10 *erated by more than 1 dairy producer, all of the*
11 *dairy producers of the participating dairy operation*
12 *shall be treated as a single dairy operation for pur-*
13 *poses of—*

14 *(A) registration to receive basic production*
15 *margin protection and election to purchase sup-*
16 *plemental production margin protection;*

17 *(B) payment of the participation fee under*
18 *subsection (d) and producer premiums under sec-*
19 *tion 1415; and*

20 *(C) participation in the stabilization pro-*
21 *gram under subtitle B.*

22 *(3) TREATMENT OF PRODUCERS WITH MULTIPLE*
23 *DAIRY OPERATIONS.—If a dairy producer operates 2*
24 *or more dairy operations, each dairy operation of the*
25 *producer shall separately register to receive basic pro-*

1 *duction margin protection and purchase supple-*
2 *mental production margin protection and only those*
3 *dairy operations so registered shall be covered by the*
4 *stabilization program.*

5 *(c) TIME FOR REGISTRATION.—*

6 *(1) EXISTING DAIRY OPERATIONS.—During the*
7 *15-month period beginning on the date of the initi-*
8 *ation of the registration period for the production*
9 *margin protection program, a dairy operation that is*
10 *actively engaged as of such date may register with the*
11 *Secretary—*

12 *(A) to receive basic production margin pro-*
13 *tection; and*

14 *(B) if the dairy operation elects, to pur-*
15 *chase supplemental production margin protec-*
16 *tion.*

17 *(2) NEW ENTRANTS.—A dairy producer that has*
18 *no existing interest in a dairy operation as of the*
19 *date of the initiation of the registration period for the*
20 *production margin protection program, but that, after*
21 *such date, establishes a new dairy operation, may*
22 *register with the Secretary during the 1-year period*
23 *beginning on the date on which the dairy operation*
24 *first markets milk commercially—*

1 (A) to receive basic production margin pro-
2 tection; and

3 (B) if the dairy operation elects, to pur-
4 chase supplemental production margin protec-
5 tion.

6 (d) *TRANSITION FROM MILC TO PRODUCTION MARGIN*
7 *PROTECTION.*—

8 (1) *DEFINITION OF TRANSITION PERIOD.*—*In*
9 *this subsection, the term “transition period” means*
10 *the period during which the milk income loss pro-*
11 *gram established under section 1506 of the Food, Con-*
12 *servation, and Energy Act of 2008 (7 U.S.C. 8773)*
13 *and the production margin protection program under*
14 *this subtitle are both in existence.*

15 (2) *NOTICE OF AVAILABILITY.*—*Not later than 30*
16 *days after the date of enactment of this Act, the Sec-*
17 *retary shall publish a notice in the Federal Register*
18 *to inform dairy operations of the availability of basic*
19 *production margin protection and supplemental pro-*
20 *duction margin protection, including the terms of the*
21 *protection and information about the option of dairy*
22 *operations during the transition period to make an*
23 *election described in paragraph (3).*

24 (3) *ELECTION.*—*Except as provided in para-*
25 *graph (4), a dairy operation may elect to participate*

1 *in either the milk income loss program established*
2 *under section 1506 of the Food, Conservation, and*
3 *Energy Act of 2008 (7 U.S.C. 8773) or the production*
4 *margin protection program under this subtitle for the*
5 *duration of the transition period.*

6 (4) *TRANSFER TO PRODUCTION MARGIN PROTEC-*
7 *TION.—A dairy operation that elects to participate in*
8 *the milk income loss program established under sec-*
9 *tion 1506 of the Food, Conservation, and Energy Act*
10 *of 2008 (7 U.S.C. 8773) during the transition period*
11 *may, at any time, make a permanent transfer to the*
12 *production margin protection program.*

13 (e) *ADMINISTRATION FEE.—*

14 (1) *ADMINISTRATION FEE REQUIRED.—Except as*
15 *provided in paragraph (5), a participating dairy op-*
16 *eration shall—*

17 (A) *pay an administration fee under this*
18 *subsection to register to participate in the pro-*
19 *duction margin protection program; and*

20 (B) *pay the administration fee annually*
21 *thereafter to continue to participate in the pro-*
22 *duction margin protection program.*

23 (2) *FEE AMOUNT.—The administration fee for a*
24 *participating dairy operation for a calendar year*
25 *shall be based on the pounds of milk (in millions)*

1 *marketed by the participating dairy operation in the*
 2 *previous calendar year, as follows:*

<i>Pounds Marketed (in millions)</i>	<i>Administration Fee</i>
<i>less than 1</i>	<i>\$100</i>
<i>1 to 5</i>	<i>\$250</i>
<i>more than 5 to 10</i>	<i>\$350</i>
<i>more than 10 to 40</i>	<i>\$1,000</i>
<i>more than 40</i>	<i>\$2,500.</i>

3 *(3) DEPOSIT OF FEES.—All administration fees*
 4 *collected under this subsection shall be credited to the*
 5 *fund or account used to cover the costs incurred to ad-*
 6 *minister the production margin protection program*
 7 *and the stabilization program and shall be available*
 8 *to the Secretary, without further appropriation and*
 9 *until expended, for use or transfer as provided in*
 10 *paragraph (4).*

11 *(4) USE OF FEES.—The Secretary shall use ad-*
 12 *ministration fees collected under this subsection—*

13 *(A) to cover administrative costs of the pro-*
 14 *duction margin protection program and sta-*
 15 *bilization program; and*

16 *(B) to cover costs of the Department of Ag-*
 17 *riculture relating to reporting of dairy market*
 18 *news, carrying out the amendments made by sec-*
 19 *tion 1476, and carrying out section 273 of the*
 20 *Agricultural Marketing Act of 1946 (7 U.S.C.*

1 1637b), to the extent funds remain available
2 after operation of subparagraph (A).

3 (5) *WAIVER.*—The Secretary shall waive or re-
4 duce the administration fee required under paragraph
5 (1) in the case of a limited-resource dairy operation,
6 as defined by the Secretary.

7 (f) *LIMITATION.*—A dairy operation may only partici-
8 pate in the production margin protection program or the
9 livestock gross margin for dairy program under the Federal
10 Crop Insurance Act (7 U.S.C. 1501 et seq.), but not both.

11 **SEC. 1413. PRODUCTION HISTORY OF PARTICIPATING**
12 **DAIRY OPERATIONS.**

13 (a) *PRODUCTION HISTORY FOR BASIC PRODUCTION*
14 *MARGIN PROTECTION.*—

15 (1) *DETERMINATION REQUIRED.*—For purposes
16 of providing basic production margin protection, the
17 Secretary shall determine the basic production history
18 of a participating dairy operation.

19 (2) *CALCULATION.*—Except as provided in para-
20 graph (3), the basic production history of a partici-
21 pating dairy operation for basic production margin
22 protection is equal to the highest annual milk mar-
23 ketings of the participating dairy operation during
24 any 1 of the 3 calendar years immediately preceding
25 the calendar year in which the participating dairy

1 *operation first signed up to participate in the produc-*
2 *tion margin protection program.*

3 (3) *ELECTION BY NEW DAIRY OPERATIONS.—In*
4 *the case of a participating dairy operation that has*
5 *been in operation for less than a year, the partici-*
6 *parting dairy operation shall elect 1 of the following*
7 *methods for the Secretary to determine the basic pro-*
8 *duction history of the participating dairy operation:*

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

13 (B) *An estimate of the actual milk mar-*
14 *ketings of the participating dairy operation*
15 *based on the herd size of the participating dairy*
16 *operation relative to the national rolling herd*
17 *average data published by the Secretary.*

18 (4) *NO CHANGE IN PRODUCTION HISTORY FOR*
19 *BASIC PRODUCTION MARGIN PROTECTION.—Once the*
20 *basic production history of a participating dairy op-*
21 *eration is determined under paragraph (2) or (3), the*
22 *basic production history shall not be subsequently*
23 *changed for purposes of determining the amount of*
24 *any basic production margin protection payments for*

1 *the participating dairy operation made under section*
2 *1414.*

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

5 *(1) DETERMINATION REQUIRED.—For purposes*
6 *of providing supplemental production margin protec-*
7 *tion for a participating dairy operation that pur-*
8 *chases supplemental production margin protection for*
9 *a year under section 1415, the Secretary shall deter-*
10 *mine the annual production history of the partici-*
11 *parting dairy operation under paragraph (2).*

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

17 *(3) NEW DAIRY OPERATIONS.—Subsection (a)(3)*
18 *shall apply with respect to determining the annual*
19 *production history of a participating dairy operation*
20 *that has been in operation for less than a year.*

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

24 *(1) the basic production history of the partici-*
25 *parting dairy operation under subsection (a); and*

1 (2) *the production history of the participating*
2 *dairy operation whenever the participating dairy op-*
3 *eration purchases supplemental production margin*
4 *protection under section 1415.*

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

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

12 (2) *COVERAGE LEVEL.—*

13 (A) *BASIC PRODUCTION MARGIN PROTEC-*
14 *TION.—A purchaser or lessee to whom the Sec-*
15 *retary transfers a basic production history under*
16 *this subsection shall not obtain a different level*
17 *of basic production margin protection than the*
18 *basic production margin protection coverage held*
19 *by the seller or lessor from whom the transfer*
20 *was obtained.*

21 (B) *SUPPLEMENTAL PRODUCTION MARGIN*
22 *PROTECTION.—A purchaser or lessee to whom the*
23 *Secretary transfers an annual production history*
24 *under this subsection shall not obtain a different*
25 *level of supplemental production margin protec-*

1 *tion coverage than the supplemental production*
2 *margin protection coverage in effect for the seller*
3 *or lessor from whom the transfer was obtained*
4 *for the calendar year in which the transfer was*
5 *made.*

6 *(e) MOVEMENT AND TRANSFER OF PRODUCTION HIS-*
7 *TORY.—*

8 *(1) MOVEMENT AND TRANSFER AUTHORIZED.—*
9 *Subject to paragraph (2), if a participating dairy op-*
10 *eration moves from 1 location to another location, the*
11 *participating dairy operation may transfer the basic*
12 *production history and annual production history as-*
13 *sociated with the participating dairy operation.*

14 *(2) NOTIFICATION REQUIREMENT.—A partici-*
15 *pating dairy operation shall notify the Secretary of*
16 *any move of a participating dairy operation under*
17 *paragraph (1).*

18 *(3) SUBSEQUENT OCCUPATION OF VACATED LO-*
19 *CATION.—A party subsequently occupying a partici-*
20 *pating dairy operation location vacated as described*
21 *in paragraph (1) shall have no interest in the basic*
22 *production history or annual production history pre-*
23 *viously associated with the participating dairy oper-*
24 *ation at such location.*

1 **SEC. 1414. BASIC PRODUCTION MARGIN PROTECTION.**

2 (a) *PAYMENT THRESHOLD.*—*The Secretary shall make*
 3 *a payment to participating dairy operations in accordance*
 4 *with subsection (b) whenever the average actual dairy pro-*
 5 *duction margin for a consecutive 2-month period is less*
 6 *than \$4.00 per hundredweight of milk.*

7 (b) *BASIC PRODUCTION MARGIN PROTECTION PAY-*
 8 *MENT.*—*The basic production margin protection payment*
 9 *for a participating dairy operation for a consecutive 2-*
 10 *month period shall be equal to the product obtained by mul-*
 11 *tiplying—*

12 (1) *the difference between the average actual*
 13 *dairy production margin for the consecutive 2-month*
 14 *period and \$4.00, except that, if the difference is more*
 15 *than \$4.00, the Secretary shall use \$4.00; by*

16 (2) *the lesser of—*

17 (A) *80 percent of the production history of*
 18 *the participating dairy operation, divided by 6;*

19 *or*

20 (B) *the actual quantity of milk marketed by*
 21 *the participating dairy operation during the*
 22 *consecutive 2-month period.*

23 **SEC. 1415. SUPPLEMENTAL PRODUCTION MARGIN PROTEC-**
 24 **TION.**

25 (a) *ELECTION OF SUPPLEMENTAL PRODUCTION MAR-*
 26 *GIN PROTECTION.*—*A participating dairy operation may*

1 *annually purchase supplemental production margin protec-*
2 *tion to protect, during the calendar year for which pur-*
3 *chased, a higher level of the income of a participating dairy*
4 *operation than the income level guaranteed by basic produc-*
5 *tion margin protection under section 1414.*

6 (b) *SELECTION OF PAYMENT THRESHOLD.—A partici-*
7 *pating dairy operation purchasing supplemental produc-*
8 *tion margin protection for a year shall elect a coverage level*
9 *that is higher, in any increment of \$0.50, than the payment*
10 *threshold for basic production margin protection specified*
11 *in section 1414(a), but not to exceed \$8.00.*

12 (c) *COVERAGE PERCENTAGE.—A participating dairy*
13 *operation purchasing supplemental production margin pro-*
14 *tection for a year shall elect a percentage of coverage equal*
15 *to not more than 90 percent, nor less than 25 percent, of*
16 *the annual production history of the participating dairy*
17 *operation.*

18 (d) *PREMIUMS FOR SUPPLEMENTAL PRODUCTION*
19 *MARGIN PROTECTION.—*

20 (1) *PREMIUMS REQUIRED.—A participating*
21 *dairy operation that purchases supplemental produc-*
22 *tion margin protection shall pay an annual premium*
23 *equal to the product obtained by multiplying—*

1 (A) the coverage percentage elected by the
2 participating dairy operation under subsection
3 (c);

4 (B) the annual production history of the
5 participating dairy operation; and

6 (C) the premium per hundredweight of
7 milk, as specified in the applicable table under
8 paragraph (2) or (3).

9 (2) *PREMIUM PER HUNDREDWEIGHT FOR FIRST*
10 4 *MILLION POUNDS OF PRODUCTION.*—For the first
11 4,000,000 pounds of milk marketings included in the
12 annual production history of a participating dairy
13 operation, the premium per hundredweight cor-
14 responding to each coverage level specified in the fol-
15 lowing table is as follows:

<i>Coverage Level</i>	<i>Premium per Cwt.</i>
\$4.50	\$0.01
\$5.00	\$0.02
\$5.50	\$0.035
\$6.00	\$0.045
\$6.50	\$0.09
\$7.00	\$0.40
\$7.50	\$0.60
\$8.00	\$0.95.

16 (3) *PREMIUM PER HUNDREDWEIGHT FOR PRO-*
17 *DUCTION IN EXCESS OF 4 MILLION POUNDS.*—For
18 milk marketings in excess of 4,000,000 pounds in-
19 cluded in the annual production history of a partici-
20 pating dairy operation, the premium per hundred-

1 *weight corresponding to each coverage level is as fol-*
 2 *lows:*

<i>Coverage Level</i>	<i>Premium per Cwt.</i>
\$4.50	\$0.02
\$5.00	\$0.04
\$5.50	\$0.10
\$6.00	\$0.15
\$6.50	\$0.29
\$7.00	\$0.62
\$7.50	\$0.83
\$8.00	\$1.06.

3 (4) *TIME FOR PAYMENT.*—*In promulgating the*
 4 *rules to initiate the production margin protection*
 5 *program, the Secretary shall provide more than 1*
 6 *method by which a participating dairy operation that*
 7 *purchases supplemental production margin protection*
 8 *for a calendar year may pay the premium under this*
 9 *subsection for that year in any manner that maxi-*
 10 *mizes participating dairy operation payment flexi-*
 11 *bility and program integrity.*

12 (e) *PREMIUM OBLIGATIONS.*—

13 (1) *PRO-RATION OF PREMIUM FOR NEW DAIRY*
 14 *OPERATIONS.*—*A participating dairy operation de-*
 15 *scribed in section 1412(c)(2) that purchases supple-*
 16 *mental production margin protection for a calendar*
 17 *year after the start of the calendar year shall pay a*
 18 *pro-rated premium for that calendar year based on*
 19 *the portion of the calendar year for which the partici-*
 20 *pating dairy operation purchases the coverage.*

1 (2) *LEGAL OBLIGATION.*—A participating dairy
2 operation that purchases supplemental production
3 margin protection for a calendar year shall be legally
4 obligated to pay the applicable premium for that cal-
5 endar year, except that the Secretary may waive that
6 obligation, under terms and conditions determined by
7 the Secretary, for 1 or more producers in any partici-
8 pating dairy operation in the case of death, retire-
9 ment, permanent dissolution of a participating dairy
10 operation, or other circumstances as the Secretary
11 considers appropriate to ensure the integrity of the
12 program.

13 (f) *SUPPLEMENTAL PAYMENT THRESHOLD.*—A par-
14 ticipating dairy operation with supplemental production
15 margin protection shall receive a supplemental production
16 margin protection payment whenever the average actual
17 dairy production margin for a consecutive 2-month period
18 is less than the coverage level threshold selected by the par-
19 ticipating dairy operation under subsection (b).

20 (g) *SUPPLEMENTAL PRODUCTION MARGIN PROTEC-*
21 *TION PAYMENTS.*—

22 (1) *IN GENERAL.*—The supplemental production
23 margin protection payment for a participating dairy
24 operation is in addition to the basic production mar-
25 gin protection payment.

1 (2) *AMOUNT OF PAYMENT.*—*The supplemental*
2 *production margin protection payment for the par-*
3 *ticipating dairy operation shall be determined as fol-*
4 *lows:*

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

9 (i) *the average actual dairy production*
10 *margin for the consecutive 2-month period;*

11 *or*

12 (ii) *\$4.00.*

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

18 (i) *The annual production history of*
19 *the participating dairy operation, divided*
20 *by 6.*

21 (ii) *The actual amount of milk mar-*
22 *keted by the participating dairy operation*
23 *during the consecutive 2-month period.*

1 **SEC. 1416. EFFECT OF FAILURE TO PAY ADMINISTRATION**
2 **FEEES OR PREMIUMS.**

3 (a) *LOSS OF BENEFITS.*—A participating dairy oper-
4 ation that fails to pay the required administration fee
5 under section 1412 or is in arrears on premium payments
6 for supplemental production margin protection under sec-
7 tion 1415—

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

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

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

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

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

21 (a) *PROGRAM REQUIRED; PURPOSE.*—Effective not
22 later than 120 days after the effective date of this subtitle,
23 the Secretary shall establish and administer a dairy market
24 stabilization program applicable to participating dairy op-
25 erations for the purpose of assisting in balancing the supply

1 *of milk with demand when participating dairy operations*
2 *are experiencing low or negative operating margins.*

3 (b) *ELECTION OF STABILIZATION PROGRAM BASE*
4 *CALCULATION METHOD.—*

5 (1) *ELECTION.—When a dairy operation signs*
6 *up under section 1412 to participate in the produc-*
7 *tion margin protection program, the dairy operation*
8 *shall inform the Secretary of the method by which the*
9 *stabilization program base for the participating dairy*
10 *operation will be calculated under paragraph (3).*

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

17 (3) *CALCULATION METHODS.—A participating*
18 *dairy operation may elect either of the following*
19 *methods for calculation of the stabilization program*
20 *base for the participating dairy operation:*

21 (A) *The volume of the average monthly milk*
22 *marketings of the participating dairy operation*
23 *for the 3 months immediately preceding the an-*
24 *nouncement by the Secretary that the stabiliza-*
25 *tion program will become effective.*

1 (B) *The volume of the monthly milk mar-*
2 *ketings of the participating dairy operation for*
3 *the same month in the preceding year as the*
4 *month for which the Secretary has announced*
5 *the stabilization program will become effective.*

6 **SEC. 1432. THRESHOLD FOR IMPLEMENTATION AND REDUC-**
7 **TION IN DAIRY PAYMENTS.**

8 (a) *WHEN STABILIZATION PROGRAM REQUIRED.—Ex-*
9 *cept as provided in subsection (b), the Secretary shall an-*
10 *nounce that the stabilization program is in effect and order*
11 *reduced payments by handlers to participating dairy oper-*
12 *ations that exceed the applicable percentage of the partici-*
13 *pating dairy operation's stabilization program base when-*
14 *ever—*

15 (1) *the actual dairy production margin has been*
16 *\$6.00 or less per hundredweight of milk for each of*
17 *the immediately preceding 2 months; or*

18 (2) *the actual dairy production margin has been*
19 *\$4.00 or less per hundredweight of milk for the imme-*
20 *diately preceding month.*

21 (b) *EXCEPTION.—If any of the conditions described in*
22 *section 1436(b) have been met during the 2-month period*
23 *immediately preceding the month in which the announce-*
24 *ment under subsection (a) would otherwise be made by the*

1 *Secretary in the absence of this exception, the Secretary*
2 *shall—*

3 (1) *suspend the stabilization program;*

4 (2) *refrain from making the announcement*
5 *under subsection (a) to implement order the stabiliza-*
6 *tion payment; or*

7 (3) *order reduced payments.*

8 (c) *EFFECTIVE DATE FOR IMPLEMENTATION OF PAY-*
9 *MENT REDUCTIONS.—Reductions in dairy payments shall*
10 *commence beginning on the first day of the month imme-*
11 *diately following the date of the announcement by the Sec-*
12 *retary under subsection (a).*

13 **SEC. 1433. MILK MARKETINGS INFORMATION.**

14 (a) *COLLECTION OF MILK MARKETING DATA.—The*
15 *Secretary shall establish, by regulation, a process to collect*
16 *from participating dairy operations and handlers such in-*
17 *formation that the Secretary considers necessary for each*
18 *month during which the stabilization program is in effect.*

19 (b) *REDUCE REGULATORY BURDEN.—When imple-*
20 *menting the process under subsection (a), the Secretary*
21 *shall minimize the regulatory burden on participating*
22 *dairy operations and handlers.*

1 **SEC. 1434. CALCULATION AND COLLECTION OF REDUCED**
2 **DAIRY OPERATION PAYMENTS.**

3 (a) *REDUCED PARTICIPATING DAIRY OPERATION PAY-*
4 *MENTS REQUIRED.*—*During any month in which payment*
5 *reductions are in effect under the stabilization program,*
6 *each handler shall reduce payments to each participating*
7 *dairy operation from whom the handler receives milk.*

8 (b) *REDUCTIONS BASED ON ACTUAL DAIRY PRODUC-*
9 *TION MARGIN.*—

10 (1) *REDUCTION REQUIREMENT 1.*—*If the Sec-*
11 *retary determines that the average actual dairy pro-*
12 *duction margin has been less than \$6.00 but greater*
13 *than \$5.00 per hundredweight of milk for 2 consecu-*
14 *tive months, the handler shall make payments to a*
15 *participating dairy operation for a month based on*
16 *the greater of the following:*

17 (A) *98 percent of the stabilization program*
18 *base of the participating dairy operation.*

19 (B) *94 percent of the marketings of milk for*
20 *the month by the participating dairy operation.*

21 (2) *REDUCTION REQUIREMENT 2.*—*If the Sec-*
22 *retary determines that the average actual dairy pro-*
23 *duction margin has been less than \$5.00 but greater*
24 *than \$4.00 for 2 consecutive months, the handler shall*
25 *make payments to a participating dairy operation*
26 *for a month based on the greater of the following:*

1 (A) 97 percent of the stabilization program
2 base of the participating dairy operation.

3 (B) 93 percent of the marketings of milk for
4 the month by the participating dairy operation.

5 (3) *REDUCTION REQUIREMENT 3.*—If the Sec-
6 retary determines that the average actual dairy pro-
7 duction margin has been \$4.00 or less for any 1
8 month, the handler shall make payments to a partici-
9 pating dairy operation for a month based on the
10 greater of the following:

11 (A) 96 percent of the stabilization program
12 base of the participating dairy operation.

13 (B) 92 percent of the marketings of milk for
14 the month by the participating dairy operation.

15 (c) *CONTINUATION OF REDUCTIONS.*—The largest level
16 of payment reduction required under paragraph (1), (2),
17 or (3) of subsection (b) shall be continued for each month
18 until the Secretary suspends the stabilization program and
19 terminates payment reductions in accordance with section
20 1436.

21 (d) *PAYMENT REDUCTION EXCEPTION.*—Notwith-
22 standing any preceding subsection of this section, a handler
23 shall make no payment reductions for a participating dairy
24 operation for a month if the participating dairy operation's
25 milk marketings for the month are equal to or less than

1 *the percentage of the stabilization program base applicable*
2 *to the participating dairy operation under paragraph (1),*
3 *(2), or (3) of subsection (b).*

4 **SEC. 1435. REMITTING FUNDS TO THE SECRETARY AND USE**
5 **OF FUNDS.**

6 (a) *REMITTING FUNDS.*—*As soon as practicable after*
7 *the end of each month during which payment reductions*
8 *are in effect under the stabilization program, each handler*
9 *shall remit to the Secretary an amount equal to the amount*
10 *by which payments to participating dairy operations are*
11 *reduced by the handler under section 1434.*

12 (b) *DEPOSIT OF REMITTED FUNDS.*—*All funds re-*
13 *ceived under subsection (a) shall be available to the Sec-*
14 *retary, without further appropriation and until expended,*
15 *for use or transfer as provided in subsection (c).*

16 (c) *USE OF FUNDS.*—

17 (1) *AVAILABILITY FOR CERTAIN COMMODITY DO-*
18 *NATIONS.*—*Not later than 90 days after the funds de-*
19 *scribed in subsection (a) are due as determined by the*
20 *Secretary, the Secretary shall obligate the funds for*
21 *the purpose of—*

22 (A) *purchasing dairy products for donation*
23 *to food banks and other programs that the Sec-*
24 *retary determines appropriate; and*

1 (B) *expanding consumption and building*
2 *demand for dairy products.*

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

9 (3) *ACCOUNTING.*—*The Secretary shall keep an*
10 *accurate account of all funds expended under para-*
11 *graph (1).*

12 (d) *ANNUAL REPORT.*—*Not later than December 31 of*
13 *each year that the stabilization program is in effect, the*
14 *Secretary shall submit to the Committee on Agriculture of*
15 *the House of Representatives and the Committee on Agri-*
16 *culture, Nutrition, and Forestry of the Senate a report that*
17 *provides an accurate accounting of—*

18 (1) *the funds received by the Secretary during*
19 *the preceding fiscal year under subsection (a);*

20 (2) *all expenditures made by the Secretary under*
21 *subsection (b) during the preceding fiscal year; and*

22 (3) *the impact of the stabilization program on*
23 *dairy markets.*

24 (e) *ENFORCEMENT.*—*If a participating dairy oper-*
25 *ation or handler fails to remit or collect the amounts by*

1 *which payments to participating dairy operations are re-*
2 *duced under section 1434, the participating dairy operation*
3 *or handler responsible for the failure shall be liable to the*
4 *Secretary for the amount that should have been remitted*
5 *or collected, plus interest. In addition to the enforcement*
6 *authorities available under section 1437, the Secretary may*
7 *enforce this subsection in the courts of the United States.*

8 **SEC. 1436. SUSPENSION OF REDUCED PAYMENT REQUIRE-**
9 **MENT.**

10 (a) *DETERMINATION OF PRICES.*—*For purposes of this*
11 *section:*

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

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

17 (b) *SUSPENSION THRESHOLDS.*—*The stabilization*
18 *program shall be suspended or the Secretary shall refrain*
19 *from making the announcement under section 1432(a) if*
20 *the Secretary determines that—*

21 (1) *the actual dairy production margin is great-*
22 *er than \$6.00 per hundredweight of milk for 2 con-*
23 *secutive months;*

24 (2) *the actual dairy production margin is equal*
25 *to or less than \$6.00 (but greater than \$5.00) for 2*

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

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

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

9 *(3) the actual dairy production margin is equal*
10 *to or less than \$5.00 (but greater than \$4.00) for 2*
11 *consecutive months, and during the same 2 consecu-*
12 *tive months—*

13 *(A) the price in the United States for ched-*
14 *dar cheese is more than 5 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 5 percent above the*
18 *world price of skim milk powder; or*

19 *(4) the actual dairy production margin is equal*
20 *to or less than \$4.00 for 2 consecutive months, and*
21 *during the same 2 consecutive months—*

22 *(A) the price in the United States for ched-*
23 *dar cheese is more than 7 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 7 percent above the
3 world price of skim milk powder.

4 (c) *IMPLEMENTATION BY HANDLERS.*—Effective on the
5 day after the date of the announcement by the Secretary
6 under subsection (b) of the suspension of the stabilization
7 program, the handler shall cease reducing payments to par-
8 ticipating dairy operations under the stabilization pro-
9 gram.

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

15 (1) 2 months have passed, beginning on the first
16 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 DAIRY OPERATION AND HANDLER*
3 *COMPLIANCE.*—

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

10 (2) *SAMPLE OF DAIRY OPERATIONS.*—*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 operations.*

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 **SEC. 1439. STUDY; REPORT.**

22 (a) *IN GENERAL.*—*The Secretary shall direct the Of-*
23 *fice of the Chief Economist to conduct a study of the im-*
24 *pacts of the program established under section 1431(a).*

25 (b) *CONSIDERATIONS.*—*The study conducted under*
26 *subsection (a) shall consider—*

1 **(b) RECONSTITUTION AND ELIGIBILITY ISSUES.**—

2 **(1) RECONSTITUTION.**—*Using authorities under*
3 *section 1001(f) and 1001B of the Food Security Act*
4 *of 1985 (7 U.S.C. 1308(f), 1308–2), the Secretary*
5 *shall promulgate regulations to prohibit a dairy pro-*
6 *ducer from reconstituting a dairy operation for the*
7 *sole purpose of the dairy producer—*

8 **(A)** *receiving basic margin protection;*

9 **(B)** *purchasing supplemental margin pro-*
10 *tection; or*

11 **(C)** *avoiding participation in the market*
12 *stabilization program.*

13 **(2) ELIGIBILITY ISSUES.**—*Using authorities*
14 *under section 1001(f) and 1001B of the Food Security*
15 *Act of 1985 (7 U.S.C. 1308(f), 1308–2), the Secretary*
16 *shall promulgate regulations—*

17 **(A)** *to prohibit a scheme or device;*

18 **(B)** *to provide for equitable relief; and*

19 **(C)** *to provide for other issues affecting eli-*
20 *gibility and liability issues.*

21 **(3) ADMINISTRATIVE APPEALS.**—*Using authori-*
22 *ties under section 1001(h) of the Food Security Act of*
23 *1985 (7 U.S.C. 1308(h)) and subtitle H of the De-*
24 *partment of Agriculture Reorganization Act (7 U.S.C.*
25 *6991 et seq.), the Secretary shall promulgate regula-*

1 *tions to provide for administrative appeals of deci-*
2 *sions of the Secretary that are adverse to participants*
3 *of the programs described in subsection (a).*

4 ***PART II—DAIRY MARKET TRANSPARENCY***

5 ***SEC. 1461. DAIRY PRODUCT MANDATORY REPORTING.***

6 *(a) DEFINITIONS.—Section 272(1)(A) of the Agricul-*
7 *tural Marketing Act of 1946 (7 U.S.C. 1637a(1)(A)) is*
8 *amended by inserting “, or any other products that may*
9 *significantly aid price discovery in the dairy markets, as*
10 *determined by the Secretary” after “of 1937”.*

11 *(b) MANDATORY REPORTING FOR DAIRY PRODUCTS.—*
12 *Section 273(b) of the Agricultural Marketing Act of 1946*
13 *(7 U.S.C. 1637b(b)) is amended—*

14 *(1) by striking paragraph (1) and inserting the*
15 *following new paragraph:*

16 *“(1) IN GENERAL.—In establishing the program,*
17 *the Secretary shall only—*

18 *“(A)(i) subject to the conditions described in*
19 *paragraph (2), require each manufacturer to re-*
20 *port to the Secretary, more frequently than once*
21 *per month, information concerning the price,*
22 *quantity, and moisture content of dairy products*
23 *sold by the manufacturer and any other product*
24 *characteristics that may significantly aid price*

1 *discovery in the dairy markets, as determined by*
 2 *the Secretary; and*

3 “(i) *modify the format used to provide the*
 4 *information on the day before the date of enact-*
 5 *ment of this subtitle to ensure that the informa-*
 6 *tion can be readily understood by market par-*
 7 *ticipants; and*

8 “(B) *require each manufacturer and other*
 9 *person storing dairy products (including dairy*
 10 *products in cold storage) to report to the Sec-*
 11 *retary, more frequently than once per month, in-*
 12 *formation on the quantity of dairy products*
 13 *stored.”; and*

14 (2) *in paragraph (2), by inserting “or those that*
 15 *may significantly aid price discovery in the dairy*
 16 *markets” after “Federal milk marketing order” each*
 17 *place it appears in subparagraphs (A), (B), and (C).*

18 **SEC. 1462. FEDERAL MILK MARKETING ORDER PROGRAM**

19 **PRE-HEARING PROCEDURE FOR CLASS III**

20 **PRICING.**

21 (a) *IN GENERAL.—The Secretary shall use the pre-*
 22 *hearing procedure described in this section to consider alter-*
 23 *native formulas for Class III milk product pricing under*
 24 *section 8c of the Agricultural Adjustment Act (7 U.S.C.*

1 608c), reenacted with amendments by the Agricultural Mar-
2 keting Agreement Act of 1937.

3 (b) *REQUESTS FOR PROPOSALS.*—

4 (1) *IN GENERAL.*—Not later than 120 days after
5 the date of enactment of this Act, the Secretary shall
6 issue a request for the submission by interested per-
7 sons of preliminary proposals for replacement of the
8 Class III milk product pricing formula.

9 (2) *PRELIMINARY PROPOSALS.*—Preliminary
10 proposals submitted under paragraph (1)—

11 (A) may include competitive pay price for-
12 mulas; and

13 (B) shall provide sufficient detail in concept
14 to serve as the basis for the convening by the Sec-
15 retary of a public information session for review
16 and discussion in accordance with section 900.24
17 of title 7, Code of Federal Regulations (as in ef-
18 fect on the date of enactment of this Act), but
19 need not conform with the other procedural re-
20 quirements of part 900 of title 7, Code of Federal
21 Regulations (as in effect on the date of enact-
22 ment of this Act).

23 (c) *PRE-HEARING INFORMATION SESSION REVIEW.*—

24 (1) *IN GENERAL.*—Not later than 180 days after
25 the date on which the Secretary issues a request under

1 subsection (b)(1), the Secretary shall convene a public
2 information session in accordance with section 900.24
3 of title 7, Code of Federal Regulations (as in effect on
4 the date of enactment of this Act).

5 (2) *REQUIREMENTS.*—The Secretary shall review
6 all preliminary proposals submitted under this sec-
7 tion that are of sufficient conceptual detail to allow
8 for the review described in paragraph (b)(2)(B).

9 (d) *HEARING DETERMINATION.*—

10 (1) *IN GENERAL.*—Not later than 90 days after
11 the conduct of the public information session under
12 subsection (c), the Secretary shall determine whether
13 to conduct a formal hearing in accordance with part
14 900 of title 7, Code of Federal Regulations (as in ef-
15 fect on the date of enactment of this Act).

16 (2) *HEARING TO BE CONDUCTED.*—If the Sec-
17 retary determines under paragraph (1) to conduct a
18 formal hearing, the Secretary shall issue notice and
19 conduct the hearing in accordance with part 900 of
20 title 7, Code of Federal Regulations (as in effect on
21 the date of enactment of this Act).

22 (3) *HEARING NOT TO BE CONDUCTED.*—If the
23 Secretary determines under paragraph (1) not to con-
24 duct a formal hearing, not later than 90 days after
25 that determination, the Secretary shall submit to the

1 *Committee on Agriculture of the House of Representa-*
2 *tives and the Committee on Agriculture, Nutrition*
3 *and Forestry of the Senate a written report that ex-*
4 *plains the basis for the decision.*

5 *(e) PROCEEDING WITH A HEARING AT ANY TIME.—*
6 *Consistent with the purposes of this section, the Secretary*
7 *may dispense with the pre-hearing requirements of this sec-*
8 *tion and initiate at any time a formal hearing under part*
9 *900 of title 7, Code of Federal Regulations (as in effect on*
10 *the date of enactment of this Act).*

11 **PART III—REPEAL OR REAUTHORIZATION OF**
12 **OTHER DAIRY-RELATED PROVISIONS**

13 **SEC. 1471. REPEAL OF DAIRY PRODUCT PRICE SUPPORT**
14 **AND MILK INCOME LOSS CONTRACT PRO-**
15 **GRAMS.**

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

19 *(b) REPEAL OF MILK INCOME LOSS CONTRACT PRO-*
20 *GRAM.—*

21 *(1) PAYMENTS UNDER MILK INCOME LOSS CON-*
22 *TRACT PROGRAM.—Section 1506(c)(3) of the Food,*
23 *Conservation, and Energy Act of 2008 (7 U.S.C.*
24 *8773(c)(3)) is amended—*

1 (A) in subparagraph (A), by inserting
2 “and” after the semicolon;

3 (B) in subparagraph (B), by striking “Au-
4 gust 31, 2013, 45 percent; and” and inserting
5 “June 30, 2014, 45 percent.”; and

6 (C) by striking subparagraph (C).

7 (2) *EXTENSION.*—Section 1506(h)(1) of the Food,
8 Conservation, and Energy Act of 2008 (7 U.S.C.
9 8773(h)(1)) is amended by striking “September 30,
10 2013” and inserting “June 30, 2014”.

11 (3) *REPEAL.*—Effective July 1, 2014, section
12 1506 of the Food, Conservation, and Energy Act of
13 2008 (7 U.S.C. 8773) is repealed.

14 **SEC. 1472. REPEAL OF DAIRY EXPORT INCENTIVE PRO-**
15 **GRAM.**

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

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

21 (1) by striking subparagraph (D); and

22 (2) by redesignating subparagraphs (E) and (F)
23 as subparagraphs (D) and (E), respectively.

1 **SEC. 1473. EXTENSION OF DAIRY FORWARD PRICING PRO-**
2 **GRAM.**

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

5 *(1) in paragraph (1), by striking “2012” and in-*
6 *serting “2018”; and*

7 *(2) in paragraph (2), by striking “2015” and in-*
8 *serting “2021”.*

9 **SEC. 1474. EXTENSION OF DAIRY INDEMNITY PROGRAM.**

10 *Section 3 of Public Law 90–484 (7 U.S.C. 450l) is*
11 *amended by striking “2012” and inserting “2018”.*

12 **SEC. 1475. EXTENSION OF DAIRY PROMOTION AND RE-**
13 **SEARCH PROGRAM.**

14 *Section 113(e)(2) of the Dairy Production Stabiliza-*
15 *tion Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by strik-*
16 *ing “2012” and inserting “2018”.*

17 **SEC. 1476. EXTENSION OF FEDERAL MILK MARKETING**
18 **ORDER REVIEW COMMISSION.**

19 *Section 1509(a) of the Food, Conservation, and Energy*
20 *Act of 2008 (Public Law 110–246; 122 Stat. 1726) is*
21 *amended by inserting “or other funds” after “Subject to the*
22 *availability of appropriations”.*

1 **PART IV—FEDERAL MILK MARKETING ORDER**2 **REFORM**3 **SEC. 1481. FEDERAL MILK MARKETING ORDERS.**

4 (a) *AMENDMENTS.*—*The Secretary shall provide an*
5 *analysis on the effects of amending each Federal milk mar-*
6 *keting order issued under section 8c of the Agricultural Ad-*
7 *justment Act (7 U.S.C. 608c), reenacted with amendments*
8 *by the Agricultural Marketing Agreement Act of 1937 (in*
9 *this part referred to as a “milk marketing order”), as re-*
10 *quired by this section.*

11 (b) *USE OF END-PRODUCT PRICE FORMULAS.*—*In*
12 *carrying out subsection (a), the Secretary shall—*

13 (1) *consider replacing the use of end-product*
14 *price formulas with other pricing alternatives; and*

15 (2) *submit to the Committee on Agriculture of*
16 *the House of Representatives and the Committee on*
17 *Agriculture, Nutrition, and Forestry of the Senate a*
18 *report describing the findings of the Secretary on the*
19 *impact of the action considered under paragraph (1).*

20 **PART V—EFFECTIVE DATE**21 **SEC. 1491. EFFECTIVE DATE.**

22 *Except as otherwise provided in this subtitle, this sub-*
23 *title and the amendments made by this subtitle take effect*
24 *on October 1, 2013.*

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

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

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.—*

24 (A) *IN GENERAL.—The term “farm” means,*
25 *in relation to an eligible producer on a farm, the*

1 total of all crop acreage in all counties that is
 2 planted or intended to be planted for harvest, for
 3 sale, or on-farm livestock feeding (including na-
 4 tive grassland intended for haying) by the eligi-
 5 ble producer.

6 (B) *AQUACULTURE*.—In the case of aqua-
 7 culture, the term “farm” means, in relation to
 8 an eligible producer on a farm, all fish being
 9 produced in all counties that are intended to be
 10 harvested for sale by the eligible producer.

11 (C) *HONEY*.—In the case of honey, the term
 12 “farm” means, in relation to an eligi-
 13 ble producer on a farm, all bees and beehives in all
 14 counties that are intended to be harvested for a
 15 honey crop for sale by the eligible producer.

16 (3) *FARM-RAISED FISH*.—The term “farm-raised
 17 fish” means any aquatic species that is propagated
 18 and reared in a controlled environment.

19 (4) *LIVESTOCK*.—The term “livestock” in-
 20 cludes—

21 (A) cattle (including dairy cattle);

22 (B) bison;

23 (C) poultry;

24 (D) sheep;

25 (E) swine;

1 (F) horses; and

2 (G) other livestock, as determined by the
3 Secretary.

4 (b) *LIVESTOCK INDEMNITY PAYMENTS.*—

5 (1) *PAYMENTS.*—For each of fiscal years 2012
6 through 2018, the Secretary shall use such sums as
7 are necessary of the funds of the Commodity Credit
8 Corporation to make livestock indemnity payments to
9 eligible producers on farms that have incurred live-
10 stock death losses in excess of the normal mortality,
11 as determined by the Secretary, due to—

12 (A) attacks by animals reintroduced into
13 the wild by the Federal Government or protected
14 by Federal law, including wolves; or

15 (B) adverse weather, as determined by the
16 Secretary, during the calendar year, including
17 losses due to hurricanes, floods, blizzards, disease,
18 wildfires, extreme heat, and extreme cold.

19 (2) *PAYMENT RATES.*—Indemnity payments to
20 an eligible producer on a farm under paragraph (1)
21 shall be made at a rate of 65 percent of the market
22 value of the applicable livestock on the day before the
23 date of death of the livestock, as determined by the
24 Secretary.

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

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

8 (1) *ESTABLISHMENT.*—*There is established a*
9 *livestock forage disaster program to provide 1 source*
10 *for livestock forage disaster assistance for weather-re-*
11 *lated forage losses, as determined by the Secretary, by*
12 *combining—*

13 (A) *the livestock forage assistance functions*
14 *of—*

15 (i) *the noninsured crop disaster assist-*
16 *ance program established by section 196 of*
17 *the Federal Agriculture Improvement and*
18 *Reform Act of 1996 (7 U.S.C. 7333); and*

19 (ii) *the emergency assistance for live-*
20 *stock, honey bees, and farm-raised fish pro-*
21 *gram under section 531(e) of the Federal*
22 *Crop Insurance Act (7 U.S.C. 1531(e)) (as*
23 *in existence on the day before the date of en-*
24 *actment of this Act); and*

1 (B) *the livestock forage disaster program*
2 *under section 531(d) of the Federal Crop Insur-*
3 *ance Act (7 U.S.C. 1531(d)) (as in existence on*
4 *the day before the date of enactment of this Act).*

5 (2) *DEFINITIONS.—In this subsection:*

6 (A) *COVERED LIVESTOCK.—*

7 (i) *IN GENERAL.—Except as provided*
8 *in clause (ii), the term “covered livestock”*
9 *means livestock of an eligible livestock pro-*
10 *ducer that, during the 60 days prior to the*
11 *beginning date of an eligible forage loss, as*
12 *determined by the Secretary, the eligible*
13 *livestock producer—*

14 (I) *owned;*

15 (II) *leased;*

16 (III) *purchased;*

17 (IV) *entered into a contract to*
18 *purchase;*

19 (V) *was a contract grower; or*

20 (VI) *sold or otherwise disposed of*
21 *due to an eligible forage loss during—*

22 (aa) *the current production*
23 *year; or*

24 (bb) *subject to paragraph*
25 *(4)(B)(ii), 1 or both of the 2 pro-*

1 *duction years immediately pre-*
2 *ceding the current production*
3 *year.*

4 *(ii) EXCLUSION.—The term “covered*
5 *livestock” does not include livestock that*
6 *were or would have been in a feedlot, on the*
7 *beginning date of the eligible forage loss, as*
8 *a part of the normal business operation of*
9 *the eligible livestock producer, as determined*
10 *by the Secretary.*

11 *(B) DROUGHT MONITOR.—The term*
12 *“drought monitor” means a system for*
13 *classifying drought severity according to a range*
14 *of abnormally dry to exceptional drought, as de-*
15 *finied by the Secretary.*

16 *(C) ELIGIBLE FORAGE LOSS.—The term*
17 *“eligible forage loss” means 1 or more forage*
18 *losses that occur due to weather-related condi-*
19 *tions, including drought, flood, blizzard, hail, ex-*
20 *cessive moisture, hurricane, and fire, occurring*
21 *during the normal grazing period, as determined*
22 *by the Secretary, if the forage—*

23 *(i) is grown on land that is native or*
24 *improved pastureland with permanent vege-*
25 *tative cover; or*

1 (ii) is a crop planted specifically for
2 the purpose of providing grazing for covered
3 livestock of an eligible livestock producer.

4 (D) *ELIGIBLE LIVESTOCK PRODUCER.*—

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

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

14 (II) provides the pastureland or
15 grazing land for covered livestock, in-
16 cluding cash-leased pastureland or
17 grazing land that is physically located
18 in a county affected by an eligible for-
19 age loss;

20 (III) certifies the eligible forage
21 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 (E) *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 (4)(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 an eligible forage
15 loss that diminishes the production of the graz-
16 ing land or pastureland.

17 (F) *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 (4)(D)(i).

22 (3) *PROGRAM.*—For each of fiscal years 2012
23 through 2018, the Secretary shall use such sums as
24 are necessary of the funds of the Commodity Credit
25 Corporation to provide compensation under para-

1 *graphs (4) through (6), as determined by the Sec-*
2 *retary for eligible forage losses affecting covered live-*
3 *stock of eligible livestock producers.*

4 (4) *ASSISTANCE FOR ELIGIBLE FORAGE LOSSES*
5 *DUE TO DROUGHT CONDITIONS.—*

6 (A) *ELIGIBLE FORAGE LOSSES.—*

7 (i) *IN GENERAL.—An eligible livestock*
8 *producer of covered livestock may receive as-*
9 *sistance under this paragraph for eligible*
10 *forage losses that occur due to drought on*
11 *land that—*

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

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

18 (ii) *EXCLUSIONS.—An eligible livestock*
19 *producer may not receive assistance under*
20 *this paragraph for eligible forage losses that*
21 *occur on land used for haying or grazing*
22 *under the conservation reserve program es-*
23 *tablished under subchapter B of chapter 1 of*
24 *subtitle D of title XII of the Food Security*
25 *Act of 1985 (16 U.S.C. 3831 et seq.), unless*

1 *the land is grassland eligible for the con-*
2 *servaion reserve program under section*
3 *1231(d)(2) of the Food Security Act of 1985*
4 *(16 U.S.C. 3831(d)(2)) (as amended by sec-*
5 *tion 2001).*

6 *(B) MONTHLY PAYMENT RATE.—*

7 *(i) IN GENERAL.—Except as provided*
8 *in clause (ii), the payment rate for assist-*
9 *ance for 1 month under this paragraph*
10 *shall, in the case of drought, be equal to 50*
11 *percent of the lesser of—*

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

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

20 *(ii) PARTIAL COMPENSATION.—In the*
21 *case of an eligible livestock producer that*
22 *sold or otherwise disposed of covered live-*
23 *stock due to drought conditions in 1 or both*
24 *of the 2 production years immediately pre-*
25 *ceding the current production year, as de-*

1 *terminated by the Secretary, the payment rate*
2 *shall be 80 percent of the payment rate oth-*
3 *erwise calculated in accordance with clause*
4 *(i).*

5 *(C) MONTHLY FEED COST.—*

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

9 *(I) 30 days;*

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

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

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

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

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

1 (iii) *CORN PRICE PER POUND.*—For
2 purposes of clause (i)(III), the corn price
3 per pound shall equal the quotient obtained
4 by dividing—

5 (I) *the lesser of—*

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

12 (bb) *the average national*
13 *marketing year average corn price*
14 *per bushel for the most recent 5*
15 *crop years, excluding each of the*
16 *crop years with the highest and*
17 *lowest prices; by*

18 (II) *56.*

19 (D) *NORMAL GRAZING PERIOD AND*
20 *DROUGHT MONITOR INTENSITY.*—

21 (i) *FSA COUNTY COMMITTEE DETER-*
22 *MINATIONS.*—

23 (I) *IN GENERAL.*—*The Secretary*
24 *shall determine the normal carrying*
25 *capacity and normal grazing period*

1 for each type of grazing land or
2 pastureland in the county served by the
3 applicable Farm Service Agency com-
4 mittee, except that the normal grazing
5 period shall not exceed 240 days.

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

13 (ii) *DROUGHT INTENSITY.*—

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

1 *ment using the monthly payment rate*
2 *determined under subparagraph (B).*

3 (II) *D3.—An eligible livestock*
4 *producer that owns or leases grazing*
5 *land or pastureland that is physically*
6 *located in a county that is rated by the*
7 *U.S. Drought Monitor as having at*
8 *least a D3 (extreme drought) intensity*
9 *in any area of the county at any time*
10 *during the normal grazing period for*
11 *the county, as determined by the Sec-*
12 *retary, shall be eligible to receive as-*
13 *sistance under this paragraph—*

14 *(aa) in an amount equal to 2*
15 *monthly payments using the*
16 *monthly payment rate determined*
17 *under subparagraph (B); or*

18 *(bb) if the county is rated as*
19 *having a D3 (extreme drought)*
20 *intensity in any area of the coun-*
21 *ty for at least 4 weeks during the*
22 *normal grazing period for the*
23 *county, or is rated as having a*
24 *D4 (exceptional drought) intensity*
25 *in any area of the county at any*

1 *time during the normal grazing*
2 *period, in an amount equal to 3*
3 *monthly payments using the*
4 *monthly payment rate determined*
5 *under subparagraph (B).*

6 *(iii) ANNUAL PAYMENT BASED ON*
7 *DROUGHT CONDITIONS DETERMINED BY*
8 *MEANS OTHER THAN THE U.S. DROUGHT*
9 *MONITOR.—*

10 *(I) IN GENERAL.—An eligible live-*
11 *stock producer that owns grazing land*
12 *or pastureland that is physically lo-*
13 *cated in a county that has experienced*
14 *on average, over the preceding calendar*
15 *year, precipitation levels that are 50*
16 *percent or more below normal levels,*
17 *according to sufficient documentation*
18 *as determined by the Secretary, may be*
19 *eligible, subject to a determination by*
20 *the Secretary, to receive assistance*
21 *under this paragraph in an amount*
22 *equal to not more than 1 monthly pay-*
23 *ment using the monthly payment rate*
24 *under subparagraph (B).*

1 (II) *NO DUPLICATE PAYMENT.*—A
2 producer may not receive a payment
3 under both clause (ii) and this clause.

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

6 (A) *IN GENERAL.*—An eligible livestock pro-
7 ducer may receive assistance under this para-
8 graph only if—

9 (i) the eligible forage losses occur on
10 rangeland that is managed by a Federal
11 agency; and

12 (ii) the eligible livestock producer is
13 prohibited by the Federal agency from graz-
14 ing the normal permitted livestock on the
15 managed rangeland due to a fire.

16 (B) *PAYMENT RATE.*—The payment rate for
17 assistance under this paragraph shall be equal to
18 50 percent of the monthly feed cost for the total
19 number of livestock covered by the Federal lease
20 of the eligible livestock producer, as determined
21 under paragraph (4)(C).

22 (C) *PAYMENT DURATION.*—

23 (i) *IN GENERAL.*—Subject to clause
24 (ii), an eligible livestock producer shall be

1 *eligible to receive assistance under this*
2 *paragraph for the period—*

3 (I) *beginning on the date on*
4 *which the Federal agency excludes the*
5 *eligible livestock producer from using*
6 *the managed rangeland for grazing;*
7 *and*

8 (II) *ending on the last day of the*
9 *Federal lease of the eligible livestock*
10 *producer.*

11 (ii) *LIMITATION.—An eligible livestock*
12 *producer may only receive assistance under*
13 *this paragraph for losses that occur on not*
14 *more than 180 days per year.*

15 (6) *ASSISTANCE FOR ELIGIBLE FORAGE LOSSES*
16 *DUE TO OTHER THAN DROUGHT OR FIRE.—*

17 (A) *ELIGIBLE FORAGE LOSSES.—*

18 (i) *IN GENERAL.—Subject to subpara-*
19 *graph (B), an eligible livestock producer of*
20 *covered livestock may receive assistance*
21 *under this paragraph for eligible forage*
22 *losses that occur due to weather-related con-*
23 *ditions other than drought or fire on land*
24 *that—*

1 (I) is native or improved
2 pastureland with permanent vegetative
3 cover; or

4 (II) is planted to a crop planted
5 specifically for the purpose of pro-
6 viding grazing for covered livestock.

7 (ii) *EXCLUSIONS*.—An eligible livestock
8 producer may not receive assistance under
9 this paragraph for eligible forage losses that
10 occur on land used for haying or grazing
11 under the conservation reserve program es-
12 tablished under subchapter B of chapter 1 of
13 subtitle D of title XII of the Food Security
14 Act of 1985 (16 U.S.C. 3831 et seq.), unless
15 the land is grassland eligible for the con-
16 servation reserve program under section
17 1231(d)(2) of the Food Security Act of 1985
18 (16 U.S.C. 3831(d)(2)) (as amended by sec-
19 tion 2001).

20 (B) *PAYMENTS FOR ELIGIBLE FORAGE*
21 *LOSSES*.—

22 (i) *IN GENERAL*.—The Secretary shall
23 provide assistance under this paragraph to
24 an eligible livestock producer for eligible for-

1 age losses that occur due to weather-related
2 conditions other than—

3 (I) drought under paragraph (4);

4 and

5 (II) fire on public managed land
6 under paragraph (5).

7 (ii) *TERMS AND CONDITIONS.*—The
8 Secretary shall establish terms and condi-
9 tions for assistance under this paragraph
10 that are consistent with the terms and con-
11 ditions for assistance under this subsection.

12 (7) *NO DUPLICATIVE PAYMENTS.*—An eligible
13 livestock producer may elect to receive assistance for
14 eligible forage losses under either paragraph (4), (5),
15 or (6), if applicable, but may not receive assistance
16 under more than 1 of those paragraphs for the same
17 loss, as determined by the Secretary.

18 (8) *DETERMINATIONS BY SECRETARY.*—A deter-
19 mination made by the Secretary under this subsection
20 shall be final and conclusive.

21 (d) *EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEY*
22 *BEEES, AND FARM-RAISED FISH.*—

23 (1) *IN GENERAL.*—For each of fiscal years 2012
24 through 2018, the Secretary shall use not more than
25 \$15,000,000 of the funds of the Commodity Credit

1 *Corporation to provide emergency relief to eligible*
2 *producers of livestock, honey bees, and farm-raised*
3 *fish to aid in the reduction of losses due to disease,*
4 *adverse weather, or other conditions, such as blizzards*
5 *and wildfires, as determined by the Secretary, that*
6 *are not covered under subsection (b) or (c).*

7 (2) *USE OF FUNDS.—Funds made available*
8 *under this subsection shall be used to reduce losses*
9 *caused by feed or water shortages, disease, or other*
10 *factors as determined by the Secretary.*

11 (3) *AVAILABILITY OF FUNDS.—Any funds made*
12 *available under this subsection shall remain available*
13 *until expended.*

14 (e) *TREE ASSISTANCE PROGRAM.—*

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

16 (A) *ELIGIBLE ORCHARDIST.—The term “eli-*
17 *gible orchardist” means a person that produces*
18 *annual crops from trees for commercial purposes.*

19 (B) *NATURAL DISASTER.—The term “nat-*
20 *ural disaster” means plant disease, insect infes-*
21 *tation, drought, fire, freeze, flood, earthquake,*
22 *lightning, or other occurrence, as determined by*
23 *the Secretary.*

24 (C) *NURSERY TREE GROWER.—The term*
25 *“nursery tree grower” means a person who pro-*

1 *duces nursery, ornamental, fruit, nut, or Christ-*
2 *mas trees for commercial sale, as determined by*
3 *the Secretary.*

4 (D) *TREE.*—*The term “tree” includes a*
5 *tree, bush, and vine.*

6 (2) *ELIGIBILITY.*—

7 (A) *LOSS.*—*Subject to subparagraph (B),*
8 *for each of fiscal years 2012 through 2018, the*
9 *Secretary shall use such sums as are necessary of*
10 *the funds of the Commodity Credit Corporation*
11 *to provide assistance—*

12 (i) *under paragraph (3) to eligible or-*
13 *chardists and nursery tree growers that*
14 *planted trees for commercial purposes but*
15 *lost the trees as a result of a natural dis-*
16 *aster, as determined by the Secretary; and*

17 (ii) *under paragraph (3)(B) to eligible*
18 *orchardists and nursery tree growers that*
19 *have a production history for commercial*
20 *purposes on planted or existing trees but*
21 *lost the trees as a result of a natural dis-*
22 *aster, as determined by the Secretary.*

23 (B) *LIMITATION.*—*An eligible orchardist or*
24 *nursery tree grower shall qualify for assistance*
25 *under subparagraph (A) only if the tree mor-*

1 *tality of the eligible orchardist or nursery tree*
2 *grower, as a result of damaging weather or re-*
3 *lated condition, exceeds 15 percent (adjusted for*
4 *normal mortality).*

5 (3) *ASSISTANCE.*—*Subject to paragraph (4), the*
6 *assistance provided by the Secretary to eligible or-*
7 *chardists and nursery tree growers for losses described*
8 *in paragraph (2) shall consist of—*

9 (A)(i) *reimbursement of 65 percent of the*
10 *cost of replanting trees lost due to a natural dis-*
11 *aster, as determined by the Secretary, in excess*
12 *of 15 percent mortality (adjusted for normal*
13 *mortality); or*

14 (ii) *at the option of the Secretary, sufficient*
15 *seedlings to reestablish a stand; and*

16 (B) *reimbursement of 50 percent of the cost*
17 *of pruning, removal, and other costs incurred by*
18 *an eligible orchardist or nursery tree grower to*
19 *salvage existing trees or, in the case of tree mor-*
20 *tality, to prepare the land to replant trees as a*
21 *result of damage or tree mortality due to a nat-*
22 *ural disaster, as determined by the Secretary, in*
23 *excess of 15 percent damage or mortality (ad-*
24 *justed for normal tree damage and mortality).*

25 (4) *LIMITATIONS ON ASSISTANCE.*—

1 (A) *DEFINITIONS OF LEGAL ENTITY AND*
2 *PERSON.—In this paragraph, the terms “legal*
3 *entity” and “person” have the meaning given*
4 *those terms in section 1001(a) of the Food Secu-*
5 *rity Act of 1985 (7 U.S.C. 1308(a)).*

6 (B) *AMOUNT.—The total amount of pay-*
7 *ments received, directly or indirectly, by a per-*
8 *son or legal entity (excluding a joint venture or*
9 *general partnership) under this subsection may*
10 *not exceed \$100,000 for any crop year, or an*
11 *equivalent value in tree seedlings.*

12 (C) *ACRES.—The total quantity of acres*
13 *planted to trees or tree seedlings for which a per-*
14 *son or legal entity shall be entitled to receive*
15 *payments under this subsection may not exceed*
16 *500 acres.*

17 (f) *PAYMENTS.—*

18 (1) *PAYMENT LIMITATIONS.—*

19 (A) *DEFINITIONS OF LEGAL ENTITY AND*
20 *PERSON.—In this subsection, the terms “legal en-*
21 *tity” and “person” have the meanings given*
22 *those terms in section 1001(a) of the Food Secu-*
23 *rity Act of 1985 (7 U.S.C. 1308(a)).*

24 (B) *AMOUNT.—The total amount of disaster*
25 *assistance payments received, directly or indi-*

1 rectly, by a person or legal entity (excluding a
2 joint venture or general partnership) under this
3 section (excluding payments received under sub-
4 section (e)) may not exceed \$100,000 for any
5 crop year.

6 (C) *DIRECT ATTRIBUTION.*—Subsections (d)
7 and (e) of section 1001 of the Food Security Act
8 of 1985 (7 U.S.C. 1308) or any successor provi-
9 sions relating to direct attribution shall apply
10 with respect to assistance provided under this
11 section.

12 (2) *PAYMENT DELIVERY.*—The Secretary shall
13 make payments under this section after October 1,
14 2013, for losses incurred in the 2012 and 2013 fiscal
15 years, and as soon as practicable for losses incurred
16 in any year thereafter.

17 ***Subtitle F—Administration***

18 ***SEC. 1601. ADMINISTRATION GENERALLY.***

19 (a) *USE OF COMMODITY CREDIT CORPORATION.*—The
20 Secretary shall use the funds, facilities, and authorities of
21 the Commodity Credit Corporation to carry out this title.

22 (b) *DETERMINATIONS BY SECRETARY.*—A determina-
23 tion made by the Secretary under this title shall be final
24 and conclusive.

25 (c) *REGULATIONS.*—

1 (1) *IN GENERAL.*—*Except as otherwise provided*
2 *in this subsection, not later than 90 days after the*
3 *date of enactment of this Act, the Secretary and the*
4 *Commodity Credit Corporation, as appropriate, shall*
5 *promulgate such regulations as are necessary to im-*
6 *plement this title and the amendments made by this*
7 *title.*

8 (2) *PROCEDURE.*—*The promulgation of the regu-*
9 *lations and administration of this title and the*
10 *amendments made by this title and sections 11001*
11 *and 11012 shall be made without regard to—*

12 (A) *the notice and comment provisions of*
13 *section 553 of title 5, United States Code;*

14 (B) *chapter 35 of title 44, United States*
15 *Code (commonly known as the “Paperwork Re-*
16 *duction Act”); and*

17 (C) *the Statement of Policy of the Secretary*
18 *of Agriculture effective July 24, 1971 (36 Fed.*
19 *Reg. 13804), relating to notices of proposed rule-*
20 *making and public participation in rulemaking.*

21 (3) *CONGRESSIONAL REVIEW OF AGENCY RULE-*
22 *MAKING.*—*In carrying out this subsection, the Sec-*
23 *retary shall use the authority provided under section*
24 *808 of title 5, United States Code.*

1 (d) *ADJUSTMENT AUTHORITY RELATED TO TRADE*
2 *AGREEMENTS COMPLIANCE.*—

3 (1) *REQUIRED DETERMINATION; ADJUSTMENT.*—

4 *If the Secretary determines that expenditures under*
5 *this title that are subject to the total allowable domes-*
6 *tic support levels under the Uruguay Round Agree-*
7 *ments (as defined in section 2 of the Uruguay Round*
8 *Agreements Act (19 U.S.C. 3501)) will exceed the al-*
9 *lowable levels for any applicable reporting period, the*
10 *Secretary shall, to the maximum extent practicable,*
11 *make adjustments in the amount of the expenditures*
12 *during that period to ensure that the expenditures do*
13 *not exceed the allowable levels.*

14 (2) *CONGRESSIONAL NOTIFICATION.*—*Before*
15 *making any adjustment under paragraph (1), the*
16 *Secretary shall submit to the Committee on Agri-*
17 *culture of the House of Representatives and the Com-*
18 *mittee on Agriculture, Nutrition, and Forestry of the*
19 *Senate a report describing the determination made*
20 *under that paragraph and the extent of the adjust-*
21 *ment to be made.*

22 **SEC. 1602. SUSPENSION OF PERMANENT PRICE SUPPORT**
23 **AUTHORITY.**

24 (a) *AGRICULTURAL ADJUSTMENT ACT OF 1938.*—*The*
25 *following provisions of the Agricultural Adjustment Act of*

1 1938 shall not be applicable to the 2014 through 2018 crops
2 of covered commodities (as defined in section 1104), cotton,
3 and sugar and shall not be applicable to milk during the
4 period beginning on the date of enactment of this Act
5 through December 31, 2018:

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

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

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

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

13 (b) AGRICULTURAL ACT OF 1949.—The following pro-
14 visions of the Agricultural Act of 1949 shall not be applica-
15 ble to the 2014 through 2018 crops of covered commodities
16 (as defined in section 1104), cotton, and sugar and shall
17 not be applicable to milk during the period beginning on
18 the date of enactment of this Act and through December 31,
19 2018:

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

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

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

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

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

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

1 (7) *Section 115 (7 U.S.C. 1445k).*

2 (8) *Section 201 (7 U.S.C. 1446).*

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

4 (10) *Title IV (7 U.S.C. 1421 et seq.), other than*
5 *sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and*
6 *1431).*

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

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

9 (c) *SUSPENSION OF CERTAIN QUOTA PROVISIONS.—*

10 *The joint resolution entitled “A joint resolution relating to*
11 *corn and wheat marketing quotas under the Agricultural*
12 *Adjustment Act of 1938, as amended”, approved May 26,*
13 *1941 (7 U.S.C. 1330 and 1340), shall not be applicable to*
14 *the crops of wheat planted for harvest in the calendar years*
15 *2014 through 2018.*

16 **SEC. 1603. PAYMENT LIMITATIONS.**

17 (a) *IN GENERAL.—Section 1001 of the Food Security*
18 *Act of 1985 (7 U.S.C. 1308) is amended by striking sub-*
19 *sections (b) and (c) and inserting the following:*

20 “(b) *LIMITATION ON PAYMENTS FOR PEANUTS AND*
21 *OTHER COVERED COMMODITIES.—The total amount of*
22 *payments received, directly or indirectly, by a person or*
23 *legal entity (except a joint venture or general partnership)*
24 *for any crop year under subtitle A of title I of the Agri-*
25 *culture Reform, Food, and Jobs Act of 2013 for—*

1 “(1) peanuts may not exceed \$50,000; and

2 “(2) 1 or more other covered commodities may
3 not exceed \$50,000.”.

4 (b) *LIMITATION ON MARKETING LOAN GAINS AND*
5 *LOAN DEFICIENCY PAYMENTS FOR PEANUTS AND OTHER*
6 *LOAN COMMODITIES.*—Section 1001 of the Food Security
7 Act of 1985 (7 U.S.C. 1308) is amended by striking sub-
8 section (d) and inserting the following:

9 “(d) *LIMITATION ON MARKETING LOAN GAINS AND*
10 *LOAN DEFICIENCY PAYMENTS FOR PEANUTS AND OTHER*
11 *LOAN COMMODITIES.*—The total amount of marketing loan
12 gains and loan deficiency payments received, directly or in-
13 directly, by a person or legal entity (except a joint venture
14 or general partnership) for any crop year under subtitle
15 B of the Agriculture Reform, Food, and Jobs Act of 2013
16 (or a successor provision) for—

17 “(1) peanuts may not exceed \$75,000; and

18 “(2) 1 or more other loan commodities may not
19 exceed \$75,000.”.

20 (c) *CONFORMING AMENDMENTS.*—

21 (1) Section 1001 of the Food Security Act of
22 1985 (7 U.S.C. 1308) is amended—

23 (A) in subsection (a)(1), by striking “sec-
24 tion 1001 of the Food, Conservation, and Energy
25 Act of 2008” and inserting “section 1104 of the

1 *Agriculture Reform, Food, and Jobs Act of*
2 *2013”;*

3 *(B) in subsection (e)—*

4 *(i) in paragraph (1), by striking “sub-*
5 *sections (b) and (c) and a program de-*
6 *scribed in paragraphs (1)(C)” and inserting*
7 *“subsection (b) and a program described in*
8 *paragraph (1)(B)”;* and

9 *(ii) in paragraph (3)(B), by striking*
10 *“subsections (b) and (c)” each place it ap-*
11 *pears and inserting “subsection (b)”;*

12 *(C) in subsection (f)—*

13 *(i) by striking “or title XII” each place*
14 *it appears in paragraphs (5)(A) and (6)(A)*
15 *and inserting “, title I of the Agriculture*
16 *Reform, Food, and Jobs Act of 2013, or title*
17 *XII”;*

18 *(ii) in paragraph (2), by striking*
19 *“Subsections (b) and (c)” and inserting*
20 *“Subsection (b)”;*

21 *(iii) in paragraph (4)(B), by striking*
22 *“subsection (b) or (c)” and inserting “sub-*
23 *section (b)”;*

24 *(iv) in paragraph (5)—*

1 (I) in subparagraph (A), by strik-
2 ing “subsection (d)” and inserting
3 “subsection (c)”; and

4 (II) in subparagraph (B), by
5 striking “subsection (b), (c), or (d)”
6 and inserting “subsection (b) or (c)”;
7 and

8 (v) in paragraph (6)—

9 (I) in subparagraph (A), by strik-
10 ing “subsection (d), except as provided
11 in subsection (g)” and inserting “sub-
12 section (c), except as provided in sub-
13 section (f)”; and

14 (II) in subparagraph (B), by
15 striking “subsections (b), (c), and (d)”
16 and inserting “subsections (b) and
17 (c)”;

18 (D) in subsection (g)—

19 (i) in paragraph (1)—

20 (I) by striking “subsection
21 (f)(6)(A)” and inserting “subsection
22 (e)(6)(A)” and

23 (II) by striking “subsection (b) or
24 (c)” and inserting “subsection (b)”;
25 and

1 (ii) in paragraph (2)(A), by striking
2 “subsections (b) and (c)” and inserting
3 “subsection (b)”; and
4 (E) by redesignating subsections (d) through
5 (h) as subsections (e) through (g), respectively.

6 (2) Section 1001A of the Food Security Act of
7 1985 (7 U.S.C. 1308–1) is amended—

8 (A) in subsection (a), by striking “sub-
9 sections (b) and (c)” and inserting “subsection
10 (b)”; and

11 (B) in subsection (b)(1), by striking “sub-
12 section (b) or (c)” and inserting “subsection (b)”.

13 (3) Section 1001B(a) of the Food Security Act of
14 1985 (7 U.S.C. 1308–2(a)) is amended in the matter
15 preceding paragraph (1) by striking “subsections (b)
16 and (c)” and inserting “subsection (b)”.

17 (4) Section 1001C(a) of the Food Security Act of
18 1985 (7 U.S.C. 1308–3(a)) is amended by inserting
19 “title I of the Agriculture Reform, Food, and Jobs Act
20 of 2013,” after “2008,”.

21 (d) APPLICATION.—The amendments made by this sec-
22 tion shall apply beginning with the 2014 crop year.

23 **SEC. 1604. PAYMENTS LIMITED TO ACTIVE FARMERS.**

24 Section 1001A of the Food Security Act of 1985 (7
25 U.S.C. 1308–1) is amended—

1 (1) *in subsection (b)(2)—*

2 (A) *by striking “or active personal manage-*
3 *ment” each place it appears in subparagraphs*
4 *(A)(i)(II) and (B)(ii); and*

5 (B) *in subparagraph (C), by striking “, as*
6 *applied to the legal entity, are met by the legal*
7 *entity, the partners or members making a sig-*
8 *nificant contribution of personal labor or active*
9 *personal management” and inserting “are met*
10 *by partners or members making a significant*
11 *contribution of personal labor, those partners or*
12 *members”;* and

13 (2) *in subsection (c)—*

14 (A) *in paragraph (1)—*

15 (i) *by striking subparagraph (A) and*
16 *inserting the following:*

17 “(A) *the landowner share-rents the land at*
18 *a rate that is usual and customary;”;*

19 (ii) *in subparagraph (B), by striking*
20 *the period at the end and inserting “; and”;*
21 *and*

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

1 “(C) the share of the payments received by
2 the landowner is commensurate with the share of
3 the crop or income received as rent.”;

4 (B) in paragraph (2)(A), by striking “ac-
5 tive personal management or”;

6 (C) in paragraph (5)—

7 (i) by striking “(5)” and all that fol-
8 lows through “(A) IN GENERAL.—A person”
9 and inserting the following:

10 “(5) CUSTOM FARMING SERVICES.—A person”;

11 (ii) by inserting “under usual and cus-
12 tomary terms” after “services”; and

13 (iii) by striking subparagraph (B);
14 and

15 (D) by adding at the end the following:

16 “(7) FARM MANAGERS.—A person who otherwise
17 meets the requirements of this subsection other than
18 (b)(2)(A)(i)(II) shall be considered to be actively en-
19 gaged in farming, as determined by the Secretary,
20 with respect to the farming operation, including a
21 farming operation that is a sole proprietorship, a
22 legal entity such as a joint venture or general part-
23 nership, or a legal entity such as a corporation or
24 limited partnership, if the person—

1 “(A) makes a significant contribution of
2 management to the farming operation necessary
3 for the farming operation, taking into account—

4 “(i) the size and complexity of the
5 farming operation; and

6 “(ii) the management requirements
7 normally and customarily required by simi-
8 lar farming operations;

9 “(B) is the only person in the farming oper-
10 ation qualifying as actively engaged in farming;

11 “(C) does not use the management contribu-
12 tion under this paragraph to qualify as actively
13 engaged in more than 1 farming operation; and

14 “(D) manages a farm operation that does
15 not substantially share equipment, labor, or
16 management with persons or legal entities that
17 with the person collectively receive, directly or
18 indirectly, an amount equal to more than the
19 applicable limits under section 1001(b).”.

20 **SEC. 1605. ADJUSTED GROSS INCOME LIMITATION.**

21 (a) *IN GENERAL.*—Section 1001D(b) of the Food Se-
22 curity Act of 1985 (7 U.S.C. 1308–3a(b)) is amended by
23 striking paragraph (1) and inserting the following:

24 “(1) *COMMODITY PROGRAMS.*—

1 “(A) *LIMITATION.*—*Notwithstanding any*
2 *other provision of law, a person or legal entity*
3 *shall not be eligible to receive any benefit de-*
4 *scribed in subparagraph (B) during a crop, fis-*
5 *cal or program year, as appropriate, if the aver-*
6 *age adjusted gross income (or comparable meas-*
7 *ure over the 3 taxable years preceding the most*
8 *immediately preceding complete taxable year, as*
9 *determined by the Secretary) of the person or*
10 *legal entity exceeds \$750,000.*

11 “(B) *COVERED BENEFITS.*—*Subparagraph*
12 *(A) applies with respect to the following:*

13 “(i) *A payment under section 1107 or*
14 *1108 of the Agriculture Reform, Food, and*
15 *Jobs Act of 2013.*

16 “(ii) *A marketing loan gain or loan*
17 *deficiency payment under subtitle B of title*
18 *I of the Agriculture Reform, Food, and Jobs*
19 *Act of 2013.*

20 “(iii) *A payment under subtitle E of*
21 *the Agriculture Reform, Food, and Jobs Act*
22 *of 2013.”.*

23 “(iv) *A payment under section 196 of*
24 *the Federal Agriculture Improvement and*
25 *Reform Act of 1996 (7 U.S.C. 7333).”.*

1 (b) *APPLICATION.*—*The amendments made by this sec-*
2 *tion shall apply beginning with the 2014 crop year.*

3 **SEC. 1606. GEOGRAPHICALLY DISADVANTAGED FARMERS**
4 **AND RANCHERS.**

5 *Section 1621(d) of the Food, Conservation, and Energy*
6 *Act of 2008 (7 U.S.C. 8792(d)) is amended by striking*
7 *“2012” and inserting “2018”.*

8 **SEC. 1607. PERSONAL LIABILITY OF PRODUCERS FOR DEFICI-**
9 **ENCIES.**

10 *Section 164 of the Federal Agriculture Improvement*
11 *and Reform Act of 1996 (7 U.S.C. 7284) is amended by*
12 *striking “and title I of the Food, Conservation, and Energy*
13 *Act of 2008” each place it appears and inserting “title I*
14 *of the Food, Conservation, and Energy Act of 2008 (7*
15 *U.S.C. 8702 et seq.), and title I of the Agriculture Reform,*
16 *Food, and Jobs Act of 2013”.*

17 **SEC. 1608. PREVENTION OF DECEASED INDIVIDUALS RE-**
18 **CEIVING PAYMENTS UNDER FARM COM-**
19 **MODITY PROGRAMS.**

20 (a) *RECONCILIATION.*—*At least twice each year, the*
21 *Secretary shall reconcile social security numbers of all indi-*
22 *viduals who receive payments under this title, whether di-*
23 *rectly or indirectly, with the Commissioner of Social Secu-*
24 *rity to determine if the individuals are alive.*

1 (b) *PRECLUSION.*—*The Secretary shall preclude the*
2 *issuance of payments to, and on behalf of, deceased individ-*
3 *uals that were not eligible for payments.*

4 **SEC. 1609. APPEALS.**

5 (a) *DIRECTION, CONTROL, AND SUPPORT.*—*Section*
6 *272 of the Department of Agriculture Reorganization Act*
7 *of 1994 (7 U.S.C. 6992) is amended by striking subsection*
8 *(c) and inserting the following:*

9 “(c) *DIRECTION, CONTROL, AND SUPPORT.*—

10 “(1) *DIRECTION AND CONTROL.*—

11 “(A) *IN GENERAL.*—*Except as provided in*
12 *paragraph (2), the Director shall be free from the*
13 *direction and control of any person other than*
14 *the Secretary or the Deputy Secretary of Agri-*
15 *culture.*

16 “(B) *ADMINISTRATIVE SUPPORT.*—*The Di-*
17 *vision shall not receive administrative support*
18 *(except on a reimbursable basis) from any agen-*
19 *cy other than the Office of the Secretary.*

20 “(C) *PROHIBITION ON DELEGATION.*—*The*
21 *Secretary may not delegate to any other officer*
22 *or employee of the Department, other than the*
23 *Deputy Secretary of Agriculture or the Director,*
24 *the authority of the Secretary with respect to the*
25 *Division.*

1 “(2) *EXCEPTION.*—*The Assistant Secretary for*
2 *Administration is authorized to investigate, enforce,*
3 *and implement the provisions in law, Executive*
4 *order, or regulations that relate in general to competi-*
5 *tive and excepted service positions and employment*
6 *within the Division, including the position of Direc-*
7 *tor, and such authority may be further delegated to*
8 *subordinate officials.”.*

9 (b) *CONFORMING AMENDMENT.*—*Section 296(b) of the*
10 *Department of Agriculture Reorganization Act of 1994 (7*
11 *U.S.C. 7014(b)) is amended—*

12 (1) *in the matter preceding paragraph (1) by*
13 *striking “affect—” and inserting “affect:”;*

14 (2) *by striking “the authority” each place it ap-*
15 *pears in paragraphs (1) through (7) and inserting*
16 *“The authority”;*

17 (3) *by striking the semicolon at the end of each*
18 *of paragraphs (1) through (5) and inserting a period;*

19 (4) *in paragraph (6)(C), by striking “; or” at*
20 *the end and inserting a period; and*

21 (5) *by adding at the end the following:*

22 “(8) *The authority of the Secretary to carry out*
23 *amendments made by the Agriculture Reform, Food,*
24 *and Jobs Act of 2013.”.*

1 **SEC. 1610. TECHNICAL CORRECTIONS.**

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

5 (b)(1) *Section 1603(g) of the Food, Conservation, and*
6 *Energy Act of 2008 (Public Law 110–246; 122 Stat. 1739)*
7 *is amended in paragraphs (2) through (6) and the amend-*
8 *ments made by those paragraphs by striking “1703(a)”*
9 *each place it appears and inserting “1603(a)”.*

10 (2) *This subsection and the amendments made by this*
11 *subsection take effect as if included in the Food, Conserva-*
12 *tion, and Energy Act of 2008 (Public Law 110–246; 122*
13 *Stat. 1651).*

14 **SEC. 1611. ASSIGNMENT OF PAYMENTS.**

15 (a) *IN GENERAL.—The provisions of section 8(g) of the*
16 *Soil Conservation and Domestic Allotment Act (16 U.S.C.*
17 *590h(g)), relating to assignment of payments, shall apply*
18 *to payments made under this title.*

19 (b) *NOTICE.—The producer making the assignment, or*
20 *the assignee, shall provide the Secretary with notice, in such*
21 *manner as the Secretary may require, of any assignment*
22 *made under this section.*

23 **SEC. 1612. TRACKING OF BENEFITS.**

24 *As soon as practicable after the date of enactment of*
25 *this Act, the Secretary may track the benefits provided, di-*

1 *rectly or indirectly, to individuals and entities under titles*
2 *I and II and the amendments made by those titles.*

3 **SEC. 1613. SIGNATURE AUTHORITY.**

4 (a) *IN GENERAL.*—*In carrying out this title and title*
5 *II and amendments made by those titles, if the Secretary*
6 *approves a document, the Secretary shall not subsequently*
7 *determine the document is inadequate or invalid because*
8 *of the lack of authority of any person signing the document*
9 *on behalf of the applicant or any other individual, entity,*
10 *general partnership, or joint venture, or the documents re-*
11 *lied upon were determined inadequate or invalid, unless the*
12 *person signing the program document knowingly and will-*
13 *fully falsified the evidence of signature authority or a signa-*
14 *ture.*

15 (b) *AFFIRMATION.*—

16 (1) *IN GENERAL.*—*Nothing in this section pro-*
17 *hibits the Secretary from asking a proper party to af-*
18 *firm any document that otherwise would be consid-*
19 *ered approved under subsection (a).*

20 (2) *NO RETROACTIVE EFFECT.*—*A denial of bene-*
21 *fits based on a lack of affirmation under paragraph*
22 *(1) shall not be retroactive with respect to third-party*
23 *producers who were not the subject of the erroneous*
24 *representation of authority, if the third-party pro-*
25 *ducers—*

1 (A) *relied on the prior approval by the Sec-*
2 *retary of the documents in good faith; and*

3 (B) *substantively complied with all pro-*
4 *gram requirements.*

5 **SEC. 1614. IMPLEMENTATION.**

6 (a) *STREAMLINING.—In implementing this title, the*
7 *Secretary shall, to the maximum extent practicable—*

8 (1) *seek to reduce administrative burdens and*
9 *costs to producers by streamlining and reducing pa-*
10 *perwork, forms, and other administrative require-*
11 *ments;*

12 (2) *improve coordination, information sharing,*
13 *and administrative work with the Risk Management*
14 *Agency and the Natural Resources Conservation Serv-*
15 *ice; and*

16 (3) *take advantage of new technologies to en-*
17 *hance efficiency and effectiveness of program delivery*
18 *to producers.*

19 (b) *IMPLEMENTATION.—On October 1, 2013, the Sec-*
20 *retary shall make available to the Farm Service Agency to*
21 *carry out this title \$97,000,000.*

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

4 **SEC. 2001. EXTENSION AND ENROLLMENT REQUIREMENTS**
5 **OF CONSERVATION RESERVE PROGRAM.**

6 (a) *EXTENSION.*—Section 1231(a) of the Food Security
7 Act of 1985 (16 U.S.C. 3831(a)) is amended by striking
8 “2012” and inserting “2018”.

9 (b) *ELIGIBLE LAND.*—Section 1231(b) of the Food Se-
10 curity Act of 1985 (16 U.S.C. 3831(b)) is amended—

11 (1) in paragraph (1)(B), by striking “the date of
12 enactment of the Food, Conservation, and Energy Act
13 of 2008” and inserting “the date of enactment of the
14 Agriculture Reform, Food, and Jobs Act of 2013”;

15 (2) by striking paragraph (2) and redesignating
16 paragraph (3) as paragraph (2);

17 (3) by inserting before paragraph (4) the fol-
18 lowing:

19 “(3) grassland that—

20 “(A) contains forbs or shrubland (including
21 improved rangeland and pastureland) for which
22 grazing is the predominant use;

23 “(B) is located in an area historically
24 dominated by grassland; and

1 “(C) could provide habitat for animal and
2 plant populations of significant ecological value
3 if the land is retained in its current use or re-
4 stored to a natural condition;”;

5 (4) in paragraph (4)(C), by striking “filterstrips
6 devoted to trees or shrubs” and inserting “filterstrips
7 and riparian buffers devoted to trees, shrubs, or
8 grasses”; and

9 (5) by striking paragraph (5) and inserting the
10 following:

11 “(5) the portion of land in a field not enrolled
12 in the conservation reserve in a case in which—

13 “(A) more than 50 percent of the land in
14 the field is enrolled as a buffer or filterstrip or
15 more than 75 percent of the land in the field is
16 enrolled in a practice other than as a buffer or
17 filterstrip; and

18 “(B) the remainder of the field is—

19 “(i) infeasible to farm; and

20 “(ii) enrolled at regular rental rates.”.

21 (c) *PLANTING STATUS OF CERTAIN LAND.*—Section
22 1231(c) of the Food Security Act of 1985 (16 U.S.C.
23 3831(c)) is amended by striking “if” and all that follows
24 through the period at the end and inserting “if, during the
25 crop year, the land was devoted to a conserving use.”.

1 (d) *ENROLLMENT.*—*Section 1231 of the Food Security*
2 *Act of 1985 (16 U.S.C. 3831) is amended by striking sub-*
3 *section (d) and inserting the following:*

4 “(d) *ENROLLMENT.*—

5 “(1) *MAXIMUM ACREAGE ENROLLED.*—*The Sec-*
6 *retary may maintain in the conservation reserve at*
7 *any 1 time during—*

8 “(A) *fiscal year 2014, no more than*
9 *30,000,000 acres;*

10 “(B) *fiscal year 2015, no more than*
11 *27,500,000 acres;*

12 “(C) *fiscal year 2016, no more than*
13 *26,500,000 acres;*

14 “(D) *fiscal year 2017, no more than*
15 *25,500,000 acres; and*

16 “(E) *fiscal year 2018, no more than*
17 *25,000,000 acres.*

18 “(2) *GRASSLAND.*—

19 “(A) *LIMITATION.*—*For purposes of apply-*
20 *ing the limitations in paragraph (1), no more*
21 *than 1,500,000 acres of the land described in*
22 *subsection (b)(3) may be enrolled in the program*
23 *at any 1 time during the 2014 through 2018 fis-*
24 *cal years.*

1 “(B) *PRIORITY.*—*In enrolling acres under*
2 *subparagraph (A), the Secretary may give pri-*
3 *ority to land with expiring conservation reserve*
4 *program contracts.*”

5 “(C) *METHOD OF ENROLLMENT.*—*In enroll-*
6 *ing acres under subparagraph (A), the Secretary*
7 *shall make the program available to owners or*
8 *operators of eligible land at least once during*
9 *each fiscal year.*”

10 (e) *DURATION OF CONTRACT.*—*Section 1231(e) of the*
11 *Food Security Act of 1985 (16 U.S.C. 3831(e)) is amended*
12 *by striking paragraphs (2) and (3) and inserting the fol-*
13 *lowing:*

14 “(2) *SPECIAL RULE FOR CERTAIN LAND.*—*In the*
15 *case of land devoted to hardwood trees, shelterbelts,*
16 *windbreaks, or wildlife corridors under a contract en-*
17 *tered into under this subchapter, the owner or oper-*
18 *ator of the land may, within the limitations pre-*
19 *scribed under this section, specify the duration of the*
20 *contract.*”

21 (f) *CONSERVATION PRIORITY AREAS.*—*Section 1231(f)*
22 *of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is*
23 *amended—*

1 (1) *in paragraph (1), by striking “watershed*
2 *areas of the Chesapeake Bay Region, the Great Lakes*
3 *Region, the Long Island Sound Region, and other”;*

4 (2) *in paragraph (2), by striking “WATER-*
5 *SHEDS.—Watersheds” and inserting “AREAS.—*
6 *Areas”;* and

7 (3) *in paragraph (3), by striking “a watershed’s*
8 *designation—” and all that follows through the pe-*
9 *riod at the end and inserting “an area’s designation*
10 *if the Secretary finds that the area no longer contains*
11 *actual and significant adverse water quality or habi-*
12 *tat impacts related to agricultural production activi-*
13 *ties.”.*

14 **SEC. 2002. FARMABLE WETLAND PROGRAM.**

15 (a) *EXTENSION.—Section 1231B(a)(1) of the Food Se-*
16 *curity Act of 1985 (16 U.S.C. 3831b(a)(1)) is amended—*

17 (1) *by striking “2012” and inserting “2018”;*
18 *and*

19 (2) *by striking “a program” and inserting “a*
20 *farmable wetland program”.*

21 (b) *ELIGIBLE ACREAGE.—Section 1231B(b)(1)(B) of*
22 *the Food Security Act of 1985 (16 U.S.C. 3831b(b)(1)(B))*
23 *is amended by striking “flow from a row crop agriculture*
24 *drainage system” and inserting “surface and subsurface*
25 *flow from row crop agricultural production”.*

1 (c) *CLERICAL AMENDMENTS.*—Section 1231B of the
2 *Food Security Act of 1985 (16 U.S.C. 3831b)* is amended—

3 (1) *by striking the heading and inserting the fol-*
4 *lowing:*

5 **“SEC. 1231B. FARMABLE WETLAND PROGRAM.”;**

6 *and*

7 (2) *in subsection (f)(2), by striking “section*
8 *1234(c)(2)(B)” and inserting “section*
9 *1234(c)(2)(A)(ii)”.*

10 **SEC. 2003. DUTIES OF OWNERS AND OPERATORS.**

11 (a) *LIMITATION ON HARVESTING, GRAZING OR COM-*
12 *MERCIAL USE OF FORAGE.*—Section 1232(a)(8) of the *Food*
13 *Security Act of 1985 (16 U.S.C. 3832(a)(8))* is amended
14 *by striking “except that” and all that follows through the*
15 *semicolon at the end of the paragraph and inserting “except*
16 *as provided in section 1233(b);”.*

17 (b) *CONSERVATION PLAN REQUIREMENTS.*—Section
18 *1232 of the Food Security Act of 1985 (16 U.S.C. 3832)*
19 *is amended by striking subsection (b) and inserting the fol-*
20 *lowing:*

21 “(b) *CONSERVATION PLANS.*—The plan referred to in
22 *subsection (a)(1) shall set forth—*

23 “(1) *the conservation measures and practices to*
24 *be carried out by the owner or operator during the*
25 *term of the contract; and*

1 “(2) the commercial use, if any, to be permitted
2 on the land during the term.”.

3 (c) *RENTAL PAYMENT REDUCTION.*—Section 1232 of
4 the Food Security Act of 1985 (16 U.S.C. 3832) is amended
5 by striking subsection (d).

6 **SEC. 2004. DUTIES OF THE SECRETARY.**

7 Section 1233 of the Food Security Act of 1985 (16
8 U.S.C. 3833) is amended to read as follows:

9 **“SEC. 1233. DUTIES OF THE SECRETARY.**

10 “(a) *COST-SHARE AND RENTAL PAYMENTS.*—In re-
11 turn for a contract entered into by an owner or operator,
12 the Secretary shall—

13 “(1) share the cost of carrying out the conserva-
14 tion measures and practices set forth in the contract
15 for which the Secretary determines that cost sharing
16 is appropriate and in the public interest; and

17 “(2) for a period of years not in excess of the
18 term of the contract, pay an annual rental payment
19 in an amount necessary to compensate for—

20 “(A) the conversion of highly erodible crop-
21 land or other eligible land normally devoted to
22 the production of an agricultural commodity on
23 a farm or ranch to a less intensive use;

1 “(B) the retirement of any cropland base
2 and allotment history that the owner or operator
3 agrees to retire permanently; and

4 “(C) the development and management of
5 grassland for multiple natural resource conserva-
6 tion benefits, including soil, water, air, and
7 wildlife.

8 “(b) *SPECIFIED ACTIVITIES PERMITTED.*—The Sec-
9 retary shall permit certain activities or commercial uses of
10 land that is subject to the contract if those activities or uses
11 are consistent with a plan approved by the Secretary and
12 include—

13 “(1) harvesting, grazing, or other commercial use
14 of the forage in response to drought, flooding, or other
15 emergency without any reduction in the rental rate;

16 “(2) grazing by livestock of a beginning farmer
17 or rancher without any reduction in the rental rate,
18 if the grazing is—

19 “(A) consistent with the conservation of soil,
20 water quality, and wildlife habitat (including
21 habitat during the primary nesting season for
22 critical birds in the area); and

23 “(B) described in subparagraph (B) or (C)
24 of paragraph (3);

1 “(3) consistent with the conservation of soil,
2 water quality, and wildlife habitat (including habitat
3 during the primary nesting season for critical birds
4 in the area) and in exchange for a reduction of not
5 less than 25 percent in the annual rental rate for the
6 acres covered by the authorized activity—

7 “(A) managed harvesting and other com-
8 mercial use (including the managed harvesting
9 of biomass), except that in permitting those ac-
10 tivities the Secretary, in coordination with the
11 State technical committee—

12 “(i) shall develop appropriate vegeta-
13 tion management requirements; and

14 “(ii) shall identify periods during
15 which the activities may be conducted, such
16 that the frequency is at least once every 5
17 years but not more than once every 3 years;

18 “(B) prescribed grazing for the control of
19 invasive species, which may be conducted annu-
20 ally;

21 “(C) routine grazing, except that in permit-
22 ting routine grazing, the Secretary, in coordina-
23 tion with the State technical committee—

24 “(i) shall develop appropriate vegeta-
25 tion management requirements and stocking

1 *rates for the land that are suitable for con-*
2 *tinued routine grazing; and*

3 “(i) *shall identify the periods during*
4 *which routine grazing may be conducted,*
5 *such that the frequency is not more than*
6 *once every 2 years, taking into consider-*
7 *ation regional differences such as—*

8 “(I) *climate, soil type, and nat-*
9 *ural resources;*

10 “(II) *the number of years that*
11 *should be required between routine*
12 *grazing activities; and*

13 “(III) *how often during a year in*
14 *which routine grazing is permitted*
15 *that routine grazing should be allowed*
16 *to occur; and*

17 “(D) *the installation of wind turbines and*
18 *associated access, except that in permitting the*
19 *installation of wind turbines, the Secretary shall*
20 *determine the number and location of wind tur-*
21 *bines that may be installed, taking into ac-*
22 *count—*

23 “(i) *the location, size, and other phys-*
24 *ical characteristics of the land;*

1 “(ii) the extent to which the land con-
2 tains threatened or endangered wildlife and
3 wildlife habitat; and

4 “(iii) the purposes of the conservation
5 reserve program under this subchapter; and

6 “(4) the intermittent and seasonal use of vegeta-
7 tive buffer practices incidental to agricultural produc-
8 tion on land adjacent to the buffer such that the per-
9 mitted use does not destroy the permanent vegetative
10 cover.

11 “(c) *AUTHORIZED ACTIVITIES ON GRASSLAND.*—Not-
12 withstanding section 1232(a)(8), for eligible land described
13 in section 1231(b)(3), the Secretary shall permit the fol-
14 lowing activities:

15 “(1) Common grazing practices, including main-
16 tenance and necessary cultural practices, on the land
17 in a manner that is consistent with maintaining the
18 viability of grassland, forb, and shrub species appro-
19 priate to that locality.

20 “(2) Haying, mowing, or harvesting for seed
21 production, subject to appropriate restrictions during
22 the primary nesting season for critical birds in the
23 area.

24 “(3) Fire presuppression, rehabilitation, and
25 construction of fire breaks.

1 “(4) *Grazing-related activities, such as fencing*
2 *and livestock watering.*

3 “(d) *RESOURCE CONSERVING USE.—*

4 “(1) *IN GENERAL.—Beginning on the date that*
5 *is 1 year before the date of termination of a contract*
6 *under the program, the Secretary shall allow an*
7 *owner or operator to make conservation and land im-*
8 *provements that facilitate maintaining protection of*
9 *highly erodible land after expiration of the contract.*

10 “(2) *CONSERVATION PLAN.—The Secretary shall*
11 *require an owner or operator carrying out the activi-*
12 *ties described in paragraph (1) to develop and imple-*
13 *ment a conservation plan.*

14 “(3) *REENROLLMENT PROHIBITED.—Land al-*
15 *tered under paragraph (1) may not be reenrolled in*
16 *the conservation reserve program for 5 years.*

17 “(4) *PAYMENT.—The Secretary shall provide an*
18 *annual payment that is reduced in an amount com-*
19 *mensurate with any income or other compensation re-*
20 *ceived as a result of the activities carried out under*
21 *paragraph (1).”.*

22 **SEC. 2005. PAYMENTS.**

23 (a) *TREES, WINDBREAKS, SHELTERBELTS, AND WILD-*
24 *LIFE CORRIDORS.—Section 1234(b)(3)(A) of the Food Secu-*
25 *rity Act of 1985 (16 U.S.C. 3834(b)(3)(A)) is amended—*

1 (1) *in clause (i), by inserting “and” after the*
2 *semicolon;*

3 (2) *by striking clause (ii); and*

4 (3) *by redesignating clause (iii) as clause (ii).*

5 (b) *INCENTIVES.—Section 1234(b)(3)(B) of the Food*
6 *Security Act of 1985 (16 U.S.C. 3834(b)(3)(B)) is amend-*
7 *ed—*

8 (1) *in clause (i), by inserting “, practices to im-*
9 *prove the condition of resources on the land,” after*
10 *“operator”;* *and*

11 (2) *by adding at the end the following:*

12 *“(iii) INCENTIVES.—In making rental*
13 *payments to an owner or operator of land*
14 *described in subparagraph (A), the Sec-*
15 *retary may provide incentive payments suf-*
16 *ficient to encourage proper thinning and*
17 *practices to improve the condition of re-*
18 *sources on the land.”.*

19 (c) *ANNUAL RENTAL PAYMENTS.—Section 1234(c) of*
20 *the Food Security Act of 1985 (16 U.S.C. 3834(c)) is*
21 *amended—*

22 (1) *in paragraph (1), by inserting “and other el-*
23 *igible land” after “highly erodible cropland” both*
24 *places it appears;*

1 (2) *by striking paragraph (2) and inserting the*
2 *following:*

3 “(2) *METHODS OF DETERMINATION.—*

4 “(A) *IN GENERAL.—The amounts payable*
5 *to owners or operators in the form of rental pay-*
6 *ments under contracts entered into under this*
7 *subchapter may be determined through—*

8 “(i) *the submission of bids for such*
9 *contracts by owners and operators in such*
10 *manner as the Secretary may prescribe; or*

11 “(ii) *such other means as the Secretary*
12 *determines are appropriate.*

13 “(B) *GRASSLAND.—In the case of eligible*
14 *land described in section 1231(b)(3), the Sec-*
15 *retary shall make annual payments in an*
16 *amount that is not more than 75 percent of the*
17 *grazing value of the land covered by the con-*
18 *tract.”; and*

19 (3) *in paragraph (5)(A)—*

20 (A) *by striking “The Secretary” and insert-*
21 *ing the following:*

22 “(i) *SURVEY.—The Secretary”; and*

23 (B) *by adding at the end the following:*

24 “(ii) *USE.—The Secretary may use the*
25 *survey of dryland cash rental rates de-*

1 scribed in clause (i) as a factor in deter-
2 mining rental rates under this section as
3 the Secretary determines appropriate.”.

4 (d) *PAYMENT SCHEDULE*.—Section 1234 of the Food
5 Security Act of 1985 (16 U.S.C. 3834) is amended by strik-
6 ing subsection (d) and inserting the following:

7 “(d) *PAYMENT SCHEDULE*.—

8 “(1) *IN GENERAL*.—Except as otherwise provided
9 in this section, payments under this subchapter shall
10 be made in cash in such amount and on such time
11 schedule as is agreed on and specified in the contract.

12 “(2) *SOURCE*.—Payments under this subchapter
13 shall be made using the funds of the Commodity Cred-
14 it Corporation.

15 “(3) *ADVANCE PAYMENT*.—Payments under this
16 subchapter may be made in advance of determination
17 of performance.”.

18 (e) *PAYMENT LIMITATION*.—Section 1234(f) of the
19 Food Security Act of 1985 (16 U.S.C. 3834(f)) is amend-
20 ed—

21 (1) in paragraph (1), by striking “, including
22 rental payments made in the form of in-kind com-
23 modities,”;

24 (2) by striking paragraph (3); and

1 (3) by redesignating paragraph (4) as para-
2 graph (2).

3 **SEC. 2006. CONTRACT REQUIREMENTS.**

4 Section 1235 of the Food Security Act of 1985 (16
5 U.S.C. 3835) is amended—

6 (1) in subsection (f)—

7 (A) in paragraph (1)—

8 (i) in the matter preceding subpara-
9 graph (A), by striking “DUTIES” and all
10 that follows through “a beginning farmer or
11 rancher or” and inserting “TRANSITION TO
12 COVERED FARMER OR RANCHER.—In the
13 case of a contract modification approved in
14 order to facilitate the transfer of land sub-
15 ject to a contract from a retired farmer or
16 rancher to a beginning farmer or rancher,
17 a veteran farmer or rancher (as defined in
18 section 2501(e) of the Food, Agriculture,
19 Conservation, and Trade Act of 1990 (7
20 U.S.C. 2279(e))), or a”;

21 (ii) in subparagraph (D), by striking
22 “the farmer or rancher” and inserting “the
23 covered farmer or rancher”; and

1 (iii) in subparagraph (E), by striking
2 “section 1001A(b)(3)(B)” and inserting
3 “section 1001”; and
4 (B) in paragraph (2), by striking “require-
5 ment of section 1231(h)(4)(B)” and inserting
6 “option provided under section
7 1234(c)(2)(A)(ii)”; and
8 (2) by adding at the end the following:

9 “(g) *FINAL YEAR OF CONTRACT.*—The Secretary shall
10 not consider an owner or operator to be in violation of a
11 term or condition of a conservation reserve contract if—

12 “(1) during the year prior to expiration of the
13 contract, the land is enrolled in the conservation stew-
14 ardship program; and

15 “(2) the activity required under the conservation
16 stewardship program pursuant to the enrollment is
17 consistent with this subchapter.

18 “(h) *LAND ENROLLED IN AGRICULTURAL CONSERVA-*
19 *TION EASEMENT PROGRAM.*—The Secretary may terminate
20 or modify a contract entered into under this subchapter if
21 eligible land that is subject to such contract is transferred
22 into the agricultural conservation easement program under
23 subtitle H.”.

1 **SEC. 2007. CONVERSION OF LAND SUBJECT TO CONTRACT**
2 **TO OTHER CONSERVING USES.**

3 *Section 1235A of the Food Security Act of 1985 (16*
4 *U.S.C. 3835a) is repealed.*

5 **SEC. 2008. EFFECTIVE DATE.**

6 *(a) IN GENERAL.—The amendments made by this sub-*
7 *title shall take effect on October 1, 2013, except, the amend-*
8 *ment made by section 2001(d), which shall take effect on*
9 *the date of enactment of this Act.*

10 *(b) EFFECT ON EXISTING CONTRACTS.—*

11 *(1) IN GENERAL.—Except as provided in para-*
12 *graph (2), the amendments made by this subtitle shall*
13 *not affect the validity or terms of any contract en-*
14 *tered into by the Secretary of Agriculture under sub-*
15 *chapter B of chapter 1 of subtitle D of title XII of the*
16 *Food Security Act of 1985 (16 U.S.C. 3831 et seq.)*
17 *before October 1, 2013, or any payments required to*
18 *be made in connection with the contract.*

19 *(2) UPDATING OF EXISTING CONTRACTS.—The*
20 *Secretary shall permit an owner or operator with a*
21 *contract entered into under subchapter B of chapter*
22 *1 of subtitle D of title XII of the Food Security Act*
23 *of 1985 (16 U.S.C. 3831 et seq.) before October 1,*
24 *2013, to update the contract to reflect the activities*
25 *and uses of land under contract permitted under the*
26 *terms and conditions of paragraphs (1) and (2) of*

1 *section 1233(b) of that Act (as amended by section*
 2 *2004).*

3 ***Subtitle B—Conservation***
 4 ***Stewardship Program***

5 ***SEC. 2101. CONSERVATION STEWARDSHIP PROGRAM.***

6 *(a) REVISION OF CURRENT PROGRAM.—Subchapter B*
 7 *of chapter 2 of subtitle D of title XII of the Food Security*
 8 *Act of 1985 (16 U.S.C. 3838d et seq.) is amended to read*
 9 *as follows:*

10 ***“Subchapter B—Conservation Stewardship***
 11 ***Program***

12 ***“SEC. 1238D. DEFINITIONS.***

13 *“In this subchapter:*

14 *“(1) AGRICULTURAL OPERATION.—The term ‘ag-*
 15 *ricultural operation’ means all eligible land, whether*
 16 *or not contiguous, that is—*

17 *“(A) under the effective control of a pro-*
 18 *ducer at the time the producer enters into a con-*
 19 *tract under the program; and*

20 *“(B) operated with equipment, labor, man-*
 21 *agement, and production or cultivation practices*
 22 *that are substantially separate from other agri-*
 23 *cultural operations, as determined by the Sec-*
 24 *retary.*

25 *“(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 and tribal land on which*
5 *agricultural commodities, livestock, or for-*
6 *est-related products are produced; and*

7 “(ii) *land 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) *pastureland;*

17 “(v) *nonindustrial private forest land;*

18 *and*

19 “(vi) *other agricultural land (includ-*
20 *ing cropped woodland, marshes, and agri-*
21 *cultural land used for the production of*
22 *livestock), as determined by the Secretary.*

23 “(5) *PRIORITY RESOURCE CONCERN.*—*The term*
24 *‘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 the 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 2014 through 2018, the Secretary shall carry
22 out a conservation stewardship program to encourage pro-
23 ducers to address priority resource concerns and improve
24 and conserve the quality and condition of natural resources
25 in a comprehensive 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 prior to the date on which the first
19 program payment is made to the applicant
20 under this subchapter.

21 “(B) Land enrolled in the agricultural con-
22 servation easement program in a wetland reserve
23 easement.

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, 2013, 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 a contract offer for the agricultural*
20 *operation that—*

21 “(1) *demonstrates to the satisfaction of the Sec-*
22 *retary that the producer, at the time of the contract*
23 *offer, is meeting the stewardship threshold for at least*
24 *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 on the ag-
9 ricultural operation in a manner that increases
10 or extends the conservation benefits in place at
11 the time the contract offer is accepted by the Sec-
12 retary.

13 “(b) *EVALUATION OF CONTRACT OFFERS.*—

14 “(1) *RANKING OF APPLICATIONS.*—In evaluating
15 contract offers the Secretary shall rank applications
16 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 where upon the vio-
18 lation of a term or condition of the contract at
19 any time the producer has control of the land—

20 “(i) if the Secretary determines that
21 the violation warrants termination of the
22 contract—

23 “(I) to forfeit all rights to receive
24 payments under the contract; and

1 “(II) to refund all or a portion of
2 the payments received by the producer
3 under the contract, including any in-
4 terest on the payments, as determined
5 by the Secretary; or

6 “(ii) if the Secretary determines that
7 the violation does not warrant termination
8 of the contract, to refund or accept adjust-
9 ments to the payments provided to the pro-
10 ducer, as the Secretary determines to be ap-
11 propriate;

12 “(F) include provisions in accordance with
13 paragraphs (3) and (4) of this section; and

14 “(G) include any additional provisions the
15 Secretary determines are necessary to carry out
16 the program.

17 “(3) CHANGE OF INTEREST IN LAND SUBJECT TO
18 A CONTRACT.—

19 “(A) IN GENERAL.—At the time of applica-
20 tion, a producer shall have control of the eligible
21 land to be enrolled in the program. Except as
22 provided in subparagraph (B), a change in the
23 interest of a producer in eligible land covered by
24 a contract under the program shall result in the

1 *termination of the contract with regard to that*
2 *land.*

3 “(B) *TRANSFER OF DUTIES AND RIGHTS.*—
4 *Subparagraph (A) shall not apply if—*

5 “(i) *within a reasonable period of time*
6 *(as determined by the Secretary) after the*
7 *date of the change in the interest in all or*
8 *a portion of the land covered by a contract*
9 *under the program, the transferee of the*
10 *land provides written notice to the Sec-*
11 *retary that duties and rights under the con-*
12 *tract have been transferred to, and assumed*
13 *by, the transferee for the portion of the land*
14 *transferred;*

15 “(ii) *the transferee meets the eligibility*
16 *requirements of the program; and*

17 “(iii) *the Secretary approves the trans-*
18 *fer of all duties and rights under the con-*
19 *tract.*

20 “(4) *MODIFICATION AND TERMINATION OF CON-*
21 *TRACTS.*—

22 “(A) *VOLUNTARY MODIFICATION OR TERMI-*
23 *NATION.*—*The Secretary may modify or termi-*
24 *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 existing 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, at a minimum, to meet or exceed the
5 stewardship threshold for at least 2 additional pri-
6 ority resource concerns on the agricultural operation
7 by the end of the contract period.

8 **“SEC. 1238G. DUTIES OF THE SECRETARY.**

9 “(a) *IN GENERAL.*—To achieve the conservation goals
10 of a contract under the conservation stewardship program,
11 the Secretary shall—

12 “(1) make the program available to eligible pro-
13 ducers on a continuous enrollment basis with 1 or
14 more ranking periods, 1 of which shall occur in the
15 first quarter of each fiscal year;

16 “(2) identify not less than 5 priority resource
17 concerns in a particular watershed or other appro-
18 priate region or area within a State; and

19 “(3) establish a science-based stewardship thresh-
20 old for each priority resource concern identified under
21 paragraph (2).

22 “(b) *ALLOCATION TO STATES.*—The Secretary shall al-
23 locate acres to States for enrollment, based—

1 “(1) primarily on each State’s proportion of eli-
2 gible land to the total acreage of eligible land in all
3 States; and

4 “(2) also on consideration of—

5 “(A) the extent and magnitude of the con-
6 servation needs associated with agricultural pro-
7 duction in each State;

8 “(B) the degree to which implementation of
9 the program in the State is, or will be, effective
10 in helping producers address those needs; and

11 “(C) other considerations to achieve equi-
12 table geographic distribution of funds, as deter-
13 mined by the Secretary.

14 “(c) *ACREAGE ENROLLMENT LIMITATION.*—During
15 the period beginning on October 1, 2013, and ending on
16 September 30, 2022, the Secretary shall, to the maximum
17 extent practicable—

18 “(1) enroll in the program an additional
19 10,348,000 acres for each fiscal year; and

20 “(2) manage the program to achieve a national
21 average rate of \$18 per acre, which shall include the
22 costs of all financial assistance, technical assistance,
23 and any other expenses associated with enrollment or
24 participation in the program.

25 “(d) *CONSERVATION STEWARDSHIP PAYMENTS.*—

1 “(1) *AVAILABILITY OF PAYMENTS.*—The Sec-
2 retary shall provide annual payments under the pro-
3 gram to compensate the producer for—

4 “(A) *installing and adopting additional*
5 *conservation activities; and*

6 “(B) *improving, maintaining, and man-*
7 *aging conservation activities in place at the op-*
8 *eration of the producer at the time the contract*
9 *offer is accepted by the Secretary.*

10 “(2) *PAYMENT AMOUNT.*—The amount of the
11 conservation stewardship annual payment shall be de-
12 termined by the Secretary and based, to the max-
13 imum extent practicable, on the following factors:

14 “(A) *Costs incurred by the producer associ-*
15 *ated with planning, design, materials, installa-*
16 *tion, labor, management, maintenance, or train-*
17 *ing.*

18 “(B) *Income forgone by the producer.*

19 “(C) *Expected conservation benefits.*

20 “(D) *The extent to which priority resource*
21 *concerns will be addressed through the installa-*
22 *tion and adoption of conservation activities on*
23 *the agricultural operation.*

1 “(E) *The level of stewardship in place at*
2 *the time of application and maintained over the*
3 *term of the contract.*

4 “(F) *The degree to which the conservation*
5 *activities will be integrated across the entire ag-*
6 *ricultural operation for all applicable priority*
7 *resource concerns over the term of the contract.*

8 “(G) *Such other factors as determined by*
9 *the Secretary.*

10 “(3) *EXCLUSIONS.—A payment to a producer*
11 *under this subsection shall not be provided for—*

12 “(A) *the design, construction, or mainte-*
13 *nance of animal waste storage or treatment fa-*
14 *ilities or associated waste transport or transfer*
15 *devices for animal feeding operations; or*

16 “(B) *conservation activities for which there*
17 *is no cost incurred or income forgone to the pro-*
18 *ducer.*

19 “(4) *DELIVERY OF PAYMENTS.—In making stew-*
20 *ardship payments, the Secretary shall, to the extent*
21 *practicable—*

22 “(A) *prorate conservation performance over*
23 *the term of the contract so as to accommodate,*
24 *to the extent practicable, producers earning equal*

1 *annual stewardship payments in each fiscal*
2 *year; and*

3 “(B) *make stewardship payments as soon as*
4 *practicable after October 1 of each fiscal year for*
5 *activities 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 *resource-conserving crop rotations to achieve bene-*
12 *ficial crop rotations as appropriate for the eligible*
13 *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 the resource-conserving*
24 *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 tith;*

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 2014 through*
16 *2018, 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, 2013.*

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, 2013, 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)) may be used to admin-*
3 *ister and make payments to program participants en-*
4 *rolled into contracts during any of fiscal years 2009*
5 *through 2013.*

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:*

19 *“(B) develop and improve wildlife habitat;*
20 *and”;*

21 *(2) in paragraph (4), by striking “; and” and*
22 *inserting a period; and*

23 *(3) by striking paragraph (5).*

1 **SEC. 2202. DEFINITIONS.**

2 *Section 1240A of the Food Security Act of 1985 (16*
3 *U.S.C. 3839aa-1) is amended—*

4 *(1) by striking paragraph (2) and redesignating*
5 *paragraphs (3) through (6) as paragraphs (2)*
6 *through (5), respectively; and*

7 *(2) in paragraph (2) (as so redesignated), by in-*
8 *serting “established under the Organic Foods Produc-*
9 *tion Act of 1990 (7 U.S.C. 6501 et seq.)” after “na-*
10 *tional organic program”.*

11 **SEC. 2203. ESTABLISHMENT AND ADMINISTRATION.**

12 *Section 1240B of the Food Security Act of 1985 (16*
13 *U.S.C. 3839aa-2) is amended—*

14 *(1) in subsection (a), by striking “2014” and in-*
15 *serting “2018”;*

16 *(2) in subsection (b), by striking paragraph (2)*
17 *and inserting the following:*

18 *“(2) TERM.—A contract under the program shall*
19 *have a term that does not exceed 10 years.”;*

20 *(3) in subsection (d)—*

21 *(A) in paragraph (3), by striking subpara-*
22 *graphs (A) through (G) and inserting the fol-*
23 *lowing:*

24 *“(A) soil health;*

25 *“(B) water quality and quantity improve-*
26 *ment;*

1 “(C) *nutrient management*;

2 “(D) *pest management*;

3 “(E) *air quality improvement*;

4 “(F) *wildlife habitat development, including*
5 *pollinator habitat*;

6 “(G) *invasive species management*; or

7 “(H) *other resource issues of regional or na-*
8 *tional significance, as determined by the Sec-*
9 *retary.*”; and

10 (B) *in paragraph (4)*—

11 (i) *in subparagraph (A) in the matter*
12 *preceding clause (i), by inserting “, veteran*
13 *farmer or rancher (as defined in section*
14 *2501(e) of the Food, Agriculture, Conserva-*
15 *tion, and Trade Act of 1990 (7 U.S.C.*
16 *2279(e)),” before “or a beginning farmer or*
17 *rancher”*; and

18 (ii) *by striking subparagraph (B) and*
19 *inserting the following:*

20 “(B) *ADVANCE PAYMENTS.*—

21 “(i) *IN GENERAL.*—*Not more than 30*
22 *percent of the amount determined under*
23 *subparagraph (A) may be provided in ad-*
24 *vance for the purpose of purchasing mate-*
25 *rials or contracting.*

1 “(i) *RETURN OF FUNDS.—If funds*
2 *provided in advance are not expended dur-*
3 *ing the 90-day period beginning on the date*
4 *of receipt of the funds, the funds shall be re-*
5 *turned within a reasonable time frame, as*
6 *determined by the Secretary.”;*

7 (4) *by striking subsection (f) and inserting the*
8 *following:*

9 “(f) *ALLOCATION OF FUNDING.—*

10 “(1) *LIVESTOCK.—For each of fiscal years 2014*
11 *through 2018, at least 60 percent of the funds made*
12 *available for payments under the program shall be*
13 *targeted at practices relating to livestock production.*

14 “(2) *WILDLIFE HABITAT.—For each of fiscal*
15 *years 2014 through 2018, at least 5 percent of the*
16 *funds made available for payments under the pro-*
17 *gram shall be targeted at practices benefitting wildlife*
18 *habitat under subsection (g).”;* and

19 (5) *by striking subsection (g) and inserting the*
20 *following:*

21 “(g) *WILDLIFE HABITAT INCENTIVE PROGRAM.—*

22 “(1) *IN GENERAL.—The Secretary shall provide*
23 *payments under the environmental quality incentives*
24 *program for conservation practices that support the*

1 *restoration, development, and improvement of wildlife*
2 *habitat on eligible land, including—*

3 *“(A) upland wildlife habitat;*

4 *“(B) wetland wildlife habitat;*

5 *“(C) habitat for threatened and endangered*
6 *species;*

7 *“(D) fish habitat;*

8 *“(E) habitat on pivot corners and other ir-*
9 *regular areas of a field; and*

10 *“(F) other types of wildlife habitat, as de-*
11 *termined by the Secretary.*

12 *“(2) STATE TECHNICAL COMMITTEE.—In deter-*
13 *mining the practices eligible for payment under para-*
14 *graph (1) and targeted for funding under subsection*
15 *(f), the Secretary shall, at a minimum, consult with*
16 *the relevant State technical committee once a year.*

17 *“(3) WAIVER.—Notwithstanding any other pro-*
18 *vision of this chapter, the Secretary may make pay-*
19 *ments to a State or local unit of government to enroll*
20 *land that is riparian to, or submerged under, a water*
21 *body or wetland if the Secretary determines that the*
22 *inclusion of the land would support the restoration,*
23 *development, and improvement of wildlife habitat.”.*

1 **SEC. 2204. EVALUATION OF APPLICATIONS.**

2 *Section 1240C(b) of the Food Security Act of 1985 (16*
3 *U.S.C. 3839aa–3(b)) is amended—*

4 *(1) in paragraph (1), by striking “environ-*
5 *mental” and inserting “conservation”; and*

6 *(2) in paragraph (3), by striking “purpose of the*
7 *environmental quality incentives program specified in*
8 *section 1240(1)” and inserting “purposes of the pro-*
9 *gram”.*

10 **SEC. 2205. DUTIES OF PRODUCERS.**

11 *Section 1240D(2) of the Food Security Act of 1985 (16*
12 *U.S.C. 3839aa–4(2)) is amended by striking “farm, ranch,*
13 *or forest” and inserting “enrolled”.*

14 **SEC. 2206. LIMITATION ON PAYMENTS.**

15 *Section 1240G of the Food Security Act of 1985 (16*
16 *U.S.C. 3839aa–7) is amended—*

17 *(1) in subsection (a)—*

18 *(A) by striking “by the person or entity*
19 *during any six-year period,” and inserting*
20 *“during fiscal years 2014 through 2018”; and*

21 *(B) by striking “federally recognized” and*
22 *all that follows through the period and inserting*
23 *“Indian tribes under section 1244(l).”; and*

24 *(2) in subsection (b)(2), by striking “any six-*
25 *year period” and inserting “fiscal years 2014 through*
26 *2018”.*

1 **SEC. 2207. CONSERVATION INNOVATION GRANTS AND PAY-**
2 **MENTS.**

3 *Section 1240H of the Food Security Act of 1985 (16*
4 *U.S.C. 3839aa–8) is amended—*

5 *(1) in subsection (b)(2), by striking “2012” and*
6 *inserting “2018”; and*

7 *(2) by adding at the end the following:*

8 *“(c) REPORTING.—Not later than December 31, 2014,*
9 *and every 2 years thereafter, the Secretary shall submit to*
10 *the Committee on Agriculture, Nutrition, and Forestry of*
11 *the Senate and the Committee on Agriculture of the House*
12 *of Representatives a report on the status of projects funded*
13 *under this section, including—*

14 *“(1) funding awarded;*

15 *“(2) project results; and*

16 *“(3) incorporation of project findings, such as*
17 *new technology and innovative approaches, into the*
18 *conservation efforts implemented by the Secretary.”.*

19 **SEC. 2208. EFFECTIVE DATE.**

20 *(a) IN GENERAL.—The amendments made by this sub-*
21 *title shall take effect on October 1, 2013.*

22 *(b) EFFECT ON EXISTING CONTRACTS.—The amend-*
23 *ments made by this title shall not affect the validity or*
24 *terms of any contract entered into by the Secretary of Agri-*
25 *culture under chapter 4 of subtitle D of title XII of the Food*
26 *Security Act of 1985 (16 U.S.C. 3839aa et seq.) before Octo-*

1 ber 1, 2013, or any payments required to be made in con-
 2 nection with the contract.

3 **Subtitle D—Agricultural**
 4 **Conservation Easement Program**

5 **SEC. 2301. AGRICULTURAL CONSERVATION EASEMENT PRO-**
 6 **GRAM.**

7 (a) *ESTABLISHMENT.*—Title XII of the Food Security
 8 Act of 1985 is amended by adding at the end the following:

9 **“Subtitle H—Agricultural**
 10 **Conservation Easement Program**

11 **“SEC. 1265. ESTABLISHMENT AND PURPOSES.**

12 “(a) *ESTABLISHMENT.*—The Secretary shall establish
 13 an Agricultural Conservation Easement Program for the
 14 conservation of eligible land and natural resources through
 15 easements or other interests in land.

16 “(b) *PURPOSES.*—The purposes of the program are
 17 to—

18 “(1) combine the purposes and coordinate the
 19 functions of the wetlands reserve program established
 20 under section 1237, the grassland reserve program es-
 21 tablished under section 1238N, and the farmland pro-
 22 tection program established under section 1238I;

23 “(2) restore, protect, and enhance wetland on eli-
 24 gible land;

1 “(3) protect the agricultural use, viability, and
2 related conservation values of eligible land by lim-
3 iting nonagricultural uses of that land; and

4 “(4) protect grazing uses and related conserva-
5 tion values by restoring and conserving eligible land.

6 **“SEC. 1265A. DEFINITIONS.**

7 *“In this subtitle:*

8 “(1) *AGRICULTURAL LAND EASEMENT.*—*The*
9 *term ‘agricultural land easement’ means an easement*
10 *or other interest in eligible land that—*

11 “(A) *is conveyed for the purposes of pro-*
12 *tecting natural resources and the agricultural*
13 *nature of the land, and of promoting agricul-*
14 *tural viability for future generations; and*

15 “(B) *permits the landowner the right to*
16 *continue agricultural production and related*
17 *uses subject to an agricultural land easement*
18 *plan.*

19 “(2) *ELIGIBLE ENTITY.*—*The term ‘eligible enti-*
20 *ty’ means—*

21 “(A) *an agency of State or local government*
22 *or an Indian tribe (including farmland protec-*
23 *tion board or land resource council established*
24 *under State law); or*

25 “(B) *an organization that is—*

1 “(i) organized for, and at all times
2 since the formation of the organization has
3 been operated principally for, 1 or more of
4 the conservation purposes specified in clause
5 (i), (ii), (iii), or (iv) of section 170(h)(4)(A)
6 of the Internal Revenue Code of 1986;

7 “(ii) an organization described in sec-
8 tion 501(c)(3) of that Code that is exempt
9 from taxation under section 501(a) of that
10 Code; or

11 “(iii) described in—

12 “(I) paragraph (1) or (2) of sec-
13 tion 509(a) of that Code; or

14 “(II) section 509(a)(3) of that
15 Code and is controlled by an organiza-
16 tion described in section 509(a)(2) of
17 that Code.

18 “(3) *ELIGIBLE LAND*.—The term ‘eligible land’
19 means private or tribal land that is—

20 “(A) in the case of an agricultural land
21 easement, agricultural land, including land on a
22 farm or ranch—

23 “(i) that is subject to a pending offer
24 for purchase from an eligible entity;

25 “(ii) that—

1 “(I) has prime, unique, or other
2 productive soil;

3 “(II) contains historical or ar-
4 chaeological resources; or

5 “(III) the protection of which
6 could, consistent with the purposes of
7 the program—

8 “(aa) further a State or local
9 policy; or

10 “(bb) conserve grassland or
11 agricultural landscapes of signifi-
12 cant ecological value; and

13 “(iii) that is—

14 “(I) cropland;

15 “(II) rangeland;

16 “(III) grassland or land that con-
17 tains forbs, or shrubland for which
18 grazing is the predominant use;

19 “(IV) pastureland; or

20 “(V) nonindustrial private forest
21 land that contributes to the economic
22 viability of an offered parcel or serves
23 as a buffer to protect such land from
24 development;

1 “(B) in the case of a wetland reserve ease-
2 ment, a wetland or related area, including—

3 “(i) farmed or converted wetland, to-
4 gether with the adjacent land that is func-
5 tionally dependent on that land if the Sec-
6 retary determines it—

7 “(I) is likely to be successfully re-
8 stored in a cost effective manner; and

9 “(II) will maximize the wildlife
10 benefits and wetland functions and
11 values as determined by the Secretary
12 in consultation with the Secretary of
13 the Interior at the local level;

14 “(ii) cropland or grassland that was
15 used for agricultural production prior to
16 flooding from the natural overflow of a
17 closed basin lake or pothole, as determined
18 by the Secretary, together (where prac-
19 ticable) with the adjacent land that is func-
20 tionally dependent on the cropland or grass-
21 land;

22 “(iii) farmed wetland and adjoining
23 land that—

24 “(I) is enrolled in the conserva-
25 tion reserve program;

1 “(II) has the highest wetland
2 functions and values; and

3 “(III) is likely to return to pro-
4 duction after the land leaves the con-
5 servation reserve program;

6 “(iv) riparian areas that link wetland
7 that is protected by easements or some other
8 device that achieves the same purpose as an
9 easement; or

10 “(v) other wetland of an owner that
11 would not otherwise be eligible if the Sec-
12 retary determines that the inclusion of such
13 wetland in such easement would signifi-
14 cantly add to the functional value of the
15 easement; and

16 “(C) in the case of both an agricultural
17 land easement or wetland reserve easement, other
18 land that is incidental to eligible land if the Sec-
19 retary determines that it is necessary for the effi-
20 cient administration of the easements under this
21 program.

22 “(4) PROGRAM.—The term ‘program’ means the
23 Agricultural Conservation Easement Program estab-
24 lished by this subtitle.

1 “(5) *WETLAND RESERVE EASEMENT.*—*The term*
2 *‘wetland reserve easement’ means a reserved interest*
3 *in eligible land that—*

4 “(A) *is defined and delineated in a deed;*
5 *and*

6 “(B) *stipulates—*

7 “(i) *the rights, title, and interests in*
8 *land conveyed to the Secretary; and*

9 “(ii) *the rights, title, and interests in*
10 *land that are reserved to the landowner.*

11 **“SEC. 1265B. AGRICULTURAL LAND EASEMENTS.**

12 “(a) *AVAILABILITY OF ASSISTANCE.*—*The Secretary*
13 *shall facilitate and provide funding for—*

14 “(1) *the purchase by eligible entities of agricul-*
15 *tural land easements and other interests in eligible*
16 *land; and*

17 “(2) *technical assistance to provide for the con-*
18 *servation of natural resources pursuant to an agricul-*
19 *tural land easement plan.*

20 “(b) *COST-SHARE ASSISTANCE.*—

21 “(1) *IN GENERAL.*—*The Secretary shall provide*
22 *cost-share assistance to eligible entities for purchasing*
23 *agricultural land easements to protect the agricul-*
24 *tural use, including grazing, and related conservation*
25 *values of eligible land.*

1 “(2) *SCOPE OF ASSISTANCE AVAILABLE.*—

2 “(A) *FEDERAL SHARE.*—Subject to sub-
3 *paragraph (C), an agreement described in para-*
4 *graph (4) shall provide for a Federal share deter-*
5 *mined by the Secretary of an amount not to ex-*
6 *ceed 50 percent of the fair market value of the*
7 *agricultural land easement or other interest in*
8 *land, as determined by the Secretary using—*

9 “(i) *the Uniform Standards of Profes-*
10 *sional Appraisal Practices;*

11 “(ii) *an area-wide market analysis or*
12 *survey; or*

13 “(iii) *another industry approved meth-*
14 *od.*

15 “(B) *NON-FEDERAL SHARE.*—

16 “(i) *IN GENERAL.*—Subject to subpara-
17 *graph (C), under the agreement, the eligible*
18 *entity shall provide a share that is at least*
19 *equivalent to that provided by the Sec-*
20 *retary.*

21 “(ii) *SOURCE OF CONTRIBUTION.*—An
22 *eligible entity may include as part of its*
23 *share a charitable donation or qualified*
24 *conservation contribution (as defined by*
25 *section 170(h) of the Internal Revenue Code*

1 of 1986) from the private landowner if the
2 eligible entity contributes its own cash re-
3 sources in an amount that is at least 50
4 percent of the amount contributed by the
5 Secretary.

6 “(C) *WAIVER AUTHORITY.*—

7 “(i) *GRASSLAND.*—In the case of grass-
8 land of special environmental significance,
9 as determined by the Secretary, the Sec-
10 retary may provide up to 75 percent of the
11 fair market value of the agricultural land
12 easement.

13 “(ii) *CASH CONTRIBUTION.*—For pur-
14 poses of subparagraph (B)(ii), the Secretary
15 may waive any portion of the eligible entity
16 cash contribution requirement for projects of
17 special significance, subject to an increase
18 in the private landowner donation that is
19 equal to the amount of the waiver, if the do-
20 nation is voluntary.

21 “(3) *EVALUATION AND RANKING OF APPLICA-*
22 *TIONS.*—

23 “(A) *CRITERIA.*—The Secretary shall estab-
24 lish evaluation and ranking criteria to maximize

1 *the benefit of Federal investment under the pro-*
2 *gram.*

3 “(B) *CONSIDERATIONS.*—*In establishing the*
4 *criteria, the Secretary shall emphasize support*
5 *for—*

6 “(i) *protecting agricultural uses and*
7 *related conservation values of the land; and*

8 “(ii) *maximizing the protection of*
9 *areas devoted to agricultural use.*

10 “(C) *BIDDING DOWN.*—*If the Secretary de-*
11 *termines that 2 or more applications for cost-*
12 *share assistance are comparable in achieving the*
13 *purpose of the program, the Secretary shall not*
14 *assign a higher priority to any of those applica-*
15 *tions solely on the basis of lesser cost to the pro-*
16 *gram.*

17 “(4) *AGREEMENTS WITH ELIGIBLE ENTITIES.*—

18 “(A) *IN GENERAL.*—*The Secretary shall*
19 *enter into agreements with eligible entities to*
20 *stipulate the terms and conditions under which*
21 *the eligible entity is permitted to use cost-share*
22 *assistance provided under this section.*

23 “(B) *LENGTH OF AGREEMENTS.*—*An agree-*
24 *ment shall be for a term that is—*

1 “(i) in the case of an eligible entity
2 certified under the process described in
3 paragraph (5), a minimum of 5 years; and

4 “(ii) for all other eligible entities, at
5 least 3, but not more than 5 years.

6 “(C) *MINIMUM TERMS AND CONDITIONS.*—

7 *An eligible entity shall be authorized to use its*
8 *own terms and conditions for agricultural land*
9 *easements so long as the Secretary determines*
10 *such terms and conditions—*

11 “(i) are consistent with the purposes of
12 the program;

13 “(ii) are permanent or for the max-
14 imum duration allowed under applicable
15 State law;

16 “(iii) permit effective enforcement of
17 the conservation purposes of such easements,
18 including appropriate restrictions depend-
19 ing on the purposes for which the easement
20 is acquired;

21 “(iv) include a right of enforcement for
22 the Secretary if terms of the easement are
23 not enforced by the holder of the easement;

1 “(v) *subject the land in which an in-*
2 *terest is purchased to an agricultural land*
3 *easement plan that—*

4 “(I) *describes the activities which*
5 *promote the long-term viability of the*
6 *land to meet the purposes for which the*
7 *easement was acquired;*

8 “(II) *requires the management of*
9 *grassland according to a grassland*
10 *management plan; and*

11 “(III) *includes a conservation*
12 *plan, where appropriate, and requires,*
13 *at the option of the Secretary, the con-*
14 *version of highly erodible cropland to*
15 *less intensive uses; and*

16 “(vi) *include a limit on the impervious*
17 *surfaces to be allowed that is consistent with*
18 *the agricultural activities to be conducted.*

19 “(D) *SUBSTITUTION OF QUALIFIED*
20 *PROJECTS.—An agreement shall allow, upon mu-*
21 *tual agreement of the parties, substitution of*
22 *qualified projects that are identified at the time*
23 *of the proposed substitution.*

1 “(E) *EFFECT OF VIOLATION.*—*If a violation*
2 *occurs of a term or condition of an agreement*
3 *under this subsection—*

4 “(i) *the agreement may be terminated;*

5 *and*

6 “(ii) *the Secretary may require the eli-*
7 *gible entity to refund all or part of any*
8 *payments received by the entity under the*
9 *program, with interest on the payments as*
10 *determined appropriate by the Secretary.*

11 “(5) *CERTIFICATION OF ELIGIBLE ENTITIES.*—

12 “(A) *CERTIFICATION PROCESS.*—*The Sec-*
13 *retary shall establish a process under which the*
14 *Secretary may—*

15 “(i) *directly certify eligible entities*
16 *that meet established criteria;*

17 “(ii) *enter into long-term agreements*
18 *with certified eligible entities; and*

19 “(iii) *accept proposals for cost-share*
20 *assistance for the purchase of agricultural*
21 *land easements throughout the duration of*
22 *such agreements.*

23 “(B) *CERTIFICATION CRITERIA.*—*In order*
24 *to be certified, an eligible entity shall dem-*
25 *onstrate to the Secretary that the entity will*

1 *maintain, at a minimum, for the duration of the*
2 *agreement—*

3 “(i) *a plan for administering ease-*
4 *ments that is consistent with the purposes of*
5 *the program described in paragraphs (3)*
6 *and (4) of section 1265(b);*

7 “(ii) *the capacity and resources to*
8 *monitor and enforce agricultural land ease-*
9 *ments; and*

10 “(iii) *policies and procedures to en-*
11 *sure—*

12 “(I) *the long-term integrity of ag-*
13 *ricultural land easements on eligible*
14 *land;*

15 “(II) *timely completion of acqui-*
16 *sitions of easements; and*

17 “(III) *timely and complete eval-*
18 *uation and reporting to the Secretary*
19 *on the use of funds provided under the*
20 *program.*

21 “(C) *REVIEW AND REVISION.—*

22 “(i) *REVIEW.—The Secretary shall*
23 *conduct a review of eligible entities certified*
24 *under subparagraph (A) every 3 years to*
25 *ensure that such entities are meeting the*

1 *criteria established under subparagraph*
2 *(B).*

3 “(ii) *REVOCAATION.—If the Secretary*
4 *finds that the certified entity no longer*
5 *meets the criteria established under sub-*
6 *paragraph (B), the Secretary may—*

7 “(I) *allow the certified entity a*
8 *specified period of time, at a minimum*
9 *180 days, in which to take such actions*
10 *as may be necessary to meet the cri-*
11 *teria; and*

12 “(II) *revoke the certification of the*
13 *entity, if after the specified period of*
14 *time, the certified entity does not meet*
15 *such criteria.*

16 “(c) *TECHNICAL ASSISTANCE.—The Secretary may*
17 *provide technical assistance, if requested, to assist in—*

18 “(1) *compliance with the terms and conditions of*
19 *easements; and*

20 “(2) *implementation of an agricultural land*
21 *easement plan.*

22 **“SEC. 1265C. WETLAND RESERVE EASEMENTS.**

23 “(a) *AVAILABILITY OF ASSISTANCE.—The Secretary*
24 *shall provide assistance to owners of eligible land to restore,*
25 *protect, and enhance wetland through—*

1 “(1) easements and related wetland reserve ease-
2 ment plans; and

3 “(2) technical assistance.

4 “(b) EASEMENTS.—

5 “(1) METHOD OF ENROLLMENT.—The Secretary
6 shall enroll eligible land through the use of—

7 “(A) 30-year easements;

8 “(B) permanent easements;

9 “(C) easements for the maximum duration
10 allowed under applicable State laws; or

11 “(D) as an option for Indian tribes only,
12 30-year contracts.

13 “(2) LIMITATIONS.—

14 “(A) INELIGIBLE LAND.—The Secretary
15 may not acquire easements on—

16 “(i) land established to trees under the
17 conservation reserve program, except in
18 cases where the Secretary determines it
19 would further the purposes of the program;
20 and

21 “(ii) farmed wetland or converted wet-
22 land where the conversion was not com-
23 menced prior to December 23, 1985.

24 “(B) CHANGES IN OWNERSHIP.—No ease-
25 ment shall be created on land that has changed

1 *ownership during the preceding 12-month period*
2 *unless—*

3 “(i) *the new ownership was acquired*
4 *by will or succession as a result of the death*
5 *of the previous owner;*

6 “(ii)(I) *the ownership change occurred*
7 *because of foreclosure on the land; and*

8 “(II) *immediately before the fore-*
9 *closure, the owner of the land exercises a*
10 *right of redemption from the mortgage hold-*
11 *er in accordance with State law; or*

12 “(iii) *the Secretary determines that the*
13 *land was acquired under circumstances that*
14 *give adequate assurances that such land was*
15 *not acquired for the purposes of placing it*
16 *in the program.*

17 “(3) *EVALUATION AND RANKING OF OFFERS.—*

18 “(A) *CRITERIA.—The Secretary shall estab-*
19 *lish evaluation and ranking criteria to maximize*
20 *the benefit of Federal investment under the pro-*
21 *gram.*

22 “(B) *CONSIDERATIONS.—When evaluating*
23 *offers from landowners, the Secretary may con-*
24 *sider—*

1 “(i) the conservation benefits of obtain-
2 ing an easement or 30-year contract, in-
3 cluding the potential environmental benefits
4 if the land was removed from agricultural
5 production;

6 “(ii) the cost-effectiveness of each ease-
7 ment or 30-year contract, so as to maximize
8 the environmental benefits per dollar ex-
9 pended;

10 “(iii) whether the landowner or an-
11 other person is offering to contribute finan-
12 cially to the cost of the easement or 30-year
13 contract to leverage Federal funds; and

14 “(iv) such other factors as the Sec-
15 retary determines are necessary to carry out
16 the purposes of the program.

17 “(C) PRIORITY.—The Secretary shall place
18 priority on acquiring easements based on the
19 value of the easement for protecting and enhanc-
20 ing habitat for migratory birds and other wild-
21 life.

22 “(4) AGREEMENT.—To be eligible to place eligi-
23 ble land into the program through a wetland reserve
24 easement, the owner of such land shall enter into an
25 agreement with the Secretary to—

1 “(A) grant an easement on such land to the
2 Secretary;

3 “(B) authorize the implementation of a wet-
4 land reserve easement plan;

5 “(C) create and record an appropriate deed
6 restriction in accordance with applicable State
7 law to reflect the easement agreed to;

8 “(D) provide a written statement of consent
9 to such easement signed by those holding a secu-
10 rity interest in the land;

11 “(E) comply with the terms and conditions
12 of the easement and any related agreements; and

13 “(F) permanently retire any existing crop-
14 land base and allotment history for the land on
15 which the easement has been obtained.

16 “(5) TERMS AND CONDITIONS OF EASEMENT.—

17 “(A) IN GENERAL.—A wetland reserve ease-
18 ment shall include terms and conditions that—

19 “(i) permit—

20 “(I) repairs, improvements, and
21 inspections on the land that are nec-
22 essary to maintain existing public
23 drainage systems; and

24 “(II) owners to control public ac-
25 cess on the easement areas while iden-

1 *tifying access routes to be used for res-*
2 *toration activities and management*
3 *and easement monitoring;*

4 “(i) prohibit—

5 “(I) *the alteration of wildlife*
6 *habitat and other natural features of*
7 *such land, unless specifically author-*
8 *ized by the Secretary;*

9 “(II) *the spraying of such land*
10 *with chemicals or the mowing of such*
11 *land, except where such spraying or*
12 *mowing is authorized by the Secretary*
13 *or is necessary—*

14 “(aa) *to comply with Federal*
15 *or State noxious weed control*
16 *laws;*

17 “(bb) *to comply with a Fed-*
18 *eral or State emergency pest treat-*
19 *ment program; or*

20 “(cc) *to meet habitat needs of*
21 *specific wildlife species;*

22 “(III) *any activities to be carried*
23 *out on the owner’s or successor’s land*
24 *that is immediately adjacent to, and*
25 *functionally related to, the land that is*

1 *subject to the easement if such activi-*
2 *ties will alter, degrade, or otherwise di-*
3 *minish the functional value of the eli-*
4 *gible land; and*

5 *“(IV) the adoption of any other*
6 *practice that would tend to defeat the*
7 *purposes of the program, as determined*
8 *by the Secretary;*

9 *“(iii) provide for the efficient and ef-*
10 *fective establishment of wetland functions*
11 *and values; and*

12 *“(iv) include such additional provi-*
13 *sions as the Secretary determines are desir-*
14 *able to carry out the program or facilitate*
15 *the practical administration thereof.*

16 *“(B) VIOLATION.—On the violation of the*
17 *terms or conditions of the easement, the easement*
18 *shall remain in force and the Secretary may re-*
19 *quire the owner to refund all or part of any pay-*
20 *ments received by the owner under the program,*
21 *together with interest thereon as determined ap-*
22 *propriate by the Secretary.*

23 *“(C) COMPATIBLE USES.—Land subject to a*
24 *wetland reserve easement may be used for com-*
25 *patible economic uses, including such activities*

1 *as hunting and fishing, managed timber harvest,*
2 *or periodic haying or grazing, if such use is spe-*
3 *cifically permitted by the wetland reserve ease-*
4 *ment plan and is consistent with the long-term*
5 *protection and enhancement of the wetland re-*
6 *sources for which the easement was established.*

7 “(D) *RESERVATION OF GRAZING RIGHTS.—*
8 *The Secretary may include in the terms and con-*
9 *ditions of an easement a provision under which*
10 *the owner reserves grazing rights if—*

11 “(i) *the Secretary determines that the*
12 *reservation and use of the grazing rights—*

13 “(I) *is compatible with the land*
14 *subject to the easement;*

15 “(II) *is consistent with the histor-*
16 *ical natural uses of the land and long-*
17 *term protection and enhancement goals*
18 *for which the easement was established;*
19 *and*

20 “(III) *complies with the wetland*
21 *reserve easement plan; and*

22 “(ii) *the agreement provides for a com-*
23 *mensurate reduction in the easement pay-*
24 *ment to account for the grazing value, as*
25 *determined by the Secretary.*

1 “(E) *APPLICATION.*—*The relevant provi-*
2 *sions of this paragraph shall also apply to a 30-*
3 *year contract.*

4 “(6) *COMPENSATION.*—

5 “(A) *DETERMINATION.*—

6 “(i) *IN GENERAL.*—*The Secretary shall*
7 *pay as compensation for a permanent ease-*
8 *ment acquired an amount necessary to en-*
9 *courage enrollment in the program based on*
10 *the lowest of—*

11 “(I) *the fair market value of the*
12 *land, as determined by the Secretary,*
13 *using the Uniform Standards of Pro-*
14 *fessional Appraisal Practices or an*
15 *area-wide market analysis or survey;*

16 “(II) *the amount corresponding to*
17 *a geographical cap, as determined by*
18 *the Secretary in regulations; or*

19 “(III) *the offer made by the land-*
20 *owner.*

21 “(ii) *OTHER.*—*Compensation for a 30-*
22 *year contract or 30-year easement shall be*
23 *not less than 50 percent, but not more than*
24 *75 percent, of the compensation that would*
25 *be paid for a permanent easement.*

1 “(B) *FORM OF PAYMENT.*—*Compensation*
2 *shall be provided by the Secretary in the form of*
3 *a cash payment, in an amount determined under*
4 *subparagraph (A).*

5 “(C) *PAYMENT SCHEDULE.*—

6 “(i) *EASEMENTS VALUED AT LESS*
7 *THAN \$500,000.*—*For easements valued at*
8 *\$500,000 or less, the Secretary may provide*
9 *easement payments in not more than 10 an-*
10 *nual payments.*

11 “(ii) *EASEMENTS VALUED AT MORE*
12 *THAN \$500,000.*—*For easements valued at*
13 *more than \$500,000, the Secretary may*
14 *provide easement payments in at least 5,*
15 *but not more than 10 annual payments, ex-*
16 *cept that, if the Secretary determines it*
17 *would further the purposes of the program,*
18 *the Secretary may make a lump sum pay-*
19 *ment for such an easement.*

20 “(c) *EASEMENT RESTORATION.*—

21 “(1) *IN GENERAL.*—*The Secretary shall provide*
22 *financial assistance to carry out the establishment of*
23 *conservation measures and practices and protect wet-*
24 *land functions and values, including necessary main-*

1 *tenance activities, as set forth in a wetland reserve*
2 *easement plan.*

3 “(2) *PAYMENTS.*—*The Secretary shall—*

4 “(A) *in the case of a permanent easement,*
5 *pay an amount that is not less than 75 percent,*
6 *but not more than 100 percent, of the eligible*
7 *costs; and*

8 “(B) *in the case of a 30-year contract or*
9 *30-year easement, pay an amount that is not*
10 *less than 50 percent, but not more than 75 per-*
11 *cent, of the eligible costs.*

12 “(d) *TECHNICAL ASSISTANCE.*—

13 “(1) *IN GENERAL.*—*The Secretary shall assist*
14 *owners in complying with the terms and conditions*
15 *of easements and 30-year contracts.*

16 “(2) *CONTRACTS OR AGREEMENTS.*—*The Sec-*
17 *retary may enter into 1 or more contracts with pri-*
18 *vate entities or agreements with a State, non-govern-*
19 *mental organization, or Indian tribe to carry out nec-*
20 *essary restoration, enhancement or maintenance of an*
21 *easement if the Secretary determines that the contract*
22 *or agreement will advance the purposes of the pro-*
23 *gram.*

24 “(e) *WETLAND ENHANCEMENT OPTION.*—*The Sec-*
25 *retary may enter into 1 or more agreements with a State*

1 *(including a political subdivision or agency of a State),*
2 *nongovernmental organization, or Indian tribe to carry out*
3 *a special wetland enhancement option that the Secretary*
4 *determines would advance the purposes of the program.*

5 “(f) ADMINISTRATION.—

6 “(1) WETLAND RESERVE EASEMENT PLAN.—*The*
7 *Secretary shall develop a wetland reserve easement*
8 *plan for eligible land subject to a wetland reserve*
9 *easement, which will include the practices and activi-*
10 *ties necessary to restore, protect, enhance, and main-*
11 *tain the enrolled land.*

12 “(2) DELEGATION OF EASEMENT ADMINISTRA-
13 TION.—

14 “(A) IN GENERAL.—*The Secretary may del-*
15 *egate any of the easement management, moni-*
16 *toring, and enforcement responsibilities of the*
17 *Secretary to other Federal or State agencies that*
18 *have the appropriate authority, expertise and re-*
19 *sources necessary to carry out such delegated re-*
20 *sponsibilities or to other conservation organiza-*
21 *tions if the Secretary determines the organiza-*
22 *tion has similar expertise and resources.*

23 “(B) LIMITATION.—*The Secretary shall not*
24 *delegate any of the monitoring or enforcement re-*

1 *sponsibilities under the program to conservation*
2 *organizations.*

3 “(3) *PAYMENTS.*—

4 “(A) *TIMING OF PAYMENTS.*—*The Secretary*
5 *shall provide payment for obligations incurred*
6 *by the Secretary under this section—*

7 “(i) *with respect to any easement res-*
8 *toration obligation as soon as possible after*
9 *the obligation is incurred; and*

10 “(ii) *with respect to any annual ease-*
11 *ment payment obligation incurred by the*
12 *Secretary as soon as possible after October*
13 *1 of each calendar year.*

14 “(B) *PAYMENTS TO OTHERS.*—*If an owner*
15 *who is entitled to a payment dies, becomes in-*
16 *competent, is otherwise unable to receive such*
17 *payment, or is succeeded by another person or*
18 *entity who renders or completes the required per-*
19 *formance, the Secretary shall make such pay-*
20 *ment, in accordance with regulations prescribed*
21 *by the Secretary and without regard to any other*
22 *provision of law, in such manner as the Sec-*
23 *retary determines is fair and reasonable in light*
24 *of all of the circumstances.*

1 **“SEC. 1265D. ADMINISTRATION.**

2 “(a) *INELIGIBLE LAND.*—*The Secretary may not ac-*
3 *quire an easement under the program on—*

4 “(1) *land owned by an agency of the United*
5 *States, other than land held in trust for Indian tribes;*

6 “(2) *land owned in fee title by a State, including*
7 *an agency or a subdivision of a State, or a unit of*
8 *local government;*

9 “(3) *land subject to an easement or deed restric-*
10 *tion which, as determined by the Secretary, provides*
11 *similar protection as would be provided by enrollment*
12 *in the program; and*

13 “(4) *land where the purposes of the program*
14 *would be undermined due to on-site or off-site condi-*
15 *tions, such as risk of hazardous substances, proposed*
16 *or existing rights of way, infrastructure development,*
17 *or adjacent land uses.*

18 “(b) *PRIORITY.*—*In evaluating applications under the*
19 *program, the Secretary may give priority to land that is*
20 *currently enrolled in the conservation reserve program in*
21 *a contract that is set to expire within 1 year and—*

22 “(1) *in the case of an agricultural land ease-*
23 *ment, is grassland that would benefit from protection*
24 *under a long-term easement; and*

25 “(2) *in the case of a wetland reserve easement,*
26 *is a wetland or related area with the highest functions*

1 *and values and is likely to return to production after*
2 *the land leaves the conservation reserve program.*

3 “(c) *SUBORDINATION, EXCHANGE, MODIFICATION, AND*
4 *TERMINATION.*—

5 “(1) *IN GENERAL.*—*The Secretary may subordi-*
6 *nate, exchange, terminate, or modify any interest in*
7 *land, or portion of such interest, administered by the*
8 *Secretary, either directly or on behalf of the Com-*
9 *modity Credit Corporation under the program when*
10 *the Secretary determines that—*

11 “(A) *it is in the Federal Government’s in-*
12 *terest to subordinate, exchange, modify or termi-*
13 *nate the interest in land;*

14 “(B) *the subordination, exchange, modifica-*
15 *tion, or termination action—*

16 “(i) *will address a compelling public*
17 *need for which there is no practicable alter-*
18 *native, or*

19 “(ii) *such action will further the prac-*
20 *tical administration of the program; and*

21 “(C) *the subordination, exchange, modifica-*
22 *tion, or termination action will result in com-*
23 *parable conservation value and equivalent or*
24 *greater economic value to the United States.*

1 “(2) *CONSULTATION.*—*The Secretary shall work*
2 *with the current owner, and eligible entity if applica-*
3 *ble, to address any subordination, exchange, termi-*
4 *nation, or modification of the interest, or portion of*
5 *such interest in land.*

6 “(3) *NOTICE.*—*At least 90 days before taking*
7 *any termination action described in paragraph (1),*
8 *the Secretary shall provide written notice of such ac-*
9 *tion to the Committee on Agriculture of the House of*
10 *Representatives and the Committee on Agriculture,*
11 *Nutrition, and Forestry of the Senate.*

12 “(d) *LAND ENROLLED IN OTHER PROGRAMS.*—

13 “(1) *CONSERVATION RESERVE PROGRAM.*—*The*
14 *Secretary may terminate or modify an existing con-*
15 *tract entered into under section 1231(a) if eligible*
16 *land that is subject to such contract is transferred*
17 *into the program.*

18 “(2) *OTHER.*—*Land enrolled in the wetlands re-*
19 *serve program, grassland reserve program, or farm-*
20 *land protection program shall be considered enrolled*
21 *in this program.”.*

22 “(b) *COMPLIANCE WITH CERTAIN REQUIREMENTS.*—
23 *Before an eligible entity or owner of eligible land may re-*
24 *ceive assistance under subtitle H of title XII of the Food*
25 *Security Act of 1985, the eligible entity or person shall*

1 agree, during the crop year for which the assistance is pro-
2 vided and in exchange for the assistance—

3 (1) to comply with applicable conservation re-
4 quirements under subtitle B of title XII of that Act
5 (16 U.S.C. 3811 *et seq.*); and

6 (2) to comply with applicable wetland protection
7 requirements under subtitle C of title XII of that Act
8 (16 U.S.C. 3821 *et seq.*).

9 (c) *CROSS-REFERENCE.*—Section 1244 of the Food Se-
10 curity Act of 1985 (16 U.S.C. 3844) is amended—

11 (1) in subsection (c)—

12 (A) in paragraph (1)—

13 (i) by inserting “and” at the end of
14 subparagraph (A);

15 (ii) by striking “and” at the end of
16 subparagraph (B); and

17 (iii) by striking subparagraph (C);

18 (B) by redesignating paragraph (2) as
19 paragraph (3); and

20 (C) by inserting after paragraph (1) the fol-
21 lowing:

22 “(2) the Agricultural Conservation Easement
23 Program established under subtitle H; and”;

24 (2) in subsection (f)—

25 (A) in paragraph (1)—

1 (i) in subparagraph (A), by striking
2 “programs administered under subchapters
3 B and C of chapter 1 of subtitle D” and in-
4 serting “conservation reserve program estab-
5 lished under subchapter B of chapter 1 of
6 subtitle D and the Agricultural Conserva-
7 tion Easement Program under subtitle H
8 using wetland reserve easements under sec-
9 tion 1265C”; and

10 (ii) in subparagraph (B), by striking
11 “subchapter C of chapter 1 of subtitle D”
12 and inserting “the Agricultural Conserva-
13 tion Easement Program under subtitle H
14 using wetland reserve easements under sec-
15 tion 1265C”; and

16 (B) by striking paragraph (4) and inserting
17 the following:

18 “(4) EXCLUSIONS.—

19 “(A) SHELTERBELTS AND WINDBREAKS.—
20 The limitations established under paragraph (1)
21 shall not apply to cropland that is subject to an
22 easement under subchapter C of chapter 1 that
23 is used for the establishment of shelterbelts and
24 windbreaks.

1 “(B) *WET AND SATURATED SOILS.*—*For the*
 2 *purposes of enrolling land in a wetland reserve*
 3 *easement under subtitle H, the limitations estab-*
 4 *lished under paragraph (1) shall not apply to*
 5 *cropland designated by the Secretary with sub-*
 6 *class w in the land capability classes IV through*
 7 *VIII because of severe use limitations due to soil*
 8 *saturation or inundation.”.*

9 (d) *EFFECTIVE DATE.*—*The amendments made by this*
 10 *section shall take effect on October 1, 2013.*

11 ***Subtitle E—Regional Conservation***
 12 ***Partnership Program***

13 ***SEC. 2401. REGIONAL CONSERVATION PARTNERSHIP PRO-***
 14 ***GRAM.***

15 (a) *IN GENERAL.*—*Title XII of the Food Security Act*
 16 *of 1985 is amended by inserting after subtitle H (as added*
 17 *by section 2301) the following:*

18 ***“Subtitle I—Regional Conservation***
 19 ***Partnership Program***

20 ***“SEC. 1271. ESTABLISHMENT AND PURPOSES.***

21 “(a) *ESTABLISHMENT.*—*The Secretary shall establish*
 22 *a Regional Conservation Partnership Program to imple-*
 23 *ment eligible activities through—*

24 “(1) *partnership agreements with eligible part-*
 25 *ners; and*

1 “(2) *contracts with producers.*

2 “(b) *PURPOSES.—The purposes of the program are—*

3 “(1) *to combine the purposes and coordinate the*
4 *functions of—*

5 “(A) *the agricultural water enhancement*
6 *program established under section 1240I;*

7 “(B) *the Chesapeake Bay watershed pro-*
8 *gram established under section 1240Q;*

9 “(C) *the cooperative conservation partner-*
10 *ship initiative established under section 1243;*
11 *and*

12 “(D) *the Great Lakes basin program for soil*
13 *erosion and sediment control established under*
14 *section 1240P;*

15 “(2) *to further the conservation, restoration, and*
16 *sustainable use of soil, water, wildlife, and related*
17 *natural resources on a regional or watershed scale;*
18 *and*

19 “(3) *to encourage partners to cooperate with pro-*
20 *ducers in—*

21 “(A) *meeting or avoiding the need for na-*
22 *tional, State, and local natural resource regu-*
23 *latory requirements related to production; and*

24 “(B) *implementing projects that will result*
25 *in the installation and maintenance of eligible*

1 *activities that affect multiple agricultural or*
2 *nonindustrial private forest operations on a*
3 *local, regional, State, or multi-State basis.*

4 **“SEC. 1271A. DEFINITIONS.**

5 *“In this subtitle:*

6 *“(1) COVERED PROGRAMS.—The term ‘covered*
7 *programs’ means—*

8 *“(A) the agricultural conservation easement*
9 *program;*

10 *“(B) the environmental quality incentives*
11 *program;*

12 *“(C) the conservation stewardship program;*
13 *and*

14 *“(D) the healthy forests reserve program es-*
15 *tablished under section 501 of the Healthy For-*
16 *ests Restoration Act of 2003 (16 U.S.C. 6571).*

17 *“(2) ELIGIBLE ACTIVITY.—The term ‘eligible ac-*
18 *tivity’ means any of the following conservation activi-*
19 *ties when delivered through a covered program:*

20 *“(A) Water quality restoration or enhance-*
21 *ment projects, including nutrient management*
22 *and sediment reduction.*

23 *“(B) Water quantity conservation, restora-*
24 *tion, or enhancement projects relating to surface*
25 *water and groundwater resources, including—*

1 “(i) the conversion of irrigated crop-
2 land to the production of less water-inten-
3 sive agricultural commodities or dryland
4 farming; and

5 “(ii) irrigation system improvement
6 and irrigation efficiency enhancement.

7 “(C) Drought mitigation.

8 “(D) Flood prevention.

9 “(E) Water retention.

10 “(F) Habitat conservation, restoration, and
11 enhancement.

12 “(G) Erosion control.

13 “(H) Forest restoration, including recovery
14 of threatened and endangered species, improve-
15 ment of biodiversity, and enhancement of carbon
16 sequestration.

17 “(I) Other related activities that the Sec-
18 retary determines will help achieve conservation
19 benefits.

20 “(3) ELIGIBLE PARTNER.—The term ‘eligible
21 partner’ means any of the following:

22 “(A) An agricultural or silvicultural pro-
23 ducer association or other group of producers.

24 “(B) A State or unit of local government.

25 “(C) An Indian tribe.

1 “(D) *A farmer cooperative.*

2 “(E) *An institution of higher education.*

3 “(F) *A municipal water or wastewater*
4 *treatment entity.*

5 “(G) *An organization or other nongovern-*
6 *mental entity with an established history of*
7 *working cooperatively with producers on agricul-*
8 *tural land, as determined by the Secretary, to*
9 *address—*

10 “(i) *local conservation priorities re-*
11 *lated to agricultural production, wildlife*
12 *habitat development, and nonindustrial pri-*
13 *ivate forest land management; or*

14 “(ii) *critical watershed-scale soil ero-*
15 *sion, water quality, sediment reduction, or*
16 *other natural resource concerns.*

17 “(4) *PARTNERSHIP AGREEMENT.—The term*
18 *‘partnership agreement’ means an agreement between*
19 *the Secretary and an eligible partner.*

20 “(5) *PROGRAM.—The term ‘program’ means the*
21 *Regional Conservation Partnership Program estab-*
22 *lished by this subtitle.*

23 **“SEC. 1271B. REGIONAL CONSERVATION PARTNERSHIPS.**

24 “(a) *PARTNERSHIP AGREEMENTS AUTHORIZED.—The*
25 *Secretary may enter into a partnership agreement with an*

1 *eligible partner to implement a project that will assist pro-*
2 *ducers with installing and maintaining an eligible activity.*

3 “(b) *LENGTH.*—*A partnership agreement shall be for*
4 *a period not to exceed 5 years, except that the Secretary*
5 *may extend the agreement 1 time for up to 12 months when*
6 *an extension is necessary to meet the objectives of the pro-*
7 *gram.*

8 “(c) *DUTIES OF PARTNERS.*—

9 “(1) *IN GENERAL.*—*Under a partnership agree-*
10 *ment, the eligible partner shall—*

11 “(A) *define the scope of a project, includ-*
12 *ing—*

13 “(i) *the eligible activities to be imple-*
14 *mented;*

15 “(ii) *the potential agricultural or non-*
16 *industrial private forest operations affected;*

17 “(iii) *the local, State, multi-State or*
18 *other geographic area covered; and*

19 “(iv) *the planning, outreach, imple-*
20 *mentation and assessment to be conducted;*

21 “(B) *conduct outreach and education to*
22 *producers for potential participation in the*
23 *project;*

1 “(C) at the request of a producer, act on be-
2 half of a producer participating in the project in
3 applying for assistance under section 1271C;

4 “(D) leverage financial or technical assist-
5 ance provided by the Secretary with additional
6 funds to help achieve the project objectives;

7 “(E) conduct an assessment of the project’s
8 effects; and

9 “(F) at the conclusion of the project, report
10 to the Secretary on its results and funds lever-
11 aged.

12 “(2) CONTRIBUTION.—A partner shall provide a
13 significant portion of the overall costs of the scope of
14 the project as determined by the Secretary.

15 “(d) APPLICATIONS.—

16 “(1) COMPETITIVE PROCESS.—The Secretary
17 shall conduct a competitive process to select applica-
18 tions for partnership agreements and may assess and
19 rank applications with similar conservation purposes
20 as a group.

21 “(2) CRITERIA USED.—In carrying out the proc-
22 ess described in paragraph (1), the Secretary shall
23 make public the criteria used in evaluating applica-
24 tions.

1 “(3) *CONTENT.*—*An application to the Secretary*
2 *shall include a description of—*

3 “(A) *the scope of the project as described in*
4 *subsection (c)(1)(A);*

5 “(B) *the plan for monitoring, evaluating,*
6 *and reporting on progress made towards achiev-*
7 *ing the project’s objectives;*

8 “(C) *the program resources requested for the*
9 *project, including the covered programs to be*
10 *used and estimated funding needed from the Sec-*
11 *retary;*

12 “(D) *the partners collaborating to achieve*
13 *project objectives, including their roles, respon-*
14 *sibilities, capabilities, and financial contribu-*
15 *tion; and*

16 “(E) *any other elements the Secretary con-*
17 *siders necessary to adequately evaluate and com-*
18 *petitively select applications for funding under*
19 *the program.*

20 “(4) *APPLICATION SELECTION.*—

21 “(A) *PRIORITY TO CERTAIN APPLICA-*
22 *TIONS.*—*The Secretary shall give a higher pri-*
23 *ority to applications that—*

1 “(i) assist producers in meeting or
2 avoiding the need for a natural resource
3 regulatory requirement;

4 “(ii) significantly leverage non-Federal
5 financial and technical resources and co-
6 ordinate with other local, State, regional, or
7 national efforts;

8 “(iii) deliver high percentages of ap-
9 plied conservation to address conservation
10 priorities or local, State, regional, or na-
11 tional conservation initiatives;

12 “(iv) provide innovation in conserva-
13 tion methods and delivery, including out-
14 come-based performance measures and
15 methods; or

16 “(v) provide innovation in the im-
17 provement and delivery of water quality or
18 quantity, including outcome-based perform-
19 ance measures and methods.

20 “(B) OTHER APPLICATIONS.—The Secretary
21 may give priority to applications that—

22 “(i) have a high percentage of pro-
23 ducers in the area to be covered by the
24 agreement; or

1 “(ii) meet other factors that are impor-
2 tant for achieving the purposes of the pro-
3 gram, as determined by the Secretary.

4 **“SEC. 1271C. ASSISTANCE TO PRODUCERS.**

5 “(a) *IN GENERAL.*—The Secretary shall enter into con-
6 tracts to provide financial and technical assistance to—

7 “(1) producers participating in a project with
8 an eligible partner as described in section 1271B; or

9 “(2) producers that fit within the scope of a
10 project described in section 1271B or a critical con-
11 servation area designated pursuant to section 1271F,
12 but who are seeking to implement an eligible activity
13 independent of a partner.

14 “(b) *TERMS AND CONDITIONS.*—

15 “(1) *CONSISTENCY WITH PROGRAM RULES.*—

16 “(A) *IN GENERAL.*—Except as provided in
17 paragraph (2) and subparagraph (B), the Sec-
18 retary shall ensure that the terms and conditions
19 of a contract under this section are consistent
20 with the applicable rules of the covered programs
21 to be used as part of the partnership agreement,
22 as described in the application under section
23 1271B(d)(3)(C).

24 “(B) *ADJUSTMENTS.*—

1 “(i) *IN GENERAL.*—*The Secretary may*
2 *adjust rules of a covered program, includ-*
3 *ing—*

4 “(I) *operational guidance and re-*
5 *quirements for a covered program at*
6 *the discretion of the Secretary so as to*
7 *provide a simplified application and*
8 *evaluation process; and*

9 “(II) *nonstatutory, regulatory*
10 *rules or provisions to better reflect*
11 *unique local circumstances and pur-*
12 *poses if the Secretary determines such*
13 *adjustments are necessary to achieve*
14 *the purposes of the covered program.*

15 “(ii) *LIMITATION.*—*The Secretary shall*
16 *not adjust the application of statutory re-*
17 *quirements for a covered program, includ-*
18 *ing requirements governing appeals, pay-*
19 *ment limits, and conservation compliance.*

20 “(iii) *IRRIGATION.*—*In States where*
21 *irrigation has not been used significantly*
22 *for agricultural purposes, as determined by*
23 *the Secretary, the Secretary shall not limit*
24 *eligibility under section 1271B or this sec-*
25 *tion on the basis of prior irrigation history.*

1 “(2) *ALTERNATIVE FUNDING ARRANGEMENTS.*—

2 “(A) *IN GENERAL.*—*Notwithstanding para-*
3 *graph (1)(A), for the purposes of providing as-*
4 *sistance for land described in subsection (a) and*
5 *section 1271F, the Secretary may enter into al-*
6 *ternative funding arrangements with a*
7 *multistate water resource agency or authority*
8 *if—*

9 “(i) *the Secretary determines that the*
10 *goals and objectives of the program will be*
11 *met by the alternative funding arrange-*
12 *ments;*

13 “(ii) *the agency or authority certifies*
14 *that the limitations established under this*
15 *section on agreements with individual pro-*
16 *ducers will not be exceeded; and*

17 “(iii) *all participating producers meet*
18 *applicable payment eligibility provisions.*

19 “(B) *CONDITIONS.*—*As a condition on re-*
20 *ceipt of funding under subparagraph (A), the*
21 *multistate water resource agency or authority*
22 *shall agree—*

23 “(i) *to submit an annual independent*
24 *audit to the Secretary that describes the use*
25 *of funds under this paragraph;*

1 “(ii) to provide any data necessary for
2 the Secretary to issue a report on the use of
3 funds under this paragraph; and

4 “(iii) not to use any of the funds pro-
5 vided pursuant to subparagraph (A) for ad-
6 ministration or provide for administrative
7 costs through contracts with another entity.

8 “(C) *LIMITATION.*—The Secretary may
9 enter into at least 10 but not more than 20 alter-
10 native funding arrangements under this para-
11 graph.

12 “(c) *PAYMENTS.*—

13 “(1) *IN GENERAL.*—In accordance with statutory
14 requirements of the covered programs involved, the
15 Secretary may make payments to a producer in an
16 amount determined by the Secretary to be necessary
17 to achieve the purposes of the program.

18 “(2) *PAYMENTS TO CERTAIN PRODUCERS.*—The
19 Secretary may provide payments for a period of 5
20 years—

21 “(A) to producers participating in a project
22 that addresses water quantity concerns and in
23 an amount sufficient to encourage conversion
24 from irrigated to dryland farming; and

1 “(B) to producers participating in a project
2 that addresses water quality concerns and in an
3 amount sufficient to encourage adoption of con-
4 servation practices and systems that improve nu-
5 trient management.

6 “(3) WAIVER AUTHORITY.—To assist in the im-
7 plementation of the program, the Secretary may
8 waive the applicability of the limitation in section
9 1001D(b)(2) of this Act for participating producers if
10 the Secretary determines that the waiver is necessary
11 to fulfill the objectives of the program.

12 **“SEC. 1271D. FUNDING.**

13 “(a) AVAILABILITY OF FUNDS.—The Secretary shall
14 use \$110,000,000 of the funds of the Commodity Credit Cor-
15 poration for each of fiscal years 2014 through 2018 to carry
16 out the program established under this subtitle.

17 “(b) DURATION OF AVAILABILITY.—Funds made
18 available under subsection (a) shall remain available until
19 expended.

20 “(c) ADDITIONAL FUNDING AND ACRES.—

21 “(1) IN GENERAL.—In addition to the funds
22 made available under subsection (a), the Secretary
23 shall reserve 8 percent of the funds and acres made
24 available for a covered program for each of fiscal
25 years 2014 through 2018 in order to ensure addi-

1 *tional resources are available to carry out this pro-*
2 *gram.*

3 “(2) *UNUSED FUNDS AND ACRES.*—*Any funds or*
4 *acres reserved under paragraph (1) for a fiscal year*
5 *from a covered program that are not obligated under*
6 *this program by April 1 of that fiscal year shall be*
7 *returned for use under the covered program.*

8 “(d) *ALLOCATION OF FUNDING.*—*Of the funds and*
9 *acres made available for the program under subsections (a)*
10 *and (c), the Secretary shall allocate—*

11 “(1) *25 percent of the funds and acres to projects*
12 *based on a State competitive process administered by*
13 *the State conservationist, with the advice of the State*
14 *technical committee;*

15 “(2) *40 percent of the funds and acres to projects*
16 *based on a national competitive process to be estab-*
17 *lished by the Secretary; and*

18 “(3) *35 percent of the funds and acres to projects*
19 *for the critical conservation areas designated in sec-*
20 *tion 1271F.*

21 “(e) *LIMITATION ON ADMINISTRATIVE EXPENSES.*—
22 *None of the funds made available under the program may*
23 *be used to pay for the administrative expenses of partners.*

1 **“SEC. 1271E. ADMINISTRATION.**

2 “(a) *DISCLOSURE.*—*In addition to the criteria used*
3 *in evaluating applications as described in section*
4 *1271B(d)(2), the Secretary shall make publicly available*
5 *information on projects selected through the competitive*
6 *process described in section 1271B(d)(1).*

7 “(b) *REPORTING.*—*Not later than December 31, 2014,*
8 *and for every 2 years thereafter, the Secretary shall submit*
9 *to the Committee on Agriculture of the House of Representa-*
10 *tives and the Committee on Agriculture, Nutrition, and*
11 *Forestry of the Senate a report on the status of projects*
12 *funded under the program, including—*

13 “(1) *the number and types of partners and pro-*
14 *ducers participating in the partnership agreements*
15 *selected;*

16 “(2) *the number of producers receiving assist-*
17 *ance;*

18 “(3) *total funding committed to projects, includ-*
19 *ing Federal and non-Federal resources; and*

20 “(4) *a description of how the funds under section*
21 *1271C(b)(3) are being administered, including—*

22 “(A) *any oversight mechanisms that the*
23 *Secretary has implemented;*

24 “(B) *the process through which the Sec-*
25 *retary is resolving appeals by program partici-*
26 *pants; and*

1 “(C) the means by which the Secretary is
2 tracking adherence to any applicable provisions
3 for payment eligibility.

4 **“SEC. 1271F. CRITICAL CONSERVATION AREAS.**

5 “(a) *IN GENERAL.*—When administering the funding
6 described in section 1271D(d)(3), the Secretary shall select
7 applications for partnership agreements and producer con-
8 tracts within designated critical conservation areas.

9 “(b) *CRITICAL CONSERVATION AREA DESIGNA-*
10 *TIONS.*—

11 “(1) *IN GENERAL.*—The Secretary shall des-
12 ignate up to 6 geographical areas as critical conserva-
13 tion areas based on the degree to which an area—

14 “(A) includes multiple States with signifi-
15 cant agricultural production;

16 “(B) is covered by an existing regional,
17 State, binational, or multistate agreement or
18 plan that has established objectives, goals and
19 work plans and is adopted by a Federal, State,
20 or regional authority;

21 “(C) has water quality concerns, including
22 concerns for reducing erosion, promoting sedi-
23 ment control, and addressing nutrient manage-
24 ment activities affecting large bodies of water of
25 regional, national, or international significance;

1 “(D) has water quantity concerns, includ-
2 ing—

3 “(i) concerns for groundwater, surface
4 water, aquifer, or other water sources; or

5 “(ii) a need to promote water retention
6 and flood prevention;

7 “(E) is vital habitat for migrating wildlife;

8 or

9 “(F) is subject to regulatory requirements
10 that could reduce the economic scope of agricul-
11 tural operations within the area.

12 “(2) *EXPIRATION.*—Critical conservation area
13 designations under this section shall expire after 5
14 years, subject to redesignation, except that the Sec-
15 retary may withdraw designation from an area if the
16 Secretary finds the area no longer meets the condi-
17 tions described in paragraph (1).

18 “(c) *ADMINISTRATION.*—

19 “(1) *IN GENERAL.*—Except as provided in para-
20 graph (2), the Secretary shall administer any part-
21 nership agreement or producer contract under this
22 section in a manner that is consistent with the terms
23 of the program.

24 “(2) *RELATIONSHIP TO EXISTING ACTIVITY.*—

25 The Secretary shall, to the maximum extent prac-

1 *licable, ensure that eligible activities carried out in*
 2 *critical conservation areas designated under this sec-*
 3 *tion complement and are consistent with other Fed-*
 4 *eral and State programs and water quality and*
 5 *quantity strategies.”.*

6 **(b) EFFECTIVE DATE.**—*The amendment made by this*
 7 *section shall take effect on October 1, 2013.*

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

10 ***SEC. 2501. CONSERVATION OF PRIVATE GRAZING LAND.***

11 *Section 1240M(e) of the Food Security Act of 1985 (16*
 12 *U.S.C. 3839bb(e)) is amended inserting “and \$30,000,000*
 13 *for each of fiscal years 2014 through 2018” before the period*
 14 *at the end.*

15 ***SEC. 2502. GRASSROOTS SOURCE WATER PROTECTION PRO-***
 16 ***GRAM.***

17 *Section 1240O(b) of the Food Security Act of 1985 (16*
 18 *U.S.C. 3839bb–2(b)) is amended by inserting “and*
 19 *\$15,000,000 for each of fiscal years 2014 through 2018” be-*
 20 *fore the period at the end.*

21 ***SEC. 2503. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-***
 22 ***CENTIVE PROGRAM.***

23 **(a) FUNDING.**—*Section 1240R(f)(1) of the Food Secu-*
 24 *rity Act of 1985 (16 U.S.C. 3839bb–5(f)(1)) is amended—*

1 (1) *in the heading, by striking “FISCAL YEARS*
2 *2009 THROUGH 2012” and inserting “MANDATORY*
3 *FUNDING”; and*

4 (2) *by inserting “and \$40,000,000 for the period*
5 *of fiscal years 2014 through 2018” before the period*
6 *at the end.*

7 (b) *REPORT ON PROGRAM EFFECTIVENESS.—Not later*
8 *than 2 years after the date of enactment of this Act, the*
9 *Secretary of Agriculture shall submit to the Committee on*
10 *Agriculture of the House of Representatives and the Com-*
11 *mittee on Agriculture, Nutrition, and Forestry of the Senate*
12 *a report evaluating the effectiveness of the voluntary public*
13 *access and habitat incentive program established by section*
14 *1240R of the Food Security Act of 1985 (16 U.S.C. 3839bb–*
15 *5), including—*

16 (1) *identifying cooperating agencies;*

17 (2) *identifying the number of land holdings and*
18 *total acres enrolled by State;*

19 (3) *evaluating the extent of improved access on*
20 *eligible land, improved wildlife habitat, and related*
21 *economic benefits; and*

22 (4) *any other relevant information and data re-*
23 *lating to the program that would be helpful to such*
24 *Committees.*

1 (c) *EFFECTIVE DATE.*—*The amendment made by this*
2 *section shall take effect on October 1, 2013.*

3 **SEC. 2504. AGRICULTURE CONSERVATION EXPERIENCED**
4 **SERVICES PROGRAM.**

5 (a) *FUNDING.*—*Section 1252 of the Food Security Act*
6 *of 1985 (16 U.S.C. 3851) is amended by striking subsection*
7 *(c) and inserting the following:*

8 “(c) *FUNDING.*—

9 “(1) *IN GENERAL.*—*The Secretary may carry out*
10 *the ACES program using funds made available to*
11 *carry out each program under this title.*

12 “(2) *EXCLUSION.*—*Funds made available to*
13 *carry out the conservation reserve program may not*
14 *be used to carry out the ACES program.”.*

15 (b) *EFFECTIVE DATE.*—*The amendment made by this*
16 *section shall take effect on October 1, 2013.*

17 **SEC. 2505. SMALL WATERSHED REHABILITATION PROGRAM.**

18 *Section 14(h)(2)(E) of the Watershed Protection and*
19 *Flood Prevention Act (16 U.S.C. 1012(h)(2)(E)) is amended*
20 *by striking “2012” and inserting “2018”.*

21 **SEC. 2506. EMERGENCY WATERSHED PROTECTION PRO-**
22 **GRAM.**

23 *Section 403 of the Agricultural Credit Act of 1978 (16*
24 *U.S.C. 2203) is amended—*

1 (1) by striking “SEC. 402.—The Secretary” and
2 inserting the following:

3 **“SEC. 402. EMERGENCY MEASURES.**

4 “(a) *IN GENERAL.*—The Secretary”; and

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

6 “(b) *FLOODPLAIN EASEMENTS.*—

7 “(1) *MODIFICATION AND TERMINATION.*—The
8 Secretary may modify or terminate a floodplain ease-
9 ment administered by the Secretary under this section
10 if—

11 “(A) the current owner agrees to the modi-
12 fication or termination; and

13 “(B) the Secretary determines that the
14 modification or termination—

15 “(i) will address a compelling public
16 need for which there is no practicable alter-
17 native; and

18 “(ii) is in the public interest.

19 “(2) *CONSIDERATION.*—

20 “(A) *TERMINATION.*—As consideration for
21 termination of an easement and associated
22 agreements under paragraph (1), the Secretary
23 shall enter into compensatory arrangements as
24 determined to be appropriate by the Secretary.

1 “(B) *MODIFICATION.*—*In the case of a*
2 *modification under paragraph (1)—*

3 “(i) *as a condition of the modification,*
4 *the current owner shall enter into a com-*
5 *pensatory arrangement (as determined to be*
6 *appropriate by the Secretary) to incur the*
7 *costs of modification; and*

8 “(ii) *the Secretary shall ensure that—*

9 “(I) *the modification will not ad-*
10 *versely affect the floodplain functions*
11 *and values for which the easement was*
12 *acquired;*

13 “(II) *any adverse impacts will be*
14 *mitigated by enrollment and restora-*
15 *tion of other land that provides greater*
16 *floodplain functions and values at no*
17 *additional cost to the Federal Govern-*
18 *ment; and*

19 “(III) *the modification will result*
20 *in equal or greater environmental and*
21 *economic values to the United States.”.*

22 **SEC. 2507. TERMINAL LAKES ASSISTANCE.**

23 *Section 2507 of the Food, Security, and Rural Invest-*
24 *ment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-*
25 *171) is amended to read as follows:*

1 **“SEC. 2507. TERMINAL LAKES ASSISTANCE.**

2 “(a) *DEFINITIONS.*—*In this section:*

3 “(1) *ELIGIBLE LAND.*—*The term ‘eligible land’*
4 *means privately owned agricultural land (including*
5 *land in which a State has a property interest as a*
6 *result of state water law)—*

7 “(A) *that a landowner voluntarily agrees to*
8 *sell to a State; and*

9 “(B) *which—*

10 “(i)(I) *is ineligible for enrollment as a*
11 *wetland reserve easement established under*
12 *the Agricultural Conservation Easement*
13 *Program under subtitle H of the Food Secu-*
14 *rity Act of 1985;*

15 “(II) *is flooded to—*

16 “(aa) *an average depth of at least*
17 *6.5 feet; or*

18 “(bb) *a level below which the*
19 *State determines the management of*
20 *the water level is beyond the control of*
21 *the State or landowner; or*

22 “(III) *is inaccessible for agricultural*
23 *use due to the flooding of adjoining prop-*
24 *erty (such as islands of agricultural land*
25 *created by flooding);*

1 “(ii) is located within a watershed
2 with water rights available for lease or pur-
3 chase; and

4 “(iii) has been used during at least 5
5 of the immediately preceding 30 years—

6 “(I) to produce crops or hay; or

7 “(II) as livestock pasture or graz-
8 ing.

9 “(2) PROGRAM.—The term ‘program’ means the
10 voluntary land purchase program established under
11 this section.

12 “(3) TERMINAL LAKE.—The term ‘terminal lake’
13 means a lake and its associated riparian and water-
14 shed resources that is—

15 “(A) considered flooded because there is no
16 natural outlet for water accumulating in the lake
17 or the associated riparian area such that the wa-
18 tershed and surrounding land is consistently
19 flooded; or

20 “(B) considered terminal because it has no
21 natural outlet and is at risk due to a history of
22 consistent Federal assistance to address critical
23 resource conditions, including insufficient water
24 available to meet the needs of the lake, general
25 uses, and water rights.

1 “(b) *ASSISTANCE.*—*The Secretary shall—*

2 “(1) *provide grants under subsection (c) for the*
3 *purchase of eligible land impacted by a terminal lake*
4 *described in subsection (a)(3)(A); and*

5 “(2) *provide funds to the Secretary of the Inte-*
6 *rior pursuant to subsection (e)(2) with assistance in*
7 *accordance with subsection (d) for terminal lakes de-*
8 *scribed in subsection (a)(3)(B).*

9 “(c) *LAND PURCHASE GRANTS.*—

10 “(1) *IN GENERAL.*—*Using funds provided under*
11 *subsection (e)(1), the Secretary shall make available*
12 *land purchase grants to States for the purchase of eli-*
13 *gible land in accordance with this subsection.*

14 “(2) *IMPLEMENTATION.*—

15 “(A) *AMOUNT.*—*A land purchase grant*
16 *shall be in an amount not to exceed the lesser*
17 *of—*

18 “(i) *50 percent of the total purchase*
19 *price per acre of the eligible land; or*

20 “(ii)(I) *in the case of eligible land that*
21 *was used to produce crops or hay, \$400 per*
22 *acre; and*

23 “(II) *in the case of eligible land that*
24 *was pasture or grazing land, \$200 per acre.*

1 “(B) *DETERMINATION OF PURCHASE*
2 *PRICE.*—*A State purchasing eligible land with a*
3 *land purchase grant shall ensure, to the max-*
4 *imum extent practicable, that the purchase price*
5 *of such land reflects the value, if any, of other*
6 *encumbrances on the eligible land to be pur-*
7 *chased, including easements and mineral rights.*

8 “(C) *COST-SHARE REQUIRED.*—*To be eligi-*
9 *ble to receive a land purchase grant, a State*
10 *shall provide matching non-Federal funds in an*
11 *amount equal to 50 percent of the amount de-*
12 *scribed in subparagraph (A), including addi-*
13 *tional non-Federal funds.*

14 “(D) *CONDITIONS.*—*To receive a land pur-*
15 *chase grant, a State shall agree—*

16 “(i) *to ensure that any eligible land*
17 *purchased is—*

18 “(I) *conveyed in fee simple to the*
19 *State; and*

20 “(II) *free from mortgages or other*
21 *liens at the time title is transferred;*

22 “(ii) *to maintain ownership of the eli-*
23 *gible land in perpetuity;*

24 “(iii) *to pay (from funds other than*
25 *grant dollars awarded) any costs associated*

1 *with the purchase of eligible land under this*
2 *section, including surveys and legal fees;*
3 *and*

4 “(iv) *to keep eligible land in a con-*
5 *serving use, as defined by the Secretary.*

6 “(E) *LOSS OF FEDERAL BENEFITS.—Eligi-*
7 *ble land purchased with a grant under this sec-*
8 *tion shall lose eligibility for any benefits under*
9 *other Federal programs, including—*

10 “(i) *benefits under title XII of the Food*
11 *Security Act of 1985 (16 U.S.C. 3801 et*
12 *seq.);*

13 “(ii) *benefits under the Federal Crop*
14 *Insurance Act (7 U.S.C. 1501 et seq.); and*

15 “(iii) *covered benefits described in sec-*
16 *tion 1001D(b) of the Food Security Act of*
17 *1985 (7 U.S.C. 1308–3a).*

18 “(F) *PROHIBITION.—Any Federal rights or*
19 *benefits associated with eligible land prior to*
20 *purchase by a State may not be transferred to*
21 *any other land or person in anticipation of or*
22 *as a result of such purchase.*

23 “(d) *WATER ASSISTANCE.—*

24 “(1) *IN GENERAL.—The Secretary of the Inte-*
25 *rior, acting through the Commissioner of Reclama-*

1 *tion, may use the funds described in subsection (e)(2)*
2 *to administer and provide financial assistance to*
3 *carry out this subsection to provide water and assist-*
4 *ance to a terminal lake described in subsection*
5 *(a)(3)(B) through willing sellers or willing partici-*
6 *pants only—*

7 *“(A) to lease water;*

8 *“(B) to purchase land, water appurtenant*
9 *to the land, and related interests; and*

10 *“(C) to carry out research, support and con-*
11 *servation activities for associated fish, wildlife,*
12 *plant, and habitat resources.”*

13 *“(2) EXCLUSIONS.—The Secretary of the Interior*
14 *may not use this subsection to deliver assistance to*
15 *the Great Salt Lake in Utah, lakes that are consid-*
16 *ered dry lakes, or other lakes that do not meet the*
17 *purposes of this section, as determined by the Sec-*
18 *retary of the Interior.*

19 *“(3) TRANSITIONAL PROVISION.—*

20 *“(A) IN GENERAL.—Notwithstanding any*
21 *other provision of this section, any funds made*
22 *available before the date of enactment of the Ag-*
23 *riculture Reform, Food, and Jobs Act of 2013*
24 *under a provision of law described in subpara-*
25 *graph (B) shall remain available using the pro-*

1 visions of law (including regulations) in effect on
2 the day before the date of enactment of that Act.

3 “(B) DESCRIBED LAWS.—The provisions of
4 law described in this section are—

5 “(i) section 2507 of the Farm Security
6 and Rural Investment Act of 2002 (43
7 U.S.C. 2211 note; Public Law 107–171) (as
8 in effect on the day before the date of enact-
9 ment of the Agriculture Reform, Food, and
10 Jobs Act of 2013);

11 “(ii) section 207 of the Energy and
12 Water Development Appropriations Act,
13 2003 (Public Law 108–7; 117 Stat. 146);

14 “(iii) section 208 of the Energy and
15 Water Development Appropriations Act,
16 2006 (Public Law 109–103; 119 Stat. 2268,
17 123 Stat. 2856); and

18 “(iv) section 208 of the Energy and
19 Water Development and Related Agencies
20 Appropriations Act, 2010 (Public Law 111–
21 85; 123 Stat. 2858, 123 Stat. 2967, 125
22 Stat. 867).

23 “(e) FUNDING.—

24 “(1) AUTHORIZATION OF APPROPRIATIONS.—
25 There is authorized to be appropriated to the Sec-

1 retary to carry out subsection (c) \$25,000,000, to re-
2 main available until expended.

3 “(2) *COMMODITY CREDIT CORPORATION.*—As
4 soon as practicable after the date of enactment of the
5 *Agriculture Reform, Food, and Jobs Act of 2013*, the
6 Secretary shall transfer to the Bureau of Reclamation
7 Water and Related Resources Account \$150,000,000
8 from the funds of the Commodity Credit Corporation
9 to carry out subsection (d), to remain available until
10 expended.”.

11 **SEC. 2508. STUDY OF POTENTIAL IMPROVEMENTS TO THE**
12 **WETLAND MITIGATION PROCESS.**

13 (a) *IN GENERAL.*—Not later than 180 after the date
14 of enactment of this Act, the Secretary shall carry out a
15 study—

16 (1) to evaluate the use of wetland mitigation
17 procedures under this title and the amendments made
18 by this title;

19 (2) to determine the impact to wildlife habitat of
20 relaxing the acre-for-acre requirement for wetland
21 mitigation plans that result in new wetland that pos-
22 sesses a function and value greater than the wetland
23 that is replaced; and

24 (3) to provide legislative recommendations for
25 how wetland mitigation procedures could be improved

1 to better enable agricultural producers to use wetland
2 mitigation in a manner that—

3 (A) benefits wildlife habitat; and

4 (B) allows producers greater access to the
5 wetland mitigation process.

6 (b) *REPORT*.—Not later than 2 years after the date
7 of enactment of this Act, the Secretary shall—

8 (1) submit to Congress a report that contains—

9 (A) the findings of the study; and

10 (B) any legislative recommendations under
11 subsection (a)(3); and

12 (2) publish the findings of the study on a public
13 website and in the *Federal Register*.

14 **SEC. 2509. SOIL AND WATER RESOURCE CONSERVATION.**

15 (a) *CONGRESSIONAL POLICY AND DECLARATION OF*
16 *PURPOSE*.—Section 4 of the *Soil and Water Resources Con-*
17 *servation Act of 1977 (16 U.S.C. 2003)* is amended—

18 (1) in subsection (b), by inserting “and tribal”
19 after “State” each place it appears; and

20 (2) in subsection (c)(2), by inserting “, tribal,”
21 after “State”.

22 (b) *CONTINUING APPRAISAL OF SOIL, WATER, AND*
23 *RELATED RESOURCES*.—Section 5 of the *Soil and Water*
24 *Resources Conservation Act of 1977 (16 U.S.C. 2004)* is
25 amended—

1 (1) *in subsection (a)(4), by striking “and State”*
2 *and inserting “, State, and tribal”;*

3 (2) *in subsection (b), by inserting “, tribal” after*
4 *“State” each place it appears; and*

5 (3) *in subsection (c)—*

6 (A) *by striking “State soil” and inserting*
7 *“State and tribal soil”; and*

8 (B) *by striking “local” and inserting “local,*
9 *tribal,”.*

10 (c) *SOIL AND WATER CONSERVATION PROGRAM.—Sec-*
11 *tion 6(a) of the Soil and Water Resources Conservation Act*
12 *of 1977 (16 U.S.C. 2005(a)) is amended—*

13 (1) *by inserting “, tribal” after “State” each*
14 *place it appears; and*

15 (2) *by inserting “, tribal,” after “private”.*

16 (d) *UTILIZATION OF AVAILABLE INFORMATION AND*
17 *DATA.—Section 9 of the Soil and Water Resources Con-*
18 *servation Act of 1977 (16 U.S.C. 2008) is amended by in-*
19 *serting “, tribal” after “State”.*

20 ***Subtitle G—Funding and***
21 ***Administration***

22 ***SEC. 2601. FUNDING.***

23 (a) *IN GENERAL.—Section 1241 of the Food Security*
24 *Act of 1985 (16 U.S.C. 3841) is amended by striking sub-*
25 *section (a) and inserting the following:*

1 “(a) *ANNUAL FUNDING.*—*For each of fiscal years 2014*
2 *through 2018, the Secretary shall use the funds, facilities,*
3 *and authorities of the Commodity Credit Corporation to*
4 *carry out the following programs under this title (including*
5 *the provision of technical assistance):*

6 “(1) *The conservation reserve program under*
7 *subchapter B of chapter 1 of subtitle D, including, to*
8 *the maximum extent practicable—*

9 “(A) *\$10,000,000 for the period of fiscal*
10 *years 2014 through 2018 to provide payments*
11 *under paragraph (3) of section 1234(b) in con-*
12 *nection with thinning activities conducted on*
13 *land described in subparagraph (B)(iii) of that*
14 *paragraph; and*

15 “(B) *\$50,000,000 for the period of fiscal*
16 *years 2014 through 2018 to carry out section*
17 *1235(f) to facilitate the transfer of land subject*
18 *to contracts from retired or retiring owners and*
19 *operators to beginning farmers or ranchers and*
20 *socially disadvantaged farmers or ranchers.*

21 “(2) *The Agricultural Conservation Easement*
22 *Program under subtitle H using to the maximum ex-*
23 *tent practicable—*

24 “(A) *\$450,000,000 for fiscal year 2014;*

25 “(B) *\$475,000,000 for fiscal year 2015;*

1 “(C) \$500,000,000 for fiscal year 2016;

2 “(D) \$525,000,000 for fiscal year 2017; and

3 “(E) \$250,000,000 for fiscal year 2018.

4 “(3) *The conservation security program under*
5 *subchapter A of chapter 2 of subtitle D, using such*
6 *sums as are necessary to administer contracts entered*
7 *into before September 30, 2008.*

8 “(4) *The conservation stewardship program*
9 *under subchapter B of chapter 2 of subtitle D.*

10 “(5) *The environmental quality incentives pro-*
11 *gram under chapter 4 of subtitle D, using, to the*
12 *maximum extent practicable—*

13 “(A) \$1,500,000,000 for fiscal year 2014;

14 “(B) \$1,600,000,000 for fiscal year 2015;

15 *and*

16 “(C) \$1,650,000,000 for each of fiscal years
17 2016 through 2018.”.

18 (b) *GUARANTEED AVAILABILITY OF FUNDS.—Section*
19 *1241 of the Food Security Act of 1985 (16 U.S.C. 3841)*
20 *is amended—*

21 (1) *by redesignating subsections (b) through (h)*
22 *as subsections (c) through (i), respectively;*

23 (2) *by inserting after subsection (a) the fol-*
24 *lowing:*

1 “(b) *AVAILABILITY OF FUNDS.*—Amounts made avail-
2 able by subsection (a) shall be used by the Secretary to carry
3 out the programs specified in such subsection for fiscal
4 years 2014 through 2018 and shall remain available until
5 expended. Amounts made available for the programs speci-
6 fied in such subsection during a fiscal year through modi-
7 fications, cancellations, terminations, and other related ad-
8 ministrative actions and not obligated in that fiscal year
9 shall remain available for obligation during subsequent fis-
10 cal years, but shall reduce the amount of additional funds
11 made available in the subsequent fiscal year by an amount
12 equal to the amount remaining unobligated.”; and

13 (3) in subsection (d) (as redesignated by para-
14 graph (1)), by striking “subsection (b)” and inserting
15 “subsection (c)”.

16 “(c) *EFFECTIVE DATE.*—The amendments made by this
17 section shall take effect on October 1, 2013.

18 **SEC. 2602. TECHNICAL ASSISTANCE.**

19 Section 1241 of the Food Security Act of 1985 (16
20 U.S.C. 3841) is amended by striking subsection (c) (as re-
21 designated by section 2601(b)(1)) and inserting the fol-
22 lowing:

23 “(c) *TECHNICAL ASSISTANCE.*—

1 “(1) *AVAILABILITY.*—*Commodity Credit Cor-*
2 *poration funds made available for a fiscal year for*
3 *each of the programs specified in subsection (a)*—

4 “(A) *shall be available for the provision of*
5 *technical assistance for the programs for which*
6 *funds are made available as necessary to imple-*
7 *ment the programs effectively;*

8 “(B) *except for technical assistance for the*
9 *conservation reserve program under subchapter*
10 *B of chapter 1 of subtitle D, shall be apportioned*
11 *for the provision of technical assistance in the*
12 *amount determined by the Secretary, at the sole*
13 *discretion of the Secretary; and*

14 “(C) *shall not be available for the provision*
15 *of technical assistance for conservation programs*
16 *specified in subsection (a) other than the pro-*
17 *gram for which the funds were made available.*

18 “(2) *PRIORITY.*—

19 “(A) *IN GENERAL.*—*In the delivery of tech-*
20 *nical assistance under the Soil Conservation and*
21 *Domestic Allotment Act (16 U.S.C. 590a et seq.),*
22 *the Secretary shall give priority to producers*
23 *who request technical assistance from the Sec-*
24 *retary in order to comply for the first time with*
25 *the requirements of subtitle B and subtitle C of*

1 *this title as a result of the amendments made by*
2 *section 2609 of the Agriculture Reform, Food,*
3 *and Jobs Act of 2013.*

4 “(B) *REPORT.*—*Not later than 270 days*
5 *after the date of enactment of the Agriculture Re-*
6 *form, Food, and Jobs Act of 2013, the Secretary*
7 *shall submit to the Committee on Agriculture of*
8 *the House of Representatives and the Committee*
9 *on Agriculture, Nutrition, and Forestry of the*
10 *Senate a report regarding the extent to which the*
11 *conservation compliance requirements contained*
12 *in the amendments made by section 2609 of the*
13 *Agriculture Reform, Food, and Jobs Act of 2013*
14 *apply to and impact specialty crop growers, in-*
15 *cluding national analysis and surveys to deter-*
16 *mine the extent of specialty crop acreage includes*
17 *highly erodible land and wetlands.*

18 “(3) *REPORT.*—*Not later than December 31,*
19 *2013, the Secretary shall submit (and update as nec-*
20 *essary in subsequent years) to the Committee on Agri-*
21 *culture of the House of Representatives and the Com-*
22 *mittee on Agriculture, Nutrition, and Forestry of the*
23 *Senate a report—*

24 “(A) *detailing the amount of technical as-*
25 *istance 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 provi-
4 sion that would be helpful to such Committees.

5 “(4) COMPLIANCE REPORT.—Not later than No-
6 vember 1 of each year, the Secretary shall submit to
7 the Committee on Agriculture of the House of Rep-
8 resentatives and the Committee on Agriculture, Nutri-
9 tion, and Forestry of the Senate a report that in-
10 cludes—

11 “(A) a description of the extent to which the
12 requests for highly erodible land conservation
13 and wetland compliance determinations are
14 being addressed in a timely manner;

15 “(B) the total number of requests completed
16 in the previous fiscal year;

17 “(C) the incomplete determinations on
18 record; and

19 “(D) the number of requests that are still
20 outstanding more than 1 year since the date on
21 which the requests were received from the pro-
22 ducer.”.

23 **SEC. 2603. REGIONAL EQUITY.**

24 Section 1241 of the Food Security Act of 1985 (16
25 U.S.C. 3841) is amended by striking subsection (e) (as re-

1 *designated by section 2601(b)(1)) and inserting the fol-*
2 *lowing:*

3 “(e) *REGIONAL EQUITY.*—

4 “(1) *EQUITABLE DISTRIBUTION.*—When deter-
5 *mining funding allocations each fiscal year, the Sec-*
6 *retary shall, after considering available funding and*
7 *program demand in each State, provide a distribu-*
8 *tion of funds for conservation programs under subtitle*
9 *D (excluding the conservation reserve program under*
10 *subchapter B of chapter 1), subtitle H, and subtitle*
11 *I to ensure equitable program participation propor-*
12 *tional to historical funding allocations and usage by*
13 *all States.*

14 “(2) *MINIMUM PERCENTAGE.*—In determining
15 *the specific funding allocations under paragraph (1),*
16 *the Secretary shall—*

17 “(A) *ensure that during the first quarter of*
18 *each fiscal year each State has the opportunity*
19 *to establish that the State can use an aggregate*
20 *allocation amount of at least 0.6 percent of the*
21 *funds made available for those conservation pro-*
22 *grams; and*

23 “(B) *for each State that can so establish,*
24 *provide an aggregate amount of at least 0.6 per-*

1 *cent of the funds made available for those con-*
2 *servations programs.”.*

3 **SEC. 2604. RESERVATION OF FUNDS TO PROVIDE ASSIST-**
4 **ANCE TO CERTAIN FARMERS OR RANCHERS**
5 **FOR CONSERVATION ACCESS.**

6 *Subsection (h) of section 1241 of the Food Security Act*
7 *of 1985 (16 U.S.C. 3841) (as redesignated by section*
8 *2601(b)(1)) is amended—*

9 *(1) in paragraph (1) by striking “2012” and in-*
10 *serting “2018”; and*

11 *(2) by adding at the end the following:*

12 *“(4) PREFERENCE.—In providing assistance*
13 *under paragraph (1), the Secretary shall give pref-*
14 *erence to a veteran farmer or rancher (as defined in*
15 *section 2501(e) of the Food, Agriculture, Conserva-*
16 *tion, and Trade Act of 1990 (7 U.S.C. 2279(e))) that*
17 *qualifies under subparagraph (A) or (B) of para-*
18 *graph (1).”.*

19 **SEC. 2605. ANNUAL REPORT ON PROGRAM ENROLLMENTS**
20 **AND ASSISTANCE.**

21 *Subsection (i) of section 1241 of the Food Security Act*
22 *of 1985 (16 U.S.C. 3841) (as redesignated by section*
23 *2601(b)(1)) is amended—*

1 (1) in paragraph (1), by striking “wetlands re-
2 serve program” and inserting “agricultural conserva-
3 tion easement program”;

4 (2) by striking paragraphs (2) and (3) and re-
5 designating paragraphs (4), (5), and (6) as para-
6 graphs (2), (3), and (4), respectively;

7 (3) in paragraph (3) (as so redesignated)—

8 (A) by striking “agricultural water en-
9 hancement program” and inserting “regional
10 conservation partnership program”; and

11 (B) by striking “section 1240I(g)” and in-
12 serting “section 1271C(e)(3)”; and

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

14 “(5) Payments made under the conservation
15 stewardship program.

16 “(6) Waivers granted by the Secretary under sec-
17 tion 1265B(b)(2)(C).”.

18 **SEC. 2606. ADMINISTRATIVE REQUIREMENTS FOR CON-**
19 **SERVATION PROGRAMS.**

20 Section 1244 of the Food Security Act of 1985 (16
21 U.S.C. 3844) is amended—

22 (1) in subsection (a)(2), by adding at the end the
23 following:

24 “(E) Veteran farmers or ranchers (as de-
25 fined in section 2501(e) of the Food, Agriculture,

1 *Conservation, and Trade Act of 1990 (7 U.S.C.*
2 *2279(e)).*”;

3 *(2) in subsection (d), by inserting “, H, and I”*
4 *before the period at the end;*

5 *(3) in subsection (f)—*

6 *(A) in paragraph (1)(B), by striking “coun-*
7 *try” and inserting “county”;*

8 *(B) in paragraph (3), by striking “sub-*
9 *section (c)(2)(B) or (f)(4)” and inserting “sub-*
10 *section (c)(2)(A)(ii) or (f)(2)”;* and

11 *(4) in subsection (h)(2), by inserting “including,*
12 *to the extent practicable, practices that maximize ben-*
13 *efits for honey bees” after “pollinators”;* and

14 *(5) by adding at the end the following:*

15 “*(j) IMPROVED ADMINISTRATIVE EFFICIENCY AND EF-*
16 *ECTIVENESS.—In administering a conservation program*
17 *under this title, the Secretary shall, to the maximum extent*
18 *practicable—*

19 “*(1) seek to reduce administrative burdens and*
20 *costs to producers by streamlining conservation plan-*
21 *ning and program resources; and*

22 “*(2) take advantage of new technologies to en-*
23 *hance efficiency and effectiveness.*

24 “*(k) RELATION TO OTHER PAYMENTS.—Any payment*
25 *received by an owner or operator under this title, including*

1 *an easement payment or rental payment, shall be in addi-*
2 *tion to, and not affect, the total amount of payments that*
3 *the owner or operator is otherwise eligible to receive under*
4 *any of the following:*

5 “(1) *This Act.*

6 “(2) *The Agricultural Act of 1949 (7 U.S.C.*
7 *1421 et seq.).*

8 “(3) *The Agriculture Reform, Food, and Jobs Act*
9 *of 2013.*

10 “(4) *Any law that succeeds a law specified in*
11 *paragraph (1), (2), or (3).*

12 “(l) *FUNDING FOR INDIAN TRIBES.—In carrying out*
13 *the conservation stewardship program under subchapter B*
14 *of chapter 2 of subtitle D and the environmental quality*
15 *incentives program under chapter 4 of subtitle D, the Sec-*
16 *retary may enter into alternative funding arrangements*
17 *with Indian tribes if the Secretary determines that the goals*
18 *and objectives of the programs will be met by such arrange-*
19 *ments, and that statutory limitations regarding contracts*
20 *with individual producers will not be exceeded by any Trib-*
21 *al member.”.*

22 **SEC. 2607. RULEMAKING AUTHORITY.**

23 *Subtitle E of title XII of the Food Security Act of 1985*
24 *(16 U.S.C. 3841 et seq.) is amended by adding at the end*
25 *the following:*

1 **“SEC. 1246. REGULATIONS.**

2 “(a) *IN GENERAL.*—*The Secretary shall promulgate*
3 *such regulations as are necessary to implement programs*
4 *under this title, including such regulations as the Secretary*
5 *determines to be necessary to ensure a fair and reasonable*
6 *application of the limitations established under section*
7 *1244(f).*

8 “(b) *RULEMAKING PROCEDURE.*—*The promulgation of*
9 *regulations and administration of programs under this*
10 *title—*

11 “(1) *shall be carried out without regard to—*

12 “(A) *the Statement of Policy of the Sec-*
13 *retary effective July 24, 1971 (36 Fed. Reg.*
14 *13804), relating to notices of proposed rule-*
15 *making and public participation in rulemaking;*
16 *and*

17 “(B) *chapter 35 of title 44, United States*
18 *Code (commonly known as the Paperwork Re-*
19 *duction Act); and*

20 “(2) *shall be made as an interim rule effective*
21 *on publication with an opportunity for notice and*
22 *comment.*

23 “(c) *CONGRESSIONAL REVIEW OF AGENCY RULE-*
24 *MAKING.*—*In promulgating regulations under this section,*
25 *the Secretary shall use the authority provided under section*
26 *808 of title 5, United States Code.”.*

1 **SEC. 2608. STANDARDS FOR STATE TECHNICAL COMMIT-**
2 **TEES.**

3 *Section 1261(b) of the Food Security Act of 1985 (16*
4 *U.S.C. 3861(b)) is amended by striking “Not later than 180*
5 *days after the date of enactment of the Food, Conservation,*
6 *and Energy Act of 2008, the Secretary shall develop” and*
7 *inserting “The Secretary shall review and update as nec-*
8 *essary”.*

9 **SEC. 2609. HIGHLY ERODIBLE LAND AND WETLAND CON-**
10 **SERVATION FOR CROP INSURANCE.**

11 *(a) HIGHLY ERODIBLE LAND PROGRAM INELIGI-*
12 *BILITY.—*

13 *(1) IN GENERAL.—Section 1211(a)(1) of the*
14 *Food Security Act of 1985 (16 U.S.C. 3811(a)(1)) is*
15 *amended—*

16 *(A) in subparagraph (C), by striking “or”*
17 *at the end;*

18 *(B) in subparagraph (D), by adding “or”*
19 *at the end; and*

20 *(C) by adding at the end the following:*

21 *“(E) any portion of premium paid by the*
22 *Federal Crop Insurance Corporation for a plan*
23 *or policy of insurance under the Federal Crop*
24 *Insurance Act (7 U.S.C. 1501 et seq.), on the*
25 *condition that if a person is determined to have*
26 *committed a violation under this subsection dur-*

1 *ing a crop year, ineligibility under this subpara-*
 2 *graph shall—*

3 *“(i) only apply to reinsurance years*
 4 *subsequent to the date of final determina-*
 5 *tion of a violation, including all adminis-*
 6 *trative appeals; and*

7 *“(ii) not apply to the existing reinsur-*
 8 *ance year or any reinsurance year prior to*
 9 *the date of final determination.”.*

10 (2) *EXEMPTIONS.—Section 1212(a)(2) of the*
 11 *Food Security Act of 1985 (16 U.S.C. 3812(a)(2)) is*
 12 *amended—*

13 (A) *in the first sentence, by striking “(2)*
 14 *If,” and inserting the following:*

15 *“(2) ELIGIBILITY BASED ON COMPLIANCE WITH*
 16 *CONSERVATION PLAN.—*

17 *“(A) IN GENERAL.—If,”;*

18 (B) *in the second sentence, by striking “In*
 19 *carrying” and inserting the following:*

20 *“(B) MINIMIZATION OF DOCUMENTATION.—*
 21 *In carrying”;* and

22 (C) *by adding at the end the following:*

23 *“(C) CROP INSURANCE.—Notwithstanding*
 24 *section 1211(a)—*

1 “(i) in the case of a person that is sub-
2 ject to section 1211 for the first time after
3 May 1, 2013, due to the amendment made
4 by section 2609(a) of the Agriculture Re-
5 form, Food, and Jobs Act of 2013, any per-
6 son who produces an agricultural com-
7 modity on the land that is the basis of the
8 payments described in section
9 1211(a)(1)(E) shall have 5 reinsurance
10 years after the date on which such pay-
11 ments become subject to section 1211 to de-
12 velop and comply with an approved con-
13 servation plan so as to maintain eligibility
14 for such payments; and

15 “(ii) in the case of a person that the
16 Secretary determines would have been in
17 violation of section 1211(a) if the person
18 had continued participation in the pro-
19 grams requiring compliance at any time
20 after the date of enactment of the Food,
21 Conservation, and Energy Act of 2008 (7
22 U.S.C. 8701 et seq.) and is currently in vio-
23 lation of section 1211(a), the person shall
24 have 2 reinsurance years after the date on
25 which the payments described in section

1 1211(a)(1)(E) become subject to section
2 1211 to develop and comply with an ap-
3 proved conservation plan, as determined by
4 the Secretary, so as to maintain eligibility
5 for such payments.”.

6 (b) WETLAND CONSERVATION PROGRAM INELIGI-
7 BILITY.—Section 1221 of the Food Security Act of 1985 (16
8 U.S.C. 3821) is amended—

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

11 “(4) CROP INSURANCE.—

12 “(A) IN GENERAL.—Except as provided in
13 this paragraph, a person subject to a final deter-
14 mination, including all administrative appeals,
15 of a violation of subsection (c) shall have 1 rein-
16 surance year to initiate a conservation plan to
17 remedy the violation, as determined by the Sec-
18 retary, before becoming ineligible under that sub-
19 section in the following reinsurance year to re-
20 ceive any payment of any portion of premium
21 paid by the Federal Crop Insurance Corporation
22 for a plan or policy of insurance under the Fed-
23 eral Crop Insurance Act (7 U.S.C. 1501 et seq.).

24 “(B) APPLICABILITY.—In the case of a per-
25 son that is subject to this subsection or subsection

1 (d) for the first time due to the amendment made
2 by section 2609(b) of the Agriculture Reform,
3 Food, and Jobs Act of 2013, the person shall
4 have 2 reinsurance years after the date of final
5 determination, including all administrative ap-
6 peals, to take such steps as the Secretary deter-
7 mines appropriate to remedy or mitigate the vio-
8 lation in accordance with subsection (c).

9 “(C) *GOOD FAITH.*—If the Secretary deter-
10 mines that a person subject to a final determina-
11 tion, including all administrative appeals, of a
12 violation of subsection (c) acted in good faith
13 and without intent to violate this section as de-
14 scribed in section 1222(h), the Secretary shall
15 give the person 1 reinsurance year to begin miti-
16 gation, restoration, or such other steps as are de-
17 termined necessary by the Secretary.

18 “(D) *TENANT RELIEF.*—

19 “(i) *IN GENERAL.*—If a tenant is de-
20 termined to be ineligible for payments and
21 other benefits under this section, the Sec-
22 retary may limit the ineligibility only to
23 the farm that is the basis for the ineligi-
24 bility determination if the tenant has estab-

1 lished, to the satisfaction of the Secretary
2 that—

3 “(I) the tenant has made a good
4 faith effort to meet the requirements of
5 this section, including enlisting the as-
6 sistance of the Secretary to obtain a
7 reasonable conservation plan for res-
8 toration or mitigation for the farm;

9 “(II) the landlord on the farm re-
10 fuses to comply with the plan on the
11 farm; and

12 “(III) the Secretary determines
13 that the lack of compliance is not a
14 part of a scheme or device to avoid the
15 compliance.

16 “(ii) *REPORT.*—The Secretary shall
17 provide an annual report to the Committee
18 on Agriculture of the House of Representa-
19 tives and the Committee on Agriculture,
20 Nutrition, and Forestry of the Senate con-
21 cerning the ineligibility determinations lim-
22 ited during the previous 12-month period
23 under this subparagraph.

24 “(E) *CERTIFICATION.*—

1 “(i) *IN GENERAL.*—Beginning with the
2 *first full reinsurance year immediately fol-*
3 *lowing the date of enactment of this para-*
4 *graph, all persons seeking eligibility for the*
5 *payment of a portion of the premium paid*
6 *by the Federal Crop Insurance Corporation*
7 *for a plan or policy of insurance under the*
8 *Federal Crop Insurance Act (7 U.S.C. 1501*
9 *et seq.) shall provide certification of compli-*
10 *ance with this section as determined by the*
11 *Secretary.*

12 “(ii) *TIMELY EVALUATION.*—The Sec-
13 *retary shall evaluate the certification in a*
14 *timely manner and—*

15 “(I) *a person who has properly*
16 *complied with certification shall be*
17 *held harmless with regard to eligibility*
18 *during the period of evaluation; and*

19 “(II) *if the Secretary fails to*
20 *evaluate the certification in a timely*
21 *manner and the person is subsequently*
22 *found to be in violation of subsection*
23 *(c), ineligibility shall not apply to the*
24 *person for that violation.*

25 “(iii) *EQUITABLE CONTRIBUTION.*—

1 “(I) *IN GENERAL.*—If a person
2 *fails to notify the Secretary as required*
3 *and is subsequently found in violation*
4 *of subsection (c), the Secretary shall*
5 *determine the amount of an equitable*
6 *contribution to conservation in accord-*
7 *ance with section 1241(f) by the person*
8 *for the violation.*

9 “(II) *LIMITATION.*—The contribu-
10 *tion shall not exceed the total of the*
11 *portion of premium paid by the Fed-*
12 *eral Crop Insurance Corporation for a*
13 *plan or policy of insurance for all*
14 *years the person is determined to have*
15 *been in violation subsequent to the date*
16 *on which certification was first re-*
17 *quired under this subparagraph.”;*

18 (2) *by redesignating subsections (c), (d), and (e)*
19 *as subsections (d), (e), and (f), respectively; and*

20 (3) *by inserting after subsection (b) the fol-*
21 *lowing:*

22 “(c) *INELIGIBILITY FOR CROP INSURANCE PREMIUM*
23 *ASSISTANCE.*—

24 “(1) *IN GENERAL.*—If a person is determined to
25 *have committed a violation under subsection (a) or*

1 (d) during a crop year, the person shall be ineligible
2 to receive any payment of any portion of premium
3 paid by the Federal Crop Insurance Corporation for
4 a plan or policy of insurance under the Federal Crop
5 Insurance Act (7 U.S.C. 1501 et seq.).

6 “(2) *APPLICABILITY.*—Ineligibility under this
7 subsection shall—

8 “(A) only apply to reinsurance years subse-
9 quent to the date of final determination of a vio-
10 lation, including all administrative appeals; and

11 “(B) not apply to—

12 “(i) the existing reinsurance year; or

13 “(ii) any reinsurance year prior to the
14 date of final determination.

15 “(3) *DATE OF CONVERSION.*—Notwithstanding
16 subsection (d), ineligibility for crop insurance pre-
17 mium assistance shall apply as follows:

18 “(A) In the case of wetland that the Sec-
19 retary determines was converted after the date of
20 enactment of the Food, Conservation and Energy
21 Act of 2008 (7 U.S.C. 8701 et seq.) but on or be-
22 fore May 1, 2013, and continues to be in viola-
23 tion, the person shall have 2 reinsurance years
24 after the date on which this subsection applies,

1 to begin the mitigation process, as determined by
2 the Secretary.

3 “(B) In the case of wetland that the Sec-
4 retary determines was converted after May 1,
5 2013—

6 “(i) subject to clause (ii), the person
7 shall be ineligible to receive crop insurance
8 premium subsidies in subsequent reinsur-
9 ance years unless section 1222(b) applies;
10 and

11 “(ii) for any violation that the Sec-
12 retary determines impacts less than 5 acres
13 of the entire farm, the person may pay a
14 contribution in accordance with section
15 1241(f) in an amount equal to 150 percent
16 of the cost of mitigation, as determined by
17 the Secretary, for wetland restoration in
18 lieu of ineligibility to receive crop insurance
19 premium assistance.

20 “(C) In the case of a wetland that the Sec-
21 retary determines was converted prior to the date
22 of enactment of the Food, Conservation, and En-
23 ergy Act of 2008 (7 U.S.C. 8701 et seq.), ineligi-
24 bility under this subsection shall not apply.

1 “(D) *In the case of an agricultural com-*
2 *modity for which an individual policy or plan*
3 *of insurance is available for the first time to the*
4 *person after the date of enactment of the Agri-*
5 *culture Reform, Food, and Jobs Act of 2013—*

6 “(i) *ineligibility shall apply only to*
7 *conversions that take place after the date on*
8 *which the policy or plan of insurance first*
9 *becomes available to the person; and*

10 “(ii) *the person shall take such steps as*
11 *the Secretary determines appropriate to*
12 *mitigate any prior conversion in a timely*
13 *manner but not to exceed 2 calendar years.*

14 “(4) *CERTIFICATION.—*

15 “(A) *IN GENERAL.—In enforcing eligibility*
16 *under this subsection, the Secretary shall use ex-*
17 *isting processes and procedures for certifying*
18 *compliance.*

19 “(B) *RESPONSIBILITY.—The Secretary, act-*
20 *ing through the agencies of the Department of*
21 *Agriculture, shall be solely responsible for deter-*
22 *mining whether a producer is eligible to receive*
23 *crop insurance premium subsidies in accordance*
24 *with this subsection.*

1 “(C) *LIMITATION.*—*The Secretary shall en-*
2 *sure that no agent, approved insurance provider,*
3 *or employee or contractor of an agency or ap-*
4 *proved insurance provider, bears responsibility*
5 *or liability for the eligibility of an insured pro-*
6 *ducer under this subsection, other than in cases*
7 *of misrepresentation, fraud, or scheme and de-*
8 *vised.*”.

9 **SEC. 2610. ADJUSTED GROSS INCOME LIMITATION FOR**
10 **CONSERVATION PROGRAMS.**

11 *Section 1001D(b)(2)(A) of the Food Security Act of*
12 *1985 (7 U.S.C. 1308–3a(b)(2)(A)) is amended—*

13 (1) *by striking “LIMITS.—” and all that follows*
14 *through “clause (ii),” and inserting “LIMITS.—Not-*
15 *withstanding any other provision of law,”; and*

16 (2) *by striking clause (ii).*

17 **Subtitle H—Repeal of Superseded**
18 **Program Authorities and Tran-**
19 **sitional Provisions**

20 **SEC. 2701. COMPREHENSIVE CONSERVATION ENHANCE-**
21 **MENT PROGRAM.**

22 *Section 1230 of the Food Security Act of 1985 (16*
23 *U.S.C. 3830) is repealed.*

1 **SEC. 2702. EMERGENCY FORESTRY CONSERVATION RE-**
2 **SERVE PROGRAM.**

3 (a) *REPEAL.*—Section 1231A of the Food Security Act
4 of 1985 (16 U.S.C. 3831a) is repealed.

5 (b) *TRANSITIONAL PROVISIONS.*—

6 (1) *EFFECT ON EXISTING CONTRACTS.*—The
7 amendment made by this section shall not affect the
8 validity or terms of any contract entered into by the
9 Secretary of Agriculture under section 1231A of the
10 Food Security Act of 1985 (16 U.S.C. 3831a) before
11 October 1, 2013, or any payments required to be
12 made in connection with the contract.

13 (2) *FUNDING.*—The Secretary may use funds
14 made available to carry out the conservation reserve
15 program under subchapter B of chapter 1 of subtitle
16 D of title XII of the Food Security Act of 1985 (16
17 U.S.C. 3831 et seq.) to continue to carry out contracts
18 referred to in paragraph (1) using the provisions of
19 law and regulation applicable to such contracts as in
20 existence on September 30, 2013.

21 (c) *EFFECTIVE DATE.*—The amendment made by this
22 section shall take effect on October 1, 2013.

23 **SEC. 2703. WETLANDS RESERVE PROGRAM.**

24 (a) *REPEAL.*—Subchapter C of chapter 1 of subtitle
25 D of title XII of the Food Security Act of 1985 (16 U.S.C.
26 3837 et seq.) is repealed.

1 **(b) TRANSITIONAL PROVISIONS.—**

2 **(1) EFFECT ON EXISTING CONTRACTS AND EASE-**
3 **MENTS.—***The amendment made by this section shall*
4 *not affect the validity or terms of any contract or*
5 *easement entered into by the Secretary of Agriculture*
6 *under subchapter C of chapter 1 of subtitle D of title*
7 *XII of the Food Security Act of 1985 (16 U.S.C. 3837*
8 *et seq.) before October 1, 2013, or any payments re-*
9 *quired to be made in connection with the contract or*
10 *easement.*

11 **(2) FUNDING.—**

12 **(A) USE OF PRIOR YEAR FUNDS.—***Notwith-*
13 *standing the repeal of subchapter C of chapter 1*
14 *of subtitle D of title XII of the Food Security Act*
15 *of 1985 (16 U.S.C. 3837 et seq.), any funds made*
16 *available from the Commodity Credit Corpora-*
17 *tion to carry out the wetlands reserve program*
18 *under that subchapter for fiscal years 2009*
19 *through 2013 shall be made available to carry*
20 *out contracts or easements referred to in para-*
21 *graph (1) that were entered into prior to October*
22 *1, 2013 (including the provision of technical as-*
23 *istance), provided that no such contract or ease-*
24 *ment is modified so as to increase the amount of*
25 *the payment received.*

1 *payments required to be made in connection with the*
2 *agreement or easement.*

3 (2) *FUNDING.—*

4 (A) *USE OF PRIOR YEAR FUNDS.—Notwith-*
5 *standing the repeal of subchapter C of chapter 2*
6 *of subtitle D of title XII of the Food Security Act*
7 *of 1985 (16 U.S.C. 3838h et seq.), any funds*
8 *made available from the Commodity Credit Cor-*
9 *poration to carry out the farmland protection*
10 *program under that subchapter for fiscal years*
11 *2009 through 2013 shall be made available to*
12 *carry out agreements and easements referred to*
13 *in paragraph (1) that were entered into prior to*
14 *October 1, 2013 (including the provision of tech-*
15 *nical assistance).*

16 (B) *OTHER.—On exhaustion of funds made*
17 *available under subparagraph (A), the Secretary*
18 *may use funds made available to carry out the*
19 *agricultural conservation easement program*
20 *under subtitle H of title XII of the Food Security*
21 *Act of 1985, as added by section 2301, to con-*
22 *tinue to carry out agreements and easements re-*
23 *ferred to in paragraph (1) using the provisions*
24 *of law and regulation applicable to such agree-*

1 *ments and easement as in existence on Sep-*
2 *tember 30, 2013.*

3 (c) *EFFECTIVE DATE.*—*The amendment made by this*
4 *section shall take effect on October 1, 2013.*

5 **SEC. 2705. GRASSLAND RESERVE PROGRAM.**

6 (a) *REPEAL.*—*Subchapter D of chapter 2 of subtitle*
7 *D of title XII of the Food Security Act of 1985 (16 U.S.C.*
8 *3838n et seq.) is repealed.*

9 (b) *TRANSITIONAL PROVISIONS.*—

10 (1) *EFFECT ON EXISTING CONTRACTS, AGREE-*
11 *MENTS, AND EASEMENTS.*—*The amendment made by*
12 *this section shall not affect the validity or terms of*
13 *any contract, agreement, or easement entered into by*
14 *the Secretary of Agriculture under subchapter D of*
15 *chapter 2 of subtitle D of title XII of the Food Secu-*
16 *rity Act of 1985 (16 U.S.C. 3838n et seq.) before Oc-*
17 *tober 1, 2013, or any payments required to be made*
18 *in connection with the contract, agreement, or ease-*
19 *ment.*

20 (2) *FUNDING.*—

21 (A) *USE OF PRIOR YEAR FUNDS.*—*Notwith-*
22 *standing the repeal of subchapter D of chapter 2*
23 *of subtitle D of title XII of the Food Security Act*
24 *of 1985 (16 U.S.C. 3838n et seq.), any funds*
25 *made available from the Commodity Credit Cor-*

1 poration to carry out the grassland reserve pro-
2 gram under that subchapter for fiscal years 2009
3 through 2013 shall be made available to carry
4 out contracts, agreements, or easements referred
5 to in paragraph (1) that were entered into prior
6 to October 1, 2013 (including the provision of
7 technical assistance), provided that no such con-
8 tract, agreement, or easement is modified so as
9 to increase the amount of the payment received.

10 (B) *OTHER.*—The Secretary may use funds
11 made available to carry out the agricultural con-
12 servation easement program under subtitle H of
13 title XII of the Food Security Act of 1985, as
14 added by section 2301, to continue to carry out
15 contracts, agreements, and easements referred to
16 in paragraph (1) using the provisions of law
17 and regulation applicable to such contracts,
18 agreements, and easements as in existence on
19 September 30, 2013.

20 (c) *EFFECTIVE DATE.*—The amendment made by this
21 section shall take effect on October 1, 2013.

22 **SEC. 2706. AGRICULTURAL WATER ENHANCEMENT PRO-**
23 **GRAM.**

24 (a) *REPEAL.*—Section 1240I of the Food Security Act
25 of 1985 (16 U.S.C. 3839aa–9) is repealed.

1 (b) *TRANSITIONAL PROVISIONS.*—

2 (1) *EFFECT ON EXISTING CONTRACTS AND*
3 *AGREEMENTS.*—*The amendment made by this section*
4 *shall not affect the validity or terms of any contract*
5 *or agreement entered into by the Secretary of Agri-*
6 *culture under section 1240I of the Food Security Act*
7 *of 1985 (16 U.S.C. 3839aa–9) before October 1, 2013,*
8 *or any payments required to be made in connection*
9 *with the contract or agreement.*

10 (2) *FUNDING.*—

11 (A) *USE OF PRIOR YEAR FUNDS.*—*Notwith-*
12 *standing the repeal of section 1240I of the Food*
13 *Security Act of 1985 (16 U.S.C. 3839aa–9), any*
14 *funds made available from the Commodity Cred-*
15 *it Corporation to carry out the agricultural*
16 *water enhancement program under that section*
17 *for fiscal years 2009 through 2013 shall be made*
18 *available to carry out contracts and agreements*
19 *referred to in paragraph (1) that were entered*
20 *into prior to October 1, 2013 (including the pro-*
21 *vision of technical assistance).*

22 (B) *OTHER.*—*On exhaustion of funds made*
23 *available under subparagraph (A), the Secretary*
24 *may use funds made available to carry out the*
25 *regional conservation partnerships program*

1 *under subtitle I of title XII of the Food Security*
2 *Act of 1985, as added by section 2401, to con-*
3 *tinue to carry out contracts and agreements re-*
4 *ferred to in paragraph (1) using the provisions*
5 *of law and regulation applicable to such con-*
6 *tracts and agreements as in existence on Sep-*
7 *tember 30, 2013.*

8 *(c) EFFECTIVE DATE.—The amendment made by this*
9 *section shall take effect on October 1, 2013.*

10 **SEC. 2707. WILDLIFE HABITAT INCENTIVE PROGRAM.**

11 *(a) REPEAL.—Section 1240N of the Food Security Act*
12 *of 1985 (16 U.S.C. 3839bb–1) 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 1240N of the*
18 *Food Security Act of 1985 (16 U.S.C. 3839bb–1) be-*
19 *fore October 1, 2013, or any payments required to be*
20 *made in connection with the contract.*

21 *(2) FUNDING.—*

22 *(A) USE OF PRIOR YEAR FUNDS.—Notwith-*
23 *standing the repeal of section 1240N of the Food*
24 *Security Act of 1985 (16 U.S.C. 3839bb–1), any*
25 *funds made available from the Commodity Cred-*

1 *it Corporation to carry out the wildlife habitat*
2 *incentive program under that section for fiscal*
3 *years 2009 through 2013 shall be made available*
4 *to carry out contracts referred to in paragraph*
5 *(1) which were entered into prior to October 1,*
6 *2013 (including the provision of technical assist-*
7 *ance).*

8 *(B) OTHER.—On exhaustion of funds made*
9 *available under subparagraph (A), the Secretary*
10 *may use funds made available to carry out the*
11 *environmental quality incentives program under*
12 *chapter 4 of subtitle D of title XII of the Food*
13 *Security Act of 1985 (16 U.S.C. 3839aa et seq.)*
14 *to continue to carry out contracts referred to in*
15 *paragraph (1) using the provisions of law and*
16 *regulation applicable to such contracts as in ex-*
17 *istence on September 30, 2013.*

18 *(c) EFFECTIVE DATE.—The amendment made by this*
19 *section shall take effect on October 1, 2013.*

20 **SEC. 2708. GREAT LAKES BASIN PROGRAM.**

21 *(a) REPEAL.—Section 1240P of the Food Security Act*
22 *of 1985 (16 U.S.C. 3839bb–3) is repealed.*

23 *(b) EFFECTIVE DATE.—The amendment made by this*
24 *section shall take effect on October 1, 2013.*

1 **SEC. 2709. CHESAPEAKE BAY WATERSHED PROGRAM.**

2 (a) *REPEAL.*—Section 1240Q of the Food Security Act
3 of 1985 (16 U.S.C. 3839bb–4) is repealed.

4 (b) *TRANSITIONAL PROVISIONS.*—

5 (1) *EFFECT ON EXISTING CONTRACTS, AGREE-*
6 *MENTS, AND EASEMENTS.*—The amendment made by
7 this section shall not affect the validity or terms of
8 any contract, agreement, or easement entered into by
9 the Secretary of Agriculture under section 1240Q of
10 the Food Security Act of 1985 (16 U.S.C. 3839bb–4)
11 before October 1, 2013, or any payments required to
12 be made in connection with the contract, agreement,
13 or easement.

14 (2) *FUNDING.*—

15 (A) *USE OF PRIOR YEAR FUNDS.*—Notwith-
16 standing the repeal of section 1240Q of the Food
17 Security Act of 1985 (16 U.S.C. 3839bb–4), any
18 funds made available from the Commodity Cred-
19 it Corporation to carry out the Chesapeake Bay
20 watershed program under that section for fiscal
21 years 2009 through 2013 shall be made available
22 to carry out contracts, agreements, and ease-
23 ments referred to in paragraph (1) that were en-
24 tered into prior to October 1, 2013 (including the
25 provision of technical assistance).

1 (B) *OTHER.*—*The Secretary may use funds*
2 *made available to carry out the regional con-*
3 *servation partnerships program under subtitle I*
4 *of title XII of the Food Security Act of 1985, as*
5 *added by section 2401, to continue to carry out*
6 *contracts, agreements, and easements referred to*
7 *in paragraph (1) using the provisions of law*
8 *and regulation applicable to such contracts,*
9 *agreements, and easements as in existence on*
10 *September 30, 2013.*

11 (c) *EFFECTIVE DATE.*—*The amendment made by this*
12 *section shall take effect on October 1, 2013.*

13 **SEC. 2710. COOPERATIVE CONSERVATION PARTNERSHIP**
14 **INITIATIVE.**

15 (a) *REPEAL.*—*Section 1243 of the Food Security Act*
16 *of 1985 (16 U.S.C. 3843) is repealed.*

17 (b) *TRANSITIONAL PROVISIONS.*—

18 (1) *EFFECT ON EXISTING CONTRACTS AND*
19 *AGREEMENTS.*—*The amendment made by this section*
20 *shall not affect the validity or terms of any contract*
21 *or agreement entered into by the Secretary of Agri-*
22 *culture under section 1243 of the Food Security Act*
23 *of 1985 (16 U.S.C. 3843) before October 1, 2013, or*
24 *any payments required to be made in connection with*
25 *the contract or agreement.*

1 (2) *FUNDING.*—

2 (A) *USE OF PRIOR YEAR FUNDS.*—*Notwith-*
3 *standing the repeal of section 1243 of the Food*
4 *Security Act of 1985 (16 U.S.C. 3843), any*
5 *funds made available from the Commodity Cred-*
6 *it Corporation to carry out the cooperative con-*
7 *servation partnership initiative under that sec-*
8 *tion for fiscal years 2009 through 2013 shall be*
9 *made available to carry out contracts and agree-*
10 *ments referred to in paragraph (1) that were en-*
11 *tered into prior to October 1, 2013 (including the*
12 *provision of technical assistance).*

13 (B) *OTHER.*—*On exhaustion of funds made*
14 *available under subparagraph (A), the Secretary*
15 *may use funds made available to carry out the*
16 *regional conservation partnerships program*
17 *under subtitle I of title XII of the Food Security*
18 *Act of 1985, as added by section 2401, to con-*
19 *tinue to carry out contracts and agreements re-*
20 *ferred to in paragraph (1) using the provisions*
21 *of law and regulation applicable to such con-*
22 *tracts and agreements as in existence on Sep-*
23 *tember 30, 2013.*

24 (c) *EFFECTIVE DATE.*—*The amendment made by this*
25 *section shall take effect on October 1, 2013.*

1 **SEC. 2711. ENVIRONMENTAL EASEMENT PROGRAM.**

2 *Chapter 3 of subtitle D of title XII of the Food Security*
3 *Act of 1985 (16 U.S.C. 3839 et seq.) is repealed.*

4 **SEC. 2712. TECHNICAL AMENDMENTS.**

5 *(a) Section 1201(a) of the Food Security Act of 1985*
6 *(16 U.S.C. 3801(a)) is amended in the matter preceding*
7 *paragraph (1) by striking “E” and inserting “I”.*

8 *(b) Section 1211(a) of the Food Security Act of 1985*
9 *(16 U.S.C. 3811(a)) is amended by striking “predominate”*
10 *each place it appears and inserting “predominant”.*

11 *(c) Section 1242(i) of the Food Security Act of 1985*
12 *(16 U.S.C. 3842(i)) is amended in the subsection heading*
13 *by striking “SPECIALITY” and inserting “SPECIALTY”.*

14 **TITLE III—TRADE**

15 ***Subtitle A—Food for Peace Act***

16 **SEC. 3001. SET-ASIDE FOR SUPPORT FOR ORGANIZATIONS**
17 ***THROUGH WHICH NONEMERGENCY ASSIST-***
18 ***ANCE IS PROVIDED.***

19 *Effective October 1, 2013, section 202(e)(1) of the Food*
20 *for Peace Act (7 U.S.C. 1722(e)(1)) is amended—*

21 *(1) in the matter preceding subparagraph (A),*
22 *by striking “13 percent” and inserting “15 percent”;*
23 *and*

24 *(2) in subparagraph (A), by striking “new” and*
25 *inserting “and enhancing”.*

1 **SEC. 3002. FOOD AID QUALITY.**

2 *Section 202(h) of the Food for Peace Act (7 U.S.C.*
3 *1722(h)) is amended—*

4 *(1) by striking paragraph (1) and inserting the*
5 *following:*

6 *“(1) IN GENERAL.—The Administrator shall use*
7 *funds made available for fiscal year 2014 and subse-*
8 *quent fiscal years to carry out this title—*

9 *“(A) to assess the types and quality of agri-*
10 *cultural commodities and products donated for*
11 *food aid;*

12 *“(B) to adjust products and formulations,*
13 *including potential introduction of new*
14 *fortificants and products, as necessary to cost-ef-*
15 *fectively meet nutrient needs of target popu-*
16 *lations;*

17 *“(C) to test prototypes;*

18 *“(D) to adopt new specifications or improve*
19 *existing specifications for micronutrient fortified*
20 *food aid products, based on the latest develop-*
21 *ments in food and nutrition science, and in co-*
22 *ordination with other international partners;*

23 *“(E) to develop new program guidance to*
24 *facilitate improved matching of products to pur-*
25 *poses having nutritional intent, in coordination*
26 *with other international partners;*

1 “(F) to develop improved guidance for im-
2 plementing partners on how to address nutri-
3 tional deficiencies that emerge among recipients
4 for whom food assistance is the sole source of diet
5 in emergency programs that extend beyond 1
6 year, in coordination with other international
7 partners; and

8 “(G) to evaluate, in appropriate settings
9 and as necessary, the performance and cost-effec-
10 tiveness of new or modified specialized food prod-
11 ucts and program approaches designed to meet
12 the nutritional needs of the most vulnerable
13 groups, such as pregnant and lactating mothers,
14 and children under the age of 5.”; and

15 (2) in paragraph (3), by striking “2011” and in-
16 serting “2018”.

17 **SEC. 3003. MINIMUM LEVELS OF ASSISTANCE.**

18 Section 204(a) of the Food for Peace Act (7 U.S.C.
19 1724(a)) is amended—

20 (1) in paragraph (1), by striking “2012” and in-
21 serting “2018”; and

22 (2) in paragraph (2), by striking “2012” and in-
23 serting “2018”.

1 **SEC. 3004. REAUTHORIZATION OF FOOD AID CONSULT-**
2 **ATIVE GROUP.**

3 *Section 205(f) of the Food for Peace Act (7 U.S.C.*
4 *1725(f)) is amended by striking “2012” and inserting*
5 *“2018”.*

6 **SEC. 3005. OVERSIGHT, MONITORING, AND EVALUATION OF**
7 **FOOD FOR PEACE ACT PROGRAMS.**

8 *Section 207(f) of the Food for Peace Act (7 U.S.C.*
9 *1726a(f)) is amended—*

10 *(1) by striking paragraph (4) and redesignating*
11 *paragraphs (5) and (6) as paragraphs (4) and (5),*
12 *respectively; and*

13 *(2) in subparagraph (A) of paragraph (5) (as so*
14 *redesignated)—*

15 *(A) by striking “2012” and inserting*
16 *“2018”; and*

17 *(B) by striking “during fiscal year 2009”*
18 *and inserting “during the period of fiscal years*
19 *2014 through 2018”.*

20 **SEC. 3006. ASSISTANCE FOR STOCKPILING AND RAPID**
21 **TRANSPORTATION, DELIVERY, AND DIS-**
22 **TRIBUTION OF SHELF-STABLE PREPACKAGED**
23 **FOODS.**

24 *Section 208(f) of the Food for Peace Act (7 U.S.C.*
25 *1726b(f)) is amended by striking “2012” and inserting*
26 *“2018”.*

1 **SEC. 3007. LIMITATION ON TOTAL VOLUME OF COMMOD-**
2 **ITIES MONETIZED.**

3 *Section 403 of the Food for Peace Act (7 U.S.C. 1733)*
4 *is amended by adding at the end the following:*

5 “(m) *LIMITATION ON MONETIZATION OF COMMOD-*
6 *ITIES.*—

7 “(1) *LIMITATION.*—

8 “(A) *IN GENERAL.*—*Unless the Adminis-*
9 *trator grants a waiver under paragraph (2), no*
10 *commodity may be made available under this*
11 *Act unless the rate of return for the commodity*
12 *(as determined under subparagraph (B)) is at*
13 *least 70 percent.*

14 “(B) *RATE OF RETURN.*—*For purposes of*
15 *subparagraph (A), the rate of return shall be*
16 *equal to the proportion that—*

17 “(i) *the proceeds the implementing*
18 *partners generate through monetization;*
19 *bears to*

20 “(ii) *the cost to the Federal Govern-*
21 *ment to procure and ship the commodities*
22 *to a recipient country for monetization.*

23 “(2) *WAIVER AUTHORITY.*—*The Administrator*
24 *may waive the application of the limitation in para-*
25 *graph (1) with regard to a commodity for a recipient*
26 *country if the Administrator determines that it is*

1 *necessary to achieve the purposes of this Act in the re-*
2 *ipient country.*

3 “(3) *REPORT.*—*Not later than 90 days after a*
4 *waiver is granted under paragraph (2), the Adminis-*
5 *trator shall prepare, publish in the Federal Register,*
6 *and submit to the Committees on Foreign Affairs, Ag-*
7 *riculture, and Appropriations of the House of Rep-*
8 *resentatives, and the Committees on Appropriations,*
9 *Foreign Relations, and Agriculture, Nutrition, and*
10 *Forestry of the Senate a report that—*

11 “(A) *contains the reasons for granting the*
12 *waiver and the actual rate of return for the com-*
13 *modity; and*

14 “(B) *includes for the commodity the costs of*
15 *bagging or further processing, ocean transpor-*
16 *tation, inland transportation in the recipient*
17 *country, storage costs, and any other informa-*
18 *tion that the Administrator determines to be nec-*
19 *essary.”.*

20 **SEC. 3008. FLEXIBILITY.**

21 *Section 406 of the Food for Peace Act (7 U.S.C. 1736)*
22 *is amended—*

23 (1) *by redesignating subsections (c) and (d) as*
24 *subsections (d) and (e), respectively; and*

1 (2) by inserting after subsection (b) the fol-
2 lowing:

3 “(c) *FLEXIBILITY*.—Notwithstanding any other provi-
4 sion of law and as necessary to achieve the purposes of this
5 Act, funds available under this Act may be used to pay the
6 costs of up to 20 percent of activities conducted in recipient
7 countries by nonprofit voluntary organizations, coopera-
8 tives, or intergovernmental agencies or organizations.”.

9 **SEC. 3009. PROCUREMENT, TRANSPORTATION, TESTING,**
10 **AND STORAGE OF AGRICULTURAL COMMOD-**
11 **ITIES FOR PREPOSITIONING IN THE UNITED**
12 **STATES AND FOREIGN COUNTRIES.**

13 Section 407 of the Food for Peace Act (7 U.S.C. 1736a)
14 is amended—

15 (1) in subparagraph (c)(4)(A)—

16 (A) by striking “2012” and inserting
17 “2018”; and

18 (B) by striking “for each such fiscal year
19 not more than \$10,000,000 of such funds” and
20 inserting “for each of fiscal years 2001 through
21 2012 not more than \$10,000,000 of such funds
22 and for each of fiscal years 2014 through 2018
23 not more than \$15,000,000 of such funds”; and

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

1 “(2) *MINIMUM LEVEL.*—*The amount made avail-*
2 *able to carry out nonemergency food assistance pro-*
3 *grams under title II shall not be less than*
4 *\$275,000,000 for any fiscal year.*”.

5 **SEC. 3012. COORDINATION OF FOREIGN ASSISTANCE PRO-**
6 **GRAMS REPORT.**

7 *Section 413 of the Food for Peace Act (7 U.S.C. 1736g)*
8 *is amended—*

9 (1) *by striking “(a) IN GENERAL.—To the max-*
10 *imum” and inserting “To the maximum”; and*

11 (2) *by striking subsection (b).*

12 **SEC. 3013. MICRONUTRIENT FORTIFICATION PROGRAMS.**

13 (a) *ELIMINATION OF OBSOLETE REFERENCE TO*
14 *STUDY.*—*Section 415(a)(2)(B) of the Food for Peace Act (7*
15 *U.S.C. 1736g–2(a)(2)(B)) is amended by striking “, using*
16 *recommendations” and all that follows through “quality en-*
17 *hancements”.*

18 (b) *EXTENSION.*—*Section 415(c) of the Food for Peace*
19 *Act (7 U.S.C. 1736g–2(c)) is amended by striking “2012”*
20 *and inserting “2018”.*

21 **SEC. 3014. JOHN OGWONSKI AND DOUG BEREUTER FARM-**
22 **ER-TO-FARMER PROGRAM.**

23 *Section 501 of the Food for Peace Act (7 U.S.C. 1737)*
24 *is amended—*

25 (1) *in subsection (d)—*

1 “(b) *EXPORT CREDIT GUARANTEE PROGRAMS.*—The
2 *Commodity Credit Corporation shall make available for*
3 *each of fiscal years 2014 through 2018 credit guarantees*
4 *under section 202(a) in an amount equal to not more than*
5 *\$4,500,000,000 in credit guarantees.”.*

6 **SEC. 3102. FUNDING FOR MARKET ACCESS PROGRAM.**

7 *Section 211(c)(1)(A) of the Agricultural Trade Act of*
8 *1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking*
9 *“2012” and inserting “2018”.*

10 **SEC. 3103. FOREIGN MARKET DEVELOPMENT COOPERATOR**
11 **PROGRAM.**

12 *Section 703(a) of the Agricultural Trade Act of 1978*
13 *(7 U.S.C. 5723(a)) is amended by striking “2012” and in-*
14 *serting “2018”.*

15 ***Subtitle C—Other Agricultural***
16 ***Trade Laws***

17 **SEC. 3201. FOOD FOR PROGRESS ACT OF 1985.**

18 *(a) EXTENSION.*—*The Food for Progress Act of 1985*
19 *(7 U.S.C. 1736o) is amended—*

20 *(1) in subsection (f)(3), by striking “2012” and*
21 *inserting “2018”;*

22 *(2) in subsection (g), by striking “2012” and in-*
23 *serting “2018”;*

24 *(3) in subsection (k), by striking “2012” and in-*
25 *serting “2018”; and*

1 (4) *in subsection (l)(1), by striking “2012” and*
2 *inserting “2018”.*

3 (b) *REPEAL OF COMPLETED PROJECT.—Subsection (f)*
4 *of the Food for Progress Act of 1985 (7 U.S.C. 1736o) is*
5 *amended by striking paragraph (6).*

6 (c) *FLEXIBILITY.—The Food for Progress Act of 1985*
7 *(7 U.S.C. 1736o) is amended in subsection (l) by adding*
8 *at the end the following:*

9 “*(5) FLEXIBILITY.—Notwithstanding any other*
10 *provision of law and as necessary to achieve the pur-*
11 *poses of this Act, funds available under this Act may*
12 *be used to pay the costs of up to 20 percent of activi-*
13 *ties conducted in recipient countries by nonprofit vol-*
14 *untary organizations, cooperatives, or intergovern-*
15 *mental agencies or organizations.”.*

16 (d) *LIMITATION ON TOTAL VOLUME OF COMMODITIES*
17 *MONETIZED.—The Food for Progress Act of 1985 (7 U.S.C.*
18 *1736o) is amended by adding at the end the following:*

19 “*(p) LIMITATION ON MONETIZATION OF COMMOD-*
20 *ITIES.—*

21 “*(1) LIMITATION.—*

22 “*(A) IN GENERAL.—Unless the Secretary*
23 *grants a waiver under paragraph (2), no eligible*
24 *commodity may be made available under this*
25 *section unless the rate of return for the eligible*

1 *commodity (as determined under subparagraph*
2 *(B)) is at least 70 percent.*

3 “(B) *RATE OF RETURN.*—*For purposes of*
4 *subparagraph (A), the rate of return shall be*
5 *equal to the proportion that—*

6 “(i) *the proceeds the implementing*
7 *partners generate through monetization;*
8 *bears to*

9 “(ii) *the cost to the Federal Govern-*
10 *ment to procure and ship the eligible com-*
11 *modities to a recipient country for mone-*
12 *tization.*

13 “(2) *WAIVER AUTHORITY.*—*The Secretary may*
14 *waive the application of the limitation in paragraph*
15 *(1) with regard to an eligible commodity for a recipi-*
16 *ent country if the Secretary determines that it is nec-*
17 *essary to achieve the purposes of this Act in the re-*
18 *ipient country.*

19 “(3) *REPORT.*—*Not later than 90 days after a*
20 *waiver is granted under paragraph (2), the Secretary*
21 *shall prepare, publish in the Federal Register, and*
22 *submit to the Committees on Foreign Affairs, Agri-*
23 *culture, and Appropriations of the House of Rep-*
24 *resentatives, and the Committees on Appropriations,*

1 *Foreign Relations, and Agriculture, Nutrition, and*
2 *Forestry of the Senate a report that—*

3 “(A) contains the reasons for granting the
4 waiver and the actual rate of return for the eligi-
5 ble commodity; and

6 “(B) includes for the commodity the costs of
7 bagging or further processing, ocean transpor-
8 tation, inland transportation in the recipient
9 country, storage costs, and any other informa-
10 tion that the Secretary determines to be nec-
11 essary.”.

12 **SEC. 3202. BILL EMERSON HUMANITARIAN TRUST.**

13 *Section 302 of the Bill Emerson Humanitarian Trust*
14 *Act (7 U.S.C. 1736f–1) is amended—*

15 (1) *in subsection (b)(2)(B)(i), by striking “2012”*
16 *both places it appears and inserting “2018”; and*

17 (2) *in subsection (h), by striking “2012” both*
18 *places it appears and inserting “2018”.*

19 **SEC. 3203. PROMOTION OF AGRICULTURAL EXPORTS TO**
20 **EMERGING MARKETS.**

21 (a) *DIRECT CREDITS OR EXPORT CREDIT GUARAN-*
22 *TEES.—Section 1542(a) of the Food, Agriculture, Conserva-*
23 *tion, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C.*
24 *5622 note) is amended by striking “2012” and inserting*
25 *“2018”.*

1 (b) *DEVELOPMENT OF AGRICULTURAL SYSTEMS.*—
2 *Section 1542(d)(1)(A)(i) of the Food, Agriculture, Con-*
3 *servation, and Trade Act of 1990 (Public Law 101–624;*
4 *7 U.S.C. 5622 note) is amended by striking “2012” and*
5 *inserting “2018”.*

6 **SEC. 3204. MCGOVERN-DOLE INTERNATIONAL FOOD FOR**
7 **EDUCATION AND CHILD NUTRITION PRO-**
8 **GRAM.**

9 (a) *REAUTHORIZATION.*—*Section 3107(l)(2) of the*
10 *Farm Security and Rural Investment Act of 2002 (7 U.S.C.*
11 *17360–1(l)(2)) is amended by striking “2012” and insert-*
12 *ing “2018”.*

13 (b) *TECHNICAL CORRECTION.*—*Section 3107(d) of the*
14 *Farm Security and Rural Investment Act of 2002 (7 U.S.C.*
15 *17360–1(d)) is amended by striking “to” in the matter pre-*
16 *ceding paragraph (1).*

17 **SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

18 (a) *PURPOSE.*—*Section 3205(b) of the Farm Security*
19 *and Rural Investment Act of 2002 (7 U.S.C. 5680(b)) is*
20 *amended by striking “related barriers to trade” and insert-*
21 *ing “technical barriers to trade”.*

22 (b) *FUNDING.*—*Section 3205(e)(2) of the Farm Secu-*
23 *rity and Rural Investment Act of 2002 (7 U.S.C.*
24 *5680(e)(2)) is amended—*

1 (1) by inserting “and” at the end of subpara-
2 graph (C); and

3 (2) by striking subparagraphs (D) and (E) and
4 inserting the following new subparagraph:

5 “(D) \$9,000,000 for each of fiscal years
6 2011 through 2018.”.

7 **SEC. 3206. GLOBAL CROP DIVERSITY TRUST.**

8 Section 3202(c) of the Food, Conservation, and Energy
9 Act of 2008 (Public Law 110–246; 22 U.S.C. 2220a note)
10 is amended by striking “2008 through 2012” and inserting
11 “2014 through 2018”.

12 **SEC. 3207. LOCAL AND REGIONAL FOOD AID PROCUREMENT**
13 **PROJECTS.**

14 Section 3206 of the Food, Conservation, and Energy
15 Act of 2008 (7 U.S.C. 1726c) is amended—

16 (1) in subsection (b)—

17 (A) by striking “(b) STUDY; FIELD-BASED
18 PROJECTS.—” and all that follows through “(2)
19 FIELD-BASED PROJECTS.—” and inserting the
20 following:

21 “(b) FIELD-BASED PROJECTS.—”;

22 (B) by redesignating subparagraphs (A)
23 and (B) as paragraphs (1) and (2), respectively,
24 and indenting appropriately;

1 (C) in paragraph (1) (as so redesignated),
2 by striking “subparagraph (B)” and inserting
3 “paragraph (2)”; and

4 (D) in paragraph (2) (as so redesignated),
5 by striking “subparagraph (A)” and inserting
6 “paragraph (1)”;
7 (2) in subsection (c)(1), by striking “subsection

8 (b)(2)” and inserting “subsection (b);
9 (3) by striking subsections (d), (f), and (g);
10 (4) by redesignating subsection (e) as subsection

11 (d);
12 (5) in subsection (d) (as so redesignated)—
13 (A) in paragraph (2)—
14 (i) by striking subparagraph (B); and
15 (ii) in subparagraph (A)—

16 (I) by striking “(A) APPLICA-
17 TION.—” and all that follows through
18 “To be eligible” in clause (i) and in-
19 serting the following:

20 “(A) IN GENERAL.—To be eligible”;

21 (II) by redesignating clause (ii)
22 as subparagraph (B) and indenting
23 appropriately; and

24 (III) in subparagraph (B) (as so
25 redesignated), by striking “clause (i)”

1 and inserting “subparagraph (A)”;

2 and

3 (B) by striking paragraph (4); and

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

5 “(e) FUNDING.—

6 “(1) AUTHORIZATION OF APPROPRIATIONS.—

7 There is authorized to be appropriated to carry out

8 this section \$60,000,000 for each of fiscal years 2014

9 through 2018.

10 “(2) PREFERENCE.—In carrying out this sec-

11 tion, the Secretary may give a preference to eligible

12 organizations that have, or are working toward,

13 projects under the McGovern-Dole International Food

14 for Education and Child Nutrition Program estab-

15 lished under section 3107 of the Farm Security and

16 Rural Investment Act of 2002 (7 U.S.C. 1736o-1).

17 “(3) REPORTING.—Each year, the Secretary

18 shall submit to the appropriate committees of Con-

19 gress a report that describes the use of funds under

20 this section, including—

21 “(A) the impact of procurements and

22 projects on—

23 “(i) local and regional agricultural

24 producers; and

1 “(i) markets and consumers, including
2 low-income consumers; and
3 “(B) implementation time frames and
4 costs.”.

5 **SEC. 3208. DONALD PAYNE HORN OF AFRICA FOOD RESIL-**
6 **IENCE PROGRAM.**

7 (a) *DEFINITIONS.*—*In this section:*

8 (1) *ADMINISTRATOR.*—*The term “Adminis-*
9 *trator” means the Administrator of the Agency for*
10 *International Development.*

11 (2) *APPROPRIATE COMMITTEES OF CONGRESS.*—
12 *The term “appropriate committees of Congress”*
13 *means—*

14 (A) *the Committee on Agriculture, Nutri-*
15 *tion, and Forestry of the Senate;*

16 (B) *the Committee on Agriculture of the*
17 *House of Representatives;*

18 (C) *the Committee on Foreign Relations of*
19 *the Senate; and*

20 (D) *the Committee on Foreign Affairs of the*
21 *House of Representatives.*

22 (3) *ELIGIBLE ORGANIZATION.*—*The term “eligi-*
23 *ble organization” means an organization that is—*

1 (A) a private voluntary organization or co-
2 operative that is, to the extent practicable, reg-
3 istered with the Administrator; or

4 (B) an intergovernmental organization,
5 such as the World Food Program.

6 (4) *HORN OF AFRICA*.—The term “Horn of Afri-
7 ca” means the countries of—

8 (A) Ethiopia;

9 (B) Somalia;

10 (C) Kenya;

11 (D) Djibouti;

12 (E) Eritrea;

13 (F) South Sudan;

14 (G) Uganda; and

15 (H) such other countries as the Adminis-
16 trator determines to be appropriate after pro-
17 viding notification to the appropriate committees
18 of Congress.

19 (5) *RESILIENCE*.—The term “resilience”
20 means—

21 (A) the capacity to mitigate the negative
22 impacts of crises (including natural disasters,
23 conflicts, and economic shocks) in order to reduce
24 loss of life and depletion of productive assets;

1 (B) *the capacity to respond effectively to*
2 *crises, ensuring basic needs are met in a way*
3 *that is integrated with long-term development ef-*
4 *forts; and*

5 (C) *the capacity to recover and rebuild after*
6 *crises so that future shocks can be absorbed with*
7 *less need for ongoing external assistance.*

8 (b) *PURPOSE.*—*The purpose of this section is to estab-*
9 *lish a pilot program to effectively integrate all United*
10 *States-funded emergency and long-term development activi-*
11 *ties that aim to improve food security in the Horn of Africa,*
12 *building resilience so as—*

13 (1) *to reduce the impacts of future crises;*

14 (2) *to enhance local capacity for emergency re-*
15 *sponse;*

16 (3) *to enhance sustainability of long-term devel-*
17 *opment programs targeting poor and vulnerable*
18 *households; and*

19 (4) *to reduce the need for repeated costly emer-*
20 *gency operations.*

21 (c) *STUDY.*—

22 (1) *IN GENERAL.*—*Not later than 30 days after*
23 *the date of enactment of this Act, the Administrator*
24 *shall initiate a study of prior programs to support re-*
25 *silience in the Horn of Africa conducted by—*

- 1 (A) *other donor countries;*
2 (B) *private voluntary organizations;*
3 (C) *the World Food Program of the United*
4 *Nations; and*
5 (D) *multilateral institutions, including the*
6 *World Bank.*

7 (2) *REQUIREMENTS.—The study shall—*

8 (A) *include all programs implemented*
9 *through the Agency for International Develop-*
10 *ment, the Department of Agriculture, the Depart-*
11 *ment of the Treasury, the Millennium Challenge*
12 *Corporation, the Peace Corps, and other relevant*
13 *Federal agencies;*

14 (B) *evaluate how well the programs de-*
15 *scribed in subparagraph (A) work together to*
16 *complement each other and leverage impacts*
17 *across programs;*

18 (C) *include recommendations for how full*
19 *integration of efforts can be achieved; and*

20 (D) *evaluate the degree to which country-led*
21 *development plans support programs that in-*
22 *crease resilience, including review of the invest-*
23 *ments by each country in nutrition and safety*
24 *nets.*

1 (3) *REPORT.*—Not later than 180 days after the
2 date of enactment of this Act, the Administrator shall
3 submit to the appropriate committees of Congress a
4 report containing the results of the study.

5 (d) *FIELD-BASED PROJECT GRANTS OR COOPERATIVE*
6 *AGREEMENTS.*—

7 (1) *IN GENERAL.*—The Administrator shall—

8 (A) provide grants to, or enter into coopera-
9 tive agreements with, eligible organizations to
10 carry out field-based projects that build resilience
11 in the Horn of Africa in accordance with this
12 section; and

13 (B) develop a project approval process to
14 ensure full integration of efforts.

15 (2) *REQUIREMENTS OF ELIGIBLE ORGANIZA-*
16 *TIONS.*—

17 (A) *APPLICATION.*—To be eligible to receive
18 a grant from, or enter into a cooperative agree-
19 ment with, the Administrator under this sub-
20 section, an eligible organization shall submit to
21 the Administrator an application by such date,
22 in such manner, and containing such informa-
23 tion as the Administrator may require.

24 (B) *COMPLETION REQUIREMENT.*—To be el-
25 igible to receive a grant from, or enter into a co-

1 operative agreement with, the Administrator
2 under this subsection, an eligible organization
3 shall agree—

4 (i) to collect, not later than September
5 30, 2016, data containing the information
6 required under subsection (f)(2) relating to
7 the field-based project funded through the
8 grant or cooperative agreement; and

9 (ii) to provide to the Administrator the
10 data collected under clause (i).

11 (3) *REQUIREMENTS OF ADMINISTRATOR.*—

12 (A) *PROJECT DIVERSITY.*—

13 (i) *IN GENERAL.*—Subject to clause (ii)
14 and subparagraph (B), in selecting pro-
15 posals for field-based projects to fund under
16 this section, the Administrator shall select a
17 diversity of projects, including projects lo-
18 cated in—

19 (I) areas most prone to repeated
20 crises;

21 (II) areas with effective existing
22 resilience programs that can be scaled;
23 and

24 (III) areas in all countries of the
25 Horn of Africa.

1 (ii) *PRIORITY.*—*In selecting proposals*
2 *for field-based projects under clause (i), the*
3 *Administrator shall ensure that the selected*
4 *proposals are for field-based projects that—*

5 (I) *effectively integrate emergency*
6 *and long-term development programs*
7 *to improve sustainability;*

8 (II) *demonstrate the potential to*
9 *reduce the need for future emergency*
10 *assistance; and*

11 (III) *build targeted productive*
12 *safety nets, in coordination with host*
13 *country governments, through food for*
14 *work, cash for work, and other proven*
15 *program methodologies.*

16 (B) *AVAILABILITY.*—*The Administrator*
17 *shall not award a grant or cooperative agree-*
18 *ment or approve a field-based project under this*
19 *subsection until the date on which the Adminis-*
20 *trator promulgates regulations or issues guide-*
21 *lines under subsection (e).*

22 (e) *REGULATIONS; GUIDELINES.*—

23 (1) *IN GENERAL.*—*Not later than 180 days after*
24 *the date of completion of the study under subsection*
25 *(c), the Administrator shall promulgate regulations or*

1 *issue guidelines to carry out field-based projects under*
2 *this section.*

3 (2) *REQUIREMENTS.*—*In promulgating regula-*
4 *tions or issuing guidelines under paragraph (1), the*
5 *Administrator shall—*

6 (A) *take into consideration the results of the*
7 *study described in subsection (c); and*

8 (B) *provide an opportunity for public re-*
9 *view and comment.*

10 (f) *REPORT.*—

11 (1) *IN GENERAL.*—*Not later than November 1,*
12 *2016, the Administrator shall submit to the appro-*
13 *priate committees of Congress a report that—*

14 (A) *addresses each factor described in para-*
15 *graph (2); and*

16 (B) *is conducted in accordance with this*
17 *section.*

18 (2) *REQUIRED FACTORS.*—*The report shall in-*
19 *clude baseline and end-of-project data that meas-*
20 *ures—*

21 (A) *the prevalence of moderate and severe*
22 *hunger so as to provide an accurate accounting*
23 *of project impact on household access to and con-*
24 *sumption of food during every month of the year*
25 *prior to data collection;*

1 (B) household ownership of and access to
2 productive assets, including at a minimum land,
3 livestock, homes, equipment, and other materials
4 assets needed for income generation;

5 (C) household incomes, including informal
6 sources of employment; and

7 (D) the productive assets of women using
8 the *Women’s Empowerment in Agriculture*
9 *Index*.

10 (3) *PUBLIC ACCESS TO RECORDS AND RE-*
11 *PORTS.*—Not later than 90 days after the date on
12 which the report is submitted under paragraph (1),
13 the Administrator shall provide public access to the
14 report.

15 (g) *AUTHORIZATION OF APPROPRIATIONS.*—There is
16 authorized to be appropriated to carry out this section
17 \$10,000,000 for each of fiscal years 2014 through 2018.

18 **SEC. 3209. UNDER SECRETARY OF AGRICULTURE FOR**
19 **TRADE AND FOREIGN AGRICULTURAL AF-**
20 **FAIRS.**

21 (a) *DEFINITION OF AGRICULTURE COMMITTEES AND*
22 *SUBCOMMITTEES.*—In this section, the term “agriculture
23 committees and subcommittees” means—

24 (1) *the Committee on Agriculture of the House of*
25 *Representatives;*

1 (2) *the Committee on Agriculture, Nutrition, and*
2 *Forestry of the Senate; and*

3 (3) *the subcommittees on agriculture, rural de-*
4 *velopment, food and drug administration, and related*
5 *agencies of the Committees on Appropriations of the*
6 *House of Representatives and the Senate.*

7 **(b) PROPOSAL.—**

8 (1) *IN GENERAL.—The Secretary, in consultation*
9 *with the agriculture committees and subcommittees,*
10 *shall propose a reorganization of international trade*
11 *functions for imports and exports of the Department*
12 *of Agriculture.*

13 (2) *CONSIDERATIONS.—In producing the pro-*
14 *posal under this section, the Secretary shall—*

15 (A) *in recognition of the importance of ag-*
16 *ricultural exports to the farm economy and the*
17 *economy as a whole, include a plan for the estab-*
18 *lishment of an Under Secretary of Agriculture*
19 *for Trade and Foreign Agricultural Affairs;*

20 (B) *take into consideration how the Under*
21 *Secretary described in subparagraph (A) would*
22 *serve as a multiagency coordinator of sanitary*
23 *and phytosanitary issues and nontariff trade*
24 *barriers in agriculture with respect to imports*
25 *and exports of agricultural products; and*

1 (C) take into consideration all implications
2 of a reorganization described in paragraph (1)
3 on domestic programs and operations of the De-
4 partment of Agriculture.

5 (3) *REPORT.*—Not later than 180 days after the
6 date of enactment of this Act and before the reorga-
7 nization described in paragraph (1) can take effect,
8 the Secretary shall submit to the agriculture commit-
9 tees and subcommittees a report that—

10 (A) includes the results of the proposal
11 under this section; and

12 (B) provides a notice of the reorganization
13 plan.

14 (4) *IMPLEMENTATION.*—Not later than 1 year
15 after the date of the submission of the report under
16 paragraph (3), the Secretary shall implement a reor-
17 ganization of international trade functions for im-
18 ports and exports of the Department of Agriculture,
19 including the establishment of an Under Secretary of
20 Agriculture for Trade and Foreign Agricultural Af-
21 fairs.

22 (c) *CONFIRMATION REQUIRED.*—The position of Under
23 Secretary of Agriculture for Trade and Foreign Agricul-
24 tural Affairs established under subsection (b)(2)(A) shall be

1 *appointed by the President, by and with the advice and*
 2 *consent of the Senate.*

3 **TITLE IV—NUTRITION**
 4 ***Subtitle A—Supplemental Nutrition***
 5 ***Assistance Program***

6 **SEC. 4001. ACCESS TO GROCERY DELIVERY FOR HOME-**
 7 **BOUND SENIORS AND INDIVIDUALS WITH**
 8 **DISABILITIES ELIGIBLE FOR SUPPLEMENTAL**
 9 **NUTRITION ASSISTANCE BENEFITS.**

10 *(a) IN GENERAL.—Section 3(p) of the Food and Nutri-*
 11 *tion Act of 2008 (7 U.S.C. 2012(p)) is amended—*

12 *(1) in paragraph (3), by striking “and” at the*
 13 *end;*

14 *(2) in paragraph (4), by striking the period at*
 15 *the end and inserting “; and”; and*

16 *(3) by inserting after paragraph (4) the fol-*
 17 *lowing:*

18 *“(5) a public or private nonprofit food pur-*
 19 *chasing and delivery service that—*

20 *“(A) purchases food for, and delivers the*
 21 *food to, individuals who are—*

22 *“(i) unable to shop for food; and*

23 *“(ii)(I) not less than 60 years of age;*

24 *or*

25 *“(II) individuals with disabilities;*

1 “(B) clearly notifies the participating
2 household at the time the household places a food
3 order—

4 “(i) of any delivery fee associated with
5 the food purchase and delivery provided to
6 the household by the service; and

7 “(ii) that a delivery fee cannot be paid
8 with benefits provided under the supple-
9 mental nutrition assistance program; and

10 “(C) sells food purchased for the household
11 at the price paid by the service for the food with-
12 out any additional cost markup.”.

13 (b) *ISSUANCE OF REGULATIONS.*—Not later than 1
14 year after the date of enactment of this Act, the Secretary
15 shall issue regulations that—

16 (1) establish criteria to identify a food pur-
17 chasing and delivery service described in section
18 3(p)(5) of the Food and Nutrition Act of 2008 (as
19 added by subsection (a)(3)); and

20 (2) establish procedures to ensure that the serv-
21 ice—

22 (A) does not charge more for a food item
23 than the price paid by the service for the food
24 item;

1 (B) offers food delivery service at no or low
2 cost to households under that Act;

3 (C) ensures that benefits provided under the
4 supplemental nutrition assistance program are
5 used only to purchase food, as defined in section
6 3 of that Act (7 U.S.C. 2012);

7 (D) limits the purchase of food, and the de-
8 livery of the food, to households eligible to receive
9 services described in section 3(p)(5) of that Act
10 (as added by subsection (a)(3));

11 (E) has established adequate safeguards
12 against fraudulent activities, including unau-
13 thorized use of electronic benefit cards issued
14 under that Act; and

15 (F) such other requirements as the Sec-
16 retary considers appropriate.

17 (c) *LIMITATION.*—Before the issuance of regulations
18 under subsection (b), the Secretary may not approve more
19 than 20 food purchasing and delivery services described in
20 section 3(p)(5) of the Food and Nutrition Act of 2008 (as
21 added by subsection (a)(3)) to participate as retail food
22 stores under the supplemental nutrition assistance pro-
23 gram.

1 (d) *EFFECTIVE DATE.*—*This section and the amend-*
2 *ments made by this section take effect on the date that is*
3 *30 days after the date of the enactment of this Act.*

4 **SEC. 4002. FOOD DISTRIBUTION PROGRAM ON INDIAN RES-**
5 **ERVATIONS.**

6 (a) *IN GENERAL.*—*Section 4(b)(6)(F) of the Food and*
7 *Nutrition Act of 2008 (7 U.S.C. 2013(b)(6)(F)) is amended*
8 *by striking “2012” and inserting “2018”.*

9 (b) *FEASIBILITY STUDY FOR INDIAN TRIBES.*—*Sec-*
10 *tion 17 of the Food and Nutrition Act of 2008 (7 U.S.C.*
11 *2026) is amended by inserting at the end the following:*

12 “(l) *FEASIBILITY STUDY FOR INDIAN TRIBES.*—

13 “(1) *IN GENERAL.*—*The Secretary shall conduct*
14 *a study to determine the feasibility of a tribal dem-*
15 *onstration project for tribes, in lieu of State agencies*
16 *or other administrating entities, to administer Fed-*
17 *eral food assistance programs, services, functions, and*
18 *activities (or portions thereof).*

19 “(2) *CONSIDERATIONS.*—*In conducting the*
20 *study, the Secretary shall consider—*

21 “(A) *the probable effects on specific pro-*
22 *grams and program beneficiaries of such a dem-*
23 *onstration project;*

1 “(B) statutory, regulatory, or other impedi-
2 ments to implementation of such a demonstra-
3 tion project;

4 “(C) strategies for implementing such a
5 demonstration project;

6 “(D) probable costs or savings associated
7 with such a demonstration project;

8 “(E) methods to assure quality and ac-
9 countability in such a demonstration project;
10 and

11 “(F) such other issues that may be deter-
12 mined by the Secretary or developed through
13 consultation pursuant to paragraph (4).

14 “(3) REPORT.—Not later than 18 months after
15 the date of the enactment of this subsection, the Sec-
16 retary shall submit to the Committee on Agriculture
17 of the House of Representatives and the Committee on
18 Agriculture, Nutrition, and Forestry of the Senate a
19 report that contains—

20 “(A) the results of the study under this sub-
21 section;

22 “(B) a list of programs, services, functions,
23 and activities (or portions thereof) within each
24 agency that would be feasible to include in a
25 tribal demonstration project;

1 “(C) a list of programs, services, functions,
2 and activities (or portions thereof) included in
3 the list described in subparagraph (B) that could
4 be included in a tribal demonstration project
5 without amending existing law or without
6 waiving regulations that the Secretary may not
7 waive; and

8 “(D) a list of legislative actions required in
9 order to include those programs, services, func-
10 tions, and activities (or portions thereof) in-
11 cluded in the list described in subparagraph (B)
12 but not included in the list described in subpara-
13 graph (C) in a tribal demonstration project.

14 “(4) CONSULTATION WITH INDIAN TRIBES.—

15 “(A) IN GENERAL.—Prior to consultation,
16 the Secretary shall consult with Indian tribes to
17 determine a protocol for consultation.

18 “(B) REQUIREMENTS.—The protocol shall
19 require, at a minimum, that—

20 “(i) the government-to-government re-
21 lationship with Indian tribes forms the
22 basis for the consultation process;

23 “(ii) the Indian tribes and the Sec-
24 retary jointly conduct the consultations re-
25 quired by this paragraph; and

1 “(iii) the consultation process allows
2 for separate and direct recommendations
3 from the Indian tribes and other entities
4 referenced in this subsection.”.

5 (c) *TRADITIONAL AND LOCALLY-GROWN FOOD.*—Sec-
6 tion 4(b)(6) of the Food and Nutrition Act of 2008 (7
7 U.S.C. 2013(b)(6)) is amended—

8 (1) by redesignating subparagraph (F) as sub-
9 paragraph (G); and

10 (2) by inserting after subparagraph (E) the fol-
11 lowing:

12 “(F) *TRADITIONAL AND LOCALLY-GROWN*
13 *FOOD.*—A tribe that is authorized to administer
14 the distribution described in paragraph (1) shall
15 have the option to use 5 percent of the program
16 funding of the tribe to promote local purchase of
17 traditional and locally-grown food to be used in
18 the food package of the tribe by purchasing tra-
19 ditional and locally-grown foods from local Na-
20 tive American farmers, ranchers, and pro-
21 ducers.”.

1 **SEC. 4003. STANDARD UTILITY ALLOWANCES BASED ON**
2 **THE RECEIPT OF ENERGY ASSISTANCE PAY-**
3 **MENTS.**

4 *(a) STANDARD UTILITY ALLOWANCES IN THE SUPPLE-*
5 *MENTAL NUTRITION ASSISTANCE PROGRAM.—Section*
6 *5(e)(6)(C) of the Food and Nutrition Act of 2008 (7 U.S.C.*
7 *2014(e)(6)(C)) is amended—*

8 *(1) in clause (i), by inserting “, subject to clause*
9 *(iv)” after “Secretary”; and*

10 *(2) in clause (iv), by striking subclause (I) and*
11 *inserting the following:*

12 *“(I) IN GENERAL.—Subject to*
13 *subclause (II), if a State agency elects*
14 *to use a standard utility allowance*
15 *that reflects heating and cooling costs,*
16 *the standard utility allowance shall be*
17 *made available to households that have*
18 *received a payment, or on behalf of*
19 *which a payment has been made,*
20 *under the Low-Income Home Energy*
21 *Assistance Act of 1981 (42 U.S.C. 8621*
22 *et seq.) or other similar energy assist-*
23 *ance program, if in the current month*
24 *or during the immediately preceding*
25 *12 months, the household either has re-*
26 *ceived a payment, or a payment has*

1 *been made on behalf of the household,*
2 *that is greater than \$10 annually, as*
3 *determined by the Secretary.”.*

4 *(b) CONFORMING AMENDMENT.—Section 2605(f)(2)(A)*
5 *of the Low-Income Home Energy Assistance Act of 1981*
6 *(42 U.S.C. 8624(f)(2)(A)) is amended by inserting before*
7 *the semicolon at the end “, except that, for purposes of the*
8 *supplemental nutrition assistance program established*
9 *under the Food and Nutrition Act of 2008 (7 U.S.C. 2011*
10 *et seq.), such payments or allowances were greater than \$10*
11 *annually, consistent with section 5(e)(6)(C)(iv)(I) of that*
12 *Act (7 U.S.C. 2014(e)(6)(C)(iv)(I)), as determined by the*
13 *Secretary of Agriculture.”.*

14 *(c) EFFECTIVE AND IMPLEMENTATION DATE.—*

15 *(1) IN GENERAL.—Except as provided in para-*
16 *graph (2), this section and the amendments made by*
17 *this section shall take effect beginning on October 1,*
18 *2013, for all certification periods beginning after that*
19 *date.*

20 *(2) STATE OPTION TO DELAY IMPLEMENTATION*
21 *FOR CURRENT RECIPIENTS.—A State may, at the op-*
22 *tion of the State, implement a policy that eliminates*
23 *or minimizes the effect of the amendments made by*
24 *this section for households that receive a standard*
25 *utility allowance as of the date of enactment of this*

1 *Act for not more than a 180-day period beginning on*
2 *the date on which the amendments made by this sec-*
3 *tion would otherwise affect the benefits received by a*
4 *household.*

5 **SEC. 4004. ELIGIBILITY DISQUALIFICATIONS.**

6 *Section 6(e)(3)(B) of Food and Nutrition Act of 2008*
7 *(7 U.S.C. 2015(e)(3)(B)) is amended by striking “section”*
8 *and inserting the following: “section, subject to the condi-*
9 *tion that the course or program of study—*

10 *“(i) is part of a program of career and*
11 *technical education (as defined in section 3*
12 *of the Carl D. Perkins Career and Technical*
13 *Education Act of 2006 (20 U.S.C. 2302))*
14 *that may be completed in not more than 4*
15 *years at an institution of higher education*
16 *(as defined in section 102 of the Higher*
17 *Education Act of 1965 (20 U.S.C. 1002));*
18 *or*

19 *“(ii) is limited to remedial courses,*
20 *basic adult education, literacy, or English*
21 *as a second language;”.*

1 **SEC. 4005. 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 second 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. 4006. RETAIL FOOD STORES.**

9 *(a) DEFINITION OF RETAIL FOOD STORE.—Subsection*
10 *(o)(1)(A) of section 3 of the Food and Nutrition Act of 2008*
11 *(7 U.S.C. 2012) (as redesignated by section 4018(a)(4)) is*
12 *amended by striking “at least 2” and inserting “at least*
13 *3”.*

14 *(b) ALTERNATIVE BENEFIT DELIVERY.—Section 7(f)*
15 *of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f))*
16 *is amended—*

17 *(1) by striking paragraph (2) and inserting the*
18 *following:*

19 *“(2) IMPOSITION OF COSTS.—*

20 *“(A) IN GENERAL.—Except as provided in*
21 *subparagraph (B), the Secretary shall require*
22 *participating retail food stores (including res-*
23 *taurants participating in a State option res-*
24 *taurant program intended to serve the elderly,*
25 *disabled, and homeless) to pay 100 percent of the*

1 costs of acquiring, and arrange for the imple-
2 mentation of, electronic benefit transfer point-of-
3 sale equipment and supplies, including related
4 services.

5 “(B) *EXEMPTIONS.*—The Secretary may ex-
6 empt from subparagraph (A)—

7 “(i) farmers’ markets and other direct-
8 to-consumer markets, military com-
9 missaries, nonprofit food buying coopera-
10 tives, and establishments, organizations,
11 programs, or group living arrangements de-
12 scribed in paragraphs (5), (7), and (8) of
13 section 3(k); and

14 “(ii) establishments described in para-
15 graphs (3), (4), and (9) of section 3(k),
16 other than restaurants participating in a
17 State option restaurant program.

18 “(C) *INTERCHANGE FEES.*—Nothing in this
19 paragraph permits the charging of fees relating
20 to the redemption of supplemental nutrition as-
21 sistance program benefits, in accordance with
22 subsection (h)(13).”; and

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

24 “(4) *TERMINATION OF MANUAL VOUCHERS.*—

1 “(A) *IN GENERAL.*—Effective beginning on
2 the date of enactment of this paragraph, except
3 as provided in subparagraph (B), no State shall
4 issue manual vouchers to a household that re-
5 ceives supplemental nutrition assistance under
6 this Act or allow retail food stores to accept
7 manual vouchers as payment, unless the Sec-
8 retary determines that the manual vouchers are
9 necessary, such as in the event of an electronic
10 benefit transfer system failure or a disaster situ-
11 ation.

12 “(B) *EXEMPTIONS.*—The Secretary may ex-
13 empt categories of retail food stores or individual
14 retail food stores from subparagraph (A) based
15 on criteria established by the Secretary.

16 “(5) *UNIQUE IDENTIFICATION NUMBER RE-*
17 *QUIRED.*—

18 “(A) *IN GENERAL.*—To enhance the anti-
19 fraud protections of the program, the Secretary
20 shall require all parties providing electronic ben-
21 efit transfer services to provide for and maintain
22 unique terminal identification number informa-
23 tion through the supplemental nutrition assist-
24 ance program electronic benefit transfer trans-
25 action routing system.

1 “(B) REGULATIONS.—

2 “(i) IN GENERAL.—Not earlier than 2
3 years after the date of enactment of this
4 paragraph, the Secretary shall issue pro-
5 posed regulations to carry out this para-
6 graph.

7 “(ii) COMMERCIAL PRACTICES.—In
8 issuing regulations to carry out this para-
9 graph, the Secretary shall consider existing
10 commercial practices for other point-of-sale
11 debit transactions.”.

12 (c) ELECTRONIC BENEFIT TRANSFERS.—Section
13 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C.
14 2016(h)(3)(B)) is amended by striking “is operational—”
15 and all that follows through “(ii) in the case of other par-
16 ticipating stores,” and inserting “is operational”.

17 (d) APPROVAL OF RETAIL FOOD STORES AND WHOLE-
18 SALE FOOD CONCERNS.—Section 9 of the Food and Nutri-
19 tion Act of 2008 (7 U.S.C. 2018) is amended—

20 (1) in the second sentence of subsection (a)(1)—
21 (A) in subparagraph (A), by inserting “,
22 including the depth of stock, variety of staple
23 food items, and the sale of excepted items de-
24 scribed in 3(k)(1)” after “applicant”; and

1 (B) by striking “; and (C)” and inserting
2 “; (C) whether the applicant is located in an
3 area with significantly limited access to food;
4 and (D)”;

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

6 “(g) *EBT SERVICE REQUIREMENT.*—An approved re-
7 tail food store shall provide adequate EBT service as de-
8 scribed in section 7(h)(3)(B).”.

9 **SEC. 4007. IMPROVING SECURITY OF FOOD ASSISTANCE.**

10 Section 7(h)(8) of the Food and Nutrition Act of 2008
11 (7 U.S.C. 2016(h)(8)) is amended—

12 (1) by striking the paragraph heading and in-
13 serting “*REPLACEMENT OF CARDS.*—”;

14 (2) by striking “A State” and inserting the fol-
15 lowing:

16 “(A) *FEEES.*—A State”; and

17 (3) by adding after subparagraph (A) (as so des-
18 ignated by paragraph (2)) the following:

19 “(B) *PURPOSEFUL LOSS OF CARDS.*—

20 “(i) *IN GENERAL.*—Subject to terms
21 and conditions established by the Secretary
22 in accordance with clause (ii), if a house-
23 hold makes excessive requests for replace-
24 ment of the electronic benefit transfer card
25 of the household, the Secretary may require

1 *a State agency to decline to issue a replace-*
2 *ment card to the household unless the house-*
3 *hold, upon request of the State agency, pro-*
4 *vides an explanation for the loss of the card.*

5 “(i) *REQUIREMENTS.*—*The terms and*
6 *conditions established by the Secretary shall*
7 *provide that—*

8 “(I) *the household be given the op-*
9 *portunity to provide the requested ex-*
10 *planation and meet the requirements*
11 *under this paragraph promptly;*

12 “(II) *after an excessive number of*
13 *lost cards, the head of the household*
14 *shall be required to review program*
15 *rights and responsibilities with State*
16 *agency personnel authorized to make*
17 *determinations under section 5(a); and*

18 “(III) *any action taken, including*
19 *actions required under section 6(b)(2),*
20 *other than the withholding of the elec-*
21 *tronic benefit transfer card until an*
22 *explanation described in subclause (I)*
23 *is provided, shall be consistent with the*
24 *due process protections under section*
25 *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. 4008. TECHNOLOGY MODERNIZATION FOR RETAIL**
16 **FOOD STORES.**

17 (a) *MOBILE TECHNOLOGIES.*—*Section 7(h) of the Food*
18 *and Nutrition Act of 2008 (7 U.S.C. 2016(h)) (as amended*
19 *by section 4018(e)) is amended by adding at the end the*
20 *following:*

21 “(14) *MOBILE TECHNOLOGIES.*—

22 “(A) *IN GENERAL.*—*Subject to subpara-*
23 *graph (B), the Secretary shall approve retail*
24 *food stores to redeem benefits through electronic*
25 *means other than wired point of sale devices for*

1 *electronic benefit transfer transactions, if the re-*
2 *tail food stores—*

3 “(i) *establish recipient protections re-*
4 *garding privacy, ease of use, access, and*
5 *support similar to the protections provided*
6 *for transactions made in retail food stores;*

7 “(ii) *bear the costs of obtaining, in-*
8 *stalling, and maintaining mobile tech-*
9 *nologies, including mechanisms needed to*
10 *process EBT cards and transaction fees;*

11 “(iii) *demonstrate the foods purchased*
12 *with benefits issued under this section*
13 *through mobile technologies are purchased*
14 *at a price not higher than the price of the*
15 *same food purchased by other methods used*
16 *by the retail food store, as determined by*
17 *the Secretary;*

18 “(iv) *provide adequate documentation*
19 *for each authorized transaction, as deter-*
20 *mined by the Secretary; and*

21 “(v) *meet other criteria as established*
22 *by the Secretary.*

23 “(B) *DEMONSTRATION PROJECT ON ACCEPT-*
24 *ANCE OF BENEFITS OF MOBILE TRANSACTIONS.—*

1 “(i) *IN GENERAL.*—*Before authorizing*
2 *implementation of subparagraph (A) in all*
3 *States, the Secretary shall pilot the use of*
4 *mobile technologies determined by the Sec-*
5 *retary to be appropriate to test the feasi-*
6 *bility and implications for program integ-*
7 *egrity, by allowing retail food stores to accept*
8 *benefits from recipients of supplemental nu-*
9 *trition assistance through mobile trans-*
10 *actions.*

11 “(ii) *DEMONSTRATION PROJECTS.*—*To*
12 *be eligible to participate in a demonstration*
13 *project under clause (i), a retail food store*
14 *shall submit to the Secretary for approval a*
15 *plan that includes—*

16 “(I) *a description of the tech-*
17 *nology;*

18 “(II) *the manner by which the re-*
19 *tail food store will provide proof of the*
20 *transaction to households;*

21 “(III) *the provision of data to the*
22 *Secretary, consistent with requirements*
23 *established by the Secretary, in a man-*
24 *ner that allows the Secretary to evalu-*
25 *ate the impact of the demonstration on*

1 *participant access, ease of use, and*
2 *program integrity; and*

3 *“(IV) such other criteria as the*
4 *Secretary may require.*

5 *“(iii) DATE OF COMPLETION.—The*
6 *demonstration projects under this subpara-*
7 *graph shall be completed and final reports*
8 *submitted to the Secretary by not later than*
9 *July 1, 2015.*

10 *“(C) REPORT TO CONGRESS.—The Sec-*
11 *retary shall—*

12 *“(i) by not later than January 1,*
13 *2016, authorize implementation of subpara-*
14 *graph (A) in all States, unless the Secretary*
15 *makes a finding, based on the data provided*
16 *under subparagraph (B), that implementa-*
17 *tion in all States is not in the best interest*
18 *of the supplemental nutrition assistance*
19 *program; and*

20 *“(ii) if the determination made in*
21 *clause (i) is not to implement subparagraph*
22 *(A) in all States, submit a report to the*
23 *Committee on Agriculture of the House of*
24 *Representatives and the Committee on Agri-*

1 *culture, Nutrition, and Forestry of the Sen-*
2 *ate that includes the basis of the finding.”.*

3 ***(b) ACCEPTANCE OF BENEFITS THROUGH ON-LINE***
4 ***TRANSACTIONS.—***

5 ***(1) IN GENERAL.—****Section 7 of the Food and Nu-*
6 *trition Act of 2008 (7 U.S.C. 2016) is amended by*
7 *adding at the end the following:*

8 ***“(k) OPTION TO ACCEPT PROGRAM BENEFITS***
9 ***THROUGH ON-LINE TRANSACTIONS.—***

10 ***“(1) IN GENERAL.—****Subject to paragraph (4), the*
11 *Secretary shall approve retail food stores to accept*
12 *benefits from recipients of supplemental nutrition as-*
13 *sistance through on-line transactions.*

14 ***“(2) REQUIREMENTS TO ACCEPT BENEFITS.—****A*
15 *retail food store seeking to accept benefits from recipi-*
16 *ents of supplemental nutrition assistance through on-*
17 *line transactions shall—*

18 ***“(A) establish recipient protections regard-***
19 *ing privacy, ease of use, access, and support*
20 *similar to the protections provided for trans-*
21 *actions made in retail food stores;*

22 ***“(B) ensure benefits are not used to pay de-***
23 *livery, ordering, convenience, or other fees or*
24 *charges;*

1 “(C) clearly notify participating households
2 at the time a food order is placed—

3 “(i) of any delivery, ordering, conven-
4 ience, or other fee or charge associated with
5 the food purchase; and

6 “(ii) that any such fee cannot be paid
7 with benefits provided under this Act;

8 “(D) ensure the security of on-line trans-
9 actions by using the most effective technology
10 available that the Secretary considers appro-
11 priate and cost-effective and that is comparable
12 to the security of transactions at retail food
13 stores; and

14 “(E) meet other criteria as established by
15 the Secretary.

16 “(3) STATE AGENCY ACTION.—Each State agency
17 shall ensure that recipients of supplemental nutrition
18 assistance can use benefits on-line as described in this
19 subsection as appropriate.

20 “(4) DEMONSTRATION PROJECT ON ACCEPTANCE
21 OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

22 “(A) IN GENERAL.—Before the Secretary
23 authorizes implementation of paragraph (1) in
24 all States, the Secretary shall carry out a num-
25 ber of demonstration projects as determined by

1 *the Secretary to test the feasibility of allowing*
2 *retail food stores to accept benefits through on-*
3 *line transactions.*

4 “(B) *DEMONSTRATION PROJECTS.—To be*
5 *eligible to participate in a demonstration project*
6 *under subparagraph (A), a retail food store shall*
7 *submit to the Secretary for approval a plan that*
8 *includes—*

9 “(i) *a method of ensuring that benefits*
10 *may be used to purchase only eligible items*
11 *under this Act;*

12 “(ii) *a description of the method of*
13 *educating participant households about the*
14 *availability and operation of on-line pur-*
15 *chasing;*

16 “(iii) *adequate testing of the on-line*
17 *purchasing option prior to implementation;*

18 “(iv) *the provision of data as requested*
19 *by the Secretary for purposes of analyzing*
20 *the impact of the project on participant ac-*
21 *cess, ease of use, and program integrity;*

22 “(v) *reports on progress, challenges,*
23 *and results, as determined by the Secretary;*
24 *and*

1 “(vi) such other criteria, including se-
2 curity criteria, as established by the Sec-
3 retary.

4 “(C) *DATE OF COMPLETION.*—The dem-
5 onstration projects under this paragraph shall be
6 completed and final reports submitted to the Sec-
7 retary by not later than July 1, 2015.

8 “(5) *REPORT TO CONGRESS.*—The Secretary
9 shall—

10 “(A) by not later than January 1, 2016,
11 authorize implementation of paragraph (1) in
12 all States, unless the Secretary makes a finding,
13 based on the data provided under paragraph (4),
14 that implementation in all States is not in the
15 best interest of the supplemental nutrition assist-
16 ance program; and

17 “(B) if the determination made in subpara-
18 graph (A) is not to implement in all States, sub-
19 mit a report to the Committee on Agriculture of
20 the House of Representatives and the Committee
21 on Agriculture, Nutrition, and Forestry of the
22 Senate that includes the basis of the finding.”.

23 (2) *CONFORMING AMENDMENTS.*—

24 (A) Section 7(b) of the Food and Nutrition
25 Act of 2008 (7 U.S.C. 2016(b)) is amended by

1 *striking “purchase food in retail food stores” and*
2 *inserting “purchase food from retail food stores”.*

3 *(B) Section 10 of the Food and Nutrition*
4 *Act of 2008 (7 U.S.C. 2019) is amended in the*
5 *first sentence by inserting “retail food stores au-*
6 *thorized to accept and redeem benefits through*
7 *on-line transactions shall be authorized to accept*
8 *benefits prior to the delivery of food if the deliv-*
9 *ery occurs within a reasonable time of the pur-*
10 *chase, as determined by the Secretary,” after*
11 *“food so purchased,”.*

12 *(c) SAVINGS CLAUSE.—Nothing in this section or an*
13 *amendment made by this section alter any requirements of*
14 *the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.)*
15 *unless specifically authorized in this section or an amend-*
16 *ment made by this section.*

17 **SEC. 4009. USE OF BENEFITS FOR PURCHASE OF COMMU-**
18 **NITY-SUPPORTED AGRICULTURE SHARE.**

19 *Subsection (o)(4) of section 3 of the Food and Nutri-*
20 *tion Act of 2008 (7 U.S.C. 2012) (as redesignated by section*
21 *4018(a)(4)) is amended by inserting “, or agricultural pro-*
22 *ducers who market agricultural products directly to con-*
23 *sumers” after “such food”.*

1 **SEC. 4010. RESTAURANT MEALS PROGRAM.**

2 (a) *IN GENERAL.*—Section 11(e) of the Food and Nu-
3 trition Act of 2008 (7 U.S.C. 2020(e)) is amended—

4 (1) in paragraph (22), by striking “and” at the
5 end;

6 (2) in paragraph (23), by striking the period at
7 the end of subparagraph (C) and inserting “; and”;
8 and

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

10 “(24) if the State elects to carry out a program
11 to contract with private establishments to offer meals
12 at concessional prices, as described in paragraphs 3,
13 4, and 9 of section 3(k)—

14 “(A) the plans of the State agency for oper-
15 ating the program, including—

16 “(i) documentation of a need that eli-
17 gible homeless, elderly, and disabled clients
18 are underserved in a particular geographic
19 area;

20 “(ii) the manner by which the State
21 agency will limit participation to only
22 those private establishments that the State
23 determines necessary to meet the need iden-
24 tified in clause (i); and

25 “(iii) any other conditions the Sec-
26 retary may prescribe, such as the level of se-

1 curity necessary to ensure that only eligible
2 recipients participate in the program; and
3 “(B) a report by the State agency to the
4 Secretary annually, the schedule of which shall
5 be established by the Secretary, that includes—

6 “(i) the number of households and in-
7 dividual recipients authorized to partici-
8 pate in the program, including any infor-
9 mation on whether the individual recipient
10 is elderly, disabled, or homeless; and

11 “(ii) an assessment of whether the pro-
12 gram is meeting an established need, as doc-
13 umented under subparagraph (A)(i).”.

14 (b) *APPROVAL OF RETAIL FOOD STORES AND WHOLE-*
15 *SALE FOOD CONCERNS.*—Section 9 of the Food and Nutri-
16 *tion Act of 2008 (7 U.S.C. 2018) (as amended by section*
17 *4005(d)(3)) is amended by adding at the end the following:*

18 “(h) *PRIVATE ESTABLISHMENTS.*—

19 “(1) *IN GENERAL.*—Subject to paragraph (2), no
20 private establishment that contracts with a State
21 agency to offer meals at concessional prices as de-
22 scribed in paragraphs 3, 4, and 9 of section 3(k) may
23 be authorized to accept and redeem benefits unless the
24 Secretary determines that the participation of the

1 *private establishment is required to meet a docu-*
2 *mented need in accordance with section 11(e)(24).*

3 “(2) *EXISTING CONTRACTS.*—

4 “(A) *IN GENERAL.*—*If, on the day before the*
5 *date of enactment of this subsection, a State has*
6 *entered into a contract with a private establish-*
7 *ment described in paragraph (1) and the Sec-*
8 *retary has not determined that the participation*
9 *of the private establishment is necessary to meet*
10 *a documented need in accordance with section*
11 *11(e)(24), the Secretary shall allow the operation*
12 *of the private establishment to continue without*
13 *that determination of need for a period not to*
14 *exceed 180 days from the date on which the Sec-*
15 *retary establishes determination criteria, by reg-*
16 *ulation, under section 11(e)(24).*

17 “(B) *JUSTIFICATION.*—*If the Secretary*
18 *makes a determination to terminate a contract*
19 *with a private establishment that is in effect on*
20 *the date of enactment of this subsection, the Sec-*
21 *retary shall provide justification to the State in*
22 *which the private establishment is located for*
23 *that termination.*

24 “(3) *REPORT TO CONGRESS.*—*Not later than 90*
25 *days after September 30, 2013, and 90 days after the*

1 *last day of each fiscal year thereafter, the Secretary*
2 *shall report to the Committee on Agriculture of the*
3 *House of Representatives and the Committee on Agri-*
4 *culture, Nutrition, and Forestry of the Senate on the*
5 *effectiveness of a program under this subsection using*
6 *any information received from States under section*
7 *11(e)(24) as well as any other information the Sec-*
8 *retary may have relating to the manner in which*
9 *benefits are used.”.*

10 (c) *CONFORMING AMENDMENTS.—Section 3(k) of the*
11 *Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is*
12 *amended by inserting “subject to section 9(h)” after*
13 *“concessional prices” each place it appears.*

14 **SEC. 4011. QUALITY CONTROL STANDARDS.**

15 (a) *IN GENERAL.—Section 16(c)(1)(D)(i) of the Food*
16 *and Nutrition Act of 2008 (7 U.S.C. 2025(c)(1)(D)(i)) is*
17 *amended by striking subclause (I).*

18 (b) *CONFORMING AMENDMENTS.—*

19 (1) *Section 13(a)(1) of the Food and Nutrition*
20 *Act of 2008 (7 U.S.C. 2022(a)(1)) is amended in the*
21 *first sentence by striking “section 16(c)(1)(D)(i)(III)”*
22 *and inserting “section 16(c)(1)(D)(i)(II)”.*

23 (2) *Section 16(c)(1) of the Food and Nutrition*
24 *Act of 2008 (7 U.S.C. 2025(c)(1)) is amended—*

25 (A) *in subparagraph (D)(i)—*

1 (i) by redesignating subclauses (II)
2 through (IV) as subclauses (I) through (III),
3 respectively; and

4 (ii) in subclause (III) (as so redesign-
5 ated), by striking “through (III)” and in-
6 serting “and (II)”;

7 (B) in subparagraph (E)(i), by striking
8 “(D)(i)(III)” and inserting “(D)(i)(II)”;

9 (C) in subparagraph (F), by striking
10 “(D)(i)(II)” each place it appears and inserting
11 “(D)(i)(I)”.

12 **SEC. 4012. PERFORMANCE BONUS PAYMENTS.**

13 Section 16(d) of the Food and Nutrition Act of 2008
14 (7 U.S.C. 2025(d)) is amended by adding at the end the
15 following:

16 “(5) USE OF PERFORMANCE BONUS PAYMENTS.—
17 A State agency may use a performance bonus pay-
18 ment received under this subsection only to carry out
19 the program established under this Act, including in-
20 vestments in—

21 “(A) technology;

22 “(B) improvements in administration and
23 distribution; and

24 “(C) actions to prevent fraud, waste, and
25 abuse.”.

1 **SEC. 4013. FUNDING OF EMPLOYMENT AND TRAINING PRO-**
2 **GRAMS.**

3 *Section 16(h)(1)(A) of the Food and Nutrition Act of*
4 *2008 (7 U.S.C. 2025(h)(1)(A)) is amended by striking “sec-*
5 *tion 18(a)(1), \$90,000,000” and all that follows through the*
6 *end of the subparagraph and inserting “section 18(a)(1)—*

7 *“(i) for each of fiscal years 2014*
8 *through 2017, \$90,000,000; and*

9 *“(ii) for fiscal year 2018 and each fis-*
10 *cal year thereafter, \$80,000,000.”.*

11 **SEC. 4014. AUTHORIZATION OF APPROPRIATIONS.**

12 *Section 18(a)(1) of the Food and Nutrition Act of 2008*
13 *(7 U.S.C. 2027(a)(1)) is amended in the first sentence by*
14 *striking “2012” and inserting “2018”.*

15 **SEC. 4015. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

16 *Section 25 of the Food and Nutrition Act of 2008 (7*
17 *U.S.C. 2034) is amended—*

18 *(1) in subsection (a)—*

19 *(A) in paragraph (1)(B)—*

20 *(i) in clause (i)—*

21 *(I) in subclause (I), by inserting*
22 *after “individuals” the following:*
23 *“through food distribution, community*
24 *outreach to assist in participation in*
25 *Federally assisted nutrition programs,*

1 or improving access to food as part of
2 a comprehensive service;” and

3 (II) in subclause (III), by insert-
4 ing “food access,” after “food;” and

5 (ii) in clause (ii), by striking subclause
6 (I) and inserting the following:

7 “(I) equipment necessary for the
8 efficient operation of a project;” and

9 (B) by striking paragraph (2) and inserting
10 the following:

11 “(2) *HUNGER-FREE COMMUNITIES GOAL*.—The
12 term ‘hunger-free communities goal’ means any of the
13 14 goals described in House Concurrent Resolution
14 302, 102nd Congress, agreed to October 5, 1992.”;

15 (2) in subsection (c)—

16 (A) in the matter preceding paragraph (1),
17 by inserting “public food program service pro-
18 vider or a” before “private”;

19 (B) in paragraph (1)—

20 (i) in subparagraph (A), by striking
21 “or” after the semicolon at the end;

22 (ii) in subparagraph (B), by inserting
23 “or” after the semicolon at the end; and

24 (iii) by adding at the end the fol-
25 lowing:

1 “(C) efforts to reduce food insecurity in the
2 community, including food distribution, improv-
3 ing access to services, or coordinating services
4 and programs;”;

5 (C) in paragraph (2), by striking “and”
6 after the semicolon at the end;

7 (D) in paragraph (3), by striking the pe-
8 riod at the end and inserting “; and”; and

9 (E) by adding at the end the following:

10 “(4) collaborate with 1 or more local partner or-
11 ganizations to achieve at least 1 hunger-free commu-
12 nities goal.”;

13 (3) in subsection (d)—

14 (A) in paragraph (3), by striking “or” after
15 the semicolon at the end;

16 (B) in paragraph (4), by striking the period
17 at the end and inserting “; or”; and

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

19 “(5) develop new resources and strategies to help
20 reduce food insecurity in the community and prevent
21 food insecurity in the future by—

22 “(A) developing creative food resources;

23 “(B) coordinating food services with park
24 and recreation programs and other community-
25 based outlets to reduce barriers to access; or

1 “(C) creating nutrition education programs
2 for at- risk populations to enhance food-pur-
3 chasing and food- preparation skills and to
4 heighten awareness of the connection between diet
5 and health.”;

6 (4) in subsection (f)(2), by striking “3 years”
7 and inserting “5 years”; and

8 (5) by striking subsections (h) and (i) and in-
9 serting the following:

10 “(h) *REPORTS TO CONGRESS.*—Not later than Sep-
11 tember 30, 2014, and each year thereafter, the Secretary
12 shall submit to Congress a report that describes each grant
13 made under this section, including—

14 “(1) a description of any activity funded;

15 “(2) the degree of success of each activity funded
16 in achieving hunger-free community goals; and

17 “(3) the degree of success in improving the long-
18 term capacity of a community to address food and
19 agriculture problems related to hunger or access to
20 healthy food.”.

21 **SEC. 4016. 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 “2014 through 2018”;*

3 (2) *by striking paragraph (2) and inserting the*
4 *following:*

5 “(2) *AMOUNTS.—The Secretary shall use to*
6 *carry out paragraph (1)—*

7 “(A) *for fiscal year 2013, \$265,750,000; and*

8 “(B) *for each subsequent fiscal year, the dol-*
9 *lar amount of commodities specified in subpara-*
10 *graph (A) adjusted by the percentage by which*
11 *the thrifty food plan has been adjusted under sec-*
12 *tion 3(u)(4) between June 30, 2013, and June 30*
13 *of the immediately preceding fiscal year, and*
14 *subsequently increased by—*

15 “(i) *for fiscal year 2014, \$22,000,000;*

16 “(ii) *for fiscal year 2015, \$18,000,000;*

17 “(iii) *for fiscal year 2016, \$10,000,000;*

18 *and*

19 “(iv) *for fiscal year 2017,*

20 *\$4,000,000.”; and*

21 (3) *by adding at the end the following:*

22 “(3) *FUNDS AVAILABILITY.—For purposes of the*
23 *funds described in this subsection, the Secretary*
24 *shall—*

1 “(A) make the funds available for 2 fiscal
2 years; and

3 “(B) allow States to carry over unexpended
4 balances to the next fiscal year pursuant to such
5 terms and conditions as are determined by the
6 Secretary.”.

7 (b) *EMERGENCY FOOD PROGRAM INFRASTRUCTURE*
8 *GRANTS.*—Section 209(d) of the *Emergency Food Assist-*
9 *ance Act of 1983 (7 U.S.C. 7511a(d)) is amended by strik-*
10 *ing “2012” and inserting “2018”.*

11 **SEC. 4017. NUTRITION EDUCATION.**

12 Section 28(b) of the *Food and Nutrition Act of 2008*
13 *(7 U.S.C. 2036a(b)) is amended by inserting “and physical*
14 *activity” after “healthy food choices”.*

15 **SEC. 4018. RETAIL FOOD STORE AND RECIPIENT TRAF-**
16 **FICKING.**

17 *The Food and Nutrition Act of 2008 (7 U.S.C. 2011*
18 *et seq.) is amended by adding at the end the following:*

19 **“SEC. 29. RETAIL FOOD STORE AND RECIPIENT TRAF-**
20 **FICKING.**

21 “(a) *PURPOSE.*—*The purpose of this section is to pro-*
22 *vide the Department of Agriculture with additional re-*
23 *sources to prevent trafficking in violation of this Act by*
24 *strengthening recipient and retail food store program integ-*
25 *riety.*

1 “(b) *USE OF FUNDS.*—

2 “(1) *IN GENERAL.*—*Additional funds are pro-*
3 *vided under this section to supplement the retail food*
4 *store and recipient integrity activities of the Depart-*
5 *ment.*

6 “(2) *INFORMATION TECHNOLOGIES.*—*The Sec-*
7 *retary shall use an appropriate amount of the funds*
8 *provided under this section to employ information*
9 *technologies known as data mining and data*
10 *warehousing and other available information tech-*
11 *nologies to administer the supplemental nutrition as-*
12 *sistance program and enforce regulations promulgated*
13 *under section 4(c).*

14 “(c) *FUNDING.*—

15 “(1) *AUTHORIZATION OF APPROPRIATIONS.*—
16 *There is authorized to be appropriated to carry out*
17 *this section \$12,000,000 for each of fiscal years 2014*
18 *through 2018.*

19 “(2) *MANDATORY FUNDING.*—

20 “(A) *IN GENERAL.*—*Out of any funds in the*
21 *Treasury not otherwise appropriated, the Sec-*
22 *retary of the Treasury shall transfer to the Sec-*
23 *retary to carry out this section not less than*
24 *\$5,000,000 for fiscal year 2014, to remain avail-*
25 *able until expended.*

1 “(B) *RECEIPT AND ACCEPTANCE.*—*The Sec-*
2 *retary shall be entitled to receive, shall accept,*
3 *and shall use to carry out this section the funds*
4 *transferred under subparagraph (A), without*
5 *further appropriation.*

6 “(C) *MAINTENANCE OF FUNDING.*—*The*
7 *funding provided under subparagraph (A) shall*
8 *supplement (and not supplant) other Federal*
9 *funding for programs carried out under this*
10 *Act.*”.

11 **SEC. 4019. TECHNICAL AND CONFORMING AMENDMENTS.**

12 (a) *Section 3 of the Food and Nutrition Act of 2008*
13 *(7 U.S.C. 2012) is amended—*

14 (1) *in subsection (g), by striking “coupon,” and*
15 *inserting “coupon”;*

16 (2) *in subsection (k)(7), by striking “or are” and*
17 *inserting “and”;*

18 (3) *by striking subsection (l);*

19 (4) *by redesignating subsections (m) through (t)*
20 *as subsections (l) through (s), respectively; and*

21 (5) *by inserting after subsection (s) (as so red-*
22 *esignated) the following:*

23 “(t) *‘Supplemental nutrition assistance program’*
24 *means the program operated pursuant to this Act.*”.

1 (b) *Section 4(a) of the Food and Nutrition Act of 2008*
2 *(7 U.S.C. 2013(a)) is amended in the last sentence by strik-*
3 *ing “benefits” and inserting “Benefits”.*

4 (c) *Section 5 of the Food and Nutrition Act of 2008*
5 *(7 U.S.C. 2014) is amended—*

6 (1) *in the last sentence of subsection (i)(2)(D), by*
7 *striking “section 13(b)(2)” and inserting “section*
8 *13(b)”;* and

9 (2) *in subsection (k)(4)(A), by striking “para-*
10 *graph (2)(H)” and inserting “paragraph (2)(G)”.*

11 (d) *Section 6(d)(4) of the Food and Nutrition Act of*
12 *2008 (7 U.S.C. 2015(d)(4)) is amended in subparagraphs*
13 *(B)(vii) and (F)(iii) by indenting both clauses appro-*
14 *priately.*

15 (e) *Section 7(h) of the Food and Nutrition Act of 2008*
16 *(7 U.S.C. 2016(h)) is amended by redesignating the second*
17 *paragraph (12) (relating to interchange fees) as paragraph*
18 *(13).*

19 (f) *Section 9(a) of the Food and Nutrition Act of 2008*
20 *(7 U.S.C. 2018(a)) is amended by indenting paragraph (3)*
21 *appropriately.*

22 (g) *Section 12 of the Food and Nutrition Act of 2008*
23 *(7 U.S.C. 2021) is amended—*

24 (1) *in subsection (b)(3)(C), by striking “civil*
25 *money penalties” and inserting “civil penalties”;* and

1 (2) *in subsection (g)(1), by striking “(7 U.S.C.*
2 *1786)” and inserting “(42 U.S.C. 1786)”.*

3 (h) *Section 15(b)(1) of the Food and Nutrition Act of*
4 *2008 (7 U.S.C. 2024(b)(1)) is amended in the first sentence*
5 *by striking “an benefit” and inserting “a benefit”.*

6 (i) *Section 16(a) of the Food and Nutrition Act of 2008*
7 *(7 U.S.C. 2025(a)) is amended in the proviso following*
8 *paragraph (8) by striking “as amended.”.*

9 (j) *Section 18(e) of the Food and Nutrition Act of 2008*
10 *(7 U.S.C. 2027(e)) is amended in the first sentence by strik-*
11 *ing “sections 7(f)” and inserting “section 7(f)”.*

12 (k) *Section 22(b)(10)(B)(i) of the Food and Nutrition*
13 *Act of 2008 (7 U.S.C. 2031(b)(10)(B)(i)) is amended in the*
14 *last sentence by striking “Food benefits” and inserting*
15 *“Benefits”.*

16 (l) *Section 26(f)(3)(C) of the Food and Nutrition Act*
17 *of 2008 (7 U.S.C. 2035(f)(3)(C)) is amended by striking*
18 *“subsection” and inserting “subsections”.*

19 (m) *Section 27(a)(1) of the Food and Nutrition Act*
20 *of 2008 (7 U.S.C. 2036(a)(1)) is amended by striking*
21 *“(Public Law 98–8; 7 U.S.C. 612c note)” and inserting “(7*
22 *U.S.C. 7515)”.*

23 (n) *Section 509 of the Older Americans Act of 1965*
24 *(42 U.S.C. 3056g) is amended in the section heading by*
25 *striking “FOOD STAMP PROGRAMS” and inserting*

1 **“SUPPLEMENTAL NUTRITION ASSISTANCE PRO-**
2 **GRAMS”.**

3 *(o) Section 4115(c)(2)(H) of the Food, Conservation,*
4 *and Energy Act of 2008 (Public Law 110–246; 122 Stat.*
5 *1871) is amended by striking “531” and inserting “454”.*

6 **SEC. 4020. ELIGIBILITY DISQUALIFICATIONS FOR CERTAIN**
7 **CONVICTED FELONS.**

8 *Section 6 of the Food and Nutrition Act of 2008 (7*
9 *U.S.C. 2015) (as amended by section 4004) is amended by*
10 *adding at the end the following:*

11 *“(s) DISQUALIFICATION FOR CERTAIN CONVICTED*
12 *FELONS.—*

13 *“(1) IN GENERAL.—An individual shall not be*
14 *eligible for benefits under this Act if the individual is*
15 *convicted of—*

16 *“(A) aggravated sexual abuse under section*
17 *2241 of title 18, United States Code;*

18 *“(B) murder under section 1111 of title 18,*
19 *United States Code;*

20 *“(C) an offense under chapter 110 of title*
21 *18, United States Code;*

22 *“(D) a Federal or State offense involving*
23 *sexual assault, as defined in 40002(a) of the Vio-*
24 *lence Against Women Act of 1994 (42 U.S.C.*
25 *13925(a)); or*

1 “(E) an offense under State law determined
2 by the Attorney General to be substantially simi-
3 lar to an offense described in subparagraph (A),
4 (B), or (C).

5 “(2) *EFFECTS ON ASSISTANCE AND BENEFITS*
6 *FOR OTHERS.*—The amount of benefits otherwise re-
7 quired to be provided to an eligible household under
8 this Act shall be determined by considering the indi-
9 vidual to whom paragraph (1) applies not to be a
10 member of such household, except that the income and
11 resources of the individual shall be considered to be
12 income and resources of the household.

13 “(3) *ENFORCEMENT.*—Each State shall require
14 each individual applying for benefits under this Act,
15 during the application process, to state, in writing,
16 whether the individual, or any member of the house-
17 hold of the individual, has been convicted of a crime
18 described in paragraph (1).”.

19 ***Subtitle B—Commodity Distribution*** 20 ***Programs***

21 ***SEC. 4101. COMMODITY DISTRIBUTION PROGRAM.***

22 Section 4(a) of the Agriculture and Consumer Protec-
23 tion Act of 1973 (7 U.S.C. 612c note; Public Law 93–86)
24 is amended in the first sentence by striking “2012” and
25 inserting “2018”.

1 **SEC. 4102. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

2 *Section 5 of the Agriculture and Consumer Protection*
3 *Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is*
4 *amended—*

5 *(1) in paragraphs (1) and (2)(B) of subsection*
6 *(a), by striking “2012” each place it appears and in-*
7 *serting “2018”;*

8 *(2) in the first sentence of subsection (d)(2), by*
9 *striking “2012” and inserting “2018”;*

10 *(3) by striking subsection (g) and inserting the*
11 *following:*

12 *“(g) ELIGIBILITY.—Except as provided in subsection*
13 *(m), the States shall only provide assistance under the com-*
14 *modity supplemental food program to low-income persons*
15 *aged 60 and older.”; and*

16 *(4) by adding at the end the following:*

17 *“(m) PHASE-OUT.—Notwithstanding any other provi-*
18 *sion of law, an individual who receives assistance under*
19 *the commodity supplemental food program on the day be-*
20 *fore the date of enactment of this subsection shall continue*
21 *to receive that assistance until the date on which the indi-*
22 *vidual is no longer eligible for assistance under the eligi-*
23 *bility requirements for the program in effect on the day be-*
24 *fore the date of enactment of this subsection.”.*

1 **SEC. 4103. DISTRIBUTION OF SURPLUS COMMODITIES TO**
2 **SPECIAL NUTRITION PROJECTS.**

3 *Section 1114(a)(2)(A) of the Agriculture and Food Act*
4 *of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sen-*
5 *tence by striking “2012” and inserting “2018”.*

6 **SEC. 4104. PROCESSING OF COMMODITIES.**

7 *(a) IN GENERAL.—Section 17 of the Commodity Dis-*
8 *tribution Reform Act and WIC Amendments of 1987 (7*
9 *U.S.C. 612c note; Public Law 100–237) is amended—*

10 *(1) in the section heading, by inserting “AND*
11 ***PROCESSING*” after “DONATIONS”;** *and*

12 *(2) by adding at the end the following:*

13 *“(c) PROCESSING.—*

14 *“(1) IN GENERAL.—For any program included*
15 *under subsection (b), the Secretary may, notwith-*
16 *standing any other provision of Federal or State law*
17 *relating to the procurement of goods and services—*

18 *“(A) retain title to commodities delivered to*
19 *a processor, on behalf of a State (including a*
20 *State distributing agency and a recipient agen-*
21 *cy), until such time as end products containing*
22 *the commodities, or similar commodities as ap-*
23 *proved by the Secretary, are delivered to a State*
24 *distributing agency or to a recipient agency; and*

25 *“(B) promulgate regulations to ensure ac-*
26 *countability for commodities provided to a proc-*

1 *essor for processing into end products, and to fa-*
2 *facilitate processing of commodities into end prod-*
3 *ucts for use by recipient agencies.*

4 *“(2) REGULATIONS.—The regulations described*
5 *in paragraph (1)(B) may provide that—*

6 *“(A) a processor that receives commodities*
7 *for processing into end products, or provides a*
8 *service with respect to the commodities or end*
9 *products, in accordance with the agreement of*
10 *the processor with a State distributing agency or*
11 *a recipient agency, provide to the Secretary a*
12 *bond or other means of financial assurance to*
13 *protect the value of the commodities; and*

14 *“(B) in the event a processor fails to deliver*
15 *to a State distributing agency or a recipient*
16 *agency an end product in conformance with the*
17 *processing agreement entered into under this Act,*
18 *the Secretary—*

19 *“(i) take action with respect to the*
20 *bond or other means of financial assurance*
21 *pursuant to regulations promulgated under*
22 *this subsection; and*

23 *“(ii) distribute any proceeds obtained*
24 *by the Secretary to 1 or more State distrib-*

1 *uting agencies and recipient agencies, as de-*
2 *termined appropriate by the Secretary.”.*

3 (b) *DEFINITIONS.—Section 18 of the Commodity Dis-*
4 *tribution Reform Act and WIC Amendments of 1987 (7*
5 *U.S.C. 612c note; Public Law 100–237) is amended by*
6 *striking paragraphs (1) and (2) and inserting the following:*

7 “(1) *COMMODITIES.—The term ‘commodities’*
8 *means agricultural commodities and their products*
9 *that are donated by the Secretary for use by recipient*
10 *agencies.*

11 “(2) *END PRODUCT.—The term ‘end product’*
12 *means a food product that contains processed com-*
13 *modities.”.*

14 (c) *TECHNICAL AND CONFORMING AMENDMENTS.—*
15 *Section 3 of the Commodity Distribution Reform Act and*
16 *WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law*
17 *100–237) is amended—*

18 (1) *in subsection (a)—*

19 (A) *in paragraph (2), by striking subpara-*
20 *graph (B) and inserting the following:*

21 “(B) *the program established under section*
22 *4(b) of the Food and Nutrition Act of 2008 (7*
23 *U.S.C. 2013(b));”;* and

24 (B) *in paragraph (3)(D), by striking “the*
25 *Committee on Education and Labor” and insert-*

1 **SEC. 4202. SENIORS FARMERS' MARKET NUTRITION PRO-**
2 **GRAM.**

3 *Section 4402(a) of the Farm Security and Rural In-*
4 *vestment Act of 2002 (7 U.S.C. 3007(a)) is amended by*
5 *striking “2012” and inserting “2018”.*

6 **SEC. 4203. NUTRITION INFORMATION AND AWARENESS**
7 **PILOT PROGRAM.**

8 *Section 4403 of the Farm Security and Rural Invest-*
9 *ment Act of 2002 (7 U.S.C. 3171 note; Public Law 107-*
10 *171) is repealed.*

11 **SEC. 4204. HUNGER-FREE COMMUNITIES.**

12 *Section 4405 of the Food, Conservation, and Energy*
13 *Act of 2008 (7 U.S.C. 7517) is amended to read as follows:*

14 **“SEC. 4405. HUNGER-FREE COMMUNITIES.**

15 **“(a) IN GENERAL.—***In this section:*

16 **“(1) ELIGIBLE ENTITY.—***The term ‘eligible enti-*
17 *ty’ means—*

18 **“(A) a nonprofit organization (including**
19 ***an emergency feeding organization);***

20 **“(B) an agricultural cooperative;**

21 **“(C) a producer network or association;**

22 **“(D) a community health organization;**

23 **“(E) a public benefit corporation;**

24 **“(F) an economic development corporation;**

25 **“(G) a farmers’ market;**

1 “(H) a community-supported agriculture
2 program;

3 “(I) a buying club;

4 “(J) a retail food store participating in the
5 supplemental nutrition assistance program;

6 “(K) a State, local, or tribal agency; and

7 “(L) any other entity the Secretary des-
8 ignates.

9 “(2) *EMERGENCY FEEDING ORGANIZATION.*—The
10 term ‘emergency feeding organization’ has the mean-
11 ing given the term in section 201A of the *Emergency*
12 *Food Assistance Act of 1983* (7 U.S.C. 7501).

13 “(3) *SUPPLEMENTAL NUTRITION ASSISTANCE*
14 *PROGRAM.*—The term ‘supplemental nutrition assist-
15 ance program’ means the supplemental nutrition as-
16 sistance program established under the *Food and Nu-*
17 *trition Act of 2008* (7 U.S.C. 2011 et seq.).

18 “(b) *HUNGER-FREE COMMUNITIES INCENTIVE*
19 *GRANTS.*—

20 “(1) *AUTHORIZATION.*—

21 “(A) *IN GENERAL.*—In each of the years
22 specified in subsection (c), the Secretary shall
23 make grants to eligible entities in accordance
24 with paragraph (2).

1 “(B) *FEDERAL SHARE*.—*The Federal share*
2 *of the cost of carrying out an activity under this*
3 *subsection shall not exceed 50 percent of the total*
4 *cost of the activity.*

5 “(C) *NON-FEDERAL SHARE*.—

6 “(i) *IN GENERAL*.—*The non-Federal*
7 *share of the cost of an activity under this*
8 *subsection may be provided—*

9 “(I) *in cash or in-kind contribu-*
10 *tions as determined by the Secretary,*
11 *including facilities, equipment, or serv-*
12 *ices; and*

13 “(II) *by a State or local govern-*
14 *ment or a private source.*

15 “(ii) *LIMITATION*.—*In the case of a*
16 *for-profit entity, the non-Federal share de-*
17 *scribed in clause (i) shall not include serv-*
18 *ices of an employee, including salaries paid*
19 *or expenses covered by the employer.*

20 “(2) *CRITERIA*.—

21 “(A) *IN GENERAL*.—*For purposes of this*
22 *subsection, an eligible entity is a governmental*
23 *agency or nonprofit organization that—*

24 “(i) *meets the application criteria set*
25 *forth by the Secretary; and*

1 “(i) proposes a project that, at a min-
2 imum—

3 “(I) has the support of the State
4 agency;

5 “(II) would increase the purchase
6 of fruits and vegetables by low-income
7 consumers participating in the supple-
8 mental nutrition assistance program
9 by providing incentives at the point of
10 purchase;

11 “(III) agrees to participate in the
12 evaluation described in paragraph (4);

13 “(IV) ensures that the same terms
14 and conditions apply to purchases
15 made by individuals with benefits
16 issued under this Act and incentives
17 provided for in this subsection as
18 apply to purchases made by individ-
19 uals who are not members of house-
20 holds receiving benefits, such as pro-
21 vided for in section 278.2(b) of title 7,
22 Code of Federal Regulations (or a suc-
23 cessor regulation); and

24 “(V) includes effective and effi-
25 cient technologies for benefit redemp-

1 *tion systems that may be replicated in*
2 *other for States and communities.*

3 “(B) *PRIORITY.*—*In awarding grants under*
4 *this section, the Secretary shall give priority to*
5 *projects that—*

6 “(i) *maximize the share of funds used*
7 *for direct incentives to participants;*

8 “(ii) *use direct-to-consumer sales mar-*
9 *keting;*

10 “(iii) *demonstrate a track record of de-*
11 *signing and implementing successful nutri-*
12 *tion incentive programs that connect low-*
13 *income consumers and agricultural pro-*
14 *ducers;*

15 “(iv) *provide locally or regionally pro-*
16 *duced fruits and vegetables;*

17 “(v) *are located in underserved com-*
18 *munities; or*

19 “(vi) *address other criteria as estab-*
20 *lished by the Secretary.*

21 “(3) *APPLICABILITY.*—

22 “(A) *IN GENERAL.*—*The value of any ben-*
23 *efit provided to a participant in any activity*
24 *funded under this subsection shall not be consid-*

1 *ered income or resources for any purpose under*
2 *any Federal, State, or local law.*

3 “(B) *PROHIBITION ON COLLECTION OF*
4 *SALES TAXES.—Each State shall ensure that no*
5 *State or local tax is collected on a purchase of*
6 *food under this subsection.*

7 “(C) *NO LIMITATION ON BENEFITS.—A*
8 *grant made available under this subsection shall*
9 *not be used to carry out any project that limits*
10 *the use of benefits under the Food and Nutrition*
11 *Act of 2008 (7 U.S.C. 2011 et seq.) or any other*
12 *Federal nutrition law.*

13 “(D) *HOUSEHOLD ALLOTMENT.—Assistance*
14 *provided under this subsection to households re-*
15 *ceiving benefits under the supplemental nutrition*
16 *assistance program shall not—*

17 *“(i) be considered part of the supple-*
18 *mental nutrition assistance program bene-*
19 *fits of the household; or*

20 *“(ii) be used in the collection or dis-*
21 *position of claims under section 13 of the*
22 *Food and Nutrition Act of 2008 (7 U.S.C.*
23 *2022).*

24 “(4) *EVALUATION.—*

1 “(A) *INDEPENDENT EVALUATION.*—*The Sec-*
2 *retary shall provide for an independent evalua-*
3 *tion of projects selected under this subsection that*
4 *measures the impact of each project on—*

5 “(i) *improving the nutrition and*
6 *health status of participating households re-*
7 *ceiving incentives under this subsection; and*

8 “(ii) *increasing fruit and vegetable*
9 *purchases in participating households.*

10 “(B) *REQUIREMENT.*—*The independent*
11 *evaluation under subparagraph (A) shall use rig-*
12 *orous methodologies capable of producing sci-*
13 *entifically valid information regarding the effec-*
14 *tiveness of a project.*

15 “(C) *COSTS.*—*The Secretary may use funds*
16 *not to exceed 10 percent of the funding provided*
17 *to carry out this section to pay costs associated*
18 *with administering, monitoring, and evaluating*
19 *each project.*

20 “(c) *FUNDING.*—

21 “(1) *AUTHORIZATION OF APPROPRIATIONS.*—
22 *There is authorized to be appropriated to carry out*
23 *subsection (b) \$5,000,000 for each of fiscal years 2014*
24 *through 2018.*

1 “(2) *MANDATORY FUNDING.*—Of the funds of the
2 *Commodity Credit Corporation, the Secretary shall*
3 *use to carry out subsection (b)—*

4 “(A) \$15,000,000 for fiscal year 2014;

5 “(B) \$20,000,000 for each of fiscal years
6 2015 through 2017; and

7 “(C) \$25,000,000 for fiscal year 2018.”.

8 **SEC. 4205. HEALTHY FOOD FINANCING INITIATIVE.**

9 *Subtitle D of title II of the Department of Agriculture*
10 *Reorganization Act of 1994 (7 U.S.C. 6951 et seq.) is*
11 *amended by adding at the end the following:*

12 **“SEC. 242. HEALTHY FOOD FINANCING INITIATIVE.**

13 “(a) *PURPOSE.*—The purpose of this section is to en-
14 *hance the authorities of the Secretary to support efforts to*
15 *provide access to healthy food by establishing an initiative*
16 *to improve access to healthy foods in underserved areas, to*
17 *create and preserve quality jobs, and to revitalize low-in-*
18 *come communities by providing loans and grants to eligible*
19 *fresh, healthy food retailers to overcome the higher costs and*
20 *initial barriers to entry in underserved areas.*

21 “(b) *DEFINITIONS.*—In this section:

22 “(1) *COMMUNITY DEVELOPMENT FINANCIAL IN-*
23 *STITUTION.*—The term ‘community development fi-
24 nancial institution’ has the meaning given the term
25 in section 103 of the Community Development Bank-

1 *ing and Financial Institutions Act of 1994 (12*
2 *U.S.C. 4702).*

3 “(2) *INITIATIVE.*—*The term ‘Initiative’ means*
4 *the Healthy Food Financing Initiative established*
5 *under subsection (c)(1).*

6 “(3) *NATIONAL FUND MANAGER.*—*The term ‘na-*
7 *tional fund manager’ means a community develop-*
8 *ment financial institution that is—*

9 “(A) *in existence on the date of enactment*
10 *of this section; and*

11 “(B) *certified by the Community Develop-*
12 *ment Financial Institution Fund of the Depart-*
13 *ment of the Treasury to manage the Initiative*
14 *for purposes of—*

15 “(i) *raising private capital;*

16 “(ii) *providing financial and technical*
17 *assistance to partnerships; and*

18 “(iii) *funding eligible projects to at-*
19 *tract fresh, healthy food retailers to under-*
20 *served areas, in accordance with this sec-*
21 *tion.*

22 “(4) *PARTNERSHIP.*—*The term ‘partnership’*
23 *means a regional, State, or local public-private part-*
24 *nership that—*

1 “(A) is organized to improve access to fresh,
2 healthy foods;

3 “(B) provides financial and technical as-
4 sistance to eligible projects; and

5 “(C) meets such other criteria as the Sec-
6 retary may establish.

7 “(5) *PERISHABLE FOOD*.—The term ‘perishable
8 food’ means a staple food that is fresh, refrigerated,
9 or frozen.

10 “(6) *QUALITY JOB*.—The term ‘quality job’
11 means a job that provides wages and other benefits
12 comparable to, or better than, similar positions in ex-
13 isting businesses of similar size in similar local
14 economies.

15 “(7) *STAPLE FOOD*.—

16 “(A) *IN GENERAL*.—The term ‘staple food’
17 means food that is a basic dietary item.

18 “(B) *INCLUSIONS*.—The term ‘staple food’
19 includes—

20 “(i) bread;

21 “(ii) flour;

22 “(iii) fruits;

23 “(iv) vegetables; and

24 “(v) meat.

25 “(c) *INITIATIVE*.—

1 “(1) *ESTABLISHMENT.*—*The Secretary shall es-*
2 *tablish an initiative to achieve the purpose described*
3 *in subsection (a) in accordance with this subsection.*

4 “(2) *IMPLEMENTATION.*—

5 “(A) *IN GENERAL.*—

6 “(i) *IN GENERAL.*—*In carrying out the*
7 *Initiative, the Secretary shall provide fund-*
8 *ing to entities with eligible projects, as de-*
9 *scribed in subparagraph (B), subject to the*
10 *priorities described in subparagraph (C).*

11 “(ii) *USE OF FUNDS.*—*Funds provided*
12 *to an entity pursuant to clause (i) shall be*
13 *used—*

14 “(I) *to create revolving loan pools*
15 *of capital or other products to provide*
16 *loans to finance eligible projects or*
17 *partnerships;*

18 “(II) *to provide grants for eligible*
19 *projects or partnerships;*

20 “(III) *to provide technical assist-*
21 *ance to funded projects and entities*
22 *seeking Initiative funding; and*

23 “(IV) *to cover administrative ex-*
24 *penses of the national fund manager in*

1 *an amount not to exceed 10 percent of*
2 *the Federal funds provided.*

3 “(B) *ELIGIBLE PROJECTS.*—*Subject to the*
4 *approval of the Secretary, the national fund*
5 *manager shall establish eligibility criteria for*
6 *projects under the Initiative, which shall include*
7 *the existence or planned execution of agree-*
8 *ments—*

9 “(i) *to expand or preserve the avail-*
10 *ability of staple foods in underserved areas*
11 *with moderate- and low-income populations*
12 *by maintaining or increasing the number of*
13 *retail outlets that offer an assortment of*
14 *perishable food and staple food items, as de-*
15 *termined by the Secretary, in those areas;*
16 *and*

17 “(ii) *to accept benefits under the sup-*
18 *plemental nutrition assistance program es-*
19 *tablished under the Food and Nutrition Act*
20 *of 2008 (7 U.S.C. 2011 et seq.).*

21 “(C) *PRIORITIES.*—*In carrying out the Ini-*
22 *tiative, priority shall be given to projects that—*

23 “(i) *are located in severely distressed*
24 *low-income communities, as defined by the*
25 *Community Development Financial Institu-*

1 *tions Fund of the Department of the Treas-*
2 *ury; and*

3 *“(ii) include 1 or more of the following*
4 *characteristics:*

5 *“(I) The project will create or re-*
6 *tain quality jobs for low-income resi-*
7 *dents in the community.*

8 *“(II) The project supports re-*
9 *gional food systems and locally grown*
10 *foods, to the maximum extent prac-*
11 *ticable.*

12 *“(III) In areas served by public*
13 *transit, the project is accessible by pub-*
14 *lic transit.*

15 *“(IV) The project involves women-*
16 *or minority-owned businesses.*

17 *“(V) The project receives funding*
18 *from other sources, including other*
19 *Federal agencies.*

20 *“(VI) The project otherwise ad-*
21 *vances the purpose of this section, as*
22 *determined by the Secretary.*

23 *“(d) AUTHORIZATION OF APPROPRIATIONS.—There is*
24 *authorized to be appropriated to the Secretary to carry out*

1 *this section \$125,000,000, to remain available until ex-*
2 *pended.”.*

3 **SEC. 4206. PULSE CROP PRODUCTS.**

4 (a) *PURPOSE.*—*The purpose of this section is to en-*
5 *courage greater awareness and interest in the number and*
6 *variety of pulse crop products available to schoolchildren,*
7 *as recommended by the most recent Dietary Guidelines for*
8 *Americans published under section 301 of the National Nu-*
9 *trition Monitoring and Related Research Act of 1990 (7*
10 *U.S.C. 5341).*

11 (b) *DEFINITIONS.*—*In this section:*

12 (1) *ELIGIBLE PULSE CROP.*—*The term “eligible*
13 *pulse crop” means dry beans, dry peas, lentils, and*
14 *chickpeas.*

15 (2) *PULSE CROP PRODUCT.*—*The term “pulse*
16 *crop product” means a food product derived in whole*
17 *or in part from an eligible pulse crop.*

18 (c) *PURCHASE OF PULSE CROPS AND PULSE CROP*
19 *PRODUCTS.*—*In addition to the commodities delivered*
20 *under section 6 of the Richard B. Russell National School*
21 *Lunch Act (42 U.S.C. 1755), the Secretary shall purchase*
22 *eligible pulse crops and pulse crop products for use in—*

23 (1) *the school lunch program established under*
24 *the Richard B. Russell National School Lunch Act*
25 *(42 U.S.C. 1751 et seq.); and*

1 (2) *the school breakfast program established by*
2 *section 4 of the Child Nutrition Act of 1966 (42*
3 *U.S.C. 1773).*

4 (d) *EVALUATION.*—*Not later than September 30, 2016,*
5 *the Secretary shall conduct an evaluation of the activities*
6 *conducted under subsection (c), including—*

7 (1) *an evaluation of whether children partici-*
8 *pating in the school lunch and breakfast programs de-*
9 *scribed in subsection (c) increased overall consump-*
10 *tion of eligible pulse crops as a result of the activities;*

11 (2) *an evaluation of which eligible pulse crops*
12 *and pulse crop products are most acceptable for use*
13 *in the school lunch and breakfast programs;*

14 (3) *any recommendations of the Secretary re-*
15 *garding the integration of the use of pulse crop prod-*
16 *ucts in carrying out the school lunch and breakfast*
17 *programs;*

18 (4) *an evaluation of any change in the nutrient*
19 *composition in the school lunch and breakfast pro-*
20 *grams due to the activities; and*

21 (5) *an evaluation of any other outcomes deter-*
22 *mined to be appropriate by the Secretary.*

23 (e) *REPORT.*—*As soon as practicable after the comple-*
24 *tion of the evaluation under subsection (d), the Secretary*
25 *shall submit to the Committee on Agriculture, Nutrition,*

1 *and Forestry of the Senate and the Committee on Edu-*
2 *cation and the Workforce of the House of Representative a*
3 *report describing the results of the evaluation.*

4 (f) *AUTHORIZATION OF APPROPRIATIONS.—There is*
5 *authorized to be appropriated to carry out this section*
6 *\$10,000,000, to remain available until expended.*

7 **SEC. 4207. DIETARY GUIDELINES FOR AMERICANS.**

8 *Section 301(a) of the National Nutrition Monitoring*
9 *and Related Research Act of 1990 (7 U.S.C. 5341(a)) is*
10 *amended by adding at the end the following:*

11 “(3) *PREGNANT WOMEN AND YOUNG CHIL-*
12 *DREN.—Not later than the 2020 report and in each*
13 *report thereafter, the Secretaries shall include na-*
14 *tional nutritional and dietary information and*
15 *guidelines for pregnant women and children from*
16 *birth until the age of 2.”.*

17 **SEC. 4208. PURCHASES OF LOCALLY PRODUCED FOODS.**

18 *Section 9(j) of the Richard B. Russell National School*
19 *Lunch Act (42 U.S.C. 1758(j)) is amended—*

20 (1) *by redesignating paragraphs (1) through (3)*
21 *as subparagraphs (A) through (C), respectively, and*
22 *indenting the subparagraphs appropriately;*

23 (2) *by striking “The Secretary” and inserting*
24 *the following:*

25 “(1) *IN GENERAL.—The Secretary”;*

1 (3) *in paragraph (1) (as so redesignated)—*

2 (A) *in subparagraph (B)—*

3 (i) *by striking “paragraph (1) of the*
4 *policy described in that paragraph and*
5 *paragraph (3)” and inserting “subpara-*
6 *graph (A) of the policy described in that*
7 *subparagraph and subparagraph (C)”;* and

8 (ii) *by striking “and” at the end;*

9 (B) *in subparagraph (C), by striking the*
10 *period at the end and inserting “; and”;* and

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

12 “(D) *not later than 1 year after the date of*
13 *enactment of this subparagraph, in accordance*
14 *with paragraphs (2) and (3), conduct not fewer*
15 *than 5 demonstration projects through school*
16 *food authorities receiving funds under this Act*
17 *and the Child Nutrition Act of 1966 (42 U.S.C.*
18 *1771 et seq.) to facilitate the purchase of unproc-*
19 *essed and minimally processed locally grown and*
20 *locally raised agricultural products.”;* and

21 (4) *by adding at the end the following:*

22 “(2) *SELECTION.—In conducting demonstration*
23 *projects under paragraph (1)(D), the Secretary shall*
24 *ensure that at least 1 project is located in a State in*
25 *each of—*

1 “(A) *the Pacific Northwest Region;*

2 “(B) *the Northeast Region;*

3 “(C) *the Western Region;*

4 “(D) *the Midwest Region; and*

5 “(E) *the Southern Region.*

6 “(3) *PRIORITY.—In selecting States for partici-*
7 *pation in the demonstration projects under paragraph*
8 *(2), the Secretary shall prioritize applications based*
9 *on—*

10 “(A) *the quantity and variety of growers of*
11 *local fruits and vegetables in the State;*

12 “(B) *the demonstrated commitment of the*
13 *State to farm-to-school efforts, as evidenced by*
14 *prior efforts to increase and promote farm-to-*
15 *school programs in the State; and*

16 “(C) *whether the State contains a sufficient*
17 *quantity of school districts of varying population*
18 *sizes and geographical locations.”.*

19 **SEC. 4209. MULTIAGENCY TASK FORCE.**

20 *Subtitle D of title II of the Department of Agriculture*
21 *Reorganization Act of 1994 (7 U.S.C. 6951 et seq.) (as*
22 *amended by section 4205) is amended by adding at the end*
23 *the following:*

1 **“SEC. 243. MULTIAGENCY TASK FORCE.**

2 “(a) *IN GENERAL.*—*The Secretary shall establish, in*
3 *the office of the Under Secretary for Food, Nutrition, and*
4 *Consumer Services, a multiagency task force for the purpose*
5 *of providing coordination and direction for commodity pro-*
6 *grams.*

7 “(b) *COMPOSITION.*—*The Task Force shall be composed*
8 *of at least 4 members, including—*

9 “(1) *a representative from the Food Distribution*
10 *Division of the Food and Nutrition Service, who*
11 *shall—*

12 “(A) *be appointed by the Under Secretary*
13 *for Food, Nutrition, and Consumer Services; and*

14 “(B) *serve as Chairperson of the Task*
15 *Force;*

16 “(2) *at least 1 representative from the Agricul-*
17 *tural Marketing Service, who shall be appointed by*
18 *the Under Secretary for Marketing and Regulatory*
19 *Programs;*

20 “(3) *at least 1 representative from the Farm*
21 *Services Agency, who shall be appointed by the Under*
22 *Secretary for Farm and Foreign Agricultural Serv-*
23 *ices; and*

24 “(4) *at least 1 representative from the Food Safe-*
25 *ty and Inspection Service, who shall be appointed by*
26 *the Under Secretary for Food Safety.*

1 “(c) *DUTIES.*—

2 “(1) *IN GENERAL.*—*The Task Force shall be re-*
3 *sponsible for evaluation and monitoring of the com-*
4 *modity programs to ensure that the commodity pro-*
5 *grams meet the mission of the Department—*

6 “(A) *to support the United States farm sec-*
7 *tor; and*

8 “(B) *to contribute to the health and well-*
9 *being of individuals in the United States through*
10 *the distribution of domestic agricultural products*
11 *through commodity programs.*

12 “(2) *SPECIFIC DUTIES.*—*In carrying out para-*
13 *graph (1), the Task Force shall—*

14 “(A) *review and make recommendations re-*
15 *garding the specifications used for the procure-*
16 *ment of food commodities;*

17 “(B) *review and make recommendations re-*
18 *garding the efficient and effective distribution of*
19 *food commodities; and*

20 “(C) *review and make recommendations re-*
21 *garding the degree to which the quantity, qual-*
22 *ity, and specifications of procured food commod-*
23 *ities align the needs of producers and the pref-*
24 *erences of recipient agencies.*

1 “(d) *REPORTS.*—Not later than 1 year after the date
2 of enactment of this section, and annually thereafter, the
3 Secretary shall submit to Congress a report that describes,
4 for the period covered by the report—

5 “(1) the findings and recommendations of the
6 Task Force; and

7 “(2) policies implemented for the improvement of
8 commodity procurement programs.”.

9 **SEC. 4210. FOOD AND AGRICULTURE SERVICE LEARNING**
10 **PROGRAM.**

11 *Subtitle D of title II of the Department of Agriculture*
12 *Reorganization Act of 1994 (7 U.S.C. 6951 et seq.) (as*
13 *amended by section 4209) is amended by adding at the end*
14 *the following:*

15 **“SEC. 244. FOOD AND AGRICULTURE SERVICE LEARNING**
16 **PROGRAM.**

17 “(a) *DEFINITIONS.*—In this section:

18 “(1) *APPROVED NATIONAL SERVICE POSITION.*—
19 The term ‘approved national service position’ has the
20 meaning given the term in section 101 of the National
21 and Community Service Act of 1990 (42 U.S.C.
22 12511)).

23 “(2) *ELEMENTARY SCHOOL.*—The term ‘elemen-
24 tary school’ has the meaning given the term in section

1 *9101 of the Elementary and Secondary Education*
2 *Act of 1965 (20 U.S.C. 7801).*

3 “(3) *PROGRAM.*—*The term ‘Program’ means the*
4 *Food and Agriculture Service Learning Program es-*
5 *tablished under subsection (b).*

6 “(4) *SECONDARY SCHOOL.*—*The term ‘secondary*
7 *school’ has the meaning given the term in section*
8 *9101 of the Elementary and Secondary Education*
9 *Act of 1965 (20 U.S.C. 7801).*

10 “(b) *ESTABLISHMENT.*—*The Secretary shall establish*
11 *a Food and Agriculture Service Learning Program to in-*
12 *crease knowledge of agriculture and improve the nutritional*
13 *health of children.*

14 “(c) *PURPOSES.*—*The purposes of the Program are—*

15 “(1) *to increase capacity for food, garden, and*
16 *nutrition education within host organizations or enti-*
17 *ties and school cafeterias and in the classroom;*

18 “(2) *to complement and build on the efforts of*
19 *the farm to school programs implemented under sec-*
20 *tion 18(g) of the Richard B. Russell National School*
21 *Lunch Act (42 U.S.C. 1769(g));*

22 “(3) *to complement efforts by the Department*
23 *and school food authorities to implement school meal*
24 *programs under section 4(b)(3) of the Richard B.*

1 *Russell National School Lunch Act (42 U.S.C.*
2 *1753(b)(3));*

3 *“(4) to carry out activities that advance the nu-*
4 *tritional health of children and nutrition education*
5 *in elementary schools and secondary schools;*

6 *“(5) to build on activities carried out by the*
7 *Food and Nutrition Service and the Corporation for*
8 *National and Community Service by providing funds*
9 *to establish new approved national service positions*
10 *for a national service program; and*

11 *“(6) to further expand the impact of the efforts*
12 *described in paragraphs (1) through (5) through co-*
13 *ordination with the National Institute of Food and*
14 *Agriculture.*

15 *“(d) ELIGIBILITY.—In carrying out the Program, the*
16 *Secretary may make awards to an organization or other*
17 *entity that, as determined by the Secretary—*

18 *“(1) has a proven track record in carrying out*
19 *the activities described in subsection (c);*

20 *“(2) is designated as a national service organi-*
21 *zation by the Corporation for National and Commu-*
22 *nity Service under subtitle C of title I of the National*
23 *and Community Service Act of 1990 (42 U.S.C.*
24 *12571 et seq.);*

1 “(3) works in underserved rural and urban com-
2 munities;

3 “(4) teaches and engages children in experiential
4 learning about agriculture, gardening, nutrition,
5 cooking, and where food comes from; and

6 “(5) facilitates a connection between elementary
7 schools and secondary schools and agricultural pro-
8 ducers in the local and regional area.

9 “(e) ACCOUNTABILITY.—

10 “(1) IN GENERAL.—The Secretary may require
11 an organization or other entity receiving an award
12 under subsection (d), or another qualified entity, to
13 collect and report any data on the activities carried
14 out under the Program, as determined by the Sec-
15 retary.

16 “(2) EVALUATION.—The Secretary shall—

17 “(A) conduct regular evaluation of the ac-
18 tivities carried out under the Program; and

19 “(B) submit to the Committee on Agri-
20 culture of the House of Representatives and the
21 Committee on Agriculture, Nutrition, and For-
22 estry of the Senate a report that includes a de-
23 scription of the results of an evaluation con-
24 ducted under subparagraph (A).

25 “(f) FUNDING.—

1 “(1) *AUTHORIZATION OF APPROPRIATIONS.*—
2 *There is authorized to be appropriated to carry out*
3 *this section \$25,000,000, to remain available until ex-*
4 *pended.*

5 “(2) *USE OF CERTAIN FUNDS.*—*Of the funds*
6 *made available to carry out this section for a fiscal*
7 *year, 20 percent shall be made available to the Na-*
8 *tional Institute of Food and Agriculture to offset costs*
9 *associated with hosting, training, and overseeing in-*
10 *dividuals in approved national service positions*
11 *under the Program.*

12 “(3) *MAINTENANCE OF EFFORT.*—*Funds made*
13 *available under paragraph (1) shall be used only to*
14 *supplement, not to supplant, the amount of Federal*
15 *funding otherwise expended for nutrition, research,*
16 *and extension programs of the Department.”.*

1 **TITLE V—CREDIT**
 2 **Subtitle A—Farmer Loans, Serv-**
 3 **icing, and Other Assistance**
 4 **Under the Consolidated Farm**
 5 **and Rural Development Act**

6 **SEC. 5001. FARMER LOANS, SERVICING, AND OTHER ASSIST-**
 7 **ANCE UNDER THE CONSOLIDATED FARM AND**
 8 **RURAL DEVELOPMENT ACT.**

9 *The Consolidated Farm and Rural Development Act*
 10 *(as amended by section 6001) is amended by inserting after*
 11 *section 3002 the following:*

12 **“Subtitle A—Farmer Loans,**
 13 **Servicing, and Other Assistance**
 14 **“CHAPTER 1—FARM OWNERSHIP LOANS**
 15 **“SEC. 3101. FARM OWNERSHIP LOANS.**

16 “(a) *IN GENERAL.*—*The Secretary may make or guar-*
 17 *antee a farm ownership loan under this chapter to an eligi-*
 18 *ble farmer for a farm in the United States.*

19 “(b) *ELIGIBILITY.*—*A farmer shall be eligible under*
 20 *subsection (a) only—*

21 “(1) *if the farmer, or, in the case of an entity,*
 22 *1 or more individuals holding a majority interest in*
 23 *the entity—*

24 “(A) *is a citizen of the United States; and*

1 “(B) in the case of a direct loan, has train-
2 ing or farming experience that the Secretary de-
3 termines is sufficient to ensure a reasonable
4 prospect of success in the farming operation pro-
5 posed by the farmer;

6 “(2)(A) in the case of a farmer that is an indi-
7 vidual, if the farmer is or proposes to become an
8 owner and operator of a farm that is not larger than
9 a family farm; or

10 “(B) in the case of a lessee-operator of a farm lo-
11 cated in the State of Hawaii, if the Secretary deter-
12 mines that—

13 “(i) the farm is not larger than a family
14 farm;

15 “(ii) the farm cannot be acquired in fee
16 simple by the lessee-operator;

17 “(iii) adequate security is provided for the
18 loan with respect to the farm for which the les-
19 see-operator applies under this chapter; and

20 “(iv) there is a reasonable probability of ac-
21 complishing the objectives and repayment of the
22 loan;

23 “(3) in the case of a farmer that is a cooperative,
24 corporation, partnership, trust, limited liability com-
25 pany, joint operation, or such other legal entity as the

1 *Secretary determines to be appropriate, with respect*
2 *to the entity and each farm in which the entity has*
3 *an ownership or operator interest—*

4 “(A) if—

5 “(i) a majority interest is held by indi-
6 viduals who are related by blood or mar-
7 riage, as defined by the Secretary;

8 “(ii) at least 1 of the individuals is or
9 will be the operator of the farm; and

10 “(iii) the farm is not larger than a
11 family farm;

12 “(B) if—

13 “(i) all of the individuals who are or
14 propose to become owners or operators of a
15 farm are related by blood or marriage;

16 “(ii) all of the individuals are or pro-
17 pose to become operators of the farm; and

18 “(iii) each of the interests of the indi-
19 viduals separately constitutes not larger
20 than a family farm even if the ownership
21 interests of the individuals collectively con-
22 stitute larger than a family farm; or

23 “(C) if—

1 “(i) the entire interest is not held by
2 individuals who are related by blood or
3 marriage, as defined by the Secretary;

4 “(ii) all of the individuals are or pro-
5 pose to become farm operators; and

6 “(iii) the farm is not larger than a
7 family farm;

8 “(4) in the case of an entity that is, or will be-
9 come within a reasonable period of time, as deter-
10 mined by the Secretary, only the operator of a family
11 farm, if the 1 or more individuals who are the owners
12 of the family farm own—

13 “(A) a percentage of the family farm that
14 exceeds 50 percent; or

15 “(B) such other percentage as the Secretary
16 determines to be appropriate;

17 “(5) in the case of an operator described in
18 paragraph (3) that is owned, in whole or in part, by
19 1 or more other entities, if each of the individuals
20 that have a direct or indirect ownership interest in
21 such other entities also have a direct ownership inter-
22 est in the entity; and

23 “(6) if the farmer (or in the case of a farmer
24 that is an entity, the 1 or more individuals that hold

1 *a majority interest in the entity) is unable to obtain*
2 *credit elsewhere.*

3 “(c) *DIRECT LOANS.*—

4 “(1) *IN GENERAL.*—*Subject to paragraph (2), the*
5 *Secretary may make a direct loan under this chapter*
6 *only to a farmer who has participated in business op-*
7 *erations of a farm for not less than 3 years (or has*
8 *other acceptable experience for a period of time deter-*
9 *mined by the Secretary) and—*

10 “(A) *is a qualified beginning farmer;*

11 “(B) *has not received a previous direct farm*
12 *ownership loan made under this chapter; or*

13 “(C) *has not received a direct farm owner-*
14 *ship loan under this chapter more than 10 years*
15 *before the date on which the new loan would be*
16 *made.*

17 “(2) *YOUTH LOANS.*—*The operation of an enter-*
18 *prise by a youth under section 3201(d) shall not be*
19 *considered the operation of a farm for purposes of*
20 *paragraph (1).*

21 **“SEC. 3102. PURPOSES OF LOANS.**

22 “(a) *ALLOWED PURPOSES.*—

23 “(1) *DIRECT LOANS.*—*A farmer may use a direct*
24 *loan made under this chapter only—*

25 “(A) *to acquire or enlarge a farm;*

1 “(B) to make capital improvements to a
2 farm;

3 “(C) to pay loan closing costs related to ac-
4 quiring, enlarging, or improving a farm;

5 “(D) to pay for activities to promote soil
6 and water conservation and protection described
7 in section 3103 on a farm; or

8 “(E) to refinance a temporary bridge loan
9 made by a commercial or cooperative lender to
10 a farmer for the acquisition of land for a farm,
11 if—

12 “(i) the Secretary approved an appli-
13 cation for a direct farm ownership loan to
14 the farmer for acquisition of the land; and

15 “(ii) funds for direct farm ownership
16 loans under section 3201(a) were not avail-
17 able at the time at which the application
18 was approved.

19 “(2) *GUARANTEED LOANS.*—A farmer may use a
20 loan guaranteed under this chapter only—

21 “(A) to acquire or enlarge a farm;

22 “(B) to make capital improvements to a
23 farm;

24 “(C) to pay loan closing costs related to ac-
25 quiring, enlarging, or improving a farm;

1 “(1) *CONSERVATION PLAN.*—The term ‘conserva-
2 tion plan’ means a plan, approved by the Secretary,
3 that, for a farming operation, identifies the conserva-
4 tion activities that will be addressed with loan funds
5 provided under this section, including—

6 “(A) the installation of conservation struc-
7 tures to address soil, water, and related re-
8 sources;

9 “(B) the establishment of forest cover for
10 sustained yield timber management, erosion con-
11 trol, or shelter belt purposes;

12 “(C) the installation of water conservation
13 measures;

14 “(D) the installation of waste management
15 systems;

16 “(E) the establishment or improvement of
17 permanent pasture;

18 “(F) compliance with section 1212 of the
19 Food Security Act of 1985 (16 U.S.C. 3812); and

20 “(G) other purposes consistent with the
21 plan, including the adoption of any other emerg-
22 ing or existing conservation practices, tech-
23 niques, or technologies approved by the Sec-
24 retary.

1 “(2) *QUALIFIED CONSERVATION LOAN.*—*The*
2 *term ‘qualified conservation loan’ means a loan, the*
3 *proceeds of which are used to cover the costs to the*
4 *borrower of carrying out a qualified conservation*
5 *project.*

6 “(3) *QUALIFIED CONSERVATION PROJECT.*—*The*
7 *term ‘qualified conservation project’ means conserva-*
8 *tion measures that address provisions of a conserva-*
9 *tion plan of the eligible borrower.*

10 “(c) *ELIGIBILITY.*—

11 “(1) *IN GENERAL.*—*The Secretary may make or*
12 *guarantee loans to farmers.*

13 “(2) *REQUIREMENTS.*—*To be eligible for a loan*
14 *under this section, applicants shall meet the citizen-*
15 *ship and training and experience requirements of sec-*
16 *tion 3101(b).*

17 “(d) *PRIORITY.*—*In making or guaranteeing loans*
18 *under this section, the Secretary shall give priority to—*

19 “(1) *qualified beginning farmers and socially*
20 *disadvantaged farmers;*

21 “(2) *owners or tenants who use the loans to con-*
22 *vert to sustainable or organic agricultural production*
23 *systems; and*

24 “(3) *producers who use the loans to build con-*
25 *servation structures or establish conservation practices*

1 to comply with section 1212 of the Food Security Act
2 of 1985 (16 U.S.C. 3812).

3 “(e) *LIMITATIONS APPLICABLE TO LOAN GUARAN-*
4 *TEES.*—The portion of a loan that the Secretary may guar-
5 *antee under this section shall not exceed 75 percent of the*
6 *principal amount of the loan.*

7 “(f) *ADMINISTRATIVE PROVISIONS.*—The Secretary
8 *shall ensure, to the maximum extent practicable, that loans*
9 *made or guaranteed under this section are distributed*
10 *across diverse geographic regions.*

11 “(g) *CREDIT ELIGIBILITY.*—The provisions of para-
12 *graphs (1) and (3) of section 3406(a) shall not apply to*
13 *loans made or guaranteed under this section.*

14 “(h) *AUTHORIZATION OF APPROPRIATIONS.*—For each
15 *of fiscal years 2013 through 2018, there are authorized to*
16 *be appropriated to the Secretary such sums as are necessary*
17 *to carry out this section.*

18 **“SEC. 3104. LOAN MAXIMUMS.**

19 “(a) *MAXIMUM.*—

20 “(1) *IN GENERAL.*—The Secretary shall make or
21 *guarantee no loan under sections 3101, 3102, 3103,*
22 *3106, and 3107 that would cause the unpaid indebt-*
23 *edness under those sections of any 1 borrower to ex-*
24 *ceed the lesser of—*

1 “(A) *the value of the farm or other security,*
2 *or*

3 “(B)(i) *in the case of a loan made by the*
4 *Secretary, \$300,000; or*

5 “(i) *in the case of a loan guaranteed by the*
6 *Secretary, \$700,000 (as modified under para-*
7 *graph (2)).*

8 “(2) *MODIFICATION.—The amount specified in*
9 *paragraph (1)(B)(i) shall be—*

10 “(A) *increased, beginning with fiscal year*
11 *2000, by the inflation percentage applicable to*
12 *the fiscal year in which the loan is guaranteed;*
13 *and*

14 “(B) *reduced by the amount of any unpaid*
15 *indebtedness of the borrower on loans under*
16 *chapter 2 that are guaranteed by the Secretary.*

17 “(b) *DETERMINATION OF VALUE.—In determining the*
18 *value of the farm, the Secretary shall consider appraisals*
19 *made by competent appraisers under rules established by*
20 *the Secretary.*

21 “(c) *INFLATION PERCENTAGE.—For purposes of this*
22 *section, the inflation percentage applicable to a fiscal year*
23 *is the percentage (if any) by which—*

24 “(1) *the average of the Prices Paid By Farmers*
25 *Index (as compiled by the National Agricultural Sta-*

1 *tistics Service of the Department) for the 12-month*
2 *period ending on August 31 of the immediately pre-*
3 *ceding fiscal year; exceeds*

4 *“(2) the average of that index (as so defined) for*
5 *the 12-month period ending on August 31, 1996.*

6 **“SEC. 3105. REPAYMENT REQUIREMENTS FOR FARM OWN-**
7 **ERSHIP LOANS.**

8 *“(a) PERIOD FOR REPAYMENT.—The period for repay-*
9 *ment of a loan under this chapter shall not exceed 40 years.*

10 *“(b) INTEREST RATES.—*

11 *“(1) IN GENERAL.—Except as otherwise provided*
12 *in this title, the interest rate on a loan under this*
13 *chapter shall be determined by the Secretary at a*
14 *rate—*

15 *“(A) not to exceed the sum obtained by add-*
16 *ing—*

17 *“(i) the current average market yield*
18 *on outstanding marketable obligations of the*
19 *United States with remaining periods to*
20 *maturity comparable to the average matu-*
21 *rity of the loan; and*

22 *“(ii) an amount not to exceed 1 per-*
23 *cent, as determined by the Secretary; and*

24 *“(B) adjusted to the nearest $\frac{1}{8}$ of 1 percent.*

1 “(2) *LOW INCOME FARM OWNERSHIP LOANS.*—
2 *Except as provided in paragraph (3), the interest rate*
3 *on a loan (other than a guaranteed loan) under sec-*
4 *tion 3106 shall be determined by the Secretary at a*
5 *rate that is—*

6 “(A) *not greater than the sum obtained by*
7 *adding—*

8 “(i) *an amount that does not exceed 1/2*
9 *of the current average market yield on out-*
10 *standing marketable obligations of the*
11 *United States with maturities of 5 years;*
12 *and*

13 “(ii) *an amount not to exceed 1 per-*
14 *cent per year, as the Secretary determines is*
15 *appropriate; and*

16 “(B) *not less than 5 percent per year.*

17 “(3) *JOINT FINANCING ARRANGEMENT.*—*If a di-*
18 *rect farm ownership loan is made under this chapter*
19 *as part of a joint financing arrangement and the*
20 *amount of the direct farm ownership loan does not ex-*
21 *ceed 50 percent of the total principal amount fi-*
22 *nanced under the arrangement, the interest rate on*
23 *the direct farm ownership loan shall be at least 4 per-*
24 *cent annually.*

1 “(4) *GUARANTEED LOANS.*—*The interest rate on*
2 *a loan made under this chapter as a guaranteed loan*
3 *shall be such rate as may be agreed on by the bor-*
4 *rower and the lender, but not in excess of any rate*
5 *determined by the Secretary.*

6 “(c) *PAYMENT OF CHARGES.*—*A borrower of a loan*
7 *made or guaranteed under this chapter shall pay such fees*
8 *and other charges as the Secretary may require, and prepay*
9 *to the Secretary such taxes and insurance as the Secretary*
10 *may require, on such terms and conditions as the Secretary*
11 *may prescribe.*

12 “(d) *SECURITY.*—

13 “(1) *IN GENERAL.*—*The Secretary shall take as*
14 *security for an obligation entered into in connection*
15 *with a loan, a mortgage on a farm with respect to*
16 *which the loan is made or such other security as the*
17 *Secretary may require.*

18 “(2) *LIENS TO UNITED STATES.*—*An instrument*
19 *for security under paragraph (1) may constitute a*
20 *lien running to the United States notwithstanding the*
21 *fact that the note for the security may be held by a*
22 *lender other than the United States.*

23 “(3) *MULTIPLE LOANS.*—*A borrower may use the*
24 *same collateral to secure 2 or more loans made or*
25 *guaranteed under this chapter, except that the out-*

1 *standing amount of the loans may not exceed the total*
2 *value of the collateral.*

3 “(e) *MINERAL RIGHTS AS COLLATERAL.*—

4 “(1) *IN GENERAL.*—*In the case of a farm owner-*
5 *ship loan made after December 23, 1985, unless ap-*
6 *praised values of the rights to oil, gas, or other min-*
7 *erals are specifically included as part of the ap-*
8 *praised value of collateral securing the loan, the*
9 *rights to oil, gas, or other minerals located under the*
10 *property shall not be considered part of the collateral*
11 *securing the loan.*

12 “(2) *COMPENSATORY PAYMENTS.*—*Nothing in*
13 *this subsection prevents the inclusion of, as part of the*
14 *collateral securing the loan, any payment or other*
15 *compensation the borrower may receive for damages*
16 *to the surface of the collateral real estate resulting*
17 *from the exploration for or recovery of minerals.*

18 “(f) *ADDITIONAL COLLATERAL.*—*The Secretary may*
19 *not—*

20 “(1) *require any borrower to provide additional*
21 *collateral to secure a farmer program loan made or*
22 *guaranteed under this subtitle, if the borrower is cur-*
23 *rent in the payment of principal and interest on the*
24 *loan; or*

1 “(2) bring any action to foreclose, or otherwise
2 liquidate, the loan as a result of the failure of a bor-
3 rower to provide additional collateral to secure the
4 loan, if the borrower was current in the payment of
5 principal and interest on the loan at the time the ad-
6 ditional collateral was requested.

7 **“SEC. 3106. LIMITED-RESOURCE LOANS.**

8 “(a) *IN GENERAL.*—The Secretary may make or guar-
9 antee a limited-resource loan for any of the purposes speci-
10 fied in sections 3102(a) or 3103(a) to a farmer in the
11 United States who—

12 “(1) in the case of an entity, all members, stock-
13 holders, or partners are eligible under section 3101(b);

14 “(2) has a low income; and

15 “(3) demonstrates a need to maximize the in-
16 come of the farmer from farming operations.

17 “(b) *INSTALLMENTS.*—A loan made or guaranteed
18 under this section shall be repayable in such installments
19 as the Secretary determines will provide for reduced pay-
20 ments during the initial repayment period of the loan and
21 larger payments during the remainder of the repayment pe-
22 riod of the loan.

23 “(c) *INTEREST RATES.*—Except as provided in section
24 3105(b)(3) and in section 3204(b)(3), the interest rate on

1 *loans (other than guaranteed loans) under this section shall*
2 *not be—*

3 “(1) *greater than the sum obtained by adding—*

4 “(A) *an amount that does not exceed 1/2 of*
5 *the current average market yield on outstanding*
6 *marketable obligations of the United States with*
7 *maturities of 5 years; and*

8 “(B) *an amount not exceeding 1 percent per*
9 *year, as the Secretary determines is appropriate;*

10 *or*

11 “(2) *less than 5 percent per year.*

12 **“SEC. 3107. DOWNPAYMENT LOAN PROGRAM.**

13 “(a) *IN GENERAL.—*

14 “(1) *ESTABLISHMENT.—Notwithstanding any*
15 *other provision of this chapter, the Secretary shall es-*
16 *tablish, under the farm ownership loan program es-*
17 *tablished under this chapter, a program under which*
18 *loans shall be made under this section to a qualified*
19 *beginning farmer or a socially disadvantaged farmer*
20 *for a downpayment on a farm ownership loan.*

21 “(2) *COORDINATION.—The Secretary shall be the*
22 *primary coordinator of credit supervision for the*
23 *downpayment loan program established under this*
24 *section, in consultation with a commercial or cooper-*

1 *ative lender and, if applicable, a contracting credit*
2 *counseling service selected under section 3420(c).*

3 “(b) *LOAN TERMS.*—

4 “(1) *PRINCIPAL.*—*Each loan made under this*
5 *section shall be in an amount that does not exceed 45*
6 *percent of the lesser of—*

7 “(A) *the purchase price of the farm to be*
8 *acquired;*

9 “(B) *the appraised value of the farm to be*
10 *acquired; or*

11 “(C) *\$667,000.*

12 “(2) *INTEREST RATE.*—*The interest rate on any*
13 *loan made by the Secretary under this section shall*
14 *be a rate equal to the greater of—*

15 “(A) *the difference between—*

16 “(i) *4 percent; and*

17 “(ii) *the interest rate for farm owner-*
18 *ship loans under this chapter; or*

19 “(B) *1.5 percent.*

20 “(3) *DURATION.*—*Each loan under this section*
21 *shall be made for a period of 20 years or less, at the*
22 *option of the borrower.*

23 “(4) *REPAYMENT.*—*Each borrower of a loan*
24 *under this section shall repay the loan to the Sec-*
25 *retary in equal annual installments.*

1 “(5) *NATURE OF RETAINED SECURITY INTER-*
2 *EST.—The Secretary shall retain an interest in each*
3 *farm acquired with a loan made under this section*
4 *that shall—*

5 “(A) *be secured by the farm;*

6 “(B) *be junior only to such interests in the*
7 *farm as may be conveyed at the time of acquisi-*
8 *tion to the person (including a lender) from*
9 *whom the borrower obtained a loan used to ac-*
10 *quire the farm; and*

11 “(C) *require the borrower to obtain the per-*
12 *mission of the Secretary before the borrower may*
13 *grant an additional security interest in the*
14 *farm.*

15 “(c) *LIMITATIONS.—*

16 “(1) *BORROWERS REQUIRED TO MAKE MINIMUM*
17 *DOWN PAYMENT.—The Secretary shall not make a*
18 *loan under this section to any borrower with respect*
19 *to a farm if the contribution of the borrower to the*
20 *down payment on the farm will be less than 5 percent*
21 *of the purchase price of the farm.*

22 “(2) *PROHIBITED TYPES OF FINANCING.—The*
23 *Secretary shall not make a loan under this section*
24 *with respect to a farm if the farm is to be acquired*

1 *with other financing that contains any of the fol-*
2 *lowing conditions:*

3 “(A) *The financing is to be amortized over*
4 *a period of less than 30 years.*

5 “(B) *A balloon payment will be due on the*
6 *financing during the 20-year period beginning*
7 *on the date on which the loan is to be made by*
8 *the Secretary.*

9 “(d) *ADMINISTRATION.—In carrying out this section,*
10 *the Secretary shall, to the maximum extent practicable—*

11 “(1) *facilitate the transfer of farms from retiring*
12 *farmers to persons eligible for insured loans under*
13 *this subtitle;*

14 “(2) *make efforts to widely publicize the avail-*
15 *ability of loans under this section among—*

16 “(A) *potentially eligible recipients of the*
17 *loans;*

18 “(B) *retiring farmers; and*

19 “(C) *applicants for farm ownership loans*
20 *under this chapter;*

21 “(3) *encourage retiring farmers to assist in the*
22 *sale of their farms to qualified beginning farmers and*
23 *socially disadvantaged farmers providing seller fi-*
24 *nancing;*

1 “(4) coordinate the loan program established by
2 this section with State programs that provide farm
3 ownership or operating loans for beginning farmers
4 or socially disadvantaged farmers; and

5 “(5) establish annual performance goals to pro-
6 mote the use of the down payment loan program and
7 other joint financing arrangements as the preferred
8 choice for direct real estate loans made by any lender
9 to a qualified beginning farmer or socially disadvan-
10 taged farmer.

11 **“SEC. 3108. BEGINNING FARMER AND SOCIALLY DISADVAN-**
12 **TAGED FARMER CONTRACT LAND SALES PRO-**
13 **GRAM.**

14 “(a) *IN GENERAL.*—The Secretary shall, in accordance
15 with this section, guarantee a loan made by a private seller
16 of a farm to a qualified beginning farmer or socially dis-
17 advantaged farmer on a contract land sales basis.

18 “(b) *ELIGIBILITY.*—To be eligible for a loan guarantee
19 under subsection (a)—

20 “(1) the qualified beginning farmer or socially
21 disadvantaged farmer shall—

22 “(A) on the date the contract land sale that
23 is subject of the loan is complete, own and oper-
24 ate the farm that is the subject of the contract
25 land sale;

1 “(B) have a credit history that—

2 “(i) includes a record of satisfactory
3 debt repayment, as determined by the Sec-
4 retary; and

5 “(ii) is acceptable to the Secretary;
6 and

7 “(C) demonstrate to the Secretary that the
8 farmer is unable to obtain sufficient credit with-
9 out a guarantee to finance any actual need of the
10 farmer at a reasonable rate or term; and

11 “(2) the loan shall meet applicable underwriting
12 criteria, as determined by the Secretary.

13 “(c) *LIMITATIONS.*—The Secretary shall not provide a
14 loan guarantee under subsection (a) if—

15 “(1) the contribution of the qualified beginning
16 farmer or socially disadvantaged farmer to the down
17 payment for the farm that is the subject of the con-
18 tract land sale would be less than 5 percent of the
19 purchase price of the farm; or

20 “(2) the purchase price or the appraisal value of
21 the farm that is the subject of the contract land sale
22 is greater than \$500,000.

23 “(d) *PERIOD OF GUARANTEE.*—A loan guarantee
24 under this section shall be in effect for the 10-year period
25 beginning on the date on which the guarantee is provided.

1 “(e) *GUARANTEE PLAN.*—

2 “(1) *SELECTION OF PLAN.*—*A private seller of a*
3 *farm who makes a loan guaranteed by the Secretary*
4 *under subsection (a) may select—*

5 “(A) *a prompt payment guarantee plan,*
6 *which shall cover—*

7 “(i) *3 amortized annual installments;*

8 *or*

9 “(ii) *an amount equal to 3 annual in-*
10 *stallments (including an amount equal to*
11 *the total cost of any tax and insurance in-*
12 *curring during the period covered by the an-*
13 *ual installments); or*

14 “(B) *a standard guarantee plan, which*
15 *shall cover an amount equal to 90 percent of the*
16 *outstanding principal of the loan.*

17 “(2) *ELIGIBILITY FOR STANDARD GUARANTEE*
18 *PLAN.*—*To be eligible for a standard guarantee plan*
19 *referred to in paragraph (1)(B), a private seller*
20 *shall—*

21 “(A) *secure a commercial lending institu-*
22 *tion or similar entity, as determined by the Sec-*
23 *retary, to serve as an escrow agent; or*

1 “(B) in cooperation with the farmer, use an
2 appropriate alternate arrangement, as deter-
3 mined by the Secretary.

4 **“CHAPTER 2—OPERATING LOANS**

5 **“SEC. 3201. OPERATING LOANS.**

6 “(a) *IN GENERAL.*—The Secretary may make or guar-
7 antee an operating loan under this chapter to an eligible
8 farmer in the United States.

9 “(b) *ELIGIBILITY.*—A farmer shall be eligible under
10 subsection (a) only—

11 “(1) if the farmer, or an individual holding a
12 majority interest in the farmer—

13 “(A) is a citizen of the United States; and

14 “(B) has training or farming experience
15 that the Secretary determines is sufficient to en-
16 sure a reasonable prospect of success in the farm-
17 ing operation proposed by the farmer;

18 “(2) in the case of a farmer that is an indi-
19 vidual, if the farmer is or proposes to become an oper-
20 ator of a farm that is not larger than a family farm;

21 “(3) in the case of a farmer that is a cooperative,
22 corporation, partnership, trust, limited liability com-
23 pany, joint operation, or such other legal entity as the
24 Secretary determines to be appropriate, with respect

1 to the entity and each farm in which the entity has
2 an ownership or operator interest—

3 “(A) if—

4 “(i) a majority interest is held by indi-
5 viduals who are related by blood or mar-
6 riage, as defined by the Secretary;

7 “(ii) at least 1 of the individuals is or
8 will be the operator of the farm; and

9 “(iii) the farm is not larger than a
10 family farm;

11 “(B) if—

12 “(i) all of the individuals who are or
13 propose to become owners or operators of a
14 farm are related by blood or marriage;

15 “(ii) all of the individuals are or pro-
16 pose to become operators of the farm; and

17 “(iii) each of the interests of the indi-
18 viduals separately constitutes not larger
19 than a family farm even if the ownership
20 interests of the individuals collectively con-
21 stitute larger than a family farm; or

22 “(C) if—

23 “(i) the entire interest is not held by
24 individuals who are related by blood or
25 marriage, as defined by the Secretary;

1 “(ii) all of the individuals are or pro-
2 pose to become farm operators; and

3 “(iii) the farm is not larger than a
4 family farm;

5 “(4) in the case of an operator described in
6 paragraph (3) that is owned, in whole or in part by
7 1 or more other entities, if not less than 75 percent
8 of the ownership interests of each other entity is
9 owned directly or indirectly by 1 or more individuals
10 who own the family farm; and

11 “(5) if the farmer (or in the case of a farmer
12 that is an entity, the 1 or more individuals that hold
13 a majority interest in the entity) is unable to obtain
14 credit elsewhere.

15 “(c) *DIRECT LOANS.*—

16 “(1) *IN GENERAL.*—The Secretary may make a
17 direct loan under this chapter only to a farmer who—

18 “(A) is a qualified beginning farmer;

19 “(B) has not received a previous direct op-
20 erating loan made under this chapter; or

21 “(C) has not received a direct operating
22 loan made under this chapter for a total of 10
23 years, plus any year the farmer or rancher did
24 not receive a direct operating loan after the year
25 in which the borrower initially received a direct

1 *operating loan under this chapter, as determined*
2 *by the Secretary.*

3 “(2) *YOUTH LOANS.*—*In this subsection, the term*
4 *‘direct operating loan’ shall not include a loan made*
5 *to a youth under subsection (d).*

6 “(3) *WAIVERS.*—

7 “(A) *FARM OPERATIONS ON TRIBAL*
8 *LAND.*—*The Secretary shall waive the limitation*
9 *under paragraph (1)(C) for a direct loan made*
10 *under this chapter to a farmer whose farm land*
11 *is subject to the jurisdiction of an Indian tribe*
12 *and whose loan is secured by 1 or more security*
13 *instruments that are subject to the jurisdiction of*
14 *an Indian tribe if the Secretary determines that*
15 *commercial credit is not generally available for*
16 *such farm operations.*

17 “(B) *OTHER FARM OPERATIONS.*—*On a*
18 *case-by-case determination not subject to admin-*
19 *istrative appeal, the Secretary may grant a bor-*
20 *rower a waiver, 1 time only for a period of 2*
21 *years, of the limitation under paragraph (1)(C)*
22 *for a direct operating loan if the borrower dem-*
23 *onstrates to the satisfaction of the Secretary*
24 *that—*

1 “(i) the borrower has a viable farm op-
2 eration;

3 “(ii) the borrower applied for commer-
4 cial credit from at least 2 commercial lend-
5 ers;

6 “(iii) the borrower was unable to ob-
7 tain a commercial loan (including a loan
8 guaranteed by the Secretary); and

9 “(iv) the borrower successfully has
10 completed, or will complete within 1 year,
11 borrower training under section 3419 (from
12 which requirement the Secretary shall not
13 grant a waiver under section 3419(f)).

14 “(d) YOUTH LOANS.—

15 “(1) IN GENERAL.—Notwithstanding subsection
16 (b), except for citizenship and credit requirements, a
17 loan may be made under this chapter to a youth who
18 is a rural resident to enable the youth to operate an
19 enterprise in connection with the participation in a
20 youth organization, as determined by the Secretary.

21 “(2) FULL PERSONAL LIABILITY.—A youth re-
22 ceiving a loan under this subsection who executes a
23 promissory note for the loan shall incur full personal
24 liability for the indebtedness evidenced by the note, in

1 *accordance with the terms of the note, free of any dis-*
2 *ability of minority.*

3 “(3) *COSIGNER.*—*The Secretary may accept the*
4 *personal liability of a cosigner of a promissory note*
5 *for a loan under this subsection, in addition to the*
6 *personal liability of the youth borrower.*

7 “(4) *YOUTH ENTERPRISES NOT FARMING.*—*The*
8 *operation of an enterprise by a youth under this sub-*
9 *section shall not be considered the operation of a farm*
10 *under this subtitle.*

11 “(5) *RELATION TO OTHER LOAN PROGRAMS.*—
12 *Notwithstanding any other provision of law, if a bor-*
13 *rower becomes delinquent with respect to a youth loan*
14 *made under this subsection, the borrower shall not be-*
15 *come ineligible, as a result of the delinquency, to re-*
16 *ceive loans and loan guarantees from the Federal gov-*
17 *ernment to pay for education expenses of the bor-*
18 *rower.*

19 “(e) *PILOT LOAN PROGRAM TO SUPPORT HEALTHY*
20 *FOODS FOR THE HUNGRY.*—

21 “(1) *DEFINITION OF GLEANER.*—*In this sub-*
22 *section, the term ‘gleaner’ means an entity that—*

23 “(A) *collects edible, surplus food that would*
24 *be thrown away and distributes the food to agen-*

1 *cies or nonprofit organizations that feed the hun-*
2 *gry; or*

3 *“(B) harvests for free distribution to the*
4 *needy, or for donation to agencies or nonprofit*
5 *organizations for ultimate distribution to the*
6 *needy, an agricultural crop that has been do-*
7 *nated by the owner of the crop.*

8 *“(2) PROGRAM.—Not later than 180 days after*
9 *the date of enactment of this subsection, the Secretary*
10 *shall establish, within the operating loan program es-*
11 *tablished under this chapter, a pilot program under*
12 *which the Secretary makes loans available to eligible*
13 *entities to assist the entities in providing food to the*
14 *hungry.*

15 *“(3) ELIGIBILITY.—In addition to any other*
16 *person eligible under the terms and conditions of the*
17 *operating loan program established under this chap-*
18 *ter, gleaners shall be eligible to receive loans under*
19 *this subsection.*

20 *“(4) LOAN AMOUNT.—*

21 *“(A) IN GENERAL.—Each loan issued under*
22 *the program shall be in an amount of not less*
23 *than \$500 and not more than \$5,000.*

24 *“(B) REDISTRIBUTION.—If the eligible re-*
25 *ipients in a State do not use the full allocation*

1 of loans that are available to eligible recipients
2 in the State under this subsection, the Secretary
3 may use any unused amounts to make loans
4 available to eligible entities in other States in
5 accordance with this subsection.

6 “(5) *LOAN PROCESSING.*—

7 “(A) *IN GENERAL.*—The Secretary shall
8 process any loan application submitted under
9 the program not later than 30 days after the
10 date on which the application was submitted.

11 “(B) *EXPEDITING APPLICATIONS.*—The Sec-
12 retary shall take any measure the Secretary de-
13 termines necessary to expedite any application
14 submitted under the program.

15 “(6) *PAPERWORK REDUCTION.*—The Secretary
16 shall take measures to reduce any paperwork require-
17 ments for loans under the program.

18 “(7) *PROGRAM INTEGRITY.*—The Secretary shall
19 take such actions as are necessary to ensure the integ-
20 rity of the program established under this subsection.

21 “(8) *MAXIMUM AMOUNT.*—Of funds that are
22 made available to carry out this chapter, the Sec-
23 retary shall use to carry out this subsection a total
24 amount of not more than \$500,000.

1 “(9) *REPORT.*—Not later than 180 days after the
2 *maximum amount of funds are used to carry out this*
3 *subsection under paragraph (8), the Secretary shall*
4 *submit to the Committee on Agriculture of the House*
5 *of Representatives and the Committee on Agriculture,*
6 *Nutrition, and Forestry of the Senate a report that*
7 *describes the results of the pilot program and the fea-*
8 *sibility of expanding the program.*

9 **“SEC. 3202. PURPOSES OF LOANS.**

10 “(a) *DIRECT LOANS.*—A direct loan may be made
11 *under this chapter only—*

12 “(1) *to pay the costs incident to reorganizing a*
13 *farm for more profitable operation;*

14 “(2) *to purchase livestock, poultry, or farm*
15 *equipment;*

16 “(3) *to purchase feed, seed, fertilizer, insecticide,*
17 *or farm supplies, or to meet other essential farm oper-*
18 *ating expenses, including cash rent;*

19 “(4) *to finance land or water development, use,*
20 *or conservation;*

21 “(5) *to pay loan closing costs;*

22 “(6) *to assist a farmer in changing the equip-*
23 *ment, facilities, or methods of operation of a farm to*
24 *comply with a standard promulgated under section 6*
25 *of the Occupational Safety and Health Act of 1970*

1 (29 U.S.C. 655) or a standard adopted by a State
2 under a plan approved under section 18 of that Act
3 (29 U.S.C. 667), if the Secretary determines that
4 without assistance under this paragraph the farmer is
5 likely to suffer substantial economic injury in com-
6 plying with the standard;

7 “(7) to train a limited-resource borrower receiv-
8 ing a loan under section 3106 in maintaining records
9 of farming operations;

10 “(8) to train a borrower under section 3419;

11 “(9) to refinance the indebtedness of a borrower,
12 if the borrower—

13 “(A) has refinanced a loan under this chap-
14 ter not more than 4 times previously; and

15 “(B)(i) is a direct loan borrower under this
16 subtitle at the time of the refinancing and has
17 suffered a qualifying loss because of a natural or
18 major disaster or emergency; or

19 “(ii) is refinancing a debt obtained from a
20 creditor other than the Secretary;

21 “(10) to provide other farm or home needs, in-
22 cluding family subsistence; or

23 “(11) to assist a farmer in the production of a
24 locally or regionally produced agricultural food prod-
25 uct (as defined in section 3601(e)(11)(A)), including

1 *to qualified producers engaged in direct-to-consumer*
2 *marketing, direct-to-institution marketing, or direct-*
3 *to-store marketing, business, or activities that produce*
4 *a value-added agricultural product (as defined in sec-*
5 *tion 231(a) of the Agricultural Risk Protection Act of*
6 *2000 (7 U.S.C. 1632a(a))).*

7 “(b) *GUARANTEED LOANS.*—*A loan may be guaran-*
8 *teed under this chapter only—*

9 “(1) *to pay the costs incident to reorganizing a*
10 *farm for more profitable operation;*

11 “(2) *to purchase livestock, poultry, or farm*
12 *equipment;*

13 “(3) *to purchase feed, seed, fertilizer, insecticide,*
14 *or farm supplies, or to meet other essential farm oper-*
15 *ating expenses, including cash rent;*

16 “(4) *to finance land or water development, use,*
17 *or conservation;*

18 “(5) *to refinance indebtedness;*

19 “(6) *to pay loan closing costs;*

20 “(7) *to assist a farmer in changing the equip-*
21 *ment, facilities, or methods of operation of a farm to*
22 *comply with a standard promulgated under section 6*
23 *of the Occupational Safety and Health Act of 1970*
24 *(29 U.S.C. 655) or a standard adopted by a State*
25 *under a plan approved under section 18 of that Act*

1 (29 U.S.C. 667), if the Secretary determines that
2 without assistance under this paragraph the farmer is
3 likely to suffer substantial economic injury due to
4 compliance with the standard;

5 “(8) to train a borrower under section 3419; or

6 “(9) to provide other farm or home needs, in-
7 cluding family subsistence.

8 “(c) *HAZARD INSURANCE REQUIREMENT.*—The Sec-
9 retary may not make a loan to a farmer under this chapter
10 unless the farmer has, or agrees to obtain, hazard insurance
11 on the property to be acquired with the loan.

12 “(d) *PRIVATE RESERVE.*—

13 “(1) *IN GENERAL.*—Notwithstanding any other
14 provision of this title, the Secretary may reserve a
15 portion of any loan made under this chapter to be
16 placed in an unsupervised bank account that may be
17 used at the discretion of the borrower for the basic
18 family needs of the borrower and the immediate fam-
19 ily of the borrower.

20 “(2) *LIMIT ON SIZE OF THE RESERVE.*—The size
21 of the reserve shall not exceed the lesser of—

22 “(A) 10 percent of the loan;

23 “(B) \$5,000; or

24 “(C) the amount needed to provide for the
25 basic family needs of the borrower and the imme-

1 *diate family of the borrower for 3 calendar*
2 *months.*

3 “(e) *LOANS TO LOCAL AND REGIONAL FOOD PRO-*
4 *DUCERS.—*

5 “(1) *TRAINING.—The Secretary shall ensure that*
6 *loan officers processing loans under subsection (a)(11)*
7 *receive appropriate training to serve borrowers and*
8 *potential borrowers engaged in local and regional food*
9 *production.*

10 “(2) *VALUATION.—*

11 “(A) *IN GENERAL.—The Secretary shall de-*
12 *velop ways to determine unit prices (or other ap-*
13 *propriate forms of valuation) for crops and other*
14 *agricultural products, the end use of which is in-*
15 *tended to be in locally or regionally produced ag-*
16 *ricultural food products, to facilitate lending to*
17 *local and regional food producers.*

18 “(B) *PRICE HISTORY.—The Secretary shall*
19 *implement a mechanism for local and regional*
20 *food producers to establish price history for the*
21 *crops and other agricultural products produced*
22 *by local and regional food producers.*

23 “(3) *OUTREACH.—The Secretary shall develop*
24 *and implement an outreach strategy to engage and*

1 *provide loan services to local and regional food pro-*
2 *ducers.*

3 **“SEC. 3203. RESTRICTIONS ON LOANS.**

4 “(a) *REQUIREMENTS.—*

5 “(1) *IN GENERAL.—The Secretary may not make*
6 *or guarantee a loan under this chapter—*

7 “(A) *that would cause the total principal*
8 *indebtedness outstanding at any 1 time for loans*
9 *made under this chapter to any 1 borrower to ex-*
10 *ceed—*

11 “(i)(I) *in the case of a loan made by*
12 *the Secretary, \$300,000; or*

13 “(II) *in the case of a loan guaranteed*
14 *by the Secretary, \$700,000 (as modified*
15 *under paragraph (2)); or*

16 “(B) *for the purchasing or leasing of land*
17 *other than for cash rent, or for carrying on a*
18 *land leasing or land purchasing program.*

19 “(2) *MODIFICATION.—The amount specified in*
20 *paragraph (1)(A)(i) shall be—*

21 “(A) *increased, beginning with fiscal year*
22 *2000, by the inflation percentage applicable to*
23 *the fiscal year in which the loan is guaranteed;*
24 *and*

1 “(B) reduced by the unpaid indebtedness of
2 the borrower on loans under sections specified in
3 section 3104 that are guaranteed by the Sec-
4 retary.

5 “(b) *INFLATION PERCENTAGE.*—For purposes of this
6 section, the inflation percentage applicable to a fiscal year
7 is the percentage (if any) by which—

8 “(1) the average of the *Prices Paid By Farmers*
9 *Index* (as compiled by the National Agricultural Sta-
10 tistics Service of the Department) for the 12-month
11 period ending on August 31 of the immediately pre-
12 ceding fiscal year; exceeds

13 “(2) the average of that index (as so defined) for
14 the 12-month period ending on August 31, 1996.

15 **“SEC. 3204. TERMS OF LOANS.**

16 “(a) *PERSONAL LIABILITY.*—A borrower of a loan
17 made under this chapter shall secure the loan with the full
18 personal liability of the borrower and such other security
19 as the Secretary may prescribe.

20 “(b) *INTEREST RATES.*—

21 “(1) *MAXIMUM RATE.*—

22 “(A) *IN GENERAL.*—Except as provided in
23 paragraphs (2) and (3), the interest rate on a
24 loan made under this chapter (other than a
25 guaranteed loan) shall be determined by the Sec-

1 *retary at a rate not to exceed the sum obtained*
2 *by adding—*

3 “(i) *the current average market yield*
4 *on outstanding marketable obligations of the*
5 *United States with remaining periods to*
6 *maturity comparable to the average matu-*
7 *rity of the loan; and*

8 “(ii) *an additional charge not to ex-*
9 *ceed 1 percent, as determined by the Sec-*
10 *retary.*

11 “(B) *ADJUSTMENT.—The sum obtained*
12 *under subparagraph (A) shall be adjusted to the*
13 *nearest $\frac{1}{8}$ of 1 percent.*

14 “(2) *GUARANTEED LOAN.—The interest rate on a*
15 *guaranteed loan made under this chapter shall be*
16 *such rate as may be agreed on by the borrower and*
17 *the lender, but may not exceed any rate prescribed by*
18 *the Secretary.*

19 “(3) *LOW INCOME LOAN.—The interest rate on a*
20 *direct loan made under this chapter to a low-income,*
21 *limited-resource borrower shall be determined by the*
22 *Secretary at a rate that is not—*

23 “(A) *greater than the sum obtained by add-*
24 *ing—*

1 “(i) *an amount that does not exceed 1/2*
2 *of the current average market yield on out-*
3 *standing marketable obligations of the*
4 *United States with a maturity of 5 years;*
5 *and*

6 “(ii) *an amount not to exceed 1 per-*
7 *cent per year, as the Secretary determines is*
8 *appropriate; or*

9 “(B) *less than 5 percent per year.*

10 “(c) *PERIOD FOR REPAYMENT.—The period for repay-*
11 *ment of a loan made under this chapter may not exceed*
12 *7 years.*

13 “(d) *LINE-OF-CREDIT LOANS.—*

14 “(1) *IN GENERAL.—A loan made or guaranteed*
15 *by the Secretary under this chapter may be in the*
16 *form of a line-of-credit loan.*

17 “(2) *TERM.—A line-of-credit loan under para-*
18 *graph (1) shall terminate not later than 5 years after*
19 *the date that the loan is made or guaranteed.*

20 “(3) *ELIGIBILITY.—For purposes of determining*
21 *eligibility for an operating loan under this chapter,*
22 *each year during which a farmer takes an advance or*
23 *draws on a line-of-credit loan the farmer shall be con-*
24 *sidered as having received an operating loan for 1*
25 *year.*

1 “(4) *TERMINATION OF DELINQUENT LOANS.*—If
 2 a borrower does not pay an installment on a line-of-
 3 credit loan on schedule, the borrower may not take an
 4 advance or draw on the line-of-credit, unless the Sec-
 5 retary determines that—

6 “(A) the failure of the borrower to pay on
 7 schedule was due to unusual conditions that the
 8 borrower could not control; and

9 “(B) the borrower will reduce the line-of-
 10 credit balance to the scheduled level at the end
 11 of—

12 “(i) the production cycle; or

13 “(ii) the marketing of the agricultural
 14 products of the borrower.

15 “(5) *AGRICULTURAL COMMODITIES.*—A line-of-
 16 credit loan may be used to finance the production or
 17 marketing of an agricultural commodity that is eligi-
 18 ble for a price support program of the Department.

19 **“CHAPTER 3—EMERGENCY LOANS**

20 **“SEC. 3301. EMERGENCY LOANS.**

21 “(a) *IN GENERAL.*—The Secretary shall make or guar-
 22 antee an emergency loan under this chapter to an eligible
 23 farmer (including a commercial fisherman) only to the ex-
 24 tent and in such amounts as provided in advance in appro-
 25 priation Acts.

1 “(b) *ELIGIBILITY.*—*An established farmer shall be eli-*
2 *gible under subsection (a) only—*

3 “(1) *if the farmer or an individual holding a*
4 *majority interest in the farmer—*

5 “(A) *is a citizen of the United States; and*

6 “(B) *has experience and resources that the*
7 *Secretary determines are sufficient to ensure a*
8 *reasonable prospect of success in the farming op-*
9 *eration proposed by the farmer;*

10 “(2) *in the case of a farmer that is an indi-*
11 *vidual, if the farmer is—*

12 “(A) *in the case of a loan for a purpose*
13 *under chapter 1, an owner, operator, or lessee-*
14 *operator described in section 3101(b)(2); and*

15 “(B) *in the case of a loan for a purpose*
16 *under chapter 2, an operator of a farm that is*
17 *not larger than a family farm;*

18 “(3) *in the case of a farmer that is a cooperative,*
19 *corporation, partnership, trust, limited liability com-*
20 *pany, joint operation, or such other legal entity as the*
21 *Secretary determines to be appropriate, with respect*
22 *to the entity and each farm in which the entity has*
23 *an ownership or operator interest—*

24 “(A) *if—*

1 “(i) a majority interest is held by indi-
2 viduals who are related by blood or mar-
3 riage, as defined by the Secretary;

4 “(ii) at least 1 of the individuals is or
5 will be the operator of the farm; and

6 “(iii) the farm is not larger than a
7 family farm;

8 “(B) if—

9 “(i) all of the individuals who are or
10 propose to become owners or operators of a
11 farm are related by blood or marriage;

12 “(ii) all of the individuals are or pro-
13 pose to become operators of the farm; and

14 “(iii) each of the interests of the indi-
15 viduals separately constitutes not larger
16 than a family farm even if the ownership
17 interests of the individuals collectively con-
18 stitute larger than a family farm; or

19 “(C) if—

20 “(i) the entire interest is not held by
21 individuals who are related by blood or
22 marriage, as defined by the Secretary;

23 “(ii) all of the individuals are or pro-
24 pose to become farm operators; and

1 “(iii) the farm is not larger than a
2 family farm;

3 “(4) if the entity is owned, in whole or in part,
4 by 1 or more other entities and each individual who
5 is an owner of the family farm involved has a direct
6 or indirect ownership interest in each of the other en-
7 tities;

8 “(5) if the farmer (or in the case of a farmer
9 that is an entity, the 1 or more individuals that hold
10 a majority interest in the entity) is unable to obtain
11 credit elsewhere; and

12 “(6)(A) if the Secretary finds that the operations
13 of the farmer have been substantially affected by—

14 “(i) a natural or major disaster or emer-
15 gency designated by the President under the Rob-
16 ert T. Stafford Disaster Relief and Emergency
17 Assistance Act (42 U.S.C. 5121 et seq.); or

18 “(ii) a quarantine imposed by the Secretary
19 under the Plant Protection Act (7 U.S.C. 7701
20 et seq.) or the Animal Health Protection Act (7
21 U.S.C. 8301 et seq.); or

22 “(B) if the farmer conducts farming operations
23 in a county or a county contiguous to a county in
24 which the Secretary has found that farming oper-

1 *ations have been substantially affected by a natural*
2 *or major disaster or emergency.*

3 “(c) *TIME FOR ACCEPTING AN APPLICATION.—The*
4 *Secretary shall accept an application for a loan under this*
5 *chapter from a farmer at any time during the 8-month pe-*
6 *riod beginning on the date that—*

7 “(1) *the Secretary determines that farming oper-*
8 *ations of the farmer have been substantially affected*
9 *by—*

10 “(A) *a quarantine imposed by the Secretary*
11 *under the Plant Protection Act (7 U.S.C. 7701*
12 *et seq.) or the Animal Health Protection Act (7*
13 *U.S.C. 8301 et seq.); or*

14 “(B) *a natural disaster; or*

15 “(2) *the President makes a major disaster or*
16 *emergency designation with respect to the affected*
17 *county of the farmer referred to in subsection*
18 *(b)(5)(B).*

19 “(d) *HAZARD INSURANCE REQUIREMENT.—The Sec-*
20 *retary may not make a loan to a farmer under this chapter*
21 *to cover a property loss unless the farmer had hazard insur-*
22 *ance that insured the property at the time of the loss.*

23 “(e) *FAMILY FARM.—The Secretary shall conduct the*
24 *loan program under this chapter in a manner that will fos-*
25 *ter and encourage the family farm system of agriculture,*

1 *consistent with the reaffirmation of policy and declaration*
2 *of the intent of Congress contained in section 102(a) of the*
3 *Food and Agriculture Act of 1977 (7 U.S.C. 2266(a)).*

4 **“SEC. 3302. PURPOSES OF LOANS.**

5 *“Subject to the limitations on the amounts of loans*
6 *provided in section 3303(a), a loan may be made or guar-*
7 *anteed under this chapter for—*

8 *“(1) any purpose authorized for a loan under*
9 *chapter 1 or 2; and*

10 *“(2) crop or livestock purposes that are—*

11 *“(A) necessitated by a quarantine, natural*
12 *disaster, major disaster, or emergency; and*

13 *“(B) considered desirable by the farmer.*

14 **“SEC. 3303. TERMS OF LOANS.**

15 *“(a) MAXIMUM AMOUNT OF LOAN.—The Secretary*
16 *may not make or guarantee a loan under this chapter to*
17 *a borrower who has suffered a loss in an amount that—*

18 *“(1) exceeds the actual loss caused by a disaster;*

19 *or*

20 *“(2) would cause the total indebtedness of the*
21 *borrower under this chapter to exceed \$500,000.*

22 *“(b) INTEREST RATES.—Any portion of a loan under*
23 *this chapter up to the amount of the actual loss suffered*
24 *by a farmer caused by a disaster shall be at a rate pre-*

1 *scribed by the Secretary, but not in excess of 8 percent per*
2 *annum.*

3 “(c) *INTEREST SUBSIDIES FOR GUARANTEED*
4 *LOANS.*—*In the case of a guaranteed loan under this chap-*
5 *ter, the Secretary may pay an interest subsidy to the lender*
6 *for any portion of the loan up to the amount of the actual*
7 *loss suffered by a farmer caused by a disaster.*

8 “(d) *TIME FOR REPAYMENT.*—

9 “(1) *IN GENERAL.*—*Subject to paragraph (2), a*
10 *loan under this chapter shall be repayable at such*
11 *times as the Secretary may determine, considering the*
12 *purpose of the loan and the nature and effect of the*
13 *disaster, but not later than the maximum repayment*
14 *period allowed for a loan for a similar purpose under*
15 *chapters 1 and 2.*

16 “(2) *EXTENDED REPAYMENT PERIOD.*—*The Sec-*
17 *retary may, if the loan is for a purpose described in*
18 *chapter 2 and the Secretary determines that the need*
19 *of the loan applicant justifies the longer repayment*
20 *period, make the loan repayable at the end of a pe-*
21 *riod of more than 7 years, but not more than 20*
22 *years.*

23 “(e) *SECURITY FOR LOAN.*—

24 “(1) *IN GENERAL.*—*A borrower of a loan made*
25 *under this chapter shall secure the loan with the full*

1 *personal liability of the borrower and such other secu-*
2 *urity as the Secretary may prescribe.*

3 “(2) *ADEQUATE SECURITY.*—Subject to para-
4 *graph (3), the Secretary may not make or guarantee*
5 *a loan under this chapter unless the security for the*
6 *loan is adequate to ensure repayment of the loan.*

7 “(3) *INADEQUATE SECURITY DUE TO DIS-*
8 *ASTER.*—If adequate security for a loan under this
9 *chapter is not available because of a disaster, the Sec-*
10 *retary shall accept as security any collateral that is*
11 *available if the Secretary is confident that the collat-*
12 *eral and the repayment ability of the farmer are ade-*
13 *quate security for the loan.*

14 “(4) *VALUATION OF FARM ASSETS.*—If a farm
15 *asset (including land, livestock, or equipment) is used*
16 *as collateral to secure a loan applied for under this*
17 *chapter and the governor of the State in which the*
18 *farm is located requests assistance under this chapter*
19 *or the Robert T. Stafford Disaster Relief and Emer-*
20 *gency Assistance Act (42 U.S.C. 5121 et seq.) for the*
21 *portion of the State in which the asset is located, the*
22 *Secretary shall establish the value of the asset as of*
23 *the day before the occurrence of the natural or major*
24 *disaster or emergency.*

25 “(f) *REVIEW OF LOAN.*—

1 “(1) *IN GENERAL.*—*In the case of a loan made,*
2 *but not guaranteed, under section 3301, the Secretary*
3 *shall review the loan 3 years after the loan is made,*
4 *and every 2 years thereafter for the term of the loan.*

5 “(2) *TERMINATION OF FEDERAL ASSISTANCE.*—
6 *If, based on a review under paragraph (1), the Sec-*
7 *retary determines that the borrower is able to obtain*
8 *a loan from a non-Federal source at reasonable rates*
9 *and terms, the borrower shall, on request by the Sec-*
10 *retary, apply for, and accept, a non-Federal loan in*
11 *a sufficient amount to repay the Secretary.*

12 **“SEC. 3304. PRODUCTION LOSSES.**

13 “(a) *IN GENERAL.*—*The Secretary shall make or guar-*
14 *antee a loan under this chapter to an eligible farmer for*
15 *production losses if a single enterprise that constitutes a*
16 *basic part of the farming operation of the farmer has sus-*
17 *tained at least a 30 percent loss in normal per acre or per*
18 *animal production, or such lesser percentage as the Sec-*
19 *retary may determine, as a result of a disaster.*

20 “(b) *BASIS FOR PERCENTAGE.*—*A percentage loss*
21 *under subsection (a) shall be based on the average monthly*
22 *price in effect for the previous crop or calendar year, as*
23 *appropriate.*

24 “(c) *AMOUNT OF LOAN.*—*A loan under subsection (a)*
25 *shall be in an amount that is equal to 80 percent, or such*

1 *greater percentage as the Secretary may determine, of the*
 2 *total calculated actual production loss sustained by the*
 3 *farmer.*

4 **“CHAPTER 4—GENERAL FARMER LOAN**
 5 **PROVISIONS**

6 **“SEC. 3401. AGRICULTURAL CREDIT INSURANCE FUND.**

7 *“The fund established pursuant to section 11(a) of the*
 8 *Bankhead-Jones Farm Tenant Act (60 Stat. 1075, chapter*
 9 *964) shall be known as the Agricultural Credit Insurance*
 10 *Fund (referred to in this section as the ‘Fund’, unless the*
 11 *context otherwise requires) for the discharge of the obliga-*
 12 *tions of the Secretary under agreements insuring loans*
 13 *under this subtitle and loans and mortgages insured under*
 14 *prior authority.*

15 **“SEC. 3402. GUARANTEED FARMER LOANS.**

16 *“(a) IN GENERAL.—The Secretary may provide finan-*
 17 *cial assistance to a borrower for a purpose provided in this*
 18 *subtitle by guaranteeing a loan made by any Federal or*
 19 *State chartered bank, savings and loan association, cooper-*
 20 *ative lending agency, or other legally organized lending*
 21 *agency.*

22 *“(b) INTEREST RATE.—The interest rate payable by*
 23 *a borrower on the portion of a guaranteed loan that is sold*
 24 *by a lender to the secondary market under this subtitle may*
 25 *be lower than the interest rate charged on the portion re-*

1 *tained by the lender, but shall not exceed the average inter-*
2 *est rate charged by the lender on loans made to farm bor-*
3 *rowers.*

4 “(c) *FEEES.*—*In the case of a loan guarantee on a loan*
5 *made by a commercial or cooperative lender related to a*
6 *loan made by the Secretary under section 3107—*

7 “(1) *the Secretary shall not charge a fee to any*
8 *person (including a lender); and*

9 “(2) *a lender may charge a loan origination and*
10 *servicing fee in an amount not to exceed 1 percent of*
11 *the amount of the loan.*

12 “(d) *MAXIMUM GUARANTEE OF 90 PERCENT.*—*Except*
13 *as provided in subsections (e) and (f), a loan guarantee*
14 *under this subtitle shall be for not more than 90 percent*
15 *of the principal and interest due on the loan.*

16 “(e) *REFINANCED LOANS GUARANTEED AT 95 PER-*
17 *CENT.*—*The Secretary shall guarantee 95 percent of—*

18 “(1) *in the case of a loan that solely refinances*
19 *a direct loan made under this subtitle, the principal*
20 *and interest due on the loan on the date of the refi-*
21 *nancing; or*

22 “(2) *in the case of a loan that is used for mul-*
23 *tiple purposes, the portion of the loan that refinances*
24 *the principal and interest due on a direct loan made*

1 *under this subtitle that is outstanding on the date the*
2 *loan is guaranteed.*

3 “(f) *BEGINNING FARMER LOANS GUARANTEED UP TO*
4 *95 PERCENT.—The Secretary may guarantee not more than*
5 *95 percent of—*

6 “(1) *a farm ownership loan for acquiring a farm*
7 *to a borrower who is participating in the downpay-*
8 *ment loan program under section 3107; or*

9 “(2) *an operating loan to a borrower who is par-*
10 *ticipating in the downpayment loan program under*
11 *section 3107 that is made during the period that the*
12 *borrower has a direct loan outstanding under chapter*
13 *1 for acquiring a farm.*

14 “(g) *GUARANTEE OF LOANS MADE UNDER STATE BE-*
15 *GINNING FARMER PROGRAMS.—The Secretary may guar-*
16 *antee under this subtitle a loan made under a State begin-*
17 *ning farmer program, including a loan financed by the net*
18 *proceeds of a qualified small issue agricultural bond for*
19 *land or property described in section 144(a)(12)(B)(ii) of*
20 *the Internal Revenue Code of 1986.*

21 “(h) *PARTIAL LIQUIDATIONS.—If a partial liquida-*
22 *tion of a delinquent loan is performed (with the prior con-*
23 *sent of the Secretary) as part of loan servicing by a guaran-*
24 *teed lender under this subtitle, the Secretary shall not re-*

1 *quire full liquidation of the loan for the lender to be eligible*
2 *to receive payment on losses.*

3 **“SEC. 3403. PROVISION OF INFORMATION TO BORROWERS.**

4 “(a) *APPROVAL NOTIFICATION.*—*The Secretary shall*
5 *approve or disapprove an application for a loan or loan*
6 *guarantee made under this subtitle, and notify the appli-*
7 *cant of such action, not later than 60 days after the date*
8 *on which the Secretary has received a complete application*
9 *for the loan or loan guarantee.*

10 “(b) *LIST OF LENDERS.*—*The Secretary shall make*
11 *available to any farmer, on request, a list of lenders in the*
12 *area that participate in guaranteed farmer program loan*
13 *programs established under this subtitle, and other lenders*
14 *in the area that express a desire to participate in the pro-*
15 *grams and that request inclusion on the list.*

16 “(c) *OTHER INFORMATION.*—

17 “(1) *IN GENERAL.*—*On the request of a borrower,*
18 *the Secretary shall make available to the borrower—*

19 “(A) *a copy of each document signed by the*
20 *borrower;*

21 “(B) *a copy of each appraisal performed*
22 *with respect to the loan; and*

23 “(C) *any document that the Secretary is re-*
24 *quired to provide to the borrower under any law*
25 *in effect on the date of the request.*

1 “(2) *RULE OF CONSTRUCTION.*—Paragraph (1)
2 *shall not supersede any duty imposed on the Sec-*
3 *retary by a law in effect on January 5, 1988, unless*
4 *the duty directly conflicts with a duty under para-*
5 *graph (1).*

6 **“SEC. 3404. NOTICE OF LOAN SERVICE PROGRAMS.**

7 “(a) *REQUIREMENT.*—*The Secretary shall provide no-*
8 *tice by certified mail to each borrower who is at least 90*
9 *days past due on the payment of principal or interest on*
10 *a loan made under this subtitle.*

11 “(b) *CONTENTS.*—*The notice required under subsection*
12 *(a) shall—*

13 “(1) *include a summary of all primary loan*
14 *service programs, homestead retention programs, debt*
15 *settlement programs, and appeal procedures, includ-*
16 *ing the eligibility criteria, and terms and conditions*
17 *of the programs and procedures;*

18 “(2) *include a summary of the manner in which*
19 *the borrower may apply, and be considered, for all*
20 *such programs, except that the Secretary shall not re-*
21 *quire the borrower to select among the programs or*
22 *wave any right to be considered for any program*
23 *carried out by the Secretary;*

1 “(3) advise the borrower regarding all filing re-
2 quirements and any deadlines that must be met for
3 requesting loan servicing;

4 “(4) provide any relevant forms, including ap-
5 plicable response forms;

6 “(5) advise the borrower that a copy of regula-
7 tions is available on request; and

8 “(6) be designed to be readable and understand-
9 able by the borrower.

10 “(c) *CONTAINED IN REGULATIONS.*—All notices re-
11 quired by this section shall be contained in the regulations
12 issued to carry out this subtitle.

13 “(d) *TIMING.*—The notice described in subsection (b)
14 shall be provided—

15 “(1) at the time an application is made for par-
16 ticipation in a loan service program;

17 “(2) on written request of the borrower; and

18 “(3) before the earliest of the date of—

19 “(A) initiating any liquidation;

20 “(B) requesting the conveyance of security
21 property;

22 “(C) accelerating the loan;

23 “(D) repossessing property;

24 “(E) foreclosing on property; or

25 “(F) taking any other collection action.

1 “(e) *CONSIDERATION OF BORROWERS FOR LOAN*
2 *SERVICE PROGRAMS.*—

3 “(1) *IN GENERAL.*—*The Secretary shall consider*
4 *a farmer program loan borrower for all loan service*
5 *programs if, not later than 60 days after receipt of*
6 *the notice described in subsection (b), the borrower re-*
7 *quests the consideration in writing.*

8 “(2) *PRIORITY.*—*In considering a borrower for a*
9 *loan service program, the Secretary shall place the*
10 *highest priority on the preservation of the farming*
11 *operations of the borrower.*

12 **“SEC. 3405. PLANTING AND PRODUCTION HISTORY GUIDE-**
13 **LINES.**

14 “(a) *IN GENERAL.*—*The Secretary shall ensure that*
15 *appropriate procedures, including, to the extent practicable,*
16 *onsite inspections, or use of county or State yield averages,*
17 *are used in calculating future yields for an applicant for*
18 *a loan, when an accurate projection cannot be made because*
19 *the past production history of the farmer has been affected*
20 *by a natural or major disaster or emergency.*

21 “(b) *CALCULATION OF YIELDS.*—

22 “(1) *IN GENERAL.*—*For the purpose of averaging*
23 *the past yields of the farm of a farmer over a period*
24 *of crop years to calculate the future yield of the farm*
25 *under this subtitle, the Secretary shall permit the*

1 *farmer to exclude the crop year with the lowest actual*
2 *or county average yield for the farm from the calcula-*
3 *tion, if the farmer was affected by a natural or major*
4 *disaster or emergency during at least 2 of the crop*
5 *years during the period.*

6 “(2) *AFFECTED BY A NATURAL OR MAJOR DIS-*
7 *ASTER OR EMERGENCY.*—*A farmer was affected by a*
8 *natural or major disaster or emergency under para-*
9 *graph (1) if the Secretary finds that the farming op-*
10 *erations of the farmer have been substantially affected*
11 *by a natural or major disaster or emergency, includ-*
12 *ing a farmer who has a qualifying loss but is not lo-*
13 *cated in a designated or declared disaster area.*

14 “(3) *APPLICATION OF SUBSECTION.*—*This sub-*
15 *section shall apply to any action taken by the Sec-*
16 *retary that involves—*

17 “(A) *a loan under chapter 1 or 2; and*

18 “(B) *the yield of a farm of a farmer, in-*
19 *cluding making a loan or loan guarantee, serv-*
20 *icing a loan, or making a credit sale.*

21 **“SEC. 3406. SPECIAL CONDITIONS AND LIMITATIONS ON**
22 **LOANS.**

23 “(a) *APPLICANT REQUIREMENTS.*—*In connection with*
24 *a loan made or guaranteed under this subtitle, the Sec-*
25 *retary shall require—*

1 “(1) the applicant—

2 “(A) to certify in writing that, and the Sec-
3 retary shall determine whether, the applicant is
4 unable to obtain credit elsewhere; and

5 “(B) to furnish an appropriate written fi-
6 nancial statement;

7 “(2) except for a guaranteed loan, an agreement
8 by the borrower that if at any time it appears to the
9 Secretary that the borrower may be able to obtain a
10 loan from a production credit association, a Federal
11 land bank, or other responsible cooperative or private
12 credit source (or, in the case of a borrower under sec-
13 tion 3106, the borrower may be able to obtain a loan
14 under section 3101), at reasonable rates and terms for
15 loans for similar purposes and periods of time, the
16 borrower will, on request by the Secretary, apply for
17 and accept the loan in a sufficient amount to repay
18 the Secretary or the insured lender, or both, and to
19 pay for any stock necessary to be purchased in a co-
20 operative lending agency in connection with the loan;

21 “(3) such provision for supervision of the oper-
22 ations of the borrower as the Secretary shall consider
23 necessary to achieve the objectives of the loan and pro-
24 tect the interests of the United States; and

1 “(4) the application of a person who is a veteran
2 for a loan under chapter 1 or 2 to be given preference
3 over a similar application from a person who is not
4 a veteran if the applications are on file in a county
5 or area office at the same time.

6 “(b) AGENCY PROCESSING REQUIREMENTS.—

7 “(1) NOTIFICATIONS.—

8 “(A) INCOMPLETE APPLICATION NOTIFICA-
9 TION.—If an application for a loan or loan
10 guarantee under this subtitle (other than an op-
11 erating loan or loan guarantee) is incomplete,
12 the Secretary shall inform the applicant of the
13 reasons the application is incomplete not later
14 than 20 days after the date on which the Sec-
15 retary has received the application.

16 “(B) OPERATING LOANS.—

17 “(i) ADDITIONAL INFORMATION NEED-
18 ED.—Not later than 10 calendar days after
19 the Secretary receives an application for an
20 operating loan or loan guarantee, the Sec-
21 retary shall notify the applicant of any in-
22 formation required before a decision may be
23 made on the application.

24 “(ii) INFORMATION NOT RECEIVED.—

25 If, not later than 20 calendar days after the

1 *date a request is made pursuant to clause*
2 *(i) with respect to an application, the Sec-*
3 *retary has not received the information re-*
4 *quested, the Secretary shall notify the appli-*
5 *cant and the district office of the Farm*
6 *Service Agency, in writing, of the out-*
7 *standing information.*

8 “(C) *REQUEST INFORMATION.*—

9 “(i) *IN GENERAL.*—*On receipt of an*
10 *application, the Secretary shall request from*
11 *other parties such information as may be*
12 *needed in connection with the application.*

13 “(ii) *INFORMATION FROM AN AGENCY*
14 *OF THE DEPARTMENT.*—*Not later than 15*
15 *calendar days after the date on which an*
16 *agency of the Department receives a request*
17 *for information made pursuant to subpara-*
18 *graph (A), the agency shall provide the Sec-*
19 *retary with the requested information.*

20 “(2) *REPORT OF PENDING APPLICATIONS.*—

21 “(A) *IN GENERAL.*—*A county office shall*
22 *notify the district office of the Farm Service*
23 *Agency of each application for an operating loan*
24 *or loan guarantee that is pending more than 45*

1 *days after receipt, and the reasons for which the*
2 *application is pending.*

3 “(B) *ACTION ON PENDING APPLICATIONS.*—
4 *A district office that receives a notice provided*
5 *under subparagraph (A) with respect to an ap-*
6 *plication shall immediately take steps to ensure*
7 *that final action is taken on the application not*
8 *later than 15 days after the date of the receipt*
9 *of the notice.*

10 “(C) *PENDING APPLICATION REPORT.*—*The*
11 *district office shall report to the State office of*
12 *the Farm Service Agency on each application for*
13 *an operating loan or loan guarantee that is*
14 *pending more than 45 days after receipt, and the*
15 *reasons for which the application is pending.*

16 “(D) *REPORT TO CONGRESS.*—*Each month,*
17 *the Secretary shall notify the Committee on Ag-*
18 *riculture of the House of Representatives and the*
19 *Committee on Agriculture, Nutrition, and For-*
20 *estry of the Senate, on a State-by-State basis, as*
21 *to each application for an operating loan or loan*
22 *guarantee on which final action had not been*
23 *taken within 60 calendar days after receipt by*
24 *the Secretary, and the reasons for which final ac-*
25 *tion had not been taken.*

1 “(3) *DISAPPROVALS.*—

2 “(A) *IN GENERAL.*—*If an application for a*
3 *loan or loan guarantee under this subtitle is dis-*
4 *approved by the Secretary, the Secretary shall*
5 *state the reasons for the disapproval in the notice*
6 *required under paragraph (1).*

7 “(B) *DISAPPROVAL DUE TO LACK OF*
8 *FUNDS.*—

9 “(i) *IN GENERAL.*—*Notwithstanding*
10 *paragraph (1), each application for a loan*
11 *or loan guarantee under section 3601(e), or*
12 *for a loan under section 3501(a) or 3502(a),*
13 *that is to be disapproved by the Secretary*
14 *solely because the Secretary lacks the funds*
15 *necessary to make the loan or guarantee*
16 *shall not be disapproved but shall be placed*
17 *in pending status.*

18 “(ii) *RECONSIDERATION.*—*The Sec-*
19 *retary shall retain each pending applica-*
20 *tion and reconsider the application begin-*
21 *ning on the date that sufficient funds be-*
22 *come available.*

23 “(iii) *NOTIFICATION.*—*Not later than*
24 *60 days after funds become available re-*
25 *garding each pending application, the Sec-*

1 *retary shall notify the applicant of the ap-*
2 *proval or disapproval of funding for the ap-*
3 *plication.*

4 “(4) *APPROVALS ON APPEAL.—If an application*
5 *for a loan or loan guarantee under this subtitle is dis-*
6 *approved by the Secretary, but that action is subse-*
7 *quently reversed or revised as the result of an appeal*
8 *within the Department or to the courts of the United*
9 *States and the application is returned to the Sec-*
10 *retary for further consideration, the Secretary shall*
11 *act on the application and provide the applicant with*
12 *notice of the action not later than 15 days after the*
13 *date of return of the application to the Secretary.*

14 “(5) *PROVISION OF PROCEEDS.—*

15 “(A) *IN GENERAL.—Except as provided in*
16 *subparagraph (B), if an application for a guar-*
17 *anteed loan under this subtitle is approved by*
18 *the Secretary, the Secretary shall provide the*
19 *loan proceeds to the applicant not later than 15*
20 *days (or such longer period as the applicant may*
21 *approve) after the application for the loan is ap-*
22 *proved by the Secretary.*

23 “(B) *LACK OF FUNDS.—If the Secretary is*
24 *unable to provide the loan proceeds to the appli-*
25 *cant during the 15-day period described in sub-*

1 *paragraph (A) because sufficient funds are not*
2 *available to the Secretary for that purpose, the*
3 *Secretary shall provide the loan proceeds to the*
4 *applicant as soon as practicable (but in no event*
5 *later than 15 days unless the applicant agrees to*
6 *a longer period) after sufficient funds for that*
7 *purpose become available to the Secretary.*

8 **“SEC. 3407. GRADUATION OF BORROWERS.**

9 **“(a) GRADUATION OF SEASONED DIRECT LOAN BOR-**
10 **ROWERS TO THE LOAN GUARANTEE PROGRAM.—**

11 **“(1) REVIEW OF LOANS.—**

12 **“(A) IN GENERAL.—***The Secretary, or a*
13 *contracting third party, shall annually review*
14 *under section 3420 the loans of each seasoned di-*
15 *rect loan borrower.*

16 **“(B) ASSISTANCE.—***If, based on the review,*
17 *it is determined that a borrower would be able*
18 *to obtain a loan, guaranteed by the Secretary,*
19 *from a commercial or cooperative lender at rea-*
20 *sonable rates and terms for loans for similar*
21 *purposes and periods of time, the Secretary shall*
22 *assist the borrower in applying for the commer-*
23 *cial or cooperative loan.*

24 **“(2) PROSPECTUS.—**

1 “(A) *IN GENERAL.*—*In accordance with sec-*
2 *tion 3422, the Secretary shall prepare a pro-*
3 *spectus on each seasoned direct loan borrower de-*
4 *termined eligible to obtain a guaranteed loan.*

5 “(B) *REQUIREMENTS.*—*The prospectus shall*
6 *contain a description of the amounts of the loan*
7 *guarantee and interest assistance that the Sec-*
8 *retary will provide to the seasoned direct loan*
9 *borrower to enable the seasoned direct loan bor-*
10 *rower to carry out a financially viable farming*
11 *plan if a guaranteed loan is made.*

12 “(3) *VERIFICATION.*—

13 “(A) *IN GENERAL.*—*The Secretary shall*
14 *provide a prospectus of a seasoned direct loan*
15 *borrower to each approved lender whose lending*
16 *area includes the location of the seasoned direct*
17 *loan borrower.*

18 “(B) *NOTIFICATION.*—*The Secretary shall*
19 *notify each borrower of a loan that a prospectus*
20 *has been provided to a lender under subpara-*
21 *graph (A).*

22 “(C) *CREDIT EXTENDED.*—*If the Secretary*
23 *receives an offer from an approved lender to ex-*
24 *tend credit to the seasoned direct loan borrower*
25 *under terms and conditions contained in the*

1 *prospectus, the seasoned direct loan borrower*
2 *shall not be eligible for a loan from the Secretary*
3 *under chapter 1 or 2, except as otherwise pro-*
4 *vided in this section.*

5 “(4) *INSUFFICIENT ASSISTANCE OR OFFERS.*—*If*
6 *the Secretary is unable to provide loan guarantees*
7 *and, if necessary, interest assistance to the seasoned*
8 *direct loan borrower under this section in amounts*
9 *sufficient to enable the seasoned direct loan borrower*
10 *to borrow from commercial sources the amount re-*
11 *quired to carry out a financially viable farming plan,*
12 *or if the Secretary does not receive an offer from an*
13 *approved lender to extend credit to a seasoned direct*
14 *loan borrower under the terms and conditions con-*
15 *tained in the prospectus, the Secretary shall make a*
16 *loan to the seasoned direct loan borrower under chap-*
17 *ter 1 or 2, whichever is applicable.*

18 “(5) *INTEREST RATE REDUCTIONS.*—*To the ex-*
19 *tent necessary for the borrower to obtain a loan, guar-*
20 *anteed by the Secretary, from a commercial or cooper-*
21 *ative lender, the Secretary shall provide interest rate*
22 *reductions as provided for under section 3413.*

23 “(b) *TRANSITION TO PRIVATE COMMERCIAL OR OTHER*
24 *SOURCES OF CREDIT.*—

1 “(1) *IN GENERAL.*—*In making an operating or*
2 *ownership loan, the Secretary shall establish a plan*
3 *and promulgate regulations (including performance*
4 *criteria) that promote the goal of transitioning bor-*
5 *rowers to private commercial credit and other sources*
6 *of credit in the shortest period of time practicable.*

7 “(2) *COORDINATION.*—*In carrying out this sec-*
8 *tion, the Secretary shall integrate and coordinate the*
9 *transition policy described in subsection (a) with—*

10 “(A) *the borrower training program estab-*
11 *lished by section 3419;*

12 “(B) *the loan assessment process established*
13 *by section 3420;*

14 “(C) *the supervised credit requirement es-*
15 *tablished by section 3421;*

16 “(D) *the market placement program estab-*
17 *lished by section 3422; and*

18 “(E) *other appropriate programs and au-*
19 *thorities, as determined by the Secretary.*

20 “(c) *GRADUATION OF BORROWERS WITH OPERATING*
21 *LOANS OR GUARANTEES TO PRIVATE COMMERCIAL CRED-*
22 *IT.*—*The Secretary shall establish a plan, in coordination*
23 *with activities under sections 3419 through 3422, to encour-*
24 *age each borrower with an outstanding loan under this*
25 *chapter, or with respect to whom there is an outstanding*

1 *guarantee under this chapter, to graduate to private com-*
 2 *mercial or other sources of credit.*

3 **“SEC. 3408. DEBT ADJUSTMENT AND CREDIT COUNSELING.**

4 *“In carrying out this subtitle, the Secretary may—*

5 *“(1) provide voluntary debt adjustment assist-*
 6 *ance between—*

7 *“(A) farmers; and*

8 *“(B) the creditors of the farmers;*

9 *“(2) cooperate with State, territorial, and local*
 10 *agencies and committees engaged in the debt adjust-*
 11 *ment; and*

12 *“(3) give credit counseling.*

13 **“SEC. 3409. SECURITY SERVICING.**

14 *“(a) SALE OF PROPERTY.—*

15 *“(1) IN GENERAL.—Subject to this subsection*
 16 *and subsection (e)(1), the Secretary shall offer to sell*
 17 *real property that is acquired by the Secretary under*
 18 *this subtitle using the following order and method of*
 19 *sale:*

20 *“(A) ADVERTISEMENT.—Not later than 15*
 21 *days after acquiring real property, the Secretary*
 22 *shall publicly advertise the property for sale.*

23 *“(B) QUALIFIED BEGINNING FARMER.—*

24 *“(i) IN GENERAL.—Not later than 135*
 25 *days after acquiring real property, the Sec-*

1 *retary shall offer to sell the property to a*
2 *qualified beginning farmer or a socially dis-*
3 *advantaged farmer at current market value*
4 *based on a current appraisal.*

5 *“(ii) RANDOM SELECTION.—If more*
6 *than 1 qualified beginning farmer or so-*
7 *cially disadvantaged farmer offers to pur-*
8 *chase the property, the Secretary shall select*
9 *between the qualified applicants on a ran-*
10 *dom basis.*

11 *“(iii) APPEAL OF RANDOM SELEC-*
12 *TION.—A random selection or denial by the*
13 *Secretary of a qualified beginning farmer or*
14 *a socially disadvantaged farmer for farm*
15 *inventory property under this subparagraph*
16 *shall be final and not administratively ap-*
17 *pealable.*

18 *“(C) PUBLIC SALE.—If no acceptable offer*
19 *is received from a qualified beginning farmer or*
20 *a socially disadvantaged farmer under subpara-*
21 *graph (B) not later than 135 days after acquir-*
22 *ing the real property, the Secretary shall, not*
23 *later than 30 days after the 135-day period, sell*
24 *the property after public notice at a public sale,*

1 *and, if no acceptable bid is received, by nego-*
2 *tiated sale, at the best price obtainable.*

3 “(2) *INTEREST.*—

4 “(A) *IN GENERAL.*—*Subject to subpara-*
5 *graph (B), any conveyance of real property*
6 *under this subsection shall include all of the in-*
7 *terest of the United States in the property, in-*
8 *cluding mineral rights.*

9 “(B) *CONSERVATION.*—*The Secretary may*
10 *for conservation purposes grant or sell an ease-*
11 *ment, restriction, development right, or similar*
12 *legal right to real property to a State, a political*
13 *subdivision of a State, or a private nonprofit or-*
14 *ganization separately from the underlying fee or*
15 *other rights to the property owned by the United*
16 *States.*

17 “(3) *OTHER LAW.*—*Subtitle I of title 40, United*
18 *States Code, and title III of the Federal Property and*
19 *Administrative Services Act of 1949 (41 U.S.C. 251*
20 *et seq.) shall not apply to any exercise of authority*
21 *under this subtitle.*

22 “(4) *LEASE OF PROPERTY.*—

23 “(A) *IN GENERAL.*—*Subject to subpara-*
24 *graph (B), the Secretary may not lease any real*
25 *property acquired under this subtitle.*

1 “(B) *EXCEPTION.*—

2 “(i) *QUALIFIED BEGINNING FARMER*
3 *OR SOCIALLY DISADVANTAGED FARMER.*—

4 *The Secretary may lease or contract to sell*
5 *to a qualified beginning farmer or a so-*
6 *cially disadvantaged farmer a farm ac-*
7 *quired by the Secretary under this subtitle*
8 *if the qualified beginning farmer qualifies*
9 *for a credit sale or direct farm ownership*
10 *loan under chapter 1 but credit sale author-*
11 *ity for loans or direct farm ownership loan*
12 *funds, respectively, are not available.*

13 “(ii) *TERM.*—*The term of a lease or*
14 *contract to sell to a qualified beginning*
15 *farmer or a socially disadvantaged farmer*
16 *under clause (i) shall be until the earlier*
17 *of—*

18 “(I) *the date that is 18 months*
19 *after the date of the lease or sale; or*

20 “(II) *the date that direct farm*
21 *ownership loan funds or credit sale au-*
22 *thority for loans becomes available to*
23 *the qualified beginning farmer or so-*
24 *cially disadvantaged farmer.*

1 “(iii) *INCOME-PRODUCING CAPA-*
2 *BILITY.—In determining the rental rate on*
3 *real property leased under this subpara-*
4 *graph, the Secretary shall consider the in-*
5 *come-producing capability of the property*
6 *during the term that the property is leased.*

7 “(5) *EXPEDITED DETERMINATION.—*

8 “(A) *IN GENERAL.—On the request of an*
9 *applicant, not later than 30 days after denial of*
10 *the application, the appropriate State director*
11 *shall provide an expedited review and deter-*
12 *mination of whether the applicant is a qualified*
13 *beginning farmer or a socially disadvantaged*
14 *farmer for the purpose of acquiring farm inven-*
15 *tory property.*

16 “(B) *APPEAL.—The determination of a*
17 *State Director under subparagraph (A) shall be*
18 *final and not administratively appealable.*

19 “(C) *EFFECTS OF DETERMINATIONS.—*

20 “(i) *IN GENERAL.—The Secretary shall*
21 *maintain statistical data on the number*
22 *and results of determinations made under*
23 *subparagraph (A) and the effect of the deter-*
24 *minations on—*

1 “(I) *selling farm inventory prop-*
2 *erty to qualified beginning farmers or*
3 *socially disadvantaged farmers; and*

4 “(II) *disposing of real property in*
5 *inventory.*

6 “(ii) *NOTIFICATION.—The Secretary*
7 *shall notify the Committee on Agriculture of*
8 *the House of Representatives and the Com-*
9 *mittee on Agriculture, Nutrition, and For-*
10 *estry of the Senate if the Secretary deter-*
11 *mines that the review process under sub-*
12 *paragraph (A) is adversely affecting the*
13 *selling of farm inventory property to quali-*
14 *fied beginning farmers or socially disadvan-*
15 *tagged farmers or the disposing of real prop-*
16 *erty in inventory.*

17 “(b) *ROAD AND UTILITY EASEMENTS AND CONDEMNATION-*
18 *ATIONS.—In the case of any real property administered*
19 *under this subtitle, the Secretary may grant or sell ease-*
20 *ments or rights-of-way for roads, utilities, and other appur-*
21 *tenances that are not inconsistent with the public interest.*

22 “(c) *SALE OR LEASE OF FARMLAND.—*

23 “(1) *DISPOSITION OF REAL PROPERTY ON INDIAN*
24 *RESERVATIONS.—*

1 “(A) *DEFINITION OF INDIAN RESERVA-*
2 *TION.—In this paragraph, the term ‘Indian res-*
3 *ervation’ means—*

4 “(i) *all land located within the limits*
5 *of any Indian reservation under the juris-*
6 *isdiction of the United States, notwith-*
7 *standing the issuance of any patent, and,*
8 *including any right-of-way running through*
9 *the reservation;*

10 “(ii) *trust or restricted land located*
11 *within the boundaries of a former reserva-*
12 *tion of an Indian tribe in the State of Okla-*
13 *homa; or*

14 “(iii) *all Indian allotments the Indian*
15 *titles to which have not been extinguished if*
16 *the allotments are subject to the jurisdiction*
17 *of an Indian tribe.*

18 “(B) *DISPOSITION.—Except as provided in*
19 *paragraph (3), the Secretary shall dispose of or*
20 *administer the property as provided in this*
21 *paragraph when—*

22 “(i) *the Secretary acquires property*
23 *under this subtitle that is located within an*
24 *Indian reservation; and*

1 “(ii) *the borrower-owner is the Indian*
2 *tribe that has jurisdiction over the reserva-*
3 *tion in which the real property is located or*
4 *the borrower-owner is a member of the In-*
5 *Indian tribe;*

6 “(C) *PRIORITY.—Not later than 90 days*
7 *after acquiring the property, the Secretary shall*
8 *afford an opportunity to purchase or lease the*
9 *real property in accordance with the order of*
10 *priority established under subparagraph (D) to*
11 *the Indian tribe having jurisdiction over the In-*
12 *Indian reservation within which the real property*
13 *is located or, if no order of priority is established*
14 *by the Indian tribe under subparagraph (D), in*
15 *the following order:*

16 “(i) *An Indian member of the Indian*
17 *tribe that has jurisdiction over the reserva-*
18 *tion within which the real property is lo-*
19 *cated.*

20 “(ii) *An Indian corporate entity.*

21 “(iii) *The Indian tribe.*

22 “(D) *REVISION OF PRIORITY AND RESTRIC-*
23 *TION OF ELIGIBILITY.—The governing body of*
24 *any Indian tribe having jurisdiction over an In-*
25 *Indian reservation may revise the order of priority*

1 *provided in subparagraph (C) under which land*
2 *located within the reservation shall be offered for*
3 *purchase or lease by the Secretary under sub-*
4 *paragraph (C) and may restrict the eligibility*
5 *for the purchase or lease to—*

6 *“(i) persons who are members of the*
7 *Indian tribe;*

8 *“(ii) Indian corporate entities that are*
9 *authorized by the Indian tribe to lease or*
10 *purchase land within the boundaries of the*
11 *reservation; or*

12 *“(iii) the Indian tribe itself.*

13 *“(E) TRANSFER OF PROPERTY TO SEC-*
14 *RETARY OF THE INTERIOR.—*

15 *“(i) IN GENERAL.—If real property de-*
16 *scribed in subparagraph (B) is not pur-*
17 *chased or leased under subparagraph (C)*
18 *and the Indian tribe having jurisdiction*
19 *over the reservation within which the real*
20 *property is located is unable to purchase or*
21 *lease the real property, the Secretary shall*
22 *transfer the real property to the Secretary*
23 *of the Interior who shall administer the real*
24 *property as if the real property were held in*

1 *trust by the United States for the benefit of*
2 *the Indian tribe.*

3 “(ii) *USE OF RENTAL INCOME.*—*From*
4 *the rental income derived from the lease of*
5 *the transferred real property, and all other*
6 *income generated from the transferred real*
7 *property, the Secretary of the Interior shall*
8 *pay the State, county, municipal, or other*
9 *local taxes to which the transferred real*
10 *property was subject at the time of acquisi-*
11 *tion by the Secretary, until the earlier of—*

12 “(I) *the expiration of the 4-year*
13 *period beginning on the date on which*
14 *the real property is so transferred; or*

15 “(II) *such time as the land is*
16 *transferred into trust pursuant to sub-*
17 *paragraph (H).*

18 “(F) *RESPONSIBILITIES OF SECRE-*
19 *TARIES.*—*If any real property is transferred to*
20 *the Secretary of the Interior under subparagraph*
21 *(E)—*

22 “(i) *the Secretary of Agriculture shall*
23 *have no further responsibility under this*
24 *subtitle for—*

1 “(I) collection of any amounts
2 with regard to the farm program loan
3 that had been secured by the real prop-
4 erty;

5 “(II) any lien arising out of the
6 loan transaction; or

7 “(III) repayment of any amount
8 with regard to the loan transaction or
9 lien to the Treasury of the United
10 States; and

11 “(ii) the Secretary of the Interior shall
12 succeed to all right, title, and interest of the
13 Secretary of Agriculture in the real estate
14 arising from the farm program loan trans-
15 action, including the obligation to remit to
16 the Treasury of the United States, in repay-
17 ment of the original loan, the amounts pro-
18 vided in subparagraph (G).

19 “(G) *USE OF INCOME.*—After the payment
20 of any taxes that are required to be paid under
21 subparagraph (E)(ii), all remaining rental in-
22 come derived from the lease of the real property
23 transferred to the Secretary of the Interior under
24 subparagraph (E)(i), and all other income gen-
25 erated from the real property transferred to the

1 *Secretary of the Interior under that subpara-*
2 *graph, shall be deposited as miscellaneous re-*
3 *ceipts in the Treasury of the United States until*
4 *the amount deposited is equal to the lesser of—*

5 *“(i) the amount of the outstanding lien*
6 *of the United States against the real prop-*
7 *erty, as of the date the real property was*
8 *acquired by the Secretary;*

9 *“(ii) the fair market value of the real*
10 *property, as of the date of the transfer to the*
11 *Secretary of the Interior; or*

12 *“(iii) the capitalized value of the real*
13 *property, as of the date of the transfer to the*
14 *Secretary of the Interior.*

15 *“(H) HOLDING OF TITLE IN TRUST.—If the*
16 *total amount that is required to be deposited*
17 *under subparagraph (G) with respect to any real*
18 *property has been deposited into the Treasury of*
19 *the United States, title to the real property shall*
20 *be held in trust by the United States for the ben-*
21 *efit of the Indian tribe having jurisdiction over*
22 *the Indian reservation within which the real*
23 *property is located.*

24 *“(I) PAYMENT OF REMAINING LIEN OR FAIR*
25 *MARKET VALUE OF PROPERTY.—*

1 “(i) *IN GENERAL.*—*Notwithstanding*
2 *any other subparagraph of this paragraph,*
3 *the Indian tribe having jurisdiction over the*
4 *Indian reservation within which the real*
5 *property described in subparagraph (B) is*
6 *located may, at any time after the real*
7 *property has been transferred to the Sec-*
8 *retary of the Interior under subparagraph*
9 *(E), offer to pay the remaining amount on*
10 *the lien or the fair market value of the real*
11 *property, whichever is less.*

12 “(ii) *EFFECT OF PAYMENT.*—*On pay-*
13 *ment of the amount, title to the real prop-*
14 *erty shall be held by the United States in*
15 *trust for the tribe and the trust or restricted*
16 *land that has been acquired by the Sec-*
17 *retary under foreclosure or voluntary trans-*
18 *fer under a loan made or insured under this*
19 *subtitle and transferred to an Indian per-*
20 *son, entity, or tribe under this paragraph*
21 *shall be considered to have never lost trust*
22 *or restricted status.*

23 “(J) *APPLICABILITY.*—

24 “(i) *IN GENERAL.*—*This paragraph*
25 *shall apply to all land in the land inven-*

1 *tory established under this subtitle (as of*
2 *November 28, 1990) that was (immediately*
3 *prior to the date) owned by an Indian bor-*
4 *rower-owner described in subparagraph (B)*
5 *and that is situated within an Indian res-*
6 *ervation, regardless of the date of foreclosure*
7 *or acquisition by the Secretary.*

8 *“(ii) OPPORTUNITY TO PURCHASE OR*
9 *LEASE.—The Secretary shall afford an op-*
10 *portunity to an Indian person, entity, or*
11 *tribe to purchase or lease the real property*
12 *as provided in subparagraph (C).*

13 *“(iii) TRANSFER.—If the right is not*
14 *exercised or no expression of intent to exer-*
15 *cise the right is received within 180 days*
16 *after November 28, 1990, the Secretary shall*
17 *transfer the real property to the Secretary*
18 *of the Interior as provided in subparagraph*
19 *(E).*

20 *“(2) ADDITIONAL RIGHTS.—The rights provided*
21 *in this subsection shall be in addition to any right of*
22 *first refusal under the law of the State in which the*
23 *property is located.*

24 *“(3) DISPOSITION OF REAL PROPERTY ON INDIAN*
25 *RESERVATIONS AFTER PROCEDURES EXHAUSTED.—*

1 “(A) *IN GENERAL.*—*The Secretary shall dis-*
2 *pose of or administer real property described in*
3 *paragraph (1)(B) only as provided in paragraph*
4 *(1), as modified by this paragraph, if—*

5 “(i) *the real property described in*
6 *paragraph (1)(B) is located within an In-*
7 *Indian reservation;*

8 “(ii) *the borrower-owner is an Indian*
9 *tribe that has jurisdiction over the reserva-*
10 *tion in which the real property is located or*
11 *the borrower-owner is a member of an In-*
12 *Indian tribe;*

13 “(iii) *the borrower-owner has obtained*
14 *a loan made or guaranteed under this sub-*
15 *title; and*

16 “(iv) *the borrower-owner and the Sec-*
17 *retary have exhausted all of the procedures*
18 *provided for in this subtitle to permit a bor-*
19 *rower-owner to retain title to the real prop-*
20 *erty, so that it is necessary for the borrower-*
21 *owner to relinquish title.*

22 “(B) *NOTICE OF RIGHT TO CONVEY PROP-*
23 *ERTY.*—*The Secretary shall provide the bor-*
24 *rower-owner of real property that is described in*
25 *subparagraph (A) with written notice of—*

1 “(i) *the right of the borrower-owner to*
2 *voluntarily convey the real property to the*
3 *Secretary; and*

4 “(ii) *the fact that real property so con-*
5 *veyed will be placed in the inventory of the*
6 *Secretary.*

7 “(C) *NOTICE OF RIGHTS AND PROTEC-*
8 *TIONS.—The Secretary shall provide the bor-*
9 *rower-owner of the real property with written*
10 *notice of the rights and protections provided*
11 *under this subtitle to the borrower-owner, and*
12 *the Indian tribe that has jurisdiction over the*
13 *reservation in which the real property is located,*
14 *from foreclosure or liquidation of the real prop-*
15 *erty, including written notice—*

16 “(i) *of paragraph (1), this paragraph,*
17 *and subsection (e)(3);*

18 “(ii) *if the borrower-owner does not*
19 *voluntarily convey the real property to the*
20 *Secretary, that—*

21 “(I) *the Secretary may foreclose*
22 *on the property;*

23 “(II) *in the event of foreclosure,*
24 *the property will be offered for sale;*

1 “(III) the Secretary shall offer a
2 bid for the property that is equal to the
3 fair market value of the property or
4 the outstanding principal and interest
5 of the loan, whichever is higher;

6 “(IV) the property may be pur-
7 chased by another party; and

8 “(V) if the property is purchased
9 by another party, the property will not
10 be placed in the inventory of the Sec-
11 retary and the borrower-owner will for-
12 feit the rights and protections provided
13 under this subtitle; and

14 “(iii) of the opportunity of the bor-
15 rower-owner to consult with the Indian
16 tribe that has jurisdiction over the reserva-
17 tion in which the real property is located or
18 counsel to determine if State or tribal law
19 provides rights and protections that are
20 more beneficial than the rights and protec-
21 tions provided the borrower-owner under
22 this subtitle.

23 “(D) ACCEPTANCE OF VOLUNTARY CONVEY-
24 ANCE.—

1 “(i) *IN GENERAL.*—*Except as provided*
2 *in clause (ii), the Secretary shall accept the*
3 *voluntary conveyance of real property de-*
4 *scribed in subparagraph (A).*

5 “(ii) *HAZARDOUS SUBSTANCES.*—*If a*
6 *hazardous substance (as defined in section*
7 *101(14) of the Comprehensive Environ-*
8 *mental Response, Compensation, and Li-*
9 *ability Act of 1980 (42 U.S.C. 9601(14))) is*
10 *located on the property and the Secretary*
11 *takes remedial action to protect human*
12 *health or the environment if the property is*
13 *taken into inventory, the Secretary shall ac-*
14 *cept the voluntary conveyance of the prop-*
15 *erty only if the Secretary determines that*
16 *the conveyance is in the best interests of the*
17 *Federal Government.*

18 “(E) *FORECLOSURE PROCEDURES.*—

19 “(i) *NOTICE TO BORROWER.*—*If an In-*
20 *Indian borrower-owner does not voluntarily*
21 *convey to the Secretary real property de-*
22 *scribed in subparagraph (A), not less than*
23 *30 days before a foreclosure sale of the prop-*
24 *erty, the Secretary shall provide the Indian*
25 *borrower-owner with the option of—*

1 “(I) requiring the Secretary to as-
2 sign the loan and security instruments
3 to the Secretary of the Interior, if the
4 Secretary of the Interior agrees to an
5 assignment releasing the Secretary of
6 Agriculture from all further responsi-
7 bility for collection of any amounts
8 with regard to the loan secured by the
9 real property; or

10 “(II) requiring the Secretary to
11 assign the loan and security instru-
12 ments to the tribe having jurisdiction
13 over the reservation in which the real
14 property is located, if the tribe agrees
15 to assume the loan under the terms
16 specified in clause (iii).

17 “(ii) NOTICE TO TRIBE.—If an Indian
18 borrower-owner does not voluntarily convey
19 to the Secretary real property described in
20 subparagraph (A), not less than 30 days be-
21 fore a foreclosure sale of the property, the
22 Secretary shall provide written notice to the
23 Indian tribe that has jurisdiction over the
24 reservation in which the real property is lo-
25 cated of—

1 “(I) *the sale;*

2 “(II) *the fair market value of the*
3 *property; and*

4 “(III) *the requirements of this*
5 *paragraph.*

6 “(iii) *ASSUMED LOANS.—If an Indian*
7 *tribe assumes a loan under clause (i)—*

8 “(I) *the Secretary shall not fore-*
9 *close the loan because of any default*
10 *that occurred prior to the date of the*
11 *assumption;*

12 “(II) *the loan shall be for the less-*
13 *er of the outstanding principal and in-*
14 *terest of the loan or the fair market*
15 *value of the property; and*

16 “(III) *the loan shall be treated as*
17 *though the loan was made under Pub-*
18 *lic Law 91–229 (25 U.S.C. 488 et*
19 *seq.).*

20 “(F) *AMOUNT OF BID BY SECRETARY.—*

21 “(i) *IN GENERAL.—Except as provided*
22 *in clause (ii), at a foreclosure sale of real*
23 *property described in subparagraph (A), the*
24 *Secretary shall offer a bid for the property*
25 *that is equal to the higher of—*

1 “(I) the fair market value of the
2 property; or

3 “(II) the outstanding principal
4 and interest on the loan.

5 “(ii) HAZARDOUS SUBSTANCES.—If a
6 hazardous substance (as defined in section
7 101(14) of the Comprehensive Environ-
8 mental Response, Compensation, and Li-
9 ability Act of 1980 (42 U.S.C. 9601(14))) is
10 located on the property and the Secretary
11 takes remedial action to protect human
12 health or the environment if the property is
13 taken into inventory, clause (i) shall apply
14 only if the Secretary determines that bid-
15 ding is in the best interests of the Federal
16 Government.

17 “(4) DETRIMENTAL EFFECT ON VALUE OF AREA
18 FARMLAND.—The Secretary shall not offer for sale or
19 sell any farmland referred to in paragraphs (1)
20 through (3) if placing the farmland on the market
21 will have a detrimental effect on the value of farm-
22 land in the area.

23 “(5) INSTALLMENT SALES AND MULTIPLE OPERA-
24 TORS.—

1 “(A) *IN GENERAL.*—*The Secretary may sell*
2 *farmland administered under this subtitle*
3 *through an installment sale or similar device*
4 *that contains such terms as the Secretary con-*
5 *siders necessary to protect the investment of the*
6 *Federal Government in the land.*

7 “(B) *SALE OF CONTRACT.*—*The Secretary*
8 *may subsequently sell any contract entered into*
9 *to carry out subparagraph (A).*

10 “(6) *HIGHLY ERODIBLE LAND.*—*In the case of*
11 *farmland administered under this subtitle that is*
12 *highly erodible land (as defined in section 1201 of the*
13 *Food Security Act of 1985 (16 U.S.C. 3801)), the Sec-*
14 *retary may require the use of specified conservation*
15 *practices on the land as a condition of the sale or*
16 *lease of the land.*

17 “(7) *NO EFFECT ON ACREAGE ALLOTMENTS,*
18 *MARKETING QUOTAS, OR ACREAGE BASES.*—*Notwith-*
19 *standing any other law, compliance by the Secretary*
20 *with this subsection shall not cause any acreage allot-*
21 *ment, marketing quota, or acreage base assigned to*
22 *the property to lapse, terminate, be reduced, or other-*
23 *wise be adversely affected.*

24 “(8) *NO PREEMPTION OF STATE LAW.*—*If a con-*
25 *flict exists between any provision of this subsection*

1 *and any provision of the law of any State providing*
2 *a right of first refusal to the owner of farmland or the*
3 *operator of a farm before the sale or lease of land to*
4 *any other person, the provision of State law shall pre-*
5 *vail.*

6 “(d) *RELEASE OF NORMAL INCOME SECURITY.*—

7 “(1) *DEFINITION OF NORMAL INCOME SECUR-*
8 *ITY.*—*In this subsection:*

9 “(A) *IN GENERAL.*—*Except as provided in*
10 *subparagraph (B), the term ‘normal income se-*
11 *curity’ means all security not considered basic*
12 *security, including crops, livestock, poultry prod-*
13 *ucts, Farm Service Agency payments and Com-*
14 *modity Credit Corporation payments, and other*
15 *property covered by Farm Service Agency liens*
16 *that is sold in conjunction with the operation of*
17 *a farm or other business.*

18 “(B) *EXCEPTIONS.*—*The term ‘normal in-*
19 *come security’ does not include any equipment*
20 *(including fixtures in States that have adopted*
21 *the Uniform Commercial Code), or foundation*
22 *herd or flock, that is—*

23 “(i) *the basis of the farming or other*
24 *operation; and*

1 “(ii) *the basic security for a farmer*
2 *program loan.*

3 “(2) *GENERAL RELEASE.—The Secretary shall*
4 *release from the normal income security provided for*
5 *a loan an amount sufficient to pay for the essential*
6 *household and farm operating expenses of the bor-*
7 *rower, until such time as the Secretary accelerates the*
8 *loan.*

9 “(3) *NOTICE OF REPORTING REQUIREMENTS AND*
10 *RIGHTS.—If a borrower is required to plan for or to*
11 *report as to how proceeds from the sale of collateral*
12 *property will be used, the Secretary shall notify the*
13 *borrower of—*

14 “(A) *the requirement; and*

15 “(B) *the right to the release of funds under*
16 *this subsection and the means by which a request*
17 *for the funds may be made.*

18 “(e) *EASEMENTS ON INVENTORIED PROPERTY.—*

19 “(1) *IN GENERAL.—Subject to paragraph (2), in*
20 *the disposal of real property under this section, the*
21 *Secretary shall establish perpetual wetland conserva-*
22 *tion easements to protect and restore wetland or con-*
23 *verted wetland that exists on inventoried property.*

1 “(2) *LIMITATION.*—*The Secretary shall not es-*
2 *tablish a wetland conservation easement on an inven-*
3 *toried property that—*

4 “(A) *was cropland on the date the property*
5 *entered the inventory of the Secretary; or*

6 “(B) *was used for farming at any time dur-*
7 *ing the period—*

8 “(i) *beginning on the date that is 5*
9 *years before the property entered the inven-*
10 *tory of the Secretary; and*

11 “(ii) *ending on the date on which the*
12 *property entered the inventory of the Sec-*
13 *retary.*

14 “(3) *NOTIFICATION.*—*The Secretary shall pro-*
15 *vide prior written notification to a borrower consid-*
16 *ering homestead retention that a wetland conservation*
17 *easement may be placed on land for which the bor-*
18 *rower is negotiating a lease option.*

19 “(4) *APPRAISED VALUE.*—*The appraised value of*
20 *the farm shall reflect the value of the land due to the*
21 *placement of wetland conservation easements.*

22 **“SEC. 3410. CONTRACTS ON LOAN SECURITY PROPERTIES.**

23 “(a) *CONTRACTS ON LOAN SECURITY PROPERTIES.*—
24 *Subject to subsection (b), the Secretary may enter into a*

1 *contract related to real property for conservation, recre-*
2 *ation, or wildlife purposes.*

3 “(b) *LIMITATIONS.—The Secretary may enter into a*
4 *contract under subsection (a) if—*

5 “(1) *the property is wetland, upland, or highly*
6 *erodible land;*

7 “(2) *the property is determined by the Secretary*
8 *to be suitable for the purpose involved; and*

9 “(3)(A) *the property secures a loan made under*
10 *a law administered and held by the Secretary; and*

11 “(B) *the contract would better enable a qualified*
12 *borrower to repay the loan in a timely manner, as de-*
13 *termined by the Secretary.*

14 “(c) *TERMS AND CONDITIONS.—The terms and condi-*
15 *tions specified in a contract under subsection (a) shall—*

16 “(1) *specify the purposes for which the real prop-*
17 *erty may be used;*

18 “(2) *identify any conservation measure to be*
19 *taken, and any recreational and wildlife use to be al-*
20 *lowed, with respect to the real property; and*

21 “(3) *require the owner to permit the Secretary,*
22 *and any person or governmental entity designated by*
23 *the Secretary, to have access to the real property for*
24 *the purpose of monitoring compliance with the con-*
25 *tract.*

1 “(d) *REDUCTION OR FORGIVENESS OF DEBT.*—

2 “(1) *IN GENERAL.*—*Subject to this section, the*
3 *Secretary may reduce or forgive the outstanding debt*
4 *of a borrower—*

5 “(A) *in the case of a borrower to whom the*
6 *Secretary has made an outstanding loan under*
7 *a law administered by the Secretary, by can-*
8 *celing that part of the aggregate amount of the*
9 *outstanding loan that bears the same ratio to the*
10 *aggregate amount as—*

11 “(i) *the number of acres of the real*
12 *property of the borrower that are subject to*
13 *the contract; bears to*

14 “(ii) *the aggregate number of acres se-*
15 *curing the loan; or*

16 “(B) *in any other case, by treating as pre-*
17 *paid that part of the principal amount of a new*
18 *loan to the borrower issued and held by the Sec-*
19 *retary under a law administered by the Sec-*
20 *retary that bears the same ratio to the principal*
21 *amount as—*

22 “(i) *the number of acres of the real*
23 *property of the borrower that are subject to*
24 *the contract; bears to*

1 “(i) the aggregate number of acres se-
2 curing the new loan.

3 “(2) *MAXIMUM CANCELED AMOUNT.*—The
4 amount canceled or treated as prepaid under para-
5 graph (1) shall not exceed—

6 “(A) in the case of a delinquent loan, the
7 greater of—

8 “(i) the value of the land on which the
9 contract is entered into; or

10 “(ii) the difference between—

11 “(I) the amount of the out-
12 standing loan secured by the land; and

13 “(II) the value of the land; or

14 “(B) in the case of a nondelinquent loan, 33
15 percent of the amount of the loan secured by the
16 land.

17 “(e) *CONSULTATION WITH FISH AND WILDLIFE SERV-*
18 *ICE.*—If the Secretary uses the authority provided by this
19 section, the Secretary shall consult with the Director of the
20 Fish and Wildlife Service for the purposes of—

21 “(1) selecting real property in which the Sec-
22 retary may enter into a contract under this section;

23 “(2) formulating the terms and conditions of the
24 contract; and

25 “(3) enforcing the contract.

1 “(f) *ENFORCEMENT.*—*The Secretary, and any person*
2 *or governmental entity (including an agency of the Federal*
3 *Government) designated by the Secretary, may enforce a*
4 *contract entered into by the Secretary under this section.*

5 “**SEC. 3411. DEBT RESTRUCTURING AND LOAN SERVICING.**

6 “(a) *IN GENERAL.*—*The Secretary shall modify a de-*
7 *linquent farmer program loan made under this subtitle, or*
8 *purchased from the lender or the Federal Deposit Insurance*
9 *Corporation under section 3902, to the maximum extent*
10 *practicable—*

11 “(1) *to avoid a loss to the Secretary on the loan,*
12 *with priority consideration being placed on writing-*
13 *down the loan principal and interest (subject to sub-*
14 *sections (d) and (e)), and debt set-aside (subject to*
15 *subsection (e)), to facilitate keeping the borrower on*
16 *the farm, or otherwise through the use of primary*
17 *loan service programs under this section; and*

18 “(2) *to ensure that a borrower is able to continue*
19 *farming operations.*

20 “(b) *ELIGIBILITY.*—*To be eligible to obtain assistance*
21 *under subsection (a)—*

22 “(1) *the delinquency shall be due to a cir-*
23 *cumstance beyond the control of the borrower, as de-*
24 *fin ed in regulations issued by the Secretary, except*
25 *that the regulations shall require that, if the value of*

1 *the assets calculated under subsection (c)(2)(A)(ii)*
2 *that may be realized through liquidation or other*
3 *methods would produce enough income to make the*
4 *delinquent loan current, the borrower shall not be eli-*
5 *gible for assistance under subsection (a);*

6 *“(2) the borrower shall have acted in good faith*
7 *with the Secretary in connection with the loan as de-*
8 *finied in regulations issued by the Secretary;*

9 *“(3) the borrower shall present a preliminary*
10 *plan to the Secretary that contains reasonable as-*
11 *sumptions that demonstrate that the borrower will be*
12 *able—*

13 *“(A) to meet the necessary family living*
14 *and farm operating expenses of the borrower;*
15 *and*

16 *“(B) to service all debts of the borrower, in-*
17 *cluding restructured loans; and*

18 *“(4) the loan, if restructured, shall result in a*
19 *net recovery to the Federal Government, during the*
20 *term of the loan as restructured, that would be more*
21 *than or equal to the net recovery to the Federal Gov-*
22 *ernment from an involuntary liquidation or fore-*
23 *closure on the property securing the loan.*

24 *“(c) RESTRUCTURING DETERMINATIONS.—*

1 “(1) *DETERMINATION OF NET RECOVERY.*—*In*
2 *determining the net recovery from the involuntary*
3 *liquidation of a loan under this section, the Secretary*
4 *shall calculate—*

5 “(A) *the recovery value of the collateral se-*
6 *curing the loan, in accordance with paragraph*
7 *(2); and*

8 “(B) *the value of the restructured loan, in*
9 *accordance with paragraph (3).*

10 “(2) *RECOVERY VALUE.*—*For the purpose of*
11 *paragraph (1), the recovery value of the collateral se-*
12 *curing the loan shall be based on the difference be-*
13 *tween—*

14 “(A)(i) *the amount of the current appraised*
15 *value of the interests of the borrower in the prop-*
16 *erty securing the loan; and*

17 “(ii) *the value of the interests of the bor-*
18 *rower in all other assets that are—*

19 “(I) *not essential for necessary family*
20 *living expenses;*

21 “(II) *not essential to the operation of*
22 *the farm; and*

23 “(III) *not exempt from judgment credi-*
24 *tors or in a bankruptcy action under Fed-*
25 *eral or State law;*

1 “(B) *the estimated administrative, attorney,*
2 *and other expenses associated with the liquida-*
3 *tion and disposition of the loan and collateral,*
4 *including—*

5 “(i) *the payment of prior liens;*

6 “(ii) *taxes and assessments, deprecia-*
7 *tion, management costs, the yearly percent-*
8 *age decrease or increase in the value of the*
9 *property, and lost interest income, each cal-*
10 *culated for the average holding period for*
11 *the type of property involved;*

12 “(iii) *resale expenses, such as repairs,*
13 *commissions, and advertising; and*

14 “(iv) *other administrative and attor-*
15 *ney costs; and*

16 “(C) *the value, as determined by the Sec-*
17 *retary, of any property not included in subpara-*
18 *graph (A)(i) if the property is specified in any*
19 *security agreement with respect to the loan and*
20 *the Secretary determines that the value of the*
21 *property should be included for purposes of this*
22 *section.*

23 “(3) *VALUE OF THE RESTRUCTURED LOAN.—*

24 “(A) *IN GENERAL.—For the purpose of*
25 *paragraph (1), the value of the restructured loan*

1 *shall be based on the present value of payments*
2 *that the borrower would make to the Federal*
3 *Government if the terms of the loan were modi-*
4 *fied under any combination of primary loan*
5 *service programs to ensure that the borrower is*
6 *able to meet the obligations and continue farm-*
7 *ing operations.*

8 “(B) *PRESENT VALUE.*—*For the purpose of*
9 *calculating the present value referred to in sub-*
10 *paragraph (A), the Secretary shall use a dis-*
11 *count rate of not more than the current rate at*
12 *the time of the calculation of 90-day Treasury*
13 *bills.*

14 “(C) *CASH FLOW MARGIN.*—*For the purpose*
15 *of assessing under subparagraph (A) the ability*
16 *of a borrower to meet debt obligations and con-*
17 *tinue farming operations, the Secretary shall as-*
18 *sume that the borrower needs up to 110 percent*
19 *of the amount indicated for payment of farm op-*
20 *erating expenses, debt service obligations, and*
21 *family living expenses.*

22 “(4) *NOTIFICATION.*—*Not later than 90 days*
23 *after receipt of a written request for restructuring*
24 *from the borrower, the Secretary shall—*

1 “(A) make the calculations specified in
2 paragraphs (2) and (3);

3 “(B) notify the borrower in writing of the
4 results of the calculations; and

5 “(C) provide documentation for the calcula-
6 tions.

7 “(5) *RESTRUCTURING OF LOANS.*—

8 “(A) *IN GENERAL.*—If the value of a re-
9 structured loan is greater than or equal to the re-
10 covery value of the collateral securing the loan,
11 not later than 45 days after notifying the bor-
12 rower under paragraph (4), the Secretary shall
13 offer to restructure the loan obligations of the
14 borrower under this subtitle through primary
15 loan service programs that would enable the bor-
16 rower to meet the obligations (as modified) under
17 the loan and to continue the farming operations
18 of the borrower.

19 “(B) *RESTRUCTURING.*—If the borrower ac-
20 cepts an offer under subparagraph (A), not later
21 than 45 days after receipt of notice of accept-
22 ance, the Secretary shall restructure the loan ac-
23 cordingly.

1 “(6) *TERMINATION OF LOAN OBLIGATIONS.*—*The*
2 *obligations of a borrower to the Secretary under a*
3 *loan shall terminate if—*

4 “(A) *the borrower satisfies the requirements*
5 *of paragraphs (1) and (2) of subsection (b);*

6 “(B) *the value of the restructured loan is*
7 *less than the recovery value; and*

8 “(C) *not later than 90 days after receipt of*
9 *the notification described in paragraph (4)(B),*
10 *the borrower pays (or obtains third-party fi-*
11 *ancing to pay) the Secretary an amount equal*
12 *to the current market value.*

13 “(7) *NEGOTIATION OF APPRAISAL.*—

14 “(A) *IN GENERAL.*—*In making a deter-*
15 *mination concerning restructuring under this*
16 *subsection, the Secretary, at the request of the*
17 *borrower, shall enter into negotiations with the*
18 *borrower concerning appraisals required under*
19 *this subsection.*

20 “(B) *INDEPENDENT APPRAISAL.*—

21 “(i) *IN GENERAL.*—*If the borrower,*
22 *based on a separate current appraisal, ob-*
23 *jects to the decision of the Secretary regard-*
24 *ing an appraisal, the borrower and the Sec-*
25 *retary shall mutually agree, to the extent*

1 *practicable, on an independent appraiser*
2 *who shall conduct another appraisal of the*
3 *property of the borrower.*

4 “(ii) *VALUE OF FINAL APPRAISAL.—*
5 *The average of the 2 appraisals under*
6 *clause (i) that are closest in value shall be-*
7 *come the final appraisal under this para-*
8 *graph.*

9 “(iii) *COST OF APPRAISAL.—The bor-*
10 *rower and the Secretary shall each pay 1/2*
11 *of the cost of any independent appraisal.*

12 “(d) *PRINCIPAL AND INTEREST WRITE-DOWN.—*

13 “(1) *IN GENERAL.—*

14 “(A) *PRIORITY CONSIDERATION.—In select-*
15 *ing the restructuring alternatives to be used in*
16 *the case of a borrower who has requested restruc-*
17 *turing under this section, the Secretary shall*
18 *give priority consideration to the use of a prin-*
19 *cipal and interest write-down if other creditors*
20 *of the borrower (other than any creditor who is*
21 *fully collateralized) representing a substantial*
22 *portion of the total debt of the borrower held by*
23 *the creditors of the borrower, agree to participate*
24 *in the development of the restructuring plan or*

1 *agree to participate in a State mediation pro-*
2 *gram.*

3 “(B) *FAILURE OF CREDITORS TO AGREE.—*
4 *Failure of creditors to agree to participate in the*
5 *restructuring plan or mediation program shall*
6 *not preclude the use of a principal and interest*
7 *write-down by the Secretary if the Secretary de-*
8 *termines that restructuring results in the least*
9 *cost to the Secretary.*

10 “(2) *PARTICIPATION OF CREDITORS.—*Before
11 *eliminating the option to use debt write-down in the*
12 *case of a borrower, the Secretary shall make a reason-*
13 *able effort to contact the creditors of the borrower, ei-*
14 *ther directly or through the borrower, and encourage*
15 *the creditors to participate with the Secretary in the*
16 *development of a restructuring plan for the borrower.*

17 “(e) *SHARED APPRECIATION ARRANGEMENTS.—*

18 “(1) *IN GENERAL.—*As a condition of restruc-
19 *turing a loan in accordance with this section, the bor-*
20 *rower of the loan may be required to enter into a*
21 *shared appreciation arrangement that requires the re-*
22 *payment of amounts written off or set aside.*

23 “(2) *TERMS.—*A shared appreciation agreement
24 *shall—*

1 “(A) have a term not to exceed 10 years;
2 and

3 “(B) provide for recapture based on the dif-
4 ference between the appraised values of the real
5 security property at the time of restructuring
6 and at the time of recapture.

7 “(3) *PERCENTAGE OF RECAPTURE.*—The amount
8 of the appreciation to be recaptured by the Secretary
9 shall be—

10 “(A) 75 percent of the appreciation in the
11 value of the real security property if the recap-
12 ture occurs not later than 4 years after the date
13 of restructuring; and

14 “(B) 50 percent if the recapture occurs dur-
15 ing the remainder of the term of the agreement.

16 “(4) *TIME OF RECAPTURE.*—Recapture shall take
17 place on the date that is the earliest of—

18 “(A) the end of the term of the agreement;

19 “(B) the conveyance of the real security
20 property;

21 “(C) the repayment of the loans; or

22 “(D) the cessation of farming operations by
23 the borrower.

24 “(5) *TRANSFER OF TITLE.*—Transfer of title to
25 the spouse of a borrower on the death of the borrower

1 *shall not be treated as a conveyance for the purpose*
2 *of paragraph (4).*

3 “(6) *NOTICE OF RECAPTURE.*—*Not later than 12*
4 *months before the end of the term of a shared appre-*
5 *ciation arrangement, the Secretary shall notify the*
6 *borrower involved of the provisions of the arrange-*
7 *ment.*

8 “(7) *FINANCING OF RECAPTURE PAYMENT.*—

9 “(A) *IN GENERAL.*—*The Secretary may am-*
10 *ortize a recapture payment owed to the Secretary*
11 *under this subsection.*

12 “(B) *TERM.*—*The term of an amortization*
13 *under this paragraph may not exceed 25 years.*

14 “(C) *INTEREST RATE.*—*The interest rate*
15 *applicable to an amortization under this para-*
16 *graph may not exceed the rate applicable to a*
17 *loan to reacquire homestead property less 100*
18 *basis points.*

19 “(D) *REAMORTIZATION.*—

20 “(i) *IN GENERAL.*—*The Secretary may*
21 *modify the amortization of a recapture pay-*
22 *ment referred to in subparagraph (A) of*
23 *this paragraph on which a payment has be-*
24 *come delinquent if—*

1 “(I) *the default is due to cir-*
2 *cumstances beyond the control of the*
3 *borrower; and*

4 “(II) *the borrower acted in good*
5 *faith (as determined by the Secretary)*
6 *in attempting to repay the recapture*
7 *amount.*

8 “(ii) *LIMITATIONS.—*

9 “(I) *TERM OF REAMORTIZA-*
10 *TION.—The term of a reamortization*
11 *under this subparagraph may not ex-*
12 *ceed 25 years from the date of the*
13 *original amortization agreement.*

14 “(II) *NO REDUCTION OR PRIN-*
15 *CIPAL OR UNPAID INTEREST DUE.—A*
16 *reamortization of a recapture payment*
17 *under this subparagraph may not pro-*
18 *vide for reducing the outstanding prin-*
19 *cipal or unpaid interest due on the re-*
20 *capture payment.*

21 “(f) *INTEREST RATES.—Any loan for farm ownership*
22 *purposes, farm operating purposes, or disaster emergency*
23 *purposes, that is deferred, consolidated, rescheduled, or re-*
24 *amortized shall, notwithstanding any other provision of*
25 *this subtitle, bear interest on the balance of the original loan*

1 *and for the term of the original loan at a rate that is the*
2 *lowest of—*

3 “(1) *the rate of interest on the original loan;*

4 “(2) *the rate being charged by the Secretary for*
5 *loans, other than guaranteed loans, of the same type*
6 *at the time at which the borrower applies for a deferral,*
7 *consolidation, rescheduling, or reamortization; or*

8 “(3) *the rate being charged by the Secretary for*
9 *loans, other than guaranteed loans, of the same type*
10 *at the time of the deferral, consolidation, rescheduling,*
11 *or reamortization.*

12 “(g) *PERIOD AND EFFECT.—*

13 “(1) *PERIOD.—The Secretary may consolidate or*
14 *reschedule outstanding loans for payment over a pe-*
15 *riod not to exceed 7 years (or, in the case of loans for*
16 *farm operating purposes, 15 years) from the date of*
17 *the consolidation or rescheduling.*

18 “(2) *EFFECT.—The amount of unpaid principal*
19 *and interest of the prior loans so consolidated or re-*
20 *scheduled shall not create a new charge against any*
21 *loan levels authorized by law.*

22 “(h) *PREREQUISITES TO FORECLOSURE OR LIQUIDA-*
23 *TION.—No foreclosure or other similar action shall be taken*
24 *to liquidate any loan determined to be ineligible for restruc-*
25 *turing by the Secretary under this section—*

1 “(1) until the borrower has been given the oppor-
2 tunity to appeal the decision; and

3 “(2) if the borrower appeals, the appeals process
4 has been completed, and a determination has been
5 made that the loan is ineligible for restructuring.

6 “(i) NOTICE OF INELIGIBILITY FOR RESTRUC-
7 TURING.—

8 “(1) IN GENERAL.—A notice of ineligibility for
9 restructuring shall be sent to the borrower by reg-
10 istered or certified mail not later than 15 days after
11 a determination of ineligibility.

12 “(2) CONTENTS.—The notice required under
13 paragraph (1) shall contain—

14 “(A) the determination and the reasons for
15 the determination;

16 “(B) the computations used to make the de-
17 termination, including the calculation of the re-
18 covery value of the collateral securing the loan;
19 and

20 “(C) a statement of the right of the borrower
21 to appeal the decision to the appeals division,
22 and to appear before a hearing officer.

23 “(j) INDEPENDENT APPRAISALS.—

1 “(1) *IN GENERAL.*—*An appeal may include a re-*
2 *quest by the borrower for an independent appraisal of*
3 *any property securing the loan.*

4 “(2) *PROCESS FOR APPRAISAL.*—*On a request*
5 *under paragraph (1), the Secretary shall present the*
6 *borrower with a list of 3 appraisers approved by the*
7 *county supervisor, from which the borrower shall se-*
8 *lect an appraiser to conduct the appraisal.*

9 “(3) *COST.*—*The cost of an appraisal under this*
10 *subsection shall be paid by the borrower.*

11 “(4) *RESULT.*—*The result of an appraisal under*
12 *this subsection shall be considered in any final deter-*
13 *mination concerning the loan.*

14 “(5) *COPY.*—*A copy of any appraisal under this*
15 *subsection shall be provided to the borrower.*

16 “(k) *ONLY 1 WRITE-DOWN OR NET RECOVERY BUY-*
17 *OUT PER BORROWER FOR A LOAN MADE AFTER JANUARY*
18 *6, 1988.*—

19 “(1) *IN GENERAL.*—*The Secretary may provide*
20 *for each borrower not more than 1 write-down or net*
21 *recovery buy-out under this section with respect to all*
22 *loans made to the borrower after January 6, 1988.*

23 “(2) *SPECIAL RULE.*—*For purposes of paragraph*
24 *(1), the Secretary shall treat any loan made on or be-*
25 *fore January 6, 1988, with respect to which a restruc-*

1 *gress, regardless of the location at which the active*
2 *duty service is performed; or*

3 *“(2) in the case of a member of the National*
4 *Guard, is on full-time National Guard duty (as de-*
5 *finied in section 101(d)(5) of title 10, United States*
6 *Code) under a call to active service authorized by the*
7 *President or the Secretary of Defense for a period of*
8 *more than 30 consecutive days under section 502(f) of*
9 *title 32, United States Code, for purposes of respond-*
10 *ing to a national emergency declared by the President*
11 *and supported by Federal funds.*

12 *“(b) FORGIVENESS OF INTEREST PAYMENTS DUE*
13 *WHILE BORROWER IS A MOBILIZED MILITARY RESERV-*
14 *IST.—Any requirement that a borrower of a direct loan*
15 *made under this subtitle make any interest payment on the*
16 *loan that would otherwise be required to be made while the*
17 *borrower is a mobilized military reservist is rescinded.*

18 *“(c) DEFERRAL OF PRINCIPAL PAYMENTS DUE WHILE*
19 *OR AFTER BORROWER IS A MOBILIZED MILITARY RESERV-*
20 *IST.—The due date of any payment of principal on a direct*
21 *loan made to a borrower under this subtitle that would oth-*
22 *erwise be required to be made while or after the borrower*
23 *is a mobilized military reservist is deferred for a period*
24 *equal in length to the period for which the borrower is a*
25 *mobilized military reservist.*

1 “(d) *NONACCRUAL OF INTEREST.*—*Interest on a direct*
2 *loan made to a borrower described in this section shall not*
3 *accrue during the period the borrower is a mobilized mili-*
4 *tary reservist.*

5 “(e) *BORROWER NOT CONSIDERED TO BE DELIN-*
6 *QUENT OR RECEIVING DEBT FORGIVENESS.*—*Notwith-*
7 *standing section 3425 or any other provision of this title,*
8 *a borrower who receives assistance under this section shall*
9 *not, as a result of the assistance, be considered to be delin-*
10 *quent or receiving debt forgiveness for purposes of receiving*
11 *a direct or guaranteed loan under this subtitle.*

12 **“SEC. 3413. INTEREST RATE REDUCTION PROGRAM.**

13 “(a) *ESTABLISHMENT OF PROGRAM.*—*The Secretary*
14 *shall establish and carry out in accordance with this section*
15 *an interest rate reduction program for any loan guaranteed*
16 *under this subtitle.*

17 “(b) *ENTERING INTO CONTRACTS.*—*The Secretary*
18 *shall enter into a contract with, and make payments to,*
19 *an institution to reduce, during the term of the contract,*
20 *the interest rate paid by the borrower on the guaranteed*
21 *loan if—*

22 “(1) *the borrower—*

23 “(A) *is unable to obtain credit elsewhere;*

24 “(B) *is unable to make payments on the*
25 *loan in a timely manner; and*

1 “(C) during the 24-month period beginning
2 on the date on which the contract is entered into,
3 has a total estimated cash income, including all
4 farm and nonfarm income, that will equal or ex-
5 ceed the total estimated cash expenses, including
6 all farm and nonfarm expenses, to be incurred
7 by the borrower during the period; and

8 “(2) during the term of the contract, the lender
9 reduces the annual rate of interest payable on the
10 loan by a minimum percentage specified in the con-
11 tract.

12 “(c) PAYMENTS.—

13 “(1) IN GENERAL.—Subject to paragraph (2), in
14 return for a contract entered into by a lender under
15 subsection (b) for the reduction of the interest rate
16 paid on a loan, the Secretary shall make payments
17 to the lender in an amount equal to not more than
18 100 percent of the cost of reducing the annual rate of
19 interest payable on the loan.

20 “(2) LIMITATION.—Payments under paragraph
21 (1) may not exceed the cost of reducing the rate by
22 more than 400 basis points.

23 “(d) TERM.—The term of a contract entered into under
24 this section to reduce the interest rate on a guaranteed loan
25 may not exceed the outstanding term of the loan.

1 “(e) *CONDITION ON FORECLOSURE.*—Notwithstanding
2 any other law, any contract of guarantee on a farm loan
3 entered into under this subtitle shall contain a condition
4 that the lender of the loan may not initiate a foreclosure
5 action on the loan until 60 days after a determination is
6 made with respect to the eligibility of the borrower to par-
7 ticipate in the program established under this section.

8 “**SEC. 3414. HOMESTEAD PROPERTY.**

9 “(a) *DEFINITIONS.*—In this section:

10 “(1) *ADMINISTRATOR.*—The term ‘Adminis-
11 trator’ means the Administrator of the Small Busi-
12 ness Administration.

13 “(2) *BORROWER-OWNER.*—The term ‘borrower-
14 owner’ means—

15 “(A) a borrower-owner of a loan made or
16 guaranteed by the Secretary or the Adminis-
17 trator who meets the eligibility requirements of
18 subsection (c)(1); or

19 “(B) in a case in which an owner of home-
20 stead property pledged the property to secure the
21 loan and the owner is different than the bor-
22 rower, the owner.

23 “(3) *FARM PROGRAM LOAN.*—The term ‘farm
24 program loan’ means a loan made by the Adminis-
25 trator under the Small Business Act (15 U.S.C. 631

1 *et seq.) for any of the purposes authorized for loans*
2 *under chapter 1 or 2.*

3 “(4) *HOMESTEAD PROPERTY.*—*The term ‘home-*
4 *stead property’ means—*

5 “(A) *the principal residence and adjoining*
6 *property possessed and occupied by a borrower-*
7 *owner, including a reasonable number of farm*
8 *outbuildings located on the adjoining land that*
9 *are useful to any occupant of the homestead; and*

10 “(B) *not more than 10 acres of adjoining*
11 *land that is used to maintain the family of the*
12 *borrower-owner.*

13 “(b) *RETENTION OF HOMESTEAD PROPERTY.*—

14 “(1) *IN GENERAL.*—*The Secretary or the Admin-*
15 *istrator shall, on application by a borrower-owner*
16 *who meets the eligibility requirements of subsection*
17 *(c)(1), permit the borrower-owner to retain possession*
18 *and occupancy of homestead property under the terms*
19 *set forth, and until the action described in this section*
20 *has been completed, if—*

21 “(A) *the Secretary forecloses or takes into*
22 *inventory property securing a loan made under*
23 *this subtitle;*

24 “(B) *the Administrator forecloses or takes*
25 *into inventory property securing a farm pro-*

1 *gram loan made under the Small Business Act*
2 *(15 U.S.C. 631 et seq.); or*

3 “(C) *the borrower-owner of a loan made by*
4 *the Secretary or the Administrator files a peti-*
5 *tion in bankruptcy that results in the conveyance*
6 *of the homestead property to the Secretary or the*
7 *Administrator, or agrees to voluntarily liquidate*
8 *or convey the property in whole or in part.*

9 “(2) *PERIOD OF OCCUPANCY.*—*Subject to sub-*
10 *section (c), the Secretary or the Administrator shall*
11 *not grant a period of occupancy of less than 3 nor*
12 *more than 5 years.*

13 “(c) *ELIGIBILITY.*—

14 “(1) *IN GENERAL.*—*To be eligible to occupy*
15 *homestead property, a borrower-owner of a loan made*
16 *by the Secretary or the Administrator shall—*

17 “(A) *apply for the occupancy not later than*
18 *30 days after the property is acquired by the*
19 *Secretary or Administrator;*

20 “(B) *have received from farming operations*
21 *gross farm income that is reasonably commensu-*
22 *rate with—*

23 “(i) *the size and location of the farm-*
24 *ing unit of the borrower-owner; and*

1 “(ii) local agricultural conditions (in-
2 cluding natural and economic conditions),
3 during at least 2 calendar years of the 6-
4 year period preceding the calendar year in
5 which the application is made;

6 “(C) have received from farming operations
7 at least 60 percent of the gross annual income of
8 the borrower-owner and any spouse of the bor-
9 rower-owner during at least 2 calendar years of
10 the 6-year period described in subparagraph (B);

11 “(D) have continuously occupied the home-
12 stead property during the 6-year period de-
13 scribed in subparagraph (B), except that the re-
14 quirement of this subparagraph may be waived
15 if a borrower-owner, due to circumstances be-
16 yond the control of the borrower-owner, had to
17 leave the homestead property for a period of time
18 not to exceed 12 months during the 6-year pe-
19 riod;

20 “(E) during the period of occupancy of the
21 homestead property, pay a reasonable sum as
22 rent for the property to the Secretary or the Ad-
23 ministrator in an amount substantially equiva-
24 lent to rents charged for similar residential

1 *properties in the area in which the homestead*
2 *property is located;*

3 “(F) *during the period of the occupancy of*
4 *the homestead property, maintain the property*
5 *in good condition; and*

6 “(G) *meet such other reasonable and nec-*
7 *essary terms and conditions as the Secretary*
8 *may require.*

9 “(2) *DEFINITION OF FARMING OPERATIONS.—In*
10 *subparagraphs (B) and (C) of paragraph (1), the*
11 *term ‘farming operations’ includes rent paid by a les-*
12 *see of agricultural land during a period in which the*
13 *borrower-owner, due to circumstances beyond the con-*
14 *trol of the borrower-owner, is unable to actively farm*
15 *the land.*

16 “(3) *TERMINATION OF RIGHTS.—*

17 “(A) *IN GENERAL.—For purposes of para-*
18 *graph (1)(E), the failure of the borrower-owner*
19 *to make a timely rental payment shall constitute*
20 *cause for the termination of all rights of the bor-*
21 *rower-owner to possession and occupancy of the*
22 *homestead property under this section.*

23 “(B) *PROCEDURE FOR TERMINATION.—In*
24 *effecting a termination under subparagraph (A),*
25 *the Secretary shall—*

1 “(i) afford the borrower-owner or lessee
2 the notice and hearing procedural rights de-
3 scribed in subtitle H of the Department of
4 Agriculture Reorganization Act of 1994 (7
5 U.S.C. 6991 et seq.); and

6 “(ii) comply with any applicable State
7 and local law governing eviction of a person
8 from residential property.

9 “(4) RIGHTS OF BORROWER-OWNER.—

10 “(A) PERIOD OF OCCUPANCY.—Subject to
11 subsection (b)(2), the period of occupancy al-
12 lowed the borrower-owner of homestead property
13 under this section shall be the period requested
14 in writing by the borrower-owner.

15 “(B) RIGHT TO REACQUIRE.—

16 “(i) IN GENERAL.—During the period
17 the borrower-owner occupies the homestead
18 property, the borrower-owner shall have a
19 right to reacquire the homestead property
20 on such terms and conditions as the Sec-
21 retary shall determine.

22 “(ii) SOCIALLY DISADVANTAGED BOR-
23 ROWER-OWNER.—During the period of occu-
24 pancy of a borrower-owner who is a socially
25 disadvantaged farmer, the borrower-owner

1 or a member of the immediate family of the
2 borrower-owner shall have a right of first
3 refusal to reacquire the homestead property
4 on such terms and conditions as the Sec-
5 retary shall determine.

6 “(iii) *INDEPENDENT APPRAISAL.*—The
7 Secretary may not demand a payment for
8 the homestead property that is in excess of
9 the current market value of the homestead
10 property as established by an independent
11 appraisal.

12 “(iv) *CONDUCT OF APPRAISAL.*—An
13 independent appraisal under clause (iii)
14 shall be conducted by an appraiser selected
15 by the borrower-owner, or, in the case of a
16 borrower-owner who is a socially disadvan-
17 taged farmer, the immediate family member
18 of the borrower-owner, from a list of 3 ap-
19 praisers approved by the county supervisor.

20 “(5) *TRANSFER OF RIGHTS.*—

21 “(A) *IN GENERAL.*—Except as provided in
22 subparagraph (B), no right of a borrower-owner
23 under this section, and no agreement entered
24 into between the borrower-owner and the Sec-
25 retary for occupancy of the homestead property,

1 *shall be transferable or assignable by the bor-*
2 *rower-owner or by operation of law.*

3 “(B) *DEATH OR INCOMPETENCY.—In the*
4 *case of death or incompetency of the borrower-*
5 *owner, the right and agreement shall be transfer-*
6 *able to a spouse of the borrower-owner if the*
7 *spouse agrees to comply with any terms and con-*
8 *ditions of the right or agreement.*

9 “(6) *NOTIFICATION.—Not later than the date of*
10 *acquisition of the property securing a loan made*
11 *under this subtitle, the Secretary shall notify the bor-*
12 *rower-owner of the property of the availability of*
13 *homestead protection rights under this section.*

14 “(d) *END OF PERIOD OF OCCUPANCY.—*

15 “(1) *IN GENERAL.—At the end of the period of*
16 *occupancy allowed a borrower-owner under subsection*
17 *(c), the Secretary or the Administrator shall grant to*
18 *the borrower-owner a right of first refusal to reacquire*
19 *the homestead property on such terms and conditions*
20 *(which may include payment of principal in install-*
21 *ments) as the Secretary or the Administrator shall de-*
22 *termine.*

23 “(2) *TERMS AND CONDITIONS.—The terms and*
24 *conditions granted under paragraph (1) may not be*
25 *less favorable than those offered by the Secretary or*

1 *Administrator or intended by the Secretary or Ad-*
2 *ministrator to be offered to any other buyer.*

3 “(e) *MAXIMUM PAYMENT OF PRINCIPAL.*—

4 “(1) *IN GENERAL.*—*At the time a reacquisition*
5 *agreement is entered into, the Secretary or the Ad-*
6 *ministrator may not demand a total payment of*
7 *principal that is in excess of the value of the home-*
8 *stead property.*

9 “(2) *DETERMINATION OF VALUE.*—*To the max-*
10 *imum extent practicable, the value of the homestead*
11 *property shall be determined by an independent ap-*
12 *praisal made during the 180-day period beginning on*
13 *the date of receipt of the application of the borrower-*
14 *owner to retain possession and occupancy of the*
15 *homestead property.*

16 “(f) *TITLE NOT NEEDED TO ENTER INTO CON-*
17 *TRACTS.*—*The Secretary may enter into a contract author-*
18 *ized by this section before the Secretary acquires title to*
19 *the homestead property that is the subject of the contract.*

20 “(g) *STATE LAW PREVAILS.*—*In the event of a conflict*
21 *between this section and a provision of State law relating*
22 *to the right of a borrower-owner to designate for separate*
23 *sale or redeem part or all of the real property securing a*
24 *loan foreclosed on by a lender to the borrower-owner, the*
25 *provision of State law shall prevail.*

1 **“SEC. 3415. TRANSFER OF INVENTORY LAND.**

2 “(a) *IN GENERAL.*—Subject to subsection (b), the Sec-
3 retary may transfer to a Federal or State agency, for con-
4 servation purposes, any real property, or interest in real
5 property, administered by the Secretary under this sub-
6 title—

7 “(1) *with respect to which the rights of all prior*
8 *owners and operators have expired;*

9 “(2) *that is eligible to be disposed of in accord-*
10 *ance with section 3409; and*

11 “(3) *that—*

12 “(A) *has marginal value for agricultural*
13 *production;*

14 “(B) *is environmentally sensitive; or*

15 “(C) *has special management importance.*

16 “(b) *CONDITIONS.*—The Secretary may not transfer
17 any property or interest in property under subsection (a)
18 unless—

19 “(1) *at least 2 public notices are given of the*
20 *transfer;*

21 “(2) *if requested, at least 1 public meeting is*
22 *held prior to the transfer; and*

23 “(3) *the Governor and at least 1 elected county*
24 *official of the State and county in which the property*
25 *is located are consulted prior to the transfer.*

1 **“SEC. 3416. TARGET PARTICIPATION RATES.**

2 “(a) *ESTABLISHMENT.*—

3 “(1) *IN GENERAL.*—*The Secretary shall establish*
4 *annual target participation rates, on a county-wide*
5 *basis, that shall ensure that members of socially dis-*
6 *advantaged groups shall—*

7 “(A) *receive loans made or guaranteed*
8 *under chapter 1; and*

9 “(B) *have the opportunity to purchase or*
10 *lease farmland acquired by the Secretary under*
11 *this subtitle.*

12 “(2) *GROUP POPULATION.*—*Except as provided*
13 *in paragraph (3), in establishing the target rates, the*
14 *Secretary shall take into consideration—*

15 “(A) *the portion of the population of the*
16 *county made up of the socially disadvantaged*
17 *groups; and*

18 “(B) *the availability of inventory farmland*
19 *in the county.*

20 “(3) *GENDER.*—*In the case of gender, target par-*
21 *ticipation rates shall take into consideration the num-*
22 *ber of current and potential socially disadvantaged*
23 *farmers in a State in proportion to the total number*
24 *of farmers in the State.*

25 “(b) *RESERVATION AND ALLOCATION.*—

1 “(1) *RESERVATION.*—*To the maximum extent*
2 *practicable, the Secretary shall reserve sufficient loan*
3 *funds made available under chapter 1 for use by*
4 *members of socially disadvantaged groups identified*
5 *under target participation rates established under*
6 *subsection (a).*

7 “(2) *ALLOCATION.*—*The Secretary shall allocate*
8 *the loans on the basis of the proportion of members*
9 *of socially disadvantaged groups in a county and the*
10 *availability of inventory farmland, with the greatest*
11 *amount of loan funds being distributed in the county*
12 *with the greatest proportion of socially disadvantaged*
13 *group members and the greatest quantity of available*
14 *inventory farmland.*

15 “(3) *INDIAN RESERVATIONS.*—*In distributing*
16 *loan funds in counties within the boundaries of an*
17 *Indian reservation, the Secretary shall allocate the*
18 *funds on a reservation-wide basis.*

19 “(c) *OPERATING LOANS.*—

20 “(1) *ESTABLISHMENT.*—

21 “(A) *IN GENERAL.*—*The Secretary shall es-*
22 *tablish annual target participation rates that*
23 *shall ensure that socially disadvantaged farmers*
24 *receive loans made or guaranteed under chapter*
25 *2.*

1 “(B) *CONSIDERATIONS.*—*In establishing the*
2 *target rates, the Secretary shall consider the*
3 *number of socially disadvantaged farmers in a*
4 *State in proportion to the total number of farm-*
5 *ers in the State.*

6 “(2) *RESERVATION AND ALLOCATION.*—

7 “(A) *IN GENERAL.*—*To the maximum ex-*
8 *tent practicable, the Secretary shall reserve and*
9 *allocate the proportion of the loan funds of each*
10 *State made available under chapter 2 that is*
11 *equal to the target participation rate of the State*
12 *for use by the socially disadvantaged farmers in*
13 *the State.*

14 “(B) *DISTRIBUTION.*—*To the maximum ex-*
15 *tent practicable, the Secretary shall distribute*
16 *the total loan funds reserved under subparagraph*
17 *(A) on a county-by-county basis according to the*
18 *number of socially disadvantaged farmers in the*
19 *county.*

20 “(C) *REALLOCATION OF UNUSED FUNDS.*—
21 *Any funds reserved and allocated under this*
22 *paragraph but not used within a State shall, to*
23 *the extent necessary to satisfy pending applica-*
24 *tions under this subtitle, be available for use by*
25 *socially disadvantaged farmers in other States,*

1 “(2) *the outstanding balance of the loan imme-*
2 *diately after the action.*

3 “(b) *NET PRESENT VALUE OF LOAN.—The Secretary*
4 *shall approve the taking of an action described in section*
5 *3903(a)(4) by the lender of a guaranteed farmer program*
6 *loan with respect to the loan if the action reduces the net*
7 *present value of the loan to an amount equal to not less*
8 *than the greater of—*

9 “(1) *the greatest net present value of a loan the*
10 *borrower could reasonably be expected to repay; and*

11 “(2) *the difference between—*

12 “(A) *the greatest amount that the lender of*
13 *the loan could reasonably expect to recover from*
14 *the borrower through bankruptcy, or liquidation*
15 *of the property securing the loan; and*

16 “(B) *all reasonable and necessary costs and*
17 *expenses that the lender of the loan could reason-*
18 *ably expect to incur to preserve or dispose of the*
19 *property (including all associated legal and*
20 *property management costs) in the course of such*
21 *a bankruptcy or liquidation.*

22 “(c) *NO LIMITATION ON AUTHORITY.—This section*
23 *shall not limit the authority of the Secretary to enter into*
24 *a shared appreciation arrangement with a borrower under*
25 *section 3411(e).*

1 **“SEC. 3418. WAIVER OF MEDIATION RIGHTS BY BOR-**
2 **ROWERS.**

3 *“The Secretary may not make or guarantee any farm-*
4 *er program loan to a farm borrower on the condition that*
5 *the borrower waive any right under the mediation program*
6 *of any State.*

7 **“SEC. 3419. BORROWER TRAINING.**

8 *“(a) IN GENERAL.—The Secretary shall contract to*
9 *provide educational training to all borrowers of direct loans*
10 *made under this subtitle in financial and farm manage-*
11 *ment concepts associated with commercial farming.*

12 *“(b) CONTRACT.—*

13 *“(1) IN GENERAL.—The Secretary may contract*
14 *with a State or private provider of farm management*
15 *and credit counseling services (including a commu-*
16 *nity college, the extension service of a State, a State*
17 *department of agriculture, or a nonprofit organiza-*
18 *tion) to carry out this section.*

19 *“(2) CONSULTATION.—The Secretary may con-*
20 *sult with the chief executive officer of a State con-*
21 *cerning the identity of the contracting organization*
22 *and the process for contracting.*

23 *“(c) ELIGIBILITY FOR LOANS.—*

24 *“(1) IN GENERAL.—Subject to paragraph (2), to*
25 *be eligible to obtain a direct loan under this subtitle,*
26 *a borrower shall be required to obtain management*

1 *assistance under this section, appropriate to the man-*
2 *agement ability of the borrower during the determina-*
3 *tion of eligibility for the loan.*

4 “(2) *LOAN CONDITIONS.*—*The need of a borrower*
5 *who satisfies the criteria set out in section*
6 *3101(b)(1)(B) or 3201(b)(1)(B) for management as-*
7 *sistance under this section shall not be cause for de-*
8 *denial of eligibility of the borrower for a direct loan*
9 *under this subtitle.*

10 “(d) *GUIDELINES AND CURRICULUM.*—*The Secretary*
11 *shall issue regulations establishing guidelines and cur-*
12 *riculum for the borrower training program established*
13 *under this section.*

14 “(e) *PAYMENT.*—*A borrower—*

15 “(1) *shall pay for training received under this*
16 *section; and*

17 “(2) *may use funds from operating loans made*
18 *under chapter 2 to pay for the training.*

19 “(f) *WAIVERS.*—

20 “(1) *IN GENERAL.*—*The Secretary may waive*
21 *the requirements of this section for an individual bor-*
22 *rower on a determination that the borrower dem-*
23 *onstrates adequate knowledge in areas described in*
24 *this section.*

1 “(2) *CRITERIA.*—*The Secretary shall establish*
2 *criteria providing for the application of paragraph*
3 *(1) consistently in all counties nationwide.*

4 **“SEC. 3420. LOAN ASSESSMENTS.**

5 “(a) *IN GENERAL.*—*After an applicant is determined*
6 *to be eligible for assistance under this subtitle, the Secretary*
7 *shall evaluate, in accordance with regulations issued by the*
8 *Secretary, the farming plan and financial situation of each*
9 *qualified farmer applicant.*

10 “(b) *DETERMINATIONS.*—*In evaluating the farming*
11 *plan and financial situation of an applicant under this sec-*
12 *tion, the Secretary shall determine—*

13 “(1) *the amount that the applicant needs to bor-*
14 *row to carry out the proposed farming plan;*

15 “(2) *the rate of interest that the applicant would*
16 *need to be able to cover expenses and build an ade-*
17 *quate equity base;*

18 “(3) *the goals of the proposed farming plan of*
19 *the applicant;*

20 “(4) *the financial viability of the plan and any*
21 *changes that are necessary to make the plan viable;*
22 *and*

23 “(5) *whether assistance is necessary under this*
24 *subtitle and, if so, the amount of the assistance.*

1 “(c) *CONTRACT.*—*The Secretary may contract with a*
2 *third party (including an entity that is eligible to provide*
3 *borrower training under section 3419(b)) to conduct a loan*
4 *assessment under this section.*

5 “(d) *REVIEW OF LOANS.*—

6 “(1) *IN GENERAL.*—*Loan assessments conducted*
7 *under this section shall include annual review of di-*
8 *rect loans, and periodic review (as determined nec-*
9 *essary by the Secretary) of guaranteed loans, made*
10 *under this subtitle to assess the progress of a borrower*
11 *in meeting the goals for the farm operation.*

12 “(2) *CONTRACTS.*—*The Secretary may contract*
13 *with an entity that is eligible to provide borrower*
14 *training under section 3419(b) to conduct a loan re-*
15 *view under paragraph (1).*

16 “(3) *PROBLEM ASSESSMENTS.*—*If a borrower is*
17 *delinquent in payments on a direct or guaranteed*
18 *loan made under this subtitle, the Secretary or the*
19 *contracting entity shall determine the cause of, and*
20 *action necessary to correct, the delinquency.*

21 “(e) *GUIDELINES.*—*The Secretary shall issue regula-*
22 *tions providing guidelines for loan assessments conducted*
23 *under this section.*

1 **“SEC. 3421. SUPERVISED CREDIT.**

2 *“The Secretary shall provide adequate training to em-*
3 *ployees of the Farm Service Agency on credit analysis and*
4 *financial and farm management—*

5 *“(1) to better acquaint the employees with what*
6 *constitutes adequate financial data on which to base*
7 *a direct or guaranteed loan approval decision; and*

8 *“(2) to ensure proper supervision of farmer pro-*
9 *gram loans.*

10 **“SEC. 3422. MARKET PLACEMENT.**

11 *“The Secretary shall establish a market placement pro-*
12 *gram for a qualified beginning farmer and any other bor-*
13 *rower of farmer program loans that the Secretary believes*
14 *has a reasonable chance of qualifying for commercial credit*
15 *with a guarantee provided under this subtitle.*

16 **“SEC. 3423. RECORDKEEPING OF LOANS BY GENDER OF**
17 **BORROWER.**

18 *“The Secretary shall classify, by gender, records of ap-*
19 *plicants for loans and loan guarantees under this subtitle.*

20 **“SEC. 3424. CROP INSURANCE REQUIREMENT.**

21 *“(a) IN GENERAL.—As a condition of obtaining any*
22 *benefit (including a direct loan, loan guarantee, or pay-*
23 *ment) described in subsection (b), a borrower shall be re-*
24 *quired to obtain at least catastrophic risk protection insur-*
25 *ance coverage under section 508 of the Federal Crop Insur-*
26 *ance Act (7 U.S.C. 1508) for the crop and crop year for*

1 *which the benefit is sought, if the coverage is offered by the*
2 *Federal Crop Insurance Corporation.*

3 “(b) *APPLICABLE BENEFITS.*—*Subsection (a) shall*
4 *apply to—*

5 “(1) *a farm ownership loan under section 3102;*

6 “(2) *an operating loan under section 3202; and*

7 “(3) *an emergency loan under section 3301.*

8 **“SEC. 3425. LOAN AND LOAN SERVICING LIMITATIONS.**

9 “(a) *DELINQUENT BORROWERS PROHIBITED FROM*
10 *OBTAINING DIRECT OPERATING LOANS.*—*The Secretary*
11 *may not make a direct operating loan under chapter 2 to*
12 *a borrower who is delinquent on any loan made or guaran-*
13 *teed under this subtitle.*

14 “(b) *LOANS PROHIBITED FOR BORROWERS THAT*
15 *HAVE RECEIVED DEBT FORGIVENESS.*—

16 “(1) *PROHIBITIONS.*—*Except as provided in*
17 *paragraph (2)—*

18 “(A) *the Secretary may not make a loan*
19 *under this subtitle to a borrower that has re-*
20 *ceived debt forgiveness on a loan made or guar-*
21 *anteed under this subtitle; and*

22 “(B) *the Secretary may not guarantee a*
23 *loan under this subtitle to a borrower that has*
24 *received—*

1 “(i) debt forgiveness after April 4,
2 1996, on a loan made or guaranteed under
3 this subtitle; or

4 “(ii) received debt forgiveness on more
5 than 3 occasions on or before April 4, 1996.

6 “(2) EXCEPTIONS.—

7 “(A) IN GENERAL.—The Secretary may
8 make a direct or guaranteed farm operating loan
9 for paying annual farm operating expenses of a
10 borrower who—

11 “(i) was restructured with a write-
12 down under section 3411;

13 “(ii) is current on payments under a
14 confirmed reorganization plan under chap-
15 ters 11, 12, or 13 of title 11 of the United
16 States Code; or

17 “(iii) received debt forgiveness on not
18 more than 1 occasion resulting directly and
19 primarily from a major disaster or emer-
20 gency designated by the President on or
21 after April 4, 1996, under the Robert T.
22 Stafford Disaster Relief and Emergency As-
23 sistance Act (42 U.S.C. 5121 et seq.).

1 *standards, practices, and terminology similar to the forms,*
2 *standards, practices, and terminology used by lenders in*
3 *the private sector.*

4 **“SEC. 3428. BEGINNING FARMER INDIVIDUAL DEVELOP-**
5 **MENT ACCOUNTS PILOT PROGRAM.**

6 “(a) *DEFINITIONS.—In this section:*

7 “(1) *DEMONSTRATION PROGRAM.—The term*
8 *‘demonstration program’ means a demonstration pro-*
9 *gram carried out by a qualified entity under the pilot*
10 *program established in subsection (b)(1).*

11 “(2) *ELIGIBLE PARTICIPANT.—The term ‘eligible*
12 *participant’ means a qualified beginning farmer*
13 *that—*

14 “(A) *lacks significant financial resources or*
15 *assets; and*

16 “(B) *has an income that is less than—*

17 “(i) *80 percent of the median income*
18 *of the State in which the farmer resides; or*

19 “(ii) *200 percent of the most recent an-*
20 *ual Federal Poverty Income Guidelines*
21 *published by the Department of Health and*
22 *Human Services for the State.*

23 “(3) *INDIVIDUAL DEVELOPMENT ACCOUNT.—The*
24 *term ‘individual development account’ means a sav-*
25 *ings account described in subsection (b)(4)(A).*

1 “(4) *QUALIFIED ENTITY.*—

2 “(A) *IN GENERAL.*—*The term ‘qualified en-*
3 *tity’ means—*

4 “(i) *1 or more organizations—*

5 “(I) *described in section 501(c)(3)*
6 *of the Internal Revenue Code of 1986;*
7 *and*

8 “(II) *exempt from taxation under*
9 *section 501(a) of such Code; or*

10 “(ii) *a State, local, or tribal govern-*
11 *ment submitting an application jointly*
12 *with an organization described in clause*
13 *(i).*

14 “(B) *NO PROHIBITION ON COLLABORA-*
15 *TION.*—*An organization described in subpara-*
16 *graph (A)(i) may collaborate with a financial*
17 *institution or for-profit community development*
18 *corporation to carry out the purposes of this sec-*
19 *tion.*

20 “(b) *PILOT PROGRAM.*—

21 “(1) *IN GENERAL.*—*The Secretary shall establish*
22 *a pilot program to be known as the ‘New Farmer In-*
23 *dividual Development Accounts Pilot Program’ under*
24 *which the Secretary shall work through qualified enti-*
25 *ties to establish demonstration programs—*

1 “(A) of at least 5 years in duration; and

2 “(B) in at least 15 States.

3 “(2) *COORDINATION.*—The Secretary shall oper-
4 ate the pilot program through and in coordination
5 with the farmer program loans of the Farm Service
6 Agency.

7 “(3) *RESERVE FUNDS.*—

8 “(A) *IN GENERAL.*—A qualified entity car-
9 rying out a demonstration program under this
10 section shall establish a reserve fund consisting of
11 a non-Federal match of 50 percent of the total
12 amount of the grant awarded to the demonstra-
13 tion program under this section.

14 “(B) *FEDERAL FUNDS.*—After the qualified
15 entity has deposited the non-Federal matching
16 funds described in subparagraph (A) in the re-
17 serve fund, the Secretary shall provide the total
18 amount of the grant awarded under this section
19 to the demonstration program for deposit in the
20 reserve fund.

21 “(C) *USE OF FUNDS.*—Of the funds depos-
22 ited under subparagraph (B) in the reserve fund
23 established for a demonstration program, the
24 qualified entity carrying out the demonstration
25 program—

1 “(i) may use up to 10 percent for ad-
2 ministrative expenses; and

3 “(ii) shall use the remainder in mak-
4 ing matching awards described in para-
5 graph (4)(B)(i)(I).

6 “(D) INTEREST.—Any interest earned on
7 amounts in a reserve fund established under sub-
8 paragraph (A) may be used by the qualified en-
9 tity as additional matching funds for, or to ad-
10 minister, the demonstration program.

11 “(E) GUIDANCE.—The Secretary shall issue
12 guidance regarding the investment requirements
13 of reserve funds established under this para-
14 graph.

15 “(F) REVERSION.—On the date on which
16 all funds remaining in any individual develop-
17 ment account established by a qualified entity
18 have reverted under paragraph (5)(B)(i) to the
19 reserve fund established by the qualified entity,
20 there shall revert to the Treasury of the United
21 States a percentage of the amount (if any) in the
22 reserve fund equal to—

23 “(i) the amount of Federal funds de-
24 posited in the reserve fund under subpara-

1 *graph (B) that were not used for adminis-*
2 *trative expenses; divided by*

3 *“(ii) the total amount of funds depos-*
4 *ited in the reserve fund.*

5 “(4) *INDIVIDUAL DEVELOPMENT ACCOUNTS.—*

6 *“(A) IN GENERAL.—A qualified entity re-*
7 *ceiving a grant under this section shall establish*
8 *and administer individual development accounts*
9 *for eligible participants.*

10 *“(B) CONTRACT REQUIREMENTS.—To be el-*
11 *igible to receive funds under this section from a*
12 *qualified entity, an eligible participant shall*
13 *enter into a contract with only 1 qualified entity*
14 *under which—*

15 *“(i) the eligible participant agrees—*

16 *“(I) to deposit a certain amount*
17 *of funds of the eligible participant in*
18 *a personal savings account, as pre-*
19 *scribed by the contractual agreement*
20 *between the eligible participant and*
21 *the qualified entity;*

22 *“(II) to use the funds described in*
23 *subclause (I) only for 1 or more eligible*
24 *expenditures described in paragraph*
25 *(5)(A); and*

1 “(III) to complete financial train-
2 ing; and

3 “(ii) the qualified entity agrees—

4 “(I) to deposit, not later than 1
5 month after an amount is deposited
6 pursuant to clause (i)(I), at least a
7 100-percent, and up to a 200-percent,
8 match of that amount into the indi-
9 vidual development account established
10 for the eligible participant; and

11 “(II) with uses of funds proposed
12 by the eligible participant.

13 “(C) LIMITATION.—

14 “(i) IN GENERAL.—A qualified entity
15 administering a demonstration program
16 under this section may provide not more
17 than \$6,000 for each fiscal year in match-
18 ing funds to the individual development ac-
19 count established by the qualified entity for
20 an eligible participant.

21 “(ii) TREATMENT OF AMOUNT.—An
22 amount provided under clause (i) shall not
23 be considered to be a gift or loan for mort-
24 gage purposes.

25 “(5) ELIGIBLE EXPENDITURES.—

1 “(A) *IN GENERAL.*—*An eligible expenditure*
2 *described in this subparagraph is an expendi-*
3 *ture—*

4 “(i) *to purchase farmland or make a*
5 *down payment on an accepted purchase*
6 *offer for farmland;*

7 “(ii) *to make mortgage payments on*
8 *farmland purchased pursuant to clause (i),*
9 *for up to 180 days after the date of the pur-*
10 *chase;*

11 “(iii) *to purchase breeding stock, fruit*
12 *or nut trees, or trees to harvest for timber;*
13 *and*

14 “(iv) *for other similar expenditures, as*
15 *determined by the Secretary.*

16 “(B) *TIMING.*—

17 “(i) *IN GENERAL.*—*An eligible partici-*
18 *part may make an eligible expenditure at*
19 *any time during the 2-year period begin-*
20 *ning on the date on which the last matching*
21 *funds are provided under paragraph*
22 *(4)(B)(ii)(I) to the individual development*
23 *account established for the eligible partici-*
24 *part.*

1 “(i) *UNEXPENDED FUNDS.*—*At the*
2 *end of the period described in clause (i),*
3 *any funds remaining in an individual de-*
4 *velopment account established for an eligible*
5 *participant shall revert to the reserve fund*
6 *of the demonstration program under which*
7 *the account was established.*

8 “(c) *APPLICATIONS.*—

9 “(1) *IN GENERAL.*—*A qualified entity that seeks*
10 *to carry out a demonstration program under this sec-*
11 *tion may submit to the Secretary an application at*
12 *such time, in such form, and containing such infor-*
13 *mation as the Secretary may prescribe.*

14 “(2) *CRITERIA.*—*In considering whether to ap-*
15 *prove an application to carry out a demonstration*
16 *program under this section, the Secretary shall as-*
17 *sess—*

18 “(A) *the degree to which the demonstration*
19 *program described in the application is likely to*
20 *aid eligible participants in successfully pursuing*
21 *new farming opportunities;*

22 “(B) *the experience and ability of the quali-*
23 *fied entity to responsibly administer the dem-*
24 *onstration program;*

1 “(C) *the experience and ability of the quali-*
2 *fied entity in recruiting, educating, and assist-*
3 *ing eligible participants to increase economic*
4 *independence and pursue or advance farming*
5 *opportunities;*

6 “(D) *the aggregate amount of direct funds*
7 *from non-Federal public sector and private*
8 *sources that are formally committed to the dem-*
9 *onstration program as matching contributions;*

10 “(E) *the adequacy of the plan of the quali-*
11 *fied entity to provide information relevant to an*
12 *evaluation of the demonstration program; and*

13 “(F) *such other factors as the Secretary con-*
14 *siders to be appropriate.*

15 “(3) *PREFERENCES.—In considering an applica-*
16 *tion to conduct a demonstration program under this*
17 *section, the Secretary shall give preference to an ap-*
18 *plication from a qualified entity that demonstrates—*

19 “(A) *a track record of serving clients tar-*
20 *geted by the program, including, as appropriate,*
21 *socially disadvantaged farmers; and*

22 “(B) *expertise in dealing with financial*
23 *management aspects of farming.*

24 “(4) *APPROVAL.—Not later than 1 year after the*
25 *date of enactment of this section, in accordance with*

1 *this section, the Secretary shall, on a competitive*
2 *basis, approve such applications to conduct dem-*
3 *onstration programs as the Secretary considers ap-*
4 *propriate.*

5 “(5) *TERM OF AUTHORITY.*—*If the Secretary ap-*
6 *proves an application to carry out a demonstration*
7 *program, the Secretary shall authorize the applicant*
8 *to carry out the project for a period of 5 years, plus*
9 *an additional 2 years to make eligible expenditures in*
10 *accordance with subsection (b)(5)(B).*

11 “(d) *GRANT AUTHORITY.*—

12 “(1) *IN GENERAL.*—*The Secretary shall make a*
13 *grant to a qualified entity authorized to carry out a*
14 *demonstration program under this section.*

15 “(2) *MAXIMUM AMOUNT OF GRANTS.*—*The aggre-*
16 *gate amount of grant funds provided to a demonstra-*
17 *tion program carried out under this section shall not*
18 *exceed \$250,000.*

19 “(3) *TIMING OF GRANT PAYMENTS.*—*The Sec-*
20 *retary shall pay the amounts awarded under a grant*
21 *made under this section—*

22 “(A) *on the awarding of the grant; or*

23 “(B) *pursuant to such payment plan as the*
24 *qualified entity may specify.*

25 “(e) *REPORTS.*—

1 “(1) *ANNUAL PROGRESS REPORTS.*—

2 “(A) *IN GENERAL.*—Not later than 60 days
3 after the end of the calendar year in which the
4 Secretary authorizes a qualified entity to carry
5 out a demonstration program under this section,
6 and annually thereafter until the conclusion of
7 the demonstration program, the qualified entity
8 shall prepare an annual report that includes, for
9 the period covered by the report—

10 “(i) an evaluation of the progress of
11 the demonstration program;

12 “(ii) information about the demonstra-
13 tion program, including the eligible partici-
14 pants and the individual development ac-
15 counts that have been established; and

16 “(iii) such other information as the
17 Secretary may require.

18 “(B) *SUBMISSION OF REPORTS.*—A quali-
19 fied entity shall submit each report required
20 under subparagraph (A) to the Secretary.

21 “(2) *REPORTS BY THE SECRETARY.*—Not later
22 than 1 year after the date on which all demonstration
23 programs under this section are concluded, the Sec-
24 retary shall submit to Congress a final report that de-

1 *scribes the results and findings of all reports and*
2 *evaluations carried out under this section.*

3 “(f) *ANNUAL REVIEW.—The Secretary may conduct an*
4 *annual review of the financial records of a qualified enti-*
5 *ty—*

6 “(1) *to assess the financial soundness of the*
7 *qualified entity; and*

8 “(2) *to determine the use of grant funds made*
9 *available to the qualified entity under this section.*

10 “(g) *REGULATIONS.—In carrying out this section, the*
11 *Secretary may promulgate regulations to ensure that the*
12 *program includes provisions for—*

13 “(1) *the termination of demonstration programs;*

14 “(2) *control of the reserve funds in the case of*
15 *such a termination;*

16 “(3) *transfer of demonstration programs to other*
17 *qualified entities; and*

18 “(4) *remissions from a reserve fund to the Sec-*
19 *retary in a case in which a demonstration program*
20 *is terminated without transfer to a new qualified en-*
21 *tity.*

22 “(h) *AUTHORIZATION OF APPROPRIATIONS.—There is*
23 *authorized to be appropriated to carry out this section*
24 *\$5,000,000 for each of fiscal years 2013 through 2018.*

1 **“SEC. 3429. FARMER LOAN PILOT PROJECTS.**

2 “(a) *IN GENERAL.*—*The Secretary may conduct pilot*
3 *projects of limited scope and duration that are consistent*
4 *with this subtitle to evaluate processes and techniques that*
5 *may improve the efficiency and effectiveness of the pro-*
6 *grams carried out under this subtitle*

7 “(b) *NOTIFICATION.*—*The Secretary shall—*

8 “(1) *not less than 60 days before the date on*
9 *which the Secretary initiates a pilot project under*
10 *subsection (a), submit notice of the proposed pilot*
11 *project to the Committee on Agriculture of the House*
12 *of Representatives and the Committee on Agriculture,*
13 *Nutrition, and Forestry of the Senate; and*

14 “(2) *consider any recommendations or feedback*
15 *provided to the Secretary in response to the notice*
16 *provided under paragraph (1).*

17 **“SEC. 3430. PROHIBITION ON USE OF LOANS FOR CERTAIN**
18 **PURPOSES.**

19 “(a) *IN GENERAL.*—*Except as provided in subsections*
20 *(b) and (c), the Secretary may not approve a loan under*
21 *this subtitle to drain, dredge, fill, level, or otherwise manip-*
22 *ulate a wetland (as defined in section 1201(a) of the Food*
23 *Security Act of 1985 (16 U.S.C. 3801(a)), or to engage*
24 *in any activity that results in impairing or reducing the*
25 *flow, circulation, or reach of water.*

1 “(b) *PRIOR ACTIVITY.*—*Subsection (a) does not apply*
2 *in the case of—*

3 “(1) *an activity related to the maintenance of a*
4 *previously converted wetland; or*

5 “(2) *an activity that had already commenced be-*
6 *fore November 28, 1990.*

7 “(c) *EXCEPTION.*—*This section shall not apply to a*
8 *loan made or guaranteed under this subtitle for a utility*
9 *line.*

10 **“SEC. 3431. AUTHORIZATION OF APPROPRIATIONS AND AL-**
11 **LOCATION OF FUNDS.**

12 “(a) *AUTHORIZATION FOR LOANS.*—

13 “(1) *IN GENERAL.*—*The Secretary may make or*
14 *guarantee loans under chapters 1 and 2 from the Ag-*
15 *ricultural Credit Insurance Fund for not more than*
16 *\$4,226,000,000 for each of fiscal years 2013 through*
17 *2018, of which, for each fiscal year—*

18 “(A) *\$1,200,000,000 shall be for direct*
19 *loans, of which—*

20 “(i) *\$350,000,000 shall be for farm*
21 *ownership loans; and*

22 “(ii) *\$850,000,000 shall be for oper-*
23 *ating loans; and*

24 “(B) *\$3,026,000,000 shall be for guaranteed*
25 *loans, of which—*

1 “(i) \$1,000,000,000 shall be for guar-
2 antees of farm ownership loans; and

3 “(ii) \$2,026,000,000 shall be for guar-
4 antees of operating loans.

5 “(2) *BEGINNING FARMERS.*—

6 “(A) *DIRECT LOANS.*—

7 “(i) *FARM OWNERSHIP LOANS.*—

8 “(I) *IN GENERAL.*—Of the
9 amounts made available under para-
10 graph (1) for direct farm ownership
11 loans, the Secretary shall reserve an
12 amount that is not less than 75 percent
13 of the total amount for qualified begin-
14 ning farmers.

15 “(II) *DOWN PAYMENT LOANS;*
16 *JOINT FINANCING ARRANGEMENTS.*—Of
17 the amounts reserved for a fiscal year
18 under subclause (I), the Secretary shall
19 reserve an amount not less than $\frac{2}{3}$ of
20 the amount for the down payment loan
21 program under section 3107 and joint
22 financing arrangements under section
23 3105 until April 1 of the fiscal year.

24 “(ii) *OPERATING LOANS.*—Of the
25 amounts made available under paragraph

1 (1) for direct operating loans, the Secretary
2 shall reserve for qualified beginning farmers
3 for each of fiscal years 2013 through 2018,
4 an amount that is not less than 50 percent
5 of the total amount.

6 “(iii) FUNDS RESERVED UNTIL SEP-
7 TEMBER 1.—Except as provided in clause
8 (i)(II), funds reserved for qualified begin-
9 ning farmers under this subparagraph for a
10 fiscal year shall be reserved only until Sep-
11 tember 1 of the fiscal year.

12 “(B) GUARANTEED LOANS.—

13 “(i) FARM OWNERSHIP LOANS.—Of the
14 amounts made available under paragraph
15 (1) for guarantees of farm ownership loans,
16 the Secretary shall reserve an amount that
17 is not less than 40 percent of the total
18 amount for qualified beginning farmers.

19 “(ii) OPERATING LOANS.—Of the
20 amounts made available under paragraph
21 (1) for guarantees of operating loans, the
22 Secretary shall reserve 40 percent for quali-
23 fied beginning farmers.

24 “(iii) FUNDS RESERVED UNTIL APRIL
25 1.—Funds reserved for qualified beginning

1 *farmers under this subparagraph for a fis-*
2 *cal year shall be reserved only until April*
3 *1 of the fiscal year.*

4 “(C) *RESERVED FUNDS FOR ALL QUALIFIED*
5 *BEGINNING FARMERS.—If a qualified beginning*
6 *farmer meets the eligibility criteria for receiving*
7 *a direct or guaranteed loan under section 3101,*
8 *3107, or 3201, the Secretary shall make or guar-*
9 *antee the loan if sufficient funds reserved under*
10 *this paragraph are available to make or guar-*
11 *antee the loan.*

12 “(3) *TRANSFER FOR DOWN PAYMENT LOANS.—*

13 “(A) *IN GENERAL.—Subject to subpara-*
14 *graph (B)—*

15 “(i) *beginning on August 1 of each fis-*
16 *cal year, the Secretary shall use available*
17 *unsubsidized guaranteed farm operating*
18 *loan funds to provide direct farm ownership*
19 *loans approved by the Secretary to qualified*
20 *beginning farmers under the down payment*
21 *loan program established under section*
22 *3107, if sufficient direct farm ownership*
23 *loan funds are not otherwise available; and*

24 “(ii) *beginning on September 1 of each*
25 *fiscal year, the Secretary shall use available*

1 *unsubsidized guaranteed farm operating*
2 *loan funds to provide direct farm ownership*
3 *loans approved by the Secretary to qualified*
4 *beginning farmers, if sufficient direct farm*
5 *ownership loan funds are not otherwise*
6 *available.*

7 “(B) *LIMITATION.—The Secretary shall*
8 *limit the transfer of funds under subparagraph*
9 *(A) so that all guaranteed farm operating loans*
10 *that have been approved, or will be approved, by*
11 *the Secretary during the fiscal year will be made*
12 *to the extent of available amounts.*

13 “(4) *TRANSFER FOR CREDIT SALES OF FARM IN-*
14 *VENTORY PROPERTY.—*

15 “(A) *IN GENERAL.—Subject to subpara-*
16 *graphs (B) and (C), beginning on September 1*
17 *of each fiscal year, the Secretary may use avail-*
18 *able funds made available under chapter 3 for*
19 *the fiscal year to fund the credit sale of farm real*
20 *estate in the inventory of the Secretary.*

21 “(B) *SUPPLEMENTAL APPROPRIATIONS.—*
22 *The transfer authority provided under subpara-*
23 *graph (A) shall not apply to any funds made*
24 *available to the Secretary for any fiscal year*

1 *under an Act making supplemental appropri-*
2 *tions.*

3 “(C) *LIMITATION.*—*The Secretary shall*
4 *limit the transfer of funds under subparagraph*
5 *(A) so that all emergency disaster loans that*
6 *have been approved, or will be approved, by the*
7 *Secretary during the fiscal year will be made to*
8 *the extent of available amounts.*

9 “(5) *AVAILABILITY OF FUNDS.*—*Funds made*
10 *available to carry out this subtitle shall remain avail-*
11 *able until expended.*

12 “(b) *COST PROJECTIONS.*—

13 “(1) *IN GENERAL.*—*The Secretary shall develop*
14 *long-term cost projections for loan program author-*
15 *izations required under subsection (a).*

16 “(2) *ANALYSIS.*—*Each projection under para-*
17 *graph (1) shall include analyses of—*

18 “(A) *the long-term costs of the lending levels*
19 *that the Secretary requests to be authorized*
20 *under subsection (a); and*

21 “(B) *the long-term costs for increases in*
22 *lending levels beyond those requested to be au-*
23 *thorized, based on increments of \$10,000,000 or*
24 *such other levels as the Secretary considers ap-*
25 *propriate.*

1 “(3) *SUBMISSION TO CONGRESS.*—*The Secretary*
2 *shall submit to the Committees on Agriculture and*
3 *Appropriations of the House of Representatives and*
4 *the Committees on Agriculture, Nutrition, and For-*
5 *estry and Appropriations of the Senate reports con-*
6 *taining the long-term cost projections for the 3-year*
7 *period beginning with fiscal year 1983 and each 3-*
8 *year period thereafter at the time the requests for au-*
9 *thorizations for those periods are submitted to Con-*
10 *gress.*

11 “(c) *LOW-INCOME, LIMITED-RESOURCE BOR-*
12 *ROWERS.*—

13 “(1) *RESERVE.*—*Notwithstanding any other pro-*
14 *vision of law, not less than 25 percent of the loans for*
15 *farm ownership purposes for each fiscal year under*
16 *this subtitle shall be for low-income, limited-resource*
17 *borrowers.*

18 “(2) *NOTIFICATION.*—*The Secretary shall pro-*
19 *vide notification to farm borrowers under this subtitle*
20 *in the normal course of loan making and loan serv-*
21 *icing operations, of the provisions of this subtitle re-*
22 *lating to low-income, limited-resource borrowers and*
23 *the procedures by which persons may apply for loans*
24 *under the low-income, limited-resource borrower pro-*
25 *gram.”.*

1 **Subtitle B—Miscellaneous**

2 **SEC. 5101. STATE AGRICULTURAL MEDIATION PROGRAMS.**

3 *Section 506 of the Agricultural Credit Act of 1987 (7*
4 *U.S.C. 5106) is amended by striking “2015” and inserting*
5 *“2018”.*

6 **SEC. 5102. LOANS TO PURCHASERS OF HIGHLY**
7 **FRACTIONATED LAND.**

8 *(a) IN GENERAL.—The first sentence of Public Law*
9 *91–229 (25 U.S.C. 488) is amended—*

10 *(1) in subsection (a), in the first sentence, by*
11 *striking “loans from” and all that follows through*
12 *“1929)” and inserting “direct loans in a manner con-*
13 *sistent with direct loans pursuant to chapter 4 of sub-*
14 *title A of the Consolidated Farm and Rural Develop-*
15 *ment Act”;*

16 *(2) in subsection (b)(1)—*

17 *(A) by striking “pursuant to section 205(c)*
18 *of the Indian Land Consolidation Act (25 U.S.C.*
19 *2204(c))”;* and

20 *(B) by inserting “or to intermediaries in*
21 *order to establish revolving loan funds for the*
22 *purchase of highly fractionated land under that*
23 *section” before the period at the end; and*

24 *(3) by adding at the end the following:*

1 “(c) *CONSULTATION REQUIRED.*—*In determining reg-*
2 *ulations and procedures to define eligible purchasers of*
3 *highly fractionated land under this section, the Secretary*
4 *of Agriculture shall consult with the Secretary of the Inte-*
5 *rior.*”.

6 **SEC. 5103. REMOVAL OF DUPLICATIVE APPRAISALS.**

7 *Notwithstanding any other law (including regula-*
8 *tions), in making loans under the first section of Public*
9 *Law 91–229 (25 U.S.C. 488), borrowers who are Indian*
10 *tribes, members of Indian tribes, or tribal corporations shall*
11 *only be required to obtain 1 appraisal under an appraisal*
12 *standard recognized as of the date of enactment of this Act*
13 *by the Secretary or the Secretary of the Interior.*

14 **SEC. 5104. COMPENSATION DISCLOSURE BY FARM CREDIT**
15 **SYSTEM INSTITUTIONS.**

16 (a) *FINDINGS.*—*Congress finds that —*

17 (1) *the reasonable disclosure to stockholders by*
18 *Farm Credit System institutions regarding the com-*
19 *penetration of Farm Credit System institution senior*
20 *officers is beneficial to stockholders’ understanding of*
21 *the operation of their institutions;*

22 (2) *transparency regarding compensation prac-*
23 *tices reinforces the cooperative nature of Farm Credit*
24 *System institutions;*

1 (3) *the unique cooperative structure of the Farm*
2 *Credit System should be considered when promul-*
3 *gating rules;*

4 (4) *the participation of stockholders in the elec-*
5 *tion of the boards of directors of Farm Credit System*
6 *institutions provides stockholders the opportunity to*
7 *participate in the management of their institutions;*

8 (5) *as representatives of stockholders, the boards*
9 *of directors of Farm Credit System institutions im-*
10 *portantly establish and oversee the compensation*
11 *practices of Farm Credit System institutions to en-*
12 *sure the safe and sound operation of those institu-*
13 *tions; and*

14 (6) *any regulation should strengthen and not*
15 *hinder the ability of Farm Credit System boards of*
16 *directors to oversee compensation practices.*

17 (b) *IMPLEMENTATION.*—*Not later than 60 days after*
18 *the date of enactment of this Act, the Farm Credit Adminis-*
19 *tration shall review its rules to reflect Congressional intent*
20 *that a primary responsibility of the boards of directors of*
21 *Farm Credit System institutions, as elected representatives*
22 *of their stockholders, is to oversee compensation practices.*

1 **TITLE VI—RURAL DEVELOPMENT**
 2 **Subtitle A—Reorganization of the**
 3 **Consolidated Farm and Rural**
 4 **Development Act**

5 **SEC. 6001. REORGANIZATION OF THE CONSOLIDATED FARM**
 6 **AND RURAL DEVELOPMENT ACT.**

7 *Title III of the Agricultural Act of 1961 (7 U.S.C.*
 8 *1921 et seq.) is amended to read as follows:*

9 **“TITLE III—AGRICULTURAL**
 10 **CREDIT**

11 **“SEC. 3001. SHORT TITLE; TABLE OF CONTENTS.**

12 *“(a) SHORT TITLE.—This title may be cited as the*
 13 *‘Consolidated Farm and Rural Development Act’.*

14 *“(b) TABLE OF CONTENTS.—The table of contents of*
 15 *this title is as follows:*

“TITLE III—AGRICULTURAL CREDIT

“Sec. 3001. Short title; table of contents.

“Sec. 3002. Definitions.

“Subtitle A—Farmer Loans, Servicing, and Other Assistance

“CHAPTER 1—FARM OWNERSHIP LOANS

“Sec. 3101. Farm ownership loans.

“Sec. 3102. Purposes of loans.

“Sec. 3103. Conservation loan and loan guarantee program.

“Sec. 3104. Loan maximums.

“Sec. 3105. Repayment requirements for farm ownership loans.

“Sec. 3106. Limited-resource loans.

“Sec. 3107. Downpayment loan program.

“Sec. 3108. Beginning farmer and socially disadvantaged farmer contract land sales program.

“CHAPTER 2—OPERATING LOANS

“Sec. 3201. Operating loans.

“Sec. 3202. Purposes of loans.

“Sec. 3203. Restrictions on loans.

“Sec. 3204. *Terms of loans.*

“CHAPTER 3—EMERGENCY LOANS

“Sec. 3301. *Emergency loans.*

“Sec. 3302. *Purposes of loans.*

“Sec. 3303. *Terms of loans.*

“Sec. 3304. *Production losses.*

“CHAPTER 4—GENERAL FARMER LOAN PROVISIONS

“Sec. 3401. *Agricultural Credit Insurance Fund.*

“Sec. 3402. *Guaranteed farmer loans.*

“Sec. 3403. *Provision of information to borrowers.*

“Sec. 3404. *Notice of loan service programs.*

“Sec. 3405. *Planting and production history guidelines.*

“Sec. 3406. *Special conditions and limitations on loans.*

“Sec. 3407. *Graduation of borrowers.*

“Sec. 3408. *Debt adjustment and credit counseling.*

“Sec. 3409. *Security servicing.*

“Sec. 3410. *Contracts on loan security properties.*

“Sec. 3411. *Debt restructuring and loan servicing.*

“Sec. 3412. *Relief for mobilized military reservists from certain agricultural loan obligations.*

“Sec. 3413. *Interest rate reduction program.*

“Sec. 3414. *Homestead property.*

“Sec. 3415. *Transfer of inventory land.*

“Sec. 3416. *Target participation rates.*

“Sec. 3417. *Compromise or adjustment of debts or claims by guaranteed lender.*

“Sec. 3418. *Waiver of mediation rights by borrowers.*

“Sec. 3419. *Borrower training.*

“Sec. 3420. *Loan assessments.*

“Sec. 3421. *Supervised credit.*

“Sec. 3422. *Market placement.*

“Sec. 3423. *Recordkeeping of loans by gender of borrower.*

“Sec. 3424. *Crop insurance requirement.*

“Sec. 3425. *Loan and loan servicing limitations.*

“Sec. 3426. *Short form certification of farm program borrower compliance.*

“Sec. 3427. *Underwriting forms and standards.*

“Sec. 3428. *Beginning farmer individual development accounts pilot program.*

“Sec. 3429. *Farmer loan pilot projects.*

“Sec. 3430. *Prohibition on use of loans for certain purposes.*

“Sec. 3431. *Authorization of appropriations and allocation of funds.*

“Subtitle B—Rural Development

“CHAPTER 1—RURAL COMMUNITY PROGRAMS

“Sec. 3501. *Water and waste disposal loans, loan guarantees, and grants.*

“Sec. 3502. *Community facilities loans, loan guarantees, and grants.*

“Sec. 3503. *Health care services.*

“CHAPTER 2—RURAL BUSINESS AND COOPERATIVE DEVELOPMENT

“Sec. 3601. *Business programs.*

“Sec. 3602. *Rural Business Investment Program.*

“CHAPTER 3—GENERAL RURAL DEVELOPMENT PROVISIONS

- “Sec. 3701. *General provisions for loans and grants.*
- “Sec. 3702. *Strategic economic and community development.*
- “Sec. 3703. *Guaranteed rural development loans.*
- “Sec. 3704. *Rural Development Insurance Fund.*
- “Sec. 3705. *Rural economic area partnership zones.*
- “Sec. 3706. *Streamlining applications and improving accessibility of rural development programs.*
- “Sec. 3707. *State Rural Development Partnership.*

“CHAPTER 4—DELTA REGIONAL AUTHORITY

- “Sec. 3801. *Definitions.*
- “Sec. 3802. *Delta Regional Authority.*
- “Sec. 3803. *Economic and community development grants.*
- “Sec. 3804. *Supplements to Federal grant programs.*
- “Sec. 3805. *Local development districts; certification and administrative expenses.*
- “Sec. 3806. *Distressed counties and areas and nondistressed counties.*
- “Sec. 3807. *Development planning process.*
- “Sec. 3808. *Program development criteria.*
- “Sec. 3809. *Approval of development plans and projects.*
- “Sec. 3810. *Consent of States.*
- “Sec. 3811. *Records.*
- “Sec. 3812. *Annual report.*
- “Sec. 3813. *Authorization of appropriations.*
- “Sec. 3814. *Termination of authority.*

“CHAPTER 5—NORTHERN GREAT PLAINS REGIONAL AUTHORITY

- “Sec. 3821. *Definitions.*
- “Sec. 3822. *Northern Great Plains Regional Authority.*
- “Sec. 3823. *Interstate cooperation for economic opportunity and efficiency.*
- “Sec. 3824. *Economic and community development grants.*
- “Sec. 3825. *Supplements to Federal grant programs.*
- “Sec. 3826. *Multistate and local development districts and organizations and Northern Great Plains Inc.*
- “Sec. 3827. *Distressed counties and areas and nondistressed counties.*
- “Sec. 3828. *Development planning process.*
- “Sec. 3829. *Program development criteria.*
- “Sec. 3830. *Approval of development plans and projects.*
- “Sec. 3831. *Consent of States.*
- “Sec. 3832. *Records.*
- “Sec. 3833. *Annual report.*
- “Sec. 3834. *Authorization of appropriations.*
- “Sec. 3835. *Termination of authority.*

“Subtitle C—General Provisions

- “Sec. 3901. *Full faith and credit.*
- “Sec. 3902. *Purchase and sale of guaranteed portions of loans.*
- “Sec. 3903. *Administration.*
- “Sec. 3904. *Loan moratorium and policy on foreclosures.*
- “Sec. 3905. *Oil and gas royalty payments on loans.*
- “Sec. 3906. *Taxation.*
- “Sec. 3907. *Conflicts of interest.*

“Sec. 3908. *Loan summary statements.*

“Sec. 3909. *Certified lenders program.*

“Sec. 3910. *Loans to resident aliens.*

“Sec. 3911. *Expedited clearing of title to inventory property.*

“Sec. 3912. *Transfer of land to Secretary.*

“Sec. 3913. *Competitive sourcing limitations.*

“Sec. 3914. *Regulations.*

1 **“SEC. 3002. DEFINITIONS.**

2 “*In this title (unless the context otherwise requires):*

3 “(1) *ABLE TO OBTAIN CREDIT ELSEWHERE.—*

4 *The term ‘able to obtain credit elsewhere’ means able*
 5 *to obtain a loan from a production credit association,*
 6 *a Federal land bank, or other responsible cooperative*
 7 *or private credit source (or, in the case of a borrower*
 8 *under section 3106, the borrower may be able to ob-*
 9 *tain a loan under section 3101) at reasonable rates*
 10 *and terms, taking into consideration prevailing pri-*
 11 *vate and cooperative rates and terms in the commu-*
 12 *nity in or near which the applicant resides for loans*
 13 *for similar purposes and periods of time.*

14 “(2) *AGRICULTURAL CREDIT INSURANCE*
 15 *FUND.—The term ‘Agricultural Credit Insurance*
 16 *Fund’ means the fund established under section 3401.*

17 “(3) *APPROVED LENDER.—The term ‘approved*
 18 *lender’ means—*

19 “(A) *a lender approved prior to October 28,*
 20 *1992, by the Secretary under the approved lender*
 21 *program established by exhibit A to subpart B of*

1 *part 1980 of title 7, Code of Federal Regulations*
2 *(as in effect on January 1, 1991); or*

3 “(B) *a lender certified under section 3909.*

4 “(4) *AQUACULTURE.—The term ‘aquaculture’*
5 *means the culture or husbandry of aquatic animals or*
6 *plants by private industry for commercial purposes,*
7 *including the culture and growing of fish by private*
8 *industry for the purpose of creating or augmenting*
9 *publicly owned and regulated stocks of fish.*

10 “(5) *BEGINNING FARMER.—The term ‘beginning*
11 *farmer’ has the meaning given the term by the Sec-*
12 *retary.*

13 “(6) *BORROWER.—*

14 “(A) *IN GENERAL.—Except as provided in*
15 *subparagraph (B), the term ‘borrower’ means an*
16 *individual or entity who has an outstanding ob-*
17 *ligation to the Secretary under any loan made*
18 *or guaranteed under this title, without regard to*
19 *whether the loan has been accelerated.*

20 “(B) *EXCLUSIONS.—The term ‘borrower’*
21 *does not include an individual or entity all of*
22 *whose loans and accounts have been foreclosed on*
23 *or liquidated, voluntarily or otherwise.*

24 “(7) *COUNTY COMMITTEE.—The term ‘county*
25 *committee’ means the appropriate county committee*

1 *established under section 8(b)(5) of the Soil Conserva-*
2 *tion and Domestic Allotment Act (16 U.S.C.*
3 *590h(b)(5)).*

4 “(8) *DEBT FORGIVENESS.*—

5 “(A) *IN GENERAL.*—*Except as provided in*
6 *subparagraph (B), the term ‘debt forgiveness’*
7 *means reducing or terminating a loan made or*
8 *guaranteed under this title, in a manner that re-*
9 *sults in a loss to the Secretary, through—*

10 “(i) *writing down or writing off a loan*
11 *under section 3411;*

12 “(ii) *compromising, adjusting, reduc-*
13 *ing, or charging-off a debt or claim under*
14 *section 3903;*

15 “(iii) *paying a loss on a guaranteed*
16 *loan under this title; or*

17 “(iv) *discharging a debt as a result of*
18 *bankruptcy.*

19 “(B) *LOAN RESTRUCTURING.*—*The term*
20 *‘debt forgiveness’ does not include consolidation,*
21 *rescheduling, reamortization, or deferral.*

22 “(9) *DEPARTMENT.*—*The term ‘Department’*
23 *means the Department of Agriculture.*

1 “(10) *DIRECT LOAN*.—The term ‘direct loan’
2 means a loan made by the Secretary from appro-
3 priated funds.

4 “(11) *ENTITY*.—The term ‘entity’ means a cor-
5 poration, farm cooperative, partnership, joint oper-
6 ation, governmental entity, or other legal organiza-
7 tion, as determined by the Secretary.

8 “(12) *FARM*.—The term ‘farm’ means an oper-
9 ation involved in—

10 “(A) the production of an agricultural com-
11 modity;

12 “(B) ranching; or

13 “(C) aquaculture, in a controlled environ-
14 ment.

15 “(13) *FARMER*.—The term ‘farmer’ means an in-
16 dividual or entity engaged primarily and directly
17 in—

18 “(A) the production of an agricultural com-
19 modity;

20 “(B) ranching; or

21 “(C) aquaculture, in a controlled environ-
22 ment.

23 “(14) *FARMER PROGRAM LOAN*.—The term
24 ‘farmer program loan’ means—

1 “(A) a farm ownership loan under section
2 3101;

3 “(B) a conservation loan under section
4 3103;

5 “(C) an operating loan under section 3201;

6 “(D) an emergency loan under section 3301;

7 “(E) an economic emergency loan under
8 section 202 of the *Emergency Agricultural Credit*
9 *Adjustment Act of 1978* (7 U.S.C. prec. 1961
10 note; *Public Law 95–334*);

11 “(F) a loan for a farm service building
12 under section 502 of the *Housing Act of 1949* (42
13 U.S.C. 1472);

14 “(G) an economic opportunity loan under
15 section 602 of the *Economic Opportunity Act of*
16 *1964* (*Public Law 88–452*; 42 U.S.C. 2942 note)
17 (as it existed before the amendment made by sec-
18 tion 683(a) of the *Omnibus Budget Reconcili-*
19 *ation Act of 1981* (*Public Law 97–35*; 95 Stat.
20 519));

21 “(H) a softwood timber loan under section
22 608 of the *Agricultural Programs Adjustment*
23 *Act of 1984* (7 U.S.C. 1981 note; *Public Law*
24 98–258); or

1 “(I) any other loan described in section
2 343(a)(10) of this title (as it existed before the
3 amendment made by section 2 of the Agriculture
4 Reform, Food, and Jobs Act of 2013) that is out-
5 standing on the date of enactment of that Act.

6 “(15) FARM SERVICE AGENCY.—The term ‘Farm
7 Service Agency’ means the offices of the Farm Service
8 Agency to which the Secretary delegates responsibility
9 to carry out this title.

10 “(16) GOVERNMENTAL ENTITY.—The term ‘gov-
11 ernmental entity’ means any agency of a State or a
12 unit of local government of a State, or subdivision
13 thereof.

14 “(17) GUARANTEE.—The term ‘guarantee’ means
15 guaranteeing the payment of a loan originated, held,
16 and serviced by a private financial agency, or lender,
17 approved by the Secretary.

18 “(18) HIGHLY ERODIBLE LAND.—The term
19 ‘highly erodible land’ has the meaning given the term
20 in section 1201(a) of the Food Security Act of 1985
21 (16 U.S.C. 3801(a)).

22 “(19) HOMESTEAD RETENTION.—The term
23 ‘homestead retention’ means homestead retention as
24 authorized under section 3414.

1 “(20) *INDIAN TRIBE*.—The term ‘Indian tribe’
2 means a Federal or State-recognized Indian tribe or
3 other federally recognized Indian tribal group (in-
4 cluding a Tribal College or University, as defined in
5 section 316(b) of the Higher Education Act of 1965
6 (20 U.S.C. 1059c(b)).

7 “(21) *LOAN SERVICE PROGRAM*.—The term ‘loan
8 service program’ means, with respect to a farmer pro-
9 gram loan borrower, a primary loan service program
10 or a homestead retention program.

11 “(22) *NATURAL OR MAJOR DISASTER OR EMER-*
12 *GENCY*.—The term ‘natural or major disaster or
13 emergency’ means—

14 “(A) a disaster due to nonmanmade causes
15 declared by the Secretary; or

16 “(B) a major disaster or emergency des-
17 ignated by the President under the Robert T.
18 Stafford Disaster Relief and Emergency Assist-
19 ance Act (42 U.S.C. 5121 et seq.).

20 “(23) *PRIMARY LOAN SERVICE PROGRAM*.—The
21 term ‘primary loan service program’ means, with re-
22 spect to a farmer program loan—

23 “(A) loan consolidation, rescheduling, or re-
24 amortization;

1 “(B) interest rate reduction, including the
2 use of the limited resource program;

3 “(C) loan restructuring, including deferral,
4 set aside, or writing down of the principal or ac-
5 cumulated interest charges, or both, of the loan;
6 or

7 “(D) any combination of actions described
8 in subparagraphs (A), (B), and (C).

9 “(24) *PRIME FARMLAND*.—The term ‘prime
10 farmland’ means prime farmland and unique farm-
11 land (as defined in subsections (a) and (b) of section
12 657.5 of title 7, Code of Federal Regulations (1980)).

13 “(25) *PROJECT*.—For purposes of section 3501,
14 the term ‘project’ includes a facility providing central
15 service or a facility serving an individual property,
16 or both.

17 “(26) *QUALIFIED BEGINNING FARMER*.—The
18 term ‘qualified beginning farmer’ means an appli-
19 cant, regardless of whether the applicant is partici-
20 pating in a program under section 3107, who—

21 “(A) is eligible for assistance under subtitle
22 A;

23 “(B) has not operated a farm, or has oper-
24 ated a farm for not more than 10 years;

1 “(C) *in the case of a cooperative, corpora-*
2 *tion, partnership, or joint operation, has mem-*
3 *bers, stockholders, partners, or joint operators*
4 *who are all related to each other by blood or*
5 *marriage;*

6 “(D) *in the case of a farmer who is the*
7 *owner and operator of a farm—*

8 “(i) *in the case of a loan made to an*
9 *individual, individually or with the imme-*
10 *diante family of the applicant—*

11 “(I) *materially and substantially*
12 *participates in the operation of the*
13 *farm; and*

14 “(II) *provides substantial day-to-*
15 *day labor and management of the*
16 *farm, consistent with the practices in*
17 *the State or county in which the farm*
18 *is located; or*

19 “(ii)(I) *in the case of a loan made to*
20 *a cooperative, corporation, partnership, or*
21 *joint operation, has members, stockholders,*
22 *partners, or joint operators who materially*
23 *and substantially participate in the oper-*
24 *ation of the farm; and*

1 “(II) in the case of a loan made to a
2 corporation, has stockholders who all qual-
3 ify individually as beginning farmers;

4 “(E) in the case of an applicant seeking to
5 become an owner and operator of a farm—

6 “(i) in the case of a loan made to an
7 individual, individually or with the imme-
8 diate family of the applicant, will—

9 “(I) materially and substantially
10 participate in the operation of the
11 farm; and

12 “(II) provide substantial day-to-
13 day labor and management of the
14 farm, consistent with the practices in
15 the State or county in which the farm
16 is located; or

17 “(ii)(I) in the case of a loan made to
18 a cooperative, corporation, partnership, or
19 joint operation, will have members, stock-
20 holders, partners, or joint operators who
21 will materially and substantially partici-
22 pate in the operation of the farm; and

23 “(II) in the case of a loan made to a
24 corporation, has stockholders who will all
25 qualify individually as beginning farmers;

1 “(F) agrees to participate in such loan as-
2 sessment, borrower training, and financial man-
3 agement programs as the Secretary may require;

4 “(G)(i) does not own farm land; or

5 “(ii) directly or through interests in family
6 farm corporations, owns farm land, the aggre-
7 gate acreage of which does not exceed 30 percent
8 of the average acreage of the farms, as the case
9 may be, in the county in which the farm oper-
10 ations of the applicant are located, as reported
11 in the most recent census of agriculture taken in
12 accordance with the Census of Agriculture Act of
13 1997 (7 U.S.C. 2204g et seq.), except that this
14 subparagraph shall not apply to a loan made or
15 guaranteed under chapter 2 of subtitle A; and

16 “(H) demonstrates that the available re-
17 sources of the applicant and any spouse of the
18 applicant are not sufficient to enable the appli-
19 cant to farm on a viable scale.

20 “(27) RECREATIONAL PURPOSE.—For purposes
21 of section 3410, the term ‘recreational purpose’ has
22 the meaning provided by the Secretary, but shall in-
23 clude hunting.

24 “(28) RURAL AND RURAL AREA.—

1 “(A) *IN GENERAL.*—Subject to any deter-
2 mination made under subparagraph (B), the
3 terms ‘rural’ and ‘rural area’ mean any area
4 other than—

5 “(i) a city or town that has a popu-
6 lation of greater than 50,000 inhabitants;
7 and

8 “(ii) any urbanized area contiguous
9 and adjacent to a city or town described in
10 clause (i).

11 “(B) *DETERMINATION OF AREAS RURAL IN*
12 *CHARACTER.*—

13 “(i) *IN GENERAL.*—If part of an area
14 described in subparagraph (A)(ii) was eligi-
15 ble under the definitions of the terms ‘rural’
16 and ‘rural area’ in section 343 (as in effect
17 on the day before the date of enactment of
18 the Agriculture Reform, Food, and Jobs Act
19 of 2013) for community facility, water and
20 waste disposal, and broadband programs,
21 that area shall remain eligible unless the
22 Secretary, acting through the Under Sec-
23 retary for Rural Development (referred to
24 in this subparagraph as the ‘Under Sec-
25 retary’), determines the area is no longer

1 *rural, based on the criteria described in*
2 *clause (iii).*

3 “(ii) *OTHER AREAS.*—*On petition of a*
4 *unit of local government in an urbanized*
5 *area described in subparagraph (A)(ii), or*
6 *on the initiative of the Under Secretary, the*
7 *Under Secretary may determine that part*
8 *of an area is rural, based on the criteria de-*
9 *scribed in clause (iii).*

10 “(iii) *CRITERIA.*—*In making a deter-*
11 *mination under clause (i), the Under Sec-*
12 *retary shall consider—*

13 “(I) *population density;*

14 “(II) *economic conditions, favor-*
15 *ing a rural determination for areas*
16 *facing—*

17 “(aa) *chronic unemployment*
18 *in excess of statewide averages;*

19 “(bb) *sudden loss of employ-*
20 *ment from natural disaster or the*
21 *loss of a significant employer in*
22 *the area; or*

23 “(cc) *chronic poverty dem-*
24 *onstrated at the census block or*
25 *county level compared to state-*

1 wide median household income;
2 and

3 “(III) commuting patterns, favor-
4 ing a rural determination for areas
5 that can demonstrate higher propor-
6 tions of the population living and
7 working in the area.

8 “(iv) ADMINISTRATION.—In carrying
9 out this subparagraph, the Under Secretary
10 shall—

11 “(I) not delegate the authority to
12 carry out this subparagraph;

13 “(II) not make a determination
14 under clause (i) until the date that is
15 3 years after the date of enactment of
16 the Agriculture Reform, Food, and
17 Jobs Act of 2013;

18 “(III) consult with the applicable
19 rural development State or regional di-
20 rector of the Department and the Gov-
21 ernor of the respective State;

22 “(IV) provide an opportunity to
23 appeal to the Under Secretary a deter-
24 mination made under this subpara-
25 graph;

1 “(V) release to the public notice of
2 a petition filed or initiative of the
3 Under Secretary under this subpara-
4 graph not later than 30 days after re-
5 ceipt of the petition or the commence-
6 ment of the initiative, as appropriate;

7 “(VI) make a determination
8 under this subparagraph not less than
9 15 days, and not more than 60 days,
10 after the release of the notice under
11 subclause (V); and

12 “(VII) submit to the Committee
13 on Agriculture of the House of Rep-
14 resentatives and the Committee on Ag-
15 riculture, Nutrition, and Forestry of
16 the Senate an annual report on actions
17 taken to carry out this subparagraph.

18 “(v) *HAWAII AND PUERTO RICO.*—Not-
19 withstanding any other provision of this
20 subsection, within the areas of the County of
21 Honolulu, Hawaii, and the Commonwealth
22 of Puerto Rico, the Under Secretary may
23 designate any part of the areas as a rural
24 area if the Under Secretary determines that
25 the part is not urban in character, other

1 *than any area included in the Honolulu*
2 *Census Designated Place or the San Juan*
3 *Census Designated Place.*

4 “(C) *EXCLUSIONS.*—*Notwithstanding any*
5 *other provision of this paragraph, in deter-*
6 *mining which census blocks in an urbanized area*
7 *are not in a rural area (as defined in this para-*
8 *graph), the Secretary shall exclude any cluster of*
9 *census blocks that would otherwise be considered*
10 *not in a rural area only because the cluster is*
11 *adjacent to not more than 2 census blocks that*
12 *are otherwise considered not in a rural area*
13 *under this paragraph.*

14 “(29) *SEASONED DIRECT LOAN BORROWER.*—*The*
15 *term ‘seasoned direct loan borrower’ means a bor-*
16 *rower who could reasonably be expected to qualify for*
17 *commercial credit using criteria determined by the*
18 *Secretary.*

19 “(30) *SECRETARY.*—*The term ‘Secretary’ means*
20 *the Secretary of Agriculture.*

21 “(31) *SOCIALLY DISADVANTAGED FARMER.*—*The*
22 *term ‘socially disadvantaged farmer’ means a farmer*
23 *who is a member of a socially disadvantaged group.*

24 “(32) *SOCIALLY DISADVANTAGED GROUP.*—*The*
25 *term ‘socially disadvantaged group’ means a group*

1 *whose members have been subjected to racial, ethnic,*
2 *or gender prejudice because of the identity of the*
3 *members as members of a group without regard to the*
4 *individual qualities of the members.*

5 “(33) *SOLAR ENERGY.*—*The term ‘solar energy’*
6 *means energy derived from sources (other than fossil*
7 *fuels) and technologies included in the Federal Non-*
8 *nuclear Energy Research and Development Act of*
9 *1974 (42 U.S.C. 5901 et seq.).*

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

11 “(A) *in this title (other than subtitle A),*
12 *each of the 50 States, the Commonwealth of*
13 *Puerto Rico, the Virgin Islands, Guam, Amer-*
14 *ican Samoa, the Commonwealth of the Northern*
15 *Mariana Islands, the Republic of the Marshall*
16 *Islands, the Federated States of Micronesia, and*
17 *the Republic of Palau; and*

18 “(B) *in subtitle A, each of the 50 States, the*
19 *Commonwealth of Puerto Rico, the Virgin Is-*
20 *lands, Guam, American Samoa, the Common-*
21 *wealth of the Northern Mariana Islands, and, to*
22 *the extent the Secretary determines it to be fea-*
23 *sible and appropriate, the Republic of the Mar-*
24 *shall Islands, the Federated States of Micronesia,*
25 *and the Republic of Palau.*

1 “(35) *STATE BEGINNING FARMER PROGRAM.*—
2 *The term ‘State beginning farmer program’ means*
3 *any program that is—*

4 “(A) *carried out by, or under contract with,*
5 *a State; and*

6 “(B) *designed to assist qualified beginning*
7 *farmers in obtaining the financial assistance*
8 *necessary to enter agriculture and establish via-*
9 *ble farming operations.*

10 “(36) *VETERAN.*—*The term ‘veteran’ has the*
11 *meaning given the term in section 101 of title 38,*
12 *United States Code.*

13 “(37) *WETLAND.*—*The term ‘wetland’ has the*
14 *meaning given the term in section 1201(a) of the*
15 *Food Security Act of 1985 (16 U.S.C. 3801(a)).*

16 “(38) *WILDLIFE.*—*The term ‘wildlife’ means fish*
17 *or wildlife (as defined in section 2(a) of the Lacey Act*
18 *Amendments of 1981 (16 U.S.C. 3371(a))).*

19 **“Subtitle B—Rural Development**

20 **“CHAPTER 1—RURAL COMMUNITY**

21 **PROGRAMS**

22 **“SEC. 3501. WATER AND WASTE DISPOSAL LOANS, LOAN** 23 **GUARANTEES, AND GRANTS.**

24 “(a) *IN GENERAL.*—*The Secretary may make grants*
25 *and loans and issue loan guarantees (including a guarantee*

1 of a loan financed by the net proceeds of a bond described
2 in section 142(a) of the Internal Revenue Code of 1986) to
3 eligible entities described in subsection (b) for projects in
4 rural areas that primarily serve rural residents to provide
5 for—

6 “(1) the development, storage, treatment, purifi-
7 cation, or distribution of water or the collection,
8 treatment, or disposal of waste; and

9 “(2) financial assistance and other aid in the
10 planning of projects for purposes described in para-
11 graph (1).

12 “(b) *ELIGIBLE ENTITIES*.—Entities eligible for assist-
13 ance described in subsection (a) are—

14 “(1) associations (including corporations not op-
15 erated for profit);

16 “(2) Indian tribes;

17 “(3) public and quasi-public agencies; and

18 “(4) in the case of a project to attach an indi-
19 vidual property in a rural area to a water system to
20 alleviate a health risk, an individual.

21 “(c) *LOAN AND LOAN GUARANTEE REQUIREMENTS*.—
22 In connection with loans made or guaranteed under this
23 section, the Secretary shall require the applicant—

24 “(1) to certify in writing, and the Secretary
25 shall determine, that the applicant is unable to obtain

1 *credit elsewhere to finance the actual needs of the ap-*
2 *plicant at reasonable rates and terms, taking into*
3 *consideration prevailing private and cooperative rates*
4 *and terms in the community in or near which the ap-*
5 *plicant resides for loans for similar purposes and pe-*
6 *riods of time; and*

7 *“(2) to furnish an appropriate written financial*
8 *statement.*

9 “(d) *GRANT AMOUNTS.—*

10 *“(1) MAXIMUM.—Except as otherwise provided*
11 *in this subsection, the amount of any grant made*
12 *under this section shall not exceed 75 percent of the*
13 *development cost of the project for which the grant is*
14 *provided.*

15 *“(2) GRANT RATE.—The Secretary shall establish*
16 *the grant rate for each project in conformity with reg-*
17 *ulations issued by the Secretary that shall provide for*
18 *a graduated scale of grant rates that establish higher*
19 *rates for projects in communities that have—*

20 *“(A) lower community population;*

21 *“(B) higher rates of outmigration; and*

22 *“(C) lower income levels.*

23 *“(3) LOCAL SHARE REQUIREMENTS.—Grants*
24 *made under this section may be used to pay the local*
25 *share requirements of another Federal grant-in-aid*

1 *program to the extent permitted under the law pro-*
2 *viding for the grant-in-aid program.*

3 “(e) *SPECIAL GRANTS.*—

4 “(1) *REVOLVING FUNDS FOR FINANCING WATER*
5 *AND WASTEWATER PROJECTS.*—

6 “(A) *IN GENERAL.*—*The Secretary may*
7 *make grants to qualified, nonprofit entities in*
8 *rural areas to capitalize revolving funds for the*
9 *purpose of providing financing to eligible enti-*
10 *ties for—*

11 “(i) *predevelopment costs associated*
12 *with proposed water and wastewater*
13 *projects or with existing water and waste-*
14 *water systems; and*

15 “(ii) *short-term costs incurred for re-*
16 *placement equipment, small-scale extension*
17 *services, or other small capital projects that*
18 *are not part of the regular operations and*
19 *maintenance activities of existing water*
20 *and wastewater systems.*

21 “(B) *MAXIMUM AMOUNT OF FINANCING.*—

22 *The amount of financing made to an eligible en-*
23 *tity under this paragraph shall not exceed—*

24 “(i) *\$100,000 for costs described in*
25 *subparagraph (A)(i); and*

1 “(ii) \$100,000 for costs described in
2 subparagraph (A)(ii).

3 “(C) *TERM.*—The term of financing pro-
4 vided to an eligible entity under this paragraph
5 shall not exceed 10 years.

6 “(D) *ADMINISTRATION.*—The Secretary
7 shall limit the amount of grant funds that may
8 be used by a grant recipient for administrative
9 costs incurred under this paragraph.

10 “(E) *ANNUAL REPORT.*—A nonprofit entity
11 receiving a grant under this paragraph shall
12 submit to the Secretary an annual report that
13 describes the number and size of communities
14 served and the type of financing provided.

15 “(F) *AUTHORIZATION OF APPROPRIA-*
16 *TIONS.*—There is authorized to be appropriated
17 to carry out this paragraph \$30,000,000 for each
18 of fiscal years 2014 through 2018.

19 “(2) *EMERGENCY AND IMMINENT COMMUNITY*
20 *WATER ASSISTANCE PROGRAM.*—

21 “(A) *IN GENERAL.*—The Secretary shall
22 provide grants in accordance with this para-
23 graph to assist the residents of rural areas and
24 small communities to secure adequate quantities
25 of safe water—

1 “(i) after a significant decline in the
2 quantity or quality of water available from
3 the water supplies of the rural areas and
4 small communities, or when such a decline
5 is imminent; or

6 “(ii) when repairs, partial replace-
7 ment, or significant maintenance efforts on
8 established water systems would remedy—

9 “(I) an acute or imminent short-
10 age of quality water; or

11 “(II) a significant or imminent
12 decline in the quantity or quality of
13 water that is available.

14 “(B) *PRIORITY*.—In carrying out subpara-
15 graph (A), the Secretary shall—

16 “(i) give priority to projects described
17 in subparagraph (A)(i); and

18 “(ii) provide at least 70 percent of all
19 grants under this paragraph to those
20 projects.

21 “(C) *ELIGIBILITY*.—To be eligible to obtain
22 a grant under this paragraph, an applicant
23 shall—

24 “(i) be a public or private nonprofit
25 entity; and

1 “(ii) *in the case of a grant made under*
2 *subparagraph (A)(i), demonstrate to the*
3 *Secretary that the decline referred to in that*
4 *subparagraph occurred, or will occur, not*
5 *later than 2 years after the date on which*
6 *the application was filed for the grant.*

7 “(D) *USES.—*

8 “(i) *IN GENERAL.—Grants made under*
9 *this paragraph may be used—*

10 “(I) *for waterline extensions from*
11 *existing systems, laying of new*
12 *waterlines, repairs, significant mainte-*
13 *nance, digging of new wells, equipment*
14 *replacement, and hook and tap fees;*

15 “(II) *for any other appropriate*
16 *purpose associated with developing*
17 *sources of, treating, storing, or distrib-*
18 *uting water;*

19 “(III) *to assist communities in*
20 *complying with the requirements of the*
21 *Federal Water Pollution Control Act*
22 *(33 U.S.C. 1251 et seq.) or the Safe*
23 *Drinking Water Act (42 U.S.C. 300f et*
24 *seq.); and*

1 “(IV) to provide potable water to
2 communities through other means.

3 “(ii) JOINT PROPOSALS.—

4 “(I) IN GENERAL.—Subject to the
5 restrictions in subparagraph (E), noth-
6 ing in this paragraph precludes rural
7 communities from submitting joint
8 proposals for emergency water assist-
9 ance.

10 “(II) CONSIDERATION OF RE-
11 STRICTIONS.—The restrictions in sub-
12 paragraph (E) shall be considered in
13 the aggregate, depending on the num-
14 ber of communities involved.

15 “(E) RESTRICTIONS.—

16 “(i) MAXIMUM INCOME.—No grant
17 provided under this paragraph shall be used
18 to assist any rural area or community that
19 has a median household income in excess of
20 the State nonmetropolitan median house-
21 hold income according to the most recent de-
22 cennial census of the United States.

23 “(ii) SET-ASIDE FOR SMALLER COMMU-
24 NITIES.—Not less than 50 percent of the
25 funds allocated under this paragraph shall

1 *be allocated to rural communities with pop-*
2 *ulations that do not exceed 3,000 inhab-*
3 *itants.*

4 “(F) *MAXIMUM GRANTS.*—*Grants made*
5 *under this paragraph may not exceed—*

6 “(i) *in the case of each grant made*
7 *under subparagraph (A)(i), \$500,000; and*

8 “(ii) *in the case of each grant made*
9 *under subparagraph (A)(ii), \$150,000.*

10 “(G) *FULL FUNDING.*—*Subject to subpara-*
11 *graph (F), grants under this paragraph shall be*
12 *made in an amount equal to 100 percent of the*
13 *costs of the projects conducted under this para-*
14 *graph.*

15 “(H) *APPLICATION.*—

16 “(i) *NATIONALLY COMPETITIVE APPLI-*
17 *CATION PROCESS.*—

18 “(I) *IN GENERAL.*—*The Secretary*
19 *shall develop a nationally competitive*
20 *application process to award grants*
21 *under this paragraph.*

22 “(II) *REQUIREMENTS.*—*The proc-*
23 *ess shall include criteria for evaluating*
24 *applications, including population,*
25 *median household income, and the se-*

1 *verity of the decline, or imminent de-*
2 *cline, in the quantity or quality of*
3 *water.*

4 “(i) *TIMING OF REVIEW OF APPLICA-*
5 *TIONS.—*

6 “(I) *SIMPLIFIED APPLICATION.—*
7 *The application process developed by*
8 *the Secretary under clause (i) shall in-*
9 *clude a simplified application form*
10 *that will permit expedited consider-*
11 *ation of an application for a grant*
12 *filed under this paragraph.*

13 “(II) *PRIORITY REVIEW.—In*
14 *processing applications for any water*
15 *or waste grant or loan authorized*
16 *under this section, the Secretary shall*
17 *afford priority processing to an appli-*
18 *cation for a grant under this para-*
19 *graph to the extent funds will be avail-*
20 *able for an award on the application*
21 *at the conclusion of priority proc-*
22 *essing.*

23 “(III) *TIMING.—The Secretary*
24 *shall, to the maximum extent prac-*
25 *ticable, review and act on an applica-*

1 *tion under this paragraph not later*
2 *than 60 days after the date on which*
3 *the application is submitted to the Sec-*
4 *retary.*

5 “(I) *FUNDING.*—

6 “(i) *RESERVATION.*—

7 “(I) *IN GENERAL.*—*For each fis-*
8 *cal year, not less than 3 nor more than*
9 *5 percent of the total amount made*
10 *available to carry out this section for*
11 *the fiscal year shall be reserved for*
12 *grants under this paragraph.*

13 “(II) *RELEASE.*—*Funds reserved*
14 *under subclause (I) for a fiscal year*
15 *shall be reserved only until July 1 of*
16 *the fiscal year.*

17 “(ii) *AUTHORIZATION OF APPROPRIA-*
18 *TIONS.*—*In addition to funds made avail-*
19 *able under clause (i), there is authorized to*
20 *be appropriated to carry out this paragraph*
21 *\$35,000,000 for each of fiscal years 2014*
22 *through 2018.*

23 “(3) *WATER AND WASTE FACILITY LOANS AND*
24 *GRANTS TO ALLEVIATE HEALTH RISKS.*—

1 “(A) *DEFINITION OF COOPERATIVE.*—*In*
2 *this paragraph, the term ‘cooperative’ means a*
3 *cooperative formed specifically for the purpose of*
4 *the installation, expansion, improvement, or op-*
5 *eration of water supply or waste disposal facili-*
6 *ties or systems.*

7 “(B) *LOANS AND GRANTS TO PERSONS*
8 *OTHER THAN INDIVIDUALS.*—

9 “(i) *IN GENERAL.*—*The Secretary shall*
10 *make or guarantee loans and make grants*
11 *to provide for the conservation, develop-*
12 *ment, use, and control of water (including*
13 *the extension or improvement of existing*
14 *water supply systems) and the installation*
15 *or improvement of drainage or waste dis-*
16 *posal facilities and essential community fa-*
17 *cilities, including necessary related equip-*
18 *ment, training, and technical assistance*
19 *to—*

20 “(I) *rural water supply corpora-*
21 *tions, cooperatives, or similar entities;*

22 “(II) *Indian tribes on Federal or*
23 *State reservations and other federally*
24 *recognized Indian tribes;*

1 “(III) rural or native villages in
2 the State of Alaska;

3 “(IV) native tribal health consor-
4 tiums;

5 “(V) public agencies; and

6 “(VI) Native Hawaiian Home
7 Lands.

8 “(ii) *ELIGIBLE PROJECTS.*—Loans and
9 grants described in clause (i) shall be avail-
10 able only to provide the described water and
11 waste facilities and services to communities
12 whose residents face significant health risks,
13 as determined by the Secretary, due to the
14 fact that a significant proportion of the
15 residents of the community do not have ac-
16 cess to, or are not served by, adequate af-
17 fordable—

18 “(I) water supply systems; or

19 “(II) waste disposal facilities.

20 “(iii) *MATCHING REQUIREMENTS.*—
21 For entities described under subclauses
22 (III), (IV), or (V) of clause (i) to be eligible
23 to receive a grant for water supply systems
24 or waste disposal facilities, the State in
25 which the project will occur shall provide 25

1 *percent in matching funds from non-Fed-*
2 *eral sources.*

3 “(iv) *CERTAIN AREAS TARGETED.*—

4 “(I) *IN GENERAL.*—*Loans and*
5 *grants under clause (i) shall be made*
6 *only if the loan or grant funds will be*
7 *used primarily to provide water or*
8 *waste services, or both, to residents of*
9 *a county or census area—*

10 “(aa) *the per capita income*
11 *of the residents of which is not*
12 *more than 70 percent of the na-*
13 *tional average per capita income,*
14 *as determined by the Department*
15 *of Commerce; and*

16 “(bb) *the unemployment rate*
17 *of the residents of which is not*
18 *less than 125 percent of the na-*
19 *tional average unemployment*
20 *rate, as determined by the Bureau*
21 *of Labor Statistics.*

22 “(II) *EXCEPTIONS.*—*Notwith-*
23 *standing subclause (I), loans and*
24 *grants under clause (i) may also be*
25 *made if the loan or grant funds will be*

1 *used primarily to provide water or*
2 *waste services, or both, to residents*
3 *of—*

4 “(aa) *a rural area that was*
5 *recognized as a colonia as of Octo-*
6 *ber 1, 1989; or*

7 “(bb) *an area described*
8 *under subclause (II), (III), or*
9 *(VI) of clause (i).*

10 “(C) *LOANS AND GRANTS TO INDIVID-*
11 *UALS.—*

12 “(i) *IN GENERAL.—The Secretary shall*
13 *make or guarantee loans and make grants*
14 *to individuals who reside in a community*
15 *described in subparagraph (B)(i) for the*
16 *purpose of extending water supply and*
17 *waste disposal systems, connecting the sys-*
18 *tems to the residences of the individuals, or*
19 *installing plumbing and fixtures within the*
20 *residences of the individuals to facilitate the*
21 *use of the water supply and waste disposal*
22 *systems.*

23 “(ii) *INTEREST.—Loans described in*
24 *clause (i) shall be at a rate of interest no*
25 *greater than the Federal Financing Bank*

1 *rate on loans of a similar term at the time*
2 *the loans are made.*

3 “(iii) *AMORTIZATION.*—*The repayment*
4 *of loans described in clause (i) shall be am-*
5 *ortized over the expected life of the water*
6 *supply or waste disposal system to which*
7 *the residence of the borrower will be con-*
8 *nected.*

9 “(iv) *MANNER IN WHICH LOANS AND*
10 *GRANTS ARE TO BE MADE.*—*Loans and*
11 *grants to individuals under clause (i) shall*
12 *be made—*

13 “(I) *directly to the individuals by*
14 *the Secretary; or*

15 “(II) *to the individuals through*
16 *the rural water supply corporation, co-*
17 *operative, or similar entity, or public*
18 *agency, providing the water supply or*
19 *waste disposal services, pursuant to*
20 *regulations issued by the Secretary.*

21 “(D) *PREFERENCE.*—*The Secretary shall*
22 *give preference in the awarding of loans and*
23 *grants under subparagraphs (B) and (C) to enti-*
24 *ties described in clause (i) of subparagraph (B)*
25 *that propose to provide water supply or waste*

1 *disposal services to the residents of Indian res-*
2 *ervations, rural or native villages in the State of*
3 *Alaska, Native Hawaiian Home Lands, and*
4 *those rural subdivisions commonly referred to as*
5 *colonias, that are characterized by substandard*
6 *housing, inadequate roads and drainage, and a*
7 *lack of adequate water or waste facilities.*

8 *“(E) RELATIONSHIP TO OTHER AUTHOR-*
9 *ITY.—Notwithstanding any other provision of*
10 *law, the head of any Federal agency may enter*
11 *into interagency agreements with Federal, State,*
12 *tribal, and other entities to share resources, in-*
13 *cluding transferring and accepting funds, equip-*
14 *ment, or other supplies, to carry out the activi-*
15 *ties described in this paragraph.*

16 *“(F) AUTHORIZATION OF APPROPRIA-*
17 *TIONS.—There are authorized to be appro-*
18 *priated—*

19 *“(i) for grants under this paragraph,*
20 *\$60,000,000 for each fiscal year;*

21 *“(ii) for loans under this paragraph,*
22 *\$60,000,000 for each fiscal year; and*

23 *“(iii) in addition to grants provided*
24 *under clause (i), for grants under this sec-*

1 *tion to benefit Indian tribes, \$20,000,000*
2 *for each fiscal year.*

3 “(4) *SOLID WASTE MANAGEMENT GRANTS.—*

4 “(A) *IN GENERAL.—The Secretary may*
5 *make grants to nonprofit organizations for the*
6 *provision of regional technical assistance to local*
7 *and regional governments and related agencies*
8 *for the purpose of reducing or eliminating pollu-*
9 *tion of water resources and improving the plan-*
10 *ning and management of solid waste disposal fa-*
11 *cilities in rural areas.*

12 “(B) *TECHNICAL ASSISTANCE GRANT*
13 *AMOUNTS.—Grants made under this paragraph*
14 *for the provision of technical assistance shall be*
15 *made for 100 percent of the cost of the technical*
16 *assistance.*

17 “(C) *AUTHORIZATION OF APPROPRIA-*
18 *TIONS.—There is authorized to be appropriated*
19 *to carry out this paragraph \$10,000,000 for each*
20 *of fiscal years 2014 through 2018.*

21 “(5) *RURAL WATER AND WASTEWATER TECH-*
22 *NICAL ASSISTANCE AND TRAINING PROGRAMS.—*

23 “(A) *GRANTS TO NONPROFITS.—*

24 “(i) *IN GENERAL.—The Secretary may*
25 *make grants to nonprofit organizations to*

1 *enable the organizations to provide to asso-*
2 *ciations that provide water and wastewater*
3 *services in rural areas technical assistance*
4 *and training—*

5 *“(I) to identify, and evaluate al-*
6 *ternative solutions to, problems relat-*
7 *ing to the obtaining, storage, treat-*
8 *ment, purification, or distribution of*
9 *water or the collection, treatment, or*
10 *disposal of waste in rural areas;*

11 *“(II) to prepare applications to*
12 *receive financial assistance for any*
13 *purpose specified in subsection (a)(1)*
14 *from any public or private source; and*

15 *“(III) to improve the operation*
16 *and maintenance practices at any ex-*
17 *isting works for the storage, treatment,*
18 *purification, or distribution of water*
19 *or the collection, treatment, or disposal*
20 *of waste in rural areas.*

21 *“(ii) SELECTION PRIORITY.—In select-*
22 *ing recipients of grants to be made under*
23 *clause (i), the Secretary shall give priority*
24 *to nonprofit organizations that have experi-*
25 *ence in providing the technical assistance*

1 *and training described in clause (i) to asso-*
2 *ciations serving rural areas in which—*

3 “(I) *residents have low income;*
4 *and*

5 “(II) *water supply systems or*
6 *waste facilities are unhealthful.*

7 “(iii) *FUNDING.—*

8 “(I) *IN GENERAL.—Except as pro-*
9 *vided in subclause (II), not less than 1*
10 *nor more than 3 percent of any funds*
11 *made available to carry out water and*
12 *waste disposal projects described in*
13 *subsection (a) for any fiscal year shall*
14 *be reserved for grants under this para-*
15 *graph.*

16 “(II) *EXCEPTION.—The minimum*
17 *amount specified in subclause (I) shall*
18 *not apply if the aggregate amount of*
19 *grant funds requested by applications*
20 *that qualify for grants received by the*
21 *Secretary from eligible nonprofit orga-*
22 *nizations for the fiscal year totals less*
23 *than 1 percent of those funds.*

24 “(B) *RURAL WATER AND WASTEWATER CIR-*
25 *CUIT RIDER PROGRAM.—*

1 “(i) *IN GENERAL.*—*The Secretary shall*
2 *continue a national rural water and waste-*
3 *water circuit rider program that—*

4 “(I) *is consistent with the activi-*
5 *ties and results of the program con-*
6 *ducted before January 1, 2012, as de-*
7 *termined by the Secretary; and*

8 “(II) *received funding from the*
9 *Secretary, acting through the Adminis-*
10 *trator of the Rural Utilities Service.*

11 “(ii) *AUTHORIZATION OF APPROPRIA-*
12 *TIONS.*—*There is authorized to be appro-*
13 *priated to carry out this subparagraph*
14 *\$25,000,000 for fiscal year 2014 and each*
15 *fiscal year thereafter.*

16 “(6) *SEARCH PROGRAM.*—

17 “(A) *IN GENERAL.*—*The Secretary may es-*
18 *tablish a Special Evaluation Assistance for*
19 *Rural Communities and Households (SEARCH)*
20 *program to make predevelopment planning*
21 *grants for feasibility studies, design assistance,*
22 *and technical assistance, to financially distressed*
23 *communities in rural areas with populations of*
24 *2,500 or fewer inhabitants for water and waste*
25 *disposal projects described in this section.*

1 “(B) *TERMS.*—

2 “(i) *DOCUMENTATION.*—*With respect*
3 *to grants made under this paragraph, the*
4 *Secretary shall require the lowest quantity*
5 *of documentation practicable.*

6 “(ii) *MATCHING.*—*Notwithstanding*
7 *any other provision of this section, the Sec-*
8 *retary may fund up to 100 percent of the*
9 *eligible costs of grants provided under this*
10 *paragraph, as determined by the Secretary.*

11 “(iii) *FUNDING.*—*The Secretary may*
12 *use not more than 4 percent of the total*
13 *amount of funds made available for a fiscal*
14 *year for water, waste disposal, and essential*
15 *community facility activities under this*
16 *chapter to carry out this paragraph.*

17 “(C) *RELATIONSHIP TO OTHER AUTHOR-*
18 *ITY.*—

19 “(i) *IN GENERAL.*—*The funds and au-*
20 *thorities provided under this paragraph are*
21 *in addition to any other funds or authori-*
22 *ties the Secretary may have to carry out ac-*
23 *tivities described in this section.*

24 “(ii) *AUTHORIZED ACTIVITIES.*—*The*
25 *Secretary may furnish financial assistance*

1 or other aid in planning projects for the
2 purposes described in subparagraph (A).

3 “(f) *PRIORITY.*—In making grants and loans, and
4 guaranteeing loans, for water, wastewater, and waste dis-
5 posal projects under this section, the Secretary shall give
6 priority consideration to projects that serve rural commu-
7 nities that, as determined by the Secretary—

8 “(1) have a population of less than 5,500 perma-
9 nent residents;

10 “(2) have a community water, wastewater, or
11 waste disposal system that—

12 “(A) is experiencing—

13 “(i) an unanticipated reduction in the
14 quality of water, the quantity of water, or
15 the ability to deliver water; or

16 “(ii) some other deterioration in the
17 supply of water to the community;

18 “(B) is not adequate to meet the needs of the
19 community; and

20 “(C) requires immediate corrective action;

21 “(3) are experiencing outmigration;

22 “(4) have a high percentage of low-income resi-
23 dents; or

24 “(5) are isolated from other significant popu-
25 lation centers.

1 “(A) *necessary equipment;*

2 “(B) *recreational developments; and*

3 “(2) *financial assistance and other assistance in*
4 *the planning of projects for purposes described in this*
5 *section.*

6 “(b) *ELIGIBLE ENTITIES.—Entities eligible for assist-*
7 *ance described in subsection (a) are—*

8 “(1) *associations (including corporations not op-*
9 *erated for profit);*

10 “(2) *Indian tribes (including groups of individ-*
11 *uals described in paragraph (4) of section 815 of the*
12 *Native American Programs Act of 1974 (42 U.S.C.*
13 *2992c)); and*

14 “(3) *public and quasi-public agencies.*

15 “(c) *LOAN AND LOAN GUARANTEE REQUIREMENTS.—*

16 “(1) *IN GENERAL.—In connection with loans*
17 *made or guaranteed under this section, the Secretary*
18 *shall require the applicant—*

19 “(A) *to certify in writing, and the Sec-*
20 *retary shall determine, that the applicant is un-*
21 *able to obtain credit elsewhere to finance the ac-*
22 *tual needs of the applicant; and*

23 “(B) *to furnish an appropriate written fi-*
24 *nancial statement.*

1 “(2) *DEBT RESTRUCTURING AND LOAN SERV-*
2 *ICING FOR COMMUNITY FACILITY LOANS.*—*The Sec-*
3 *retary shall establish and implement a program that*
4 *is similar to the program established under section*
5 *3411, except that the debt restructuring and loan*
6 *servicing procedures shall apply to delinquent com-*
7 *munity facility program loans to a hospital or health*
8 *care facility under subsection (a).*

9 “(d) *GRANT AMOUNTS.*—

10 “(1) *MAXIMUM.*—*Except as otherwise provided*
11 *in this subsection, the amount of any grant made*
12 *under this section shall not exceed 75 percent of the*
13 *development cost of the project for which the grant is*
14 *provided.*

15 “(2) *GRANT RATE.*—*The Secretary shall establish*
16 *the grant rate for each project in conformity with reg-*
17 *ulations issued by the Secretary that shall provide for*
18 *a graduated scale of grant rates that establish higher*
19 *rates for projects in communities that have—*

20 “(A) *low community population;*

21 “(B) *high rates of outmigration; and*

22 “(C) *low income levels.*

23 “(3) *LOCAL SHARE REQUIREMENTS.*—*Grants*
24 *made under this section may be used to pay the local*
25 *share requirements of another Federal grant-in-aid*

1 *program to the extent permitted under the law pro-*
2 *viding for the grant-in-aid program.*

3 “(e) *PRIORITY.—In making grants and loans, and*
4 *guaranteeing loans under this section, the Secretary shall*
5 *give priority consideration to projects that serve rural com-*
6 *munities that—*

7 *“(1) have a population of less than 20,000 per-*
8 *manent residents;*

9 *“(2) are experiencing outmigration;*

10 *“(3) have a high percentage of low-income resi-*
11 *dents; or*

12 *“(4) are isolated from other significant popu-*
13 *lation centers.*

14 “(f) *TRIBAL COLLEGES AND UNIVERSITIES.—*

15 *“(1) IN GENERAL.—The Secretary may make*
16 *grants to an entity that is a Tribal College or Univer-*
17 *sity (as defined in section 316(b) of the Higher Edu-*
18 *cation Act of 1965 (20 U.S.C. 1059c(b))) to provide*
19 *the Federal share of the cost of developing specific*
20 *Tribal College or University essential community fa-*
21 *cilities in rural areas.*

22 *“(2) FEDERAL SHARE.—The Secretary shall es-*
23 *tablish the maximum percentage of the cost of the*
24 *project that may be covered by a grant under this*
25 *subsection, except that the Secretary may not require*

1 *non-Federal financial support in an amount that is*
2 *greater than 5 percent of the total cost of the project.*

3 “(3) *AUTHORIZATION OF APPROPRIATIONS.—*
4 *There is authorized to be appropriated to carry out*
5 *this subsection \$10,000,000 for each of fiscal years*
6 *2014 through 2018.*

7 “(g) *TECHNICAL ASSISTANCE FOR COMMUNITY FACILI-*
8 *TIES PROJECTS.—*

9 “(1) *IN GENERAL.—Subject to paragraph (2), the*
10 *Secretary may use funds made available for commu-*
11 *nity facilities programs authorized under this section*
12 *to provide technical assistance to applicants and par-*
13 *ticipants for community facilities programs.*

14 “(2) *FUNDING.—The Secretary may use not*
15 *more than 3 percent of the amount of funds made*
16 *available to participants for a fiscal year for a com-*
17 *munity facilities program to provide technical assist-*
18 *ance described in paragraph (1).*

19 “(h) *AUTHORIZATION OF APPROPRIATIONS.—There*
20 *are authorized to be appropriated to carry out this section*
21 *such sums as are necessary.*

22 **“SEC. 3503. HEALTH CARE SERVICES.**

23 “(a) *PURPOSE.—The purpose of this section is to ad-*
24 *dress the continued unmet health needs in the Delta region*
25 *through cooperation among health care professionals, insti-*

1 *tutions of higher education, research institutions, and other*
2 *individuals and entities in the region.*

3 “(b) *DEFINITION OF ELIGIBLE ENTITY.*—*In this sec-*
4 *tion, the term ‘eligible entity’ means a consortium of re-*
5 *gional institutions of higher education, academic health*
6 *and research institutes, and economic development entities*
7 *located in the Delta region that have experience in address-*
8 *ing the health care issues in the region.*

9 “(c) *GRANTS.*—*To carry out the purpose described in*
10 *subsection (a), the Secretary may award a grant to an eligi-*
11 *ble entity for—*

12 “(1) *the development of—*

13 “(A) *health care services;*

14 “(B) *health education programs; and*

15 “(C) *health care job training programs; and*

16 “(2) *the development and expansion of public*
17 *health-related facilities in the Delta region to address*
18 *longstanding and unmet health needs of the region.*

19 “(d) *USE.*—*As a condition of the receipt of the grant,*
20 *the eligible entity shall use the grant to fund projects and*
21 *activities described in subsection (c), based on input solici-*
22 *ited from local governments, public health care providers,*
23 *and other entities in the Delta region.*

24 “(e) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
25 *authorized to be appropriated to the Secretary to carry out*

1 *this section \$3,000,000 for each of fiscal years 2014 through*
2 *2018.*

3 **“CHAPTER 2—RURAL BUSINESS AND**
4 **COOPERATIVE DEVELOPMENT**

5 **“SEC. 3601. BUSINESS PROGRAMS.**

6 “(a) *RURAL BUSINESS DEVELOPMENT GRANTS.—*

7 “(1) *IN GENERAL.—The Secretary may make*
8 *grants under this subsection to eligible entities de-*
9 *scribed in paragraph (2) in rural areas that pri-*
10 *marily serve rural areas for purposes described in*
11 *paragraph (3).*

12 “(2) *ELIGIBLE ENTITIES.—The Secretary may*
13 *make grants under this subsection to—*

14 “(A) *governmental entities;*

15 “(B) *Indian tribes; and*

16 “(C) *nonprofit entities.*

17 “(3) *ELIGIBLE PURPOSES FOR GRANTS.—Eligi-*
18 *ble entities that receive grants under this subsection*
19 *may use the grant funds for—*

20 “(A) *business opportunity projects that—*

21 “(i) *identify and analyze business op-*
22 *portunities;*

23 “(ii) *identify, train, and provide tech-*
24 *anical assistance to existing or prospective*
25 *rural entrepreneurs and managers;*

1 “(iii) assist in the establishment of
2 new rural businesses and the maintenance
3 of existing businesses, including through
4 business support centers;

5 “(iv) conduct regional, community,
6 and local economic development planning
7 and coordination, and leadership develop-
8 ment; and

9 “(v) establish centers for training, tech-
10 nology, and trade that will provide training
11 to rural businesses in the use of interactive
12 communications technologies to develop
13 international trade opportunities and mar-
14 kets; and

15 “(B) projects that support the development
16 of business enterprises that finance or facili-
17 tate—

18 “(i) the development of small and
19 emerging private business enterprise;

20 “(ii) the establishment, expansion, and
21 operation of rural distance learning net-
22 works;

23 “(iii) the development of rural learn-
24 ing programs that provide educational in-
25 struction or job training instruction related

1 to potential employment or job advancement
2 to adult students; and

3 “(iv) the provision of technical assist-
4 ance and training to rural communities for
5 the purpose of improving passenger trans-
6 portation services or facilities.

7 “(4) *AUTHORIZATION OF APPROPRIATIONS.*—
8 *There is authorized to be appropriated to the Sec-*
9 *retary to carry out this subsection \$65,000,000 for*
10 *each of fiscal years 2014 through 2018, to remain*
11 *available until expended.*

12 “(b) *VALUE-ADDED AGRICULTURAL PRODUCER*
13 *GRANTS.*—

14 “(1) *DEFINITIONS.*—*In this subsection:*

15 “(A) *MID-TIER VALUE CHAIN.*—*The term*
16 *‘mid-tier value chain’ means a local and re-*
17 *gional supply network that links independent*
18 *producers with businesses and cooperatives that*
19 *market value-added agricultural products in a*
20 *manner that—*

21 “(i) *targets and strengthens the profit-*
22 *ability and competitiveness of small- and*
23 *medium-sized farms that are structured as*
24 *family farms; and*

1 “(ii) obtains agreement from an eligi-
2 ble agricultural producer group, farmer co-
3 operative, or majority-controlled producer-
4 based business venture that is engaged in
5 the value chain on a marketing strategy.

6 “(B) *PRODUCER*.—The term ‘producer’
7 means a farmer.

8 “(C) *VALUE-ADDED AGRICULTURAL PROD-*
9 *UCT*.—The term ‘value-added agricultural prod-
10 uct’ means any agricultural commodity or prod-
11 uct—

12 “(i) that—

13 “(I) has undergone a change in
14 physical state;

15 “(II) was produced in a manner
16 that enhances the value of the agricul-
17 tural commodity or product, as dem-
18 onstrated through a business plan that
19 shows the enhanced value, as deter-
20 mined by the Secretary;

21 “(III) is physically segregated in
22 a manner that results in the enhance-
23 ment of the value of the agricultural
24 commodity or product;

1 “(IV) is a source of farm-based re-
2 newable energy, including E-85 fuel;
3 or

4 “(V) is aggregated and marketed
5 as a locally produced agricultural food
6 product; and

7 “(ii) for which, as a result of the
8 change in physical state or the manner in
9 which the agricultural commodity or prod-
10 uct was produced, marketed, or segregated—

11 “(I) the customer base for the ag-
12 ricultural commodity or product is ex-
13 panded; and

14 “(II) a greater portion of the rev-
15 enue derived from the marketing, proc-
16 essing, or physical segregation of the
17 agricultural commodity or product is
18 available to the producer of the com-
19 modity or product.

20 “(2) GRANTS.—

21 “(A) IN GENERAL.—The Secretary may
22 make grants under this subsection to—

23 “(i) independent producers of value-
24 added agricultural products; and

1 “(i) an agricultural producer group,
2 farmer cooperative, or majority-controlled
3 producer-based business venture, as deter-
4 mined by the Secretary.

5 “(B) GRANTS TO A PRODUCER.—A grantee
6 under subparagraph (A)(i) shall use the grant—

7 “(i) to develop a business plan or per-
8 form a feasibility study to establish a viable
9 marketing opportunity (including through
10 mid-tier value chains) for value-added agri-
11 cultural products; or

12 “(ii) to provide capital to establish al-
13 liances or business ventures that allow the
14 producer to better compete in domestic or
15 international markets.

16 “(C) GRANTS TO AN AGRICULTURAL PRO-
17 DUCER GROUP, COOPERATIVE OR PRODUCER-
18 BASED BUSINESS VENTURE.—A grantee under
19 subparagraph (A)(i) shall use the grant—

20 “(i) to develop a business plan for via-
21 ble marketing opportunities in emerging
22 markets for a value-added agricultural
23 product; or

24 “(ii) to develop strategies that are in-
25 tended to create marketing opportunities in

1 *emerging markets for the value-added agri-*
2 *cultural product.*

3 “(D) *AWARD SELECTION.*—

4 “(i) *PRIORITY.*—*In awarding grants*
5 *under this subsection, the Secretary shall*
6 *give priority to projects—*

7 “(I) *that contribute to increasing*
8 *opportunities for operators of small-*
9 *and medium-sized farms that are*
10 *structured as family farms; or*

11 “(II) *at least 1/4 of the recipients*
12 *of which are beginning farmers or so-*
13 *cially disadvantaged farmers.*

14 “(ii) *RANKING.*—*In evaluating and*
15 *ranking proposals under this subsection, the*
16 *Secretary shall provide substantial weight*
17 *to the priorities described in clause (i).*

18 “(E) *AMOUNT OF GRANT.*—

19 “(i) *IN GENERAL.*—*The total amount*
20 *provided to a grant recipient under this*
21 *subsection shall not exceed \$500,000.*

22 “(ii) *MAJORITY-CONTROLLED, PRO-*
23 *DUCER-BASED BUSINESS VENTURES.*—*The*
24 *total amount of all grants provided to ma-*
25 *jority-controlled, producer-based business*

1 *ventures under this subsection for a fiscal*
2 *year shall not exceed 10 percent of the*
3 *amount of funds used to make all grants for*
4 *the fiscal year under this subsection.*

5 “(F) *TERM.*—*The term of a grant under*
6 *this paragraph shall not exceed 3 years.*

7 “(G) *SIMPLIFIED APPLICATION.*—*The Sec-*
8 *retary shall offer a simplified application form*
9 *and process for project proposals requesting less*
10 *than \$50,000 under this subsection.*

11 “(3) *FUNDING.*—

12 “(A) *AUTHORIZATION OF APPROPRIA-*
13 *TIONS.*—*There is authorized to be appropriated*
14 *to carry out this subsection \$40,000,000 for each*
15 *of fiscal years 2014 through 2018.*

16 “(B) *RESERVATION OF FUNDS FOR*
17 *PROJECTS TO BENEFIT BEGINNING FARMERS, SO-*
18 *CIALY DISADVANTAGED FARMERS, AND MID-TIER*
19 *VALUE CHAINS.*—

20 “(i) *IN GENERAL.*—*The Secretary shall*
21 *reserve 10 percent of the amounts made*
22 *available for each fiscal year under this*
23 *subsection to fund projects that benefit be-*
24 *ginning farmers or socially disadvantaged*
25 *farmers.*

1 “(i) *MID-TIER VALUE CHAINS.*—*The*
2 *Secretary shall reserve 10 percent of the*
3 *amounts made available for each fiscal year*
4 *under this subsection to fund applications*
5 *of eligible entities described in paragraph*
6 *(2) that propose to develop mid-tier value*
7 *chains.*

8 “(iii) *UNOBLIGATED AMOUNTS.*—*Any*
9 *amounts in the reserves for a fiscal year es-*
10 *tablished under clauses (i) and (ii) that are*
11 *not obligated by June 30 of the fiscal year*
12 *shall be available to the Secretary to make*
13 *grants under this subsection to eligible enti-*
14 *ties in any State, as determined by the Sec-*
15 *retary.*

16 “(C) *MANDATORY FUNDING.*—*Of the funds*
17 *of the Commodity Credit Corporation, the Sec-*
18 *retary shall use to carry out this subsection*
19 *\$12,500,000 for each of fiscal years 2014 through*
20 *2018, to remain available until expended.*

21 “(c) *RURAL COOPERATIVE DEVELOPMENT GRANTS.*—

22 “(1) *DEFINITIONS.*—*In this subsection:*

23 “(A) *NONPROFIT INSTITUTION.*—*The term*
24 *‘nonprofit institution’ means any organization*
25 *or institution, including an accredited institu-*

1 tion of higher education, no part of the net earn-
2 ings of which inures, or may lawfully inure, to
3 the benefit of any private shareholder or indi-
4 vidual.

5 “(B) UNITED STATES.—The term ‘United
6 States’ means—

7 “(i) the several States; and

8 “(ii) the District of Columbia.

9 “(2) GRANTS.—The Secretary shall make grants
10 under this subsection to nonprofit institutions for the
11 purpose of enabling the nonprofit institutions to es-
12 tablish and operate centers for rural cooperative de-
13 velopment.

14 “(3) GOALS.—The goals of a center funded under
15 this subsection shall be to facilitate the creation of
16 jobs in rural areas through the development of new
17 rural cooperatives, value -added processing, and rural
18 businesses.

19 “(4) APPLICATION.—

20 “(A) IN GENERAL.—Any nonprofit institu-
21 tion seeking a grant under paragraph (2) shall
22 submit to the Secretary an application con-
23 taining a plan for the establishment and oper-
24 ation by the institution of 1 or more centers for
25 cooperative development.

1 “(B) *REQUIREMENTS.*—*The Secretary may*
2 *approve an application if the plan contains the*
3 *following:*

4 “(i) *A provision that substantiates that*
5 *the center will effectively serve rural areas*
6 *in the United States.*

7 “(ii) *A provision that the primary ob-*
8 *jective of the center will be to improve the*
9 *economic condition of rural areas through*
10 *cooperative development.*

11 “(iii) *A description of the activities*
12 *that the center will carry out to accomplish*
13 *the objective, which may include pro-*
14 *grams—*

15 “(I) *for applied research and fea-*
16 *sibility studies that may be useful to*
17 *individuals, cooperatives, small busi-*
18 *nesses, and other similar entities in*
19 *rural areas served by the center;*

20 “(II) *for the collection, interpreta-*
21 *tion, and dissemination of information*
22 *that may be useful to individuals, co-*
23 *operatives, small businesses, and other*
24 *similar entities in rural areas served*
25 *by the center;*

1 “(III) providing training and in-
2 struction for individuals, cooperatives,
3 small businesses, and other similar en-
4 tities in rural areas served by the cen-
5 ter;

6 “(IV) providing loans and grants
7 to individuals, cooperatives, small
8 businesses, and other similar entities
9 in rural areas served by the center;

10 “(V) providing technical assist-
11 ance, research services, and advisory
12 services to individuals, cooperatives,
13 small businesses, and other similar en-
14 tities in rural areas served by the cen-
15 ter; and

16 “(VI) providing for the coordina-
17 tion of services and sharing of infor-
18 mation by the center.

19 “(iv) A description of the contributions
20 that the activities are likely to make to the
21 improvement of the economic conditions of
22 the rural areas for which the center will
23 provide services.

24 “(v) Provisions that the center, in car-
25 rying out the activities, will seek, if appro-

1 *pritate, the advice, participation, expertise,*
2 *and assistance of representatives of business,*
3 *industry, educational institutions, the Fed-*
4 *eral Government, and State and local gov-*
5 *ernments.*

6 *“(vi) Provisions that the center will*
7 *take all practicable steps to develop con-*
8 *tinuing sources of financial support for the*
9 *center, particularly from sources in the pri-*
10 *ivate sector.*

11 *“(vii) Provisions for—*

12 *“(I) monitoring and evaluating*
13 *the activities by the nonprofit institu-*
14 *tion operating the center; and*

15 *“(II) accounting for funds re-*
16 *ceived by the institution under this sec-*
17 *tion.*

18 *“(5) AWARDING GRANTS.—*

19 *“(A) IN GENERAL.—Grants made under*
20 *paragraph (2) shall be made on a competitive*
21 *basis.*

22 *“(B) PREFERENCE.—In making grants*
23 *under paragraph (2), the Secretary shall give*
24 *preference to grant applications providing for*

1 *the establishment of centers for rural cooperative*
2 *development that—*

3 “(i) *demonstrate a proven track record*
4 *in carrying out activities to promote and*
5 *assist the development of cooperatively and*
6 *mutually owned businesses;*

7 “(ii) *demonstrate previous expertise in*
8 *providing technical assistance in rural*
9 *areas to promote and assist the development*
10 *of cooperatively and mutually owned busi-*
11 *nesses;*

12 “(iii) *demonstrate the ability to assist*
13 *in the retention of businesses, facilitate the*
14 *establishment of cooperatives and new coop-*
15 *erative approaches, and generate employ-*
16 *ment opportunities that will improve the*
17 *economic conditions of rural areas;*

18 “(iv) *commit to providing technical as-*
19 *sistance and other services to underserved*
20 *and economically distressed areas in rural*
21 *areas of the United States;*

22 “(v) *demonstrate a commitment to—*

23 “(I) *networking with and sharing*
24 *the results of the efforts of the center*
25 *with other cooperative development*

1 *centers and other organizations in-*
2 *volved in rural economic development*
3 *efforts; and*

4 *“(II) developing multiorganiza-*
5 *tion and multistate approaches to ad-*
6 *dressing the economic development and*
7 *cooperative needs of rural areas; and*

8 *“(vi) commit to providing a 25 percent*
9 *matching contribution with private funds*
10 *and in-kind contributions, except that the*
11 *Secretary shall not require non-Federal fi-*
12 *nanacial support in an amount that is great-*
13 *er than 5 percent in the case of a 1994 in-*
14 *stitution (as defined in section 532 of the*
15 *Equity in Educational Land-Grant Status*
16 *Act of 1994 (7 U.S.C. 301 note; Public Law*
17 *103–382)).*

18 *“(6) GRANT PERIOD.—*

19 *“(A) IN GENERAL.—A grant awarded to a*
20 *center that has received no prior funding under*
21 *this subsection shall be made for a period of 1*
22 *year.*

23 *“(B) MULTIYEAR GRANTS.—If the Secretary*
24 *determines it to be in the best interest of the pro-*
25 *gram, the Secretary shall award grants for a pe-*

1 *riod of more than 1 year, but not more than 3*
2 *years, to a center that has successfully met the*
3 *requirements of paragraph (5)(B), as determined*
4 *by the Secretary.*

5 “(7) *AUTHORITY TO EXTEND GRANT PERIOD.—*
6 *The Secretary may extend for 1 additional 12-month*
7 *period the period during which a grantee may use a*
8 *grant made under this subsection.*

9 “(8) *TECHNICAL ASSISTANCE TO PREVENT EX-*
10 *CESSIVE UNEMPLOYMENT OR UNDEREMPLOYMENT.—*

11 “(A) *IN GENERAL.—In carrying out this*
12 *subsection, the Secretary may provide technical*
13 *assistance to alleviate or prevent conditions of*
14 *excessive unemployment, underemployment, out-*
15 *migration, or low employment growth in eco-*
16 *nomically distressed rural areas that the Sec-*
17 *retary determines have a substantial need for the*
18 *assistance.*

19 “(B) *INCLUSIONS.—The assistance may in-*
20 *clude planning and feasibility studies, manage-*
21 *ment and operational assistance, and studies*
22 *evaluating the need for the development potential*
23 *of projects that increase employment and im-*
24 *prove economic growth in the areas.*

1 “(9) GRANTS TO DEFRAY ADMINISTRATIVE
2 COSTS.—

3 “(A) IN GENERAL.—*The Secretary may*
4 *make grants to defray not to exceed 75 percent*
5 *of the costs incurred by organizations and public*
6 *bodies to carry out projects for which grants or*
7 *loans are made under this subsection.*

8 “(B) COST-SHARING.—*For purposes of de-*
9 *termining the non-Federal share of the costs, the*
10 *Secretary shall include contributions in cash and*
11 *in kind, fairly evaluated, including premises,*
12 *equipment, and services.*

13 “(10) COOPERATIVE RESEARCH PROGRAM.—*The*
14 *Secretary shall offer to enter into a cooperative re-*
15 *search agreement with 1 or more qualified academic*
16 *institutions in each fiscal year to conduct research on*
17 *the effects of all types of cooperatives on the national*
18 *economy.*

19 “(11) ADDRESSING NEEDS OF MINORITY COMMU-
20 NITIES.—

21 “(A) IN GENERAL.—*If the total amount ap-*
22 *propriated under paragraph (13) for a fiscal*
23 *year exceeds \$7,500,000, the Secretary shall re-*
24 *serve an amount equal to 20 percent of the total*
25 *amount appropriated for grants for cooperative*

1 *development centers, individual cooperatives, or*
2 *groups of cooperatives—*

3 *“(i) that serve socially disadvantaged*
4 *groups; and*

5 *“(ii) a majority of the boards of direc-*
6 *tors or governing boards of which are com-*
7 *prised of individuals who are members of*
8 *socially disadvantaged groups.*

9 *“(B) INSUFFICIENT APPLICATIONS.—To the*
10 *extent there are insufficient applications to carry*
11 *out subparagraph (A), the Secretary shall use the*
12 *funds as otherwise authorized by this subsection.*

13 *“(12) INTERAGENCY WORKING GROUP.—Not later*
14 *than 90 days after the date of enactment of the Agri-*
15 *culture Reform, Food, and Jobs Act of 2013, the Sec-*
16 *retary shall coordinate and chair an interagency*
17 *working group to foster cooperative development and*
18 *ensure coordination with Federal agencies and na-*
19 *tional and local cooperative organizations that have*
20 *cooperative programs and interests.*

21 *“(13) AUTHORIZATION OF APPROPRIATIONS.—*
22 *There is authorized to be appropriated to carry out*
23 *this subsection \$50,000,000 for each of fiscal years*
24 *2014 through 2018.*

1 “(d) *APPROPRIATE TECHNOLOGY TRANSFER FOR*
2 *RURAL AREAS PROGRAM.*—

3 “(1) *DEFINITION OF NATIONAL NONPROFIT AGRICULTURAL ASSISTANCE INSTITUTION.*—*In this subsection, the term ‘national nonprofit agricultural assistance institution’ means an organization that—*

7 “(A) *is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under 501(a) of that Code;*

10 “(B) *has staff and offices in multiple regions of the United States;*

12 “(C) *has experience and expertise in operating national agricultural technical assistance programs;*

15 “(D) *expands markets for the agricultural commodities produced by producers through the use of practices that enhance the environment, natural resource base, and quality of life; and*

18 “(E) *improves the economic viability of agricultural operations.*

21 “(2) *ESTABLISHMENT.*—*The Secretary shall establish a national appropriate technology transfer for rural areas program to assist agricultural producers that are seeking information—*

24 “(A) *to reduce input costs;*

1 “(B) to conserve energy resources;

2 “(C) to diversify operations through new
3 energy crops and energy generation facilities;
4 and

5 “(D) to expand markets for agricultural
6 commodities produced by the producers by using
7 practices that enhance the environment, natural
8 resource base, and quality of life.

9 “(3) IMPLEMENTATION.—

10 “(A) IN GENERAL.—The Secretary shall
11 carry out the program under this subsection by
12 making a grant to, or offering to enter into a co-
13 operative agreement with, a national nonprofit
14 agricultural assistance institution.

15 “(B) GRANT AMOUNT.—A grant made, or
16 cooperative agreement entered into, under sub-
17 paragraph (A) shall provide 100 percent of the
18 cost of providing information described in para-
19 graph (2).

20 “(4) AUTHORIZATION OF APPROPRIATIONS.—
21 There is authorized to be appropriated to carry out
22 this subsection \$5,000,000 for each of fiscal years
23 2014 through 2018.

24 “(e) BUSINESS AND INDUSTRY DIRECT AND GUARAN-
25 TEED LOANS.—

1 “(1) *DEFINITION OF BUSINESS AND INDUSTRY*
2 *LOAN.*—*In this section, the term ‘business and indus-*
3 *try loan’ means a direct loan that is made, or a loan*
4 *that is guaranteed, by the Secretary under this sub-*
5 *section.*

6 “(2) *LOAN PURPOSES.*—*The Secretary may make*
7 *business and industry loans to public, private, or co-*
8 *operative organizations organized for profit or non-*
9 *profit, private investment funds that invest primarily*
10 *in cooperative organizations, or to individuals—*

11 “(A) *to improve, develop, or finance busi-*
12 *ness, industry, and employment and improve the*
13 *economic and environmental climate in rural*
14 *communities, including pollution abatement and*
15 *control;*

16 “(B) *to conserve, develop, and use water for*
17 *aquaculture purposes in rural areas; and*

18 “(C) *to reduce the reliance on nonrenewable*
19 *energy resources by encouraging the development*
20 *and construction of renewable energy systems*
21 *(including solar energy systems, wind energy*
22 *systems, and anaerobic digestors for the purpose*
23 *of energy generation), including the modification*
24 *of existing systems, in rural areas.*

1 “(3) *LOAN GUARANTEES FOR CERTAIN LOANS.*—
2 *The Secretary may guarantee loans made under this*
3 *subsection to finance the issuance of bonds for the*
4 *projects described in paragraph (2).*

5 “(4) *MAXIMUM AMOUNT OF PRINCIPAL.*—

6 “(A) *IN GENERAL.*—*Except as otherwise*
7 *provided in this paragraph, no loan may be*
8 *made or guaranteed under this subsection that*
9 *exceeds \$25,000,000 in principal amount.*

10 “(B) *LIMITATIONS ON LOAN GUARANTEES*
11 *FOR COOPERATIVE ORGANIZATIONS.*—

12 “(i) *PRINCIPAL AMOUNT.*—*Subject to*
13 *clause (ii), the principal amount of a busi-*
14 *ness and industry loan made to a coopera-*
15 *tive organization and guaranteed under this*
16 *subsection shall not exceed \$40,000,000.*

17 “(ii) *USE.*—*To be eligible for a guar-*
18 *antee under this subsection for a business*
19 *and industry loan made to a cooperative or-*
20 *ganization, the principal amount of the*
21 *loan in excess of \$25,000,000 shall be used*
22 *to carry out a project that is in a rural*
23 *area and—*

1 “(I) provides for the value-added
2 processing of agricultural commodities;
3 or

4 “(II) significantly benefits 1 or
5 more entities eligible for assistance for
6 the purposes described in paragraph
7 (2), as determined by the Secretary.

8 “(iii) APPLICATIONS.—If a cooperative
9 organization submits an application for a
10 guarantee under this paragraph, the Sec-
11 retary shall make the determination whether
12 to approve the application, and the Sec-
13 retary may not delegate this authority.

14 “(iv) MAXIMUM AMOUNT.—The total
15 amount of business and industry loans
16 made to cooperative organizations and
17 guaranteed for a fiscal year under this sub-
18 section with principal amounts that are in
19 excess of \$25,000,000 may not exceed 10
20 percent of the total amount of business and
21 industry loans guaranteed for the fiscal
22 year under this subsection.

23 “(5) FEES.—The Secretary may assess a 1-time
24 fee and an annual renewal fee for any guaranteed
25 business and industry loan in an amount that does

1 *not exceed 3 percent of the guaranteed principal por-*
2 *tion of the loan.*

3 “(6) *INTANGIBLE ASSETS.*—*In determining*
4 *whether a cooperative organization is eligible for a*
5 *guaranteed business and industry loan, the Secretary*
6 *may consider the market value of a properly ap-*
7 *praised brand name, patent, or trademark of the co-*
8 *operative.*

9 “(7) *LOAN APPRAISALS.*—*The Secretary may re-*
10 *quire that any appraisal made in connection with a*
11 *business and industry loan be conducted by a special-*
12 *ized appraiser that uses standards that are com-*
13 *parable to standards used for similar purposes in the*
14 *private sector, as determined by the Secretary.*

15 “(8) *LOAN GUARANTEES FOR THE PURCHASE OF*
16 *COOPERATIVE STOCK.*—

17 “(A) *IN GENERAL.*—*The Secretary may*
18 *guarantee a business and industry loan to indi-*
19 *vidual farmers to purchase capital stock of a*
20 *farmer cooperative established for the purpose of*
21 *processing an agricultural commodity.*

22 “(B) *PROCESSING CONTRACTS DURING INI-*
23 *TIAL PERIOD.*—*A cooperative described in sub-*
24 *paragraph (A) for which a farmer receives a*
25 *guarantee to purchase stock under that subpara-*

1 *graph may contract for services to process agri-*
2 *cultural commodities or otherwise process value*
3 *added for the period beginning on the date of the*
4 *startup of the cooperative in order to provide*
5 *adequate time for the planning and construction*
6 *of the processing facility of the cooperative.*

7 “(C) *FINANCIAL INFORMATION.*—*Financial*
8 *information required by the Secretary from a*
9 *farmer as a condition of making a business and*
10 *industry loan guarantee under this paragraph*
11 *shall be provided in the manner generally re-*
12 *quired by commercial agricultural lenders in the*
13 *applicable area.*

14 “(9) *LOANS TO COOPERATIVES.*—

15 “(A) *ELIGIBILITY.*—

16 “(i) *IN GENERAL.*—*The Secretary may*
17 *make or guarantee a business and industry*
18 *loan to a cooperative organization that is*
19 *headquartered in a metropolitan area if the*
20 *loan is—*

21 “(I) *used for a project or venture*
22 *described in paragraph (2) that is lo-*
23 *cated in a rural area; or*

24 “(II) *a loan guarantee that meets*
25 *the requirements of paragraph (10).*

1 “(i) *EQUITY.*—*The Secretary may*
2 *guarantee a loan made for the purchase of*
3 *preferred stock or similar equity issued by*
4 *a cooperative organization or a fund that*
5 *invests primarily in cooperative organiza-*
6 *tions, if the guarantee significantly benefits*
7 *1 or more entities eligible for assistance for*
8 *the purposes described in paragraph (2)(A),*
9 *as determined by the Secretary.*

10 “(B) *REFINANCING.*—*A cooperative organi-*
11 *zation that is eligible for a business and indus-*
12 *try loan shall be eligible to refinance an existing*
13 *business and industry loan with a lender if—*

14 “(i) *the cooperative organization—*

15 “(I) *is current and performing*
16 *with respect to the existing loan; and*

17 “(II)(aa) *is not, and has not been,*
18 *in payment default, with respect to the*
19 *existing loan; or*

20 “(bb) *has not converted any of the*
21 *collateral with respect to the existing*
22 *loan; and*

23 “(ii) *there is adequate security or full*
24 *collateral for the refinanced loan.*

1 “(10) *LOAN GUARANTEES IN NONRURAL*
2 *AREAS.—The Secretary may guarantee a business*
3 *and industry loan to a cooperative organization for*
4 *a facility that is not located in a rural area if—*

5 “(A) *the primary purpose of the loan guar-*
6 *antee is for a facility to provide value-added*
7 *processing for agricultural producers that are lo-*
8 *cated within 80 miles of the facility;*

9 “(B) *the applicant demonstrates to the Sec-*
10 *retary that the primary benefit of the loan guar-*
11 *antee will be to provide employment for residents*
12 *of a rural area; and*

13 “(C) *the total amount of business and in-*
14 *dustry loans guaranteed for a fiscal year under*
15 *this paragraph does not exceed 10 percent of the*
16 *business and industry loans guaranteed for the*
17 *fiscal year under this subsection.*

18 “(11) *LOCALLY OR REGIONALLY PRODUCED AG-*
19 *RICULTURAL FOOD PRODUCTS.—*

20 “(A) *DEFINITIONS.—In this paragraph:*

21 “(i) *LOCALLY OR REGIONALLY PRO-*
22 *DUCED AGRICULTURAL FOOD PRODUCT.—*
23 *The term ‘locally or regionally produced ag-*
24 *ricultural food product’ means any agricul-*

1 *tural food product that is raised, produced,*
2 *and distributed in—*

3 *“(I) the locality or region in*
4 *which the final product is marketed, so*
5 *that the total distance that the product*
6 *is transported is less than 400 miles*
7 *from the origin of the product; or*

8 *“(II) the State in which the prod-*
9 *uct is produced.*

10 *“(i) UNDERSERVED COMMUNITY.—The*
11 *term ‘underserved community’ means a*
12 *community (including an urban or rural*
13 *community and an Indian tribal commu-*
14 *nity) that, as determined by the Secretary,*
15 *has—*

16 *“(I) limited access to affordable,*
17 *healthy foods, including fresh fruits*
18 *and vegetables, in grocery retail stores*
19 *or farmer-to-consumer direct markets;*
20 *and*

21 *“(II) a high rate of hunger or food*
22 *insecurity or a high poverty rate.*

23 *“(B) LOAN AND LOAN GUARANTEE PRO-*
24 *GRAM.—*

1 “(i) *IN GENERAL.*—*The Secretary shall*
2 *make or guarantee loans to individuals, co-*
3 *operatives, cooperative organizations, busi-*
4 *nesses, and other entities to establish and*
5 *facilitate enterprises that process, distribute,*
6 *aggregate, store, and market locally or re-*
7 *gionally produced agricultural food prod-*
8 *ucts to support community development and*
9 *farm income.*

10 “(ii) *REQUIREMENT.*—*The recipient of*
11 *a loan or loan guarantee under this para-*
12 *graph shall include in an appropriate*
13 *agreement with retail and institutional fa-*
14 *ilities to which the recipient sells locally or*
15 *regionally produced agricultural food prod-*
16 *ucts a requirement to inform consumers of*
17 *the retail or institutional facilities that the*
18 *consumers are purchasing or consuming lo-*
19 *cally or regionally produced agricultural*
20 *food products.*

21 “(iii) *PRIORITY.*—*In making or guar-*
22 *anteeing a loan under this paragraph, the*
23 *Secretary shall give priority to projects that*
24 *have components benefitting underserved*
25 *communities.*

1 “(iv) *REPORTS.*—Not later than 2
2 years after the date of enactment of the Ag-
3 riculture Reform, Food, and Jobs Act of
4 2013 and annually thereafter, the Secretary
5 shall submit to the Committee on Agri-
6 culture of the House of Representatives and
7 the Committee on Agriculture, Nutrition,
8 and Forestry of the Senate, and publish on
9 the Internet, a report that describes projects
10 carried out using loans or loan guarantees
11 made under clause (i), including—

12 “(I) summary information about
13 all projects;

14 “(II) the characteristics of the
15 communities served; and

16 “(III) resulting benefits.

17 “(v) *RESERVATION OF FUNDS.*—For
18 each of fiscal years 2014 through 2018, the
19 Secretary shall reserve not less than 5 per-
20 cent of the total amount of funds made
21 available to carry out this subsection to
22 carry out this paragraph until April 1 of
23 the fiscal year.

24 “(vi) *OUTREACH.*—The Secretary shall
25 develop and implement an outreach plan to

1 *publicize the availability of loans and loan*
2 *guarantees under this paragraph, working*
3 *closely with rural cooperative development*
4 *centers, credit unions, community develop-*
5 *ment financial institutions, regional eco-*
6 *nomical development authorities, and other fi-*
7 *nancial and economic development entities.*

8 “(12) *AUTHORIZATION OF APPROPRIATIONS.—*

9 *There is authorized to be appropriated to carry out*
10 *this subsection \$75,000,000 for each of fiscal years*
11 *2014 through 2018.*

12 “(f) *RELENDING PROGRAMS.—*

13 “(1) *INTERMEDIATE RELENDING PROGRAM.—*

14 “(A) *IN GENERAL.—The Secretary may*
15 *make or guarantee loans to eligible entities de-*
16 *scribed in subparagraph (B) so that the eligible*
17 *entities may relend the funds to individuals and*
18 *entities for the purposes described in subpara-*
19 *graph (C).*

20 “(B) *ELIGIBLE ENTITIES.—Entities eligible*
21 *for loans and loan guarantees described in sub-*
22 *paragraph (A) are—*

23 “(i) *public agencies;*

24 “(ii) *Indian tribes;*

25 “(iii) *cooperatives; and*

1 “(iv) *nonprofit corporations.*

2 “(C) *ELIGIBLE PURPOSES.—The proceeds*
3 *from loans made or guaranteed by the Secretary*
4 *pursuant to subparagraph (A) may be relented by*
5 *eligible entities for projects that—*

6 “(i) *predominately serve communities*
7 *in rural areas; and*

8 “(ii) *as determined by the Secretary—*

9 “(I) *promote community develop-*
10 *ment;*

11 “(II) *establish new businesses;*

12 “(III) *establish and support*
13 *microlending programs; and*

14 “(IV) *create or retain employment*
15 *opportunities.*

16 “(D) *AUTHORIZATION OF APPROPRIA-*
17 *TIONS.—There is authorized to be appropriated*
18 *to carry out this subsection \$50,000,000 for each*
19 *of fiscal years 2014 through 2018.*

20 “(2) *RURAL MICROENTREPRENEUR ASSISTANCE*
21 *PROGRAM.—*

22 “(A) *DEFINITIONS.—In this paragraph:*

23 “(i) *MICROENTREPRENEUR.—The term*
24 *‘microentrepreneur’ means an owner and*
25 *operator, or prospective owner and operator,*

1 *of a rural microenterprise who is unable to*
2 *obtain sufficient training, technical assist-*
3 *ance, or credit other than under this sub-*
4 *section, as determined by the Secretary.*

5 “(ii) *MICROENTERPRISE DEVELOP-*
6 *MENT ORGANIZATION.—The term ‘microen-*
7 *terprise development organization’ means*
8 *an organization that is—*

9 “(I) *a nonprofit entity;*

10 “(II) *an Indian tribe, the tribal*
11 *government of which certifies to the*
12 *Secretary that—*

13 “(aa) *no microenterprise de-*
14 *velopment organization serves the*
15 *Indian tribe; and*

16 “(bb) *no rural microentre-*
17 *preneur assistance program exists*
18 *under the jurisdiction of the In-*
19 *dian tribe;*

20 “(III) *a public institution of*
21 *higher education; or*

22 “(IV) *a collaboration of rural*
23 *nonprofit entities serving a region or*
24 *State, if 1 lead nonprofit entity is the*

1 *sole underwriter of all loans and is re-*
2 *sponsible for associated risks.*

3 “(iii) *MICROLOAN.*—*The term*
4 *‘microloan’ means a business loan of not*
5 *more than \$50,000 that is provided to a*
6 *rural microenterprise.*

7 “(iv) *PROGRAM.*—*The term ‘program’*
8 *means the rural microentrepreneur assist-*
9 *ance program established under subpara-*
10 *graph (B).*

11 “(v) *RURAL MICROENTERPRISE.*—*The*
12 *term ‘rural microenterprise’ means a busi-*
13 *ness entity with not more than 10 full-time*
14 *equivalent employees located in a rural*
15 *area.*

16 “(vi) *TRAINING.*—*The term ‘training’*
17 *means teaching broad business principles or*
18 *general business skills in a group or public*
19 *setting.*

20 “(vii) *TECHNICAL ASSISTANCE.*—*The*
21 *term ‘technical assistance’ means working*
22 *with a business client in a 1-to-1 manner to*
23 *provide business and financial management*
24 *counseling, assist in the preparation of*
25 *business or marketing plans, or provide*

1 *other skills tailored to an individual micro-*
2 *entrepreneur.*

3 “(B) *RURAL MICROENTREPRENEUR ASSIST-*
4 *ANCE PROGRAM.—*

5 “(i) *ESTABLISHMENT.—The Secretary*
6 *shall establish a rural microentrepreneur*
7 *assistance program to provide loans and*
8 *grants to support microentrepreneurs in the*
9 *development and ongoing success of rural*
10 *microenterprises.*

11 “(ii) *PURPOSE.—The purpose of the*
12 *program is to provide microentrepreneurs*
13 *with—*

14 “(I) *the skills necessary to estab-*
15 *lish new rural microenterprises; and*

16 “(II) *continuing technical and fi-*
17 *nancial assistance related to the suc-*
18 *cessful operation of rural microenter-*
19 *prises.*

20 “(iii) *LOANS.—*

21 “(I) *IN GENERAL.—The Secretary*
22 *shall make loans to microenterprise de-*
23 *velopment organizations for the pur-*
24 *pose of providing fixed-interest rate*
25 *microloans to microentrepreneurs for*

1 *startup and growing rural microenter-*
2 *prises.*

3 “(II) *LOAN TERMS.*—*A loan made*
4 *by the Secretary to a microenterprise*
5 *development organization under this*
6 *subparagraph shall—*

7 “(aa) *be for a term not to ex-*
8 *ceed 20 years; and*

9 “(bb) *bear an annual interest*
10 *rate of at least 1 percent.*

11 “(III) *LOAN LOSS RESERVE*
12 *FUND.*—*The Secretary shall require*
13 *each microenterprise development orga-*
14 *nization that receives a loan under this*
15 *subparagraph to—*

16 “(aa) *establish a loan loss re-*
17 *serve fund; and*

18 “(bb) *maintain the reserve*
19 *fund in an amount equal to at*
20 *least 5 percent of the outstanding*
21 *balance of such loans owed by the*
22 *microenterprise development orga-*
23 *nization, until all obligations*
24 *owed to the Secretary under this*
25 *subparagraph are repaid.*

1 “(IV) *DEFERRAL OF INTEREST*
2 *AND PRINCIPAL.*—*The Secretary may*
3 *permit the deferral of payments on*
4 *principal and interest due on a loan to*
5 *a microenterprise development organi-*
6 *zation made under this paragraph for*
7 *a 2-year period beginning on the date*
8 *on which the loan is made.*

9 “(iv) *GRANTS TO SUPPORT RURAL MI-*
10 *CROENTERPRISE DEVELOPMENT.*—

11 “(I) *IN GENERAL.*—*The Secretary*
12 *shall make grants to microenterprise*
13 *development organizations—*

14 “(aa) *to provide training*
15 *and technical assistance, and*
16 *other related services to rural*
17 *microentrepreneurs; and*

18 “(bb) *to carry out such other*
19 *projects and activities as the Sec-*
20 *retary determines appropriate to*
21 *further the purposes of the pro-*
22 *gram.*

23 “(II) *SELECTION.*—*In making*
24 *grants under subclause (I), the Sec-*
25 *retary shall—*

1 “(aa) place an emphasis on
2 microenterprise development orga-
3 nizations that serve microentre-
4 preneurs that are located in rural
5 areas that have suffered signifi-
6 cant outward migration, as deter-
7 mined by the Secretary; and

8 “(bb) ensure, to the max-
9 imum extent practicable, that
10 grant recipients include microen-
11 terprise development organiza-
12 tions of varying sizes and that
13 serve racially and ethnically di-
14 verse populations.

15 “(v) GRANTS TO ASSIST MICROENTRE-
16 PRENEURS.—

17 “(I) IN GENERAL.—The Secretary
18 shall make annual grants to microen-
19 terprise development organizations to
20 provide technical assistance to micro-
21 entrepreneurs that—

22 “(aa) received a loan from
23 the microenterprise development
24 organization under subparagraph
25 (B)(iii); or

1 “(bb) are seeking a loan from
2 the microenterprise development
3 organization under subparagraph
4 (B)(iii).

5 “(II) MAXIMUM AMOUNT OF
6 TECHNICAL ASSISTANCE GRANT.—The
7 maximum amount of a grant under
8 this clause shall be in an amount equal
9 to not more than 25 percent of the
10 total outstanding balance of microloans
11 made by the microenterprise develop-
12 ment organization under clause (iii),
13 as of the date the grant is awarded.

14 “(vi) ADMINISTRATIVE EXPENSES.—
15 Not more than 10 percent of a grant re-
16 ceived by a microenterprise development or-
17 ganization for a fiscal year under this sub-
18 paragraph may be used to pay administra-
19 tive expenses.

20 “(C) ADMINISTRATION.—

21 “(i) MATCHING REQUIREMENT.—As a
22 condition of any grant made under clauses
23 (iv) and (v) of subparagraph (B), the Sec-
24 retary shall require the microenterprise de-
25 velopment organization to match not less

1 *than 15 percent of the total amount of the*
2 *grant in the form of matching funds (in-*
3 *cluding community development block*
4 *grants), indirect costs, or in-kind goods or*
5 *services.*

6 “(ii) *OVERSIGHT.—At a minimum,*
7 *not later than December 1 of each fiscal*
8 *year, a microenterprise development organi-*
9 *zation that receives a loan or grant under*
10 *this section shall provide to the Secretary*
11 *such information as the Secretary may re-*
12 *quire to ensure that assistance provided*
13 *under this section is used for the purposes*
14 *for which the loan or grant was made.*

15 “(D) *AUTHORIZATION OF APPROPRIA-*
16 *TIONS.—There is authorized to be appropriated*
17 *to carry out this paragraph \$40,000,000 for each*
18 *of fiscal years 2014 through 2018.*

19 “(E) *MANDATORY FUNDING FOR FISCAL*
20 *YEARS 2014 THROUGH 2018.—Of the funds of the*
21 *Commodity Credit Corporation, the Secretary*
22 *shall use to carry out this paragraph \$3,000,000*
23 *for each of fiscal years 2014 through 2018, to re-*
24 *main available until expended.*

1 **“SEC. 3602. RURAL BUSINESS INVESTMENT PROGRAM.**

2 “(a) *DEFINITIONS.—In this section:*

3 “(1) *ARTICLES.—The term ‘articles’ means arti-*
4 *cles of incorporation for an incorporated body or the*
5 *functional equivalent or other similar documents*
6 *specified by the Secretary for other business entities.*

7 “(2) *DEVELOPMENTAL VENTURE CAPITAL.—The*
8 *term ‘developmental venture capital’ means capital in*
9 *the form of equity capital investments in rural busi-*
10 *ness investment companies with an objective of fos-*
11 *tering economic development in rural areas.*

12 “(3) *EMPLOYEE WELFARE BENEFIT PLAN; PEN-*
13 *SION PLAN.—*

14 “(A) *IN GENERAL.—The terms ‘employee*
15 *welfare benefit plan’ and ‘pension plan’ have the*
16 *meanings given the terms in section 3 of the Em-*
17 *ployee Retirement Income Security Act of 1974*
18 *(29 U.S.C. 1002).*

19 “(B) *INCLUSIONS.—The terms ‘employee*
20 *welfare benefit plan’ and ‘pension plan’ in-*
21 *clude—*

22 “(i) *public and private pension or re-*
23 *irement plans subject to this subtitle; and*

24 “(ii) *similar plans not covered by this*
25 *subtitle that have been established, and that*
26 *are maintained, by the Federal Government*

1 or any State (including by a political sub-
2 division, agency, or instrumentality of the
3 Federal Government or a State) for the ben-
4 efit of employees.

5 “(4) *EQUITY CAPITAL*.—The term ‘equity cap-
6 ital’ means common or preferred stock or a similar
7 instrument, including subordinated debt with equity
8 features.

9 “(5) *LEVERAGE*.—The term ‘leverage’ includes—
10 “(A) debentures purchased or guaranteed by
11 the Secretary;

12 “(B) participating securities purchased or
13 guaranteed by the Secretary; and

14 “(C) preferred securities outstanding as of
15 the date of enactment of the Agriculture Reform,
16 Food, and Jobs Act of 2013.

17 “(6) *LICENSE*.—The term ‘license’ means a li-
18 cense issued by the Secretary in accordance with in
19 subsection (d)(5).

20 “(7) *LIMITED LIABILITY COMPANY*.—The term
21 ‘limited liability company’ means a business entity
22 that is organized and operating in accordance with a
23 State limited liability company law approved by the
24 Secretary.

1 “(8) *MEMBER.*—*The term ‘member’ means, with*
2 *respect to a rural business investment company that*
3 *is a limited liability company, a holder of an owner-*
4 *ship interest, or a person otherwise admitted to mem-*
5 *bership in the limited liability company.*

6 “(9) *OPERATIONAL ASSISTANCE.*—*The term*
7 *‘operational assistance’ means management, mar-*
8 *keting, and other technical assistance that assists a*
9 *rural business concern with business development.*

10 “(10) *PARTICIPATION AGREEMENT.*—*The term*
11 *‘participation agreement’ means an agreement, be-*
12 *tween the Secretary and a rural business investment*
13 *company granted final approval under subsection*
14 *(d)(5), that requires the rural business investment*
15 *company to make investments in smaller enterprises*
16 *in rural areas.*

17 “(11) *PRIVATE CAPITAL.*—

18 “(A) *IN GENERAL.*—*The term ‘private cap-*
19 *ital’ means the total of—*

20 “(i) *(I) the paid-in capital and paid-in*
21 *surplus of a corporate rural business invest-*
22 *ment company;*

23 “(ii) *(I) the contributed capital of the*
24 *partners of a partnership rural business in-*
25 *vestment company; or*

1 “(III) the equity investment of the
2 members of a limited liability company
3 rural business investment company; and

4 “(ii) unfunded binding commitments
5 from investors that meet criteria established
6 by the Secretary to contribute capital to the
7 rural business investment company, except
8 that—

9 “(I) unfunded commitments may
10 be counted as private capital for pur-
11 poses of approval by the Secretary of
12 any request for leverage; but

13 “(II) leverage shall not be funded
14 based on the commitments.

15 “(B) EXCLUSIONS.—The term ‘private cap-
16 ital’ does not include—

17 “(i) any funds borrowed by a rural
18 business investment company from any
19 source;

20 “(ii) any funds obtained through the
21 issuance of leverage; or

22 “(iii) any funds obtained directly or
23 indirectly from the Federal Government or
24 any State (including by a political subdivi-

1 sion, agency, or instrumentality of the Fed-
2 eral Government or a State), except for—

3 “(I) funds obtained from the busi-
4 ness revenues (excluding any govern-
5 mental appropriation) of any Feder-
6 ally chartered or government-sponsored
7 enterprise established prior to the date
8 of enactment of the Agriculture Re-
9 form, Food, and Jobs Act of 2013;

10 “(II) funds invested by an em-
11 ployee welfare benefit plan or pension
12 plan; and

13 “(III) any qualified nonprivate
14 funds (if the investors of the qualified
15 nonprivate funds do not control, di-
16 rectly or indirectly, the management,
17 board of directors, general partners, or
18 members of the rural business invest-
19 ment company).

20 “(12) **QUALIFIED NONPRIVATE FUNDS.**—The
21 term ‘qualified nonprivate funds’ means any—

22 “(A) funds directly or indirectly invested in
23 any applicant or rural business investment com-
24 pany on or before the date of enactment of the
25 Agriculture Reform, Food, and Jobs Act of 2013

1 *by any Federal agency, other than the Depart-*
2 *ment, under a provision of law explicitly man-*
3 *dating the inclusion of those funds in the defini-*
4 *tion of the term ‘private capital’; and*

5 *“(B) funds invested in any applicant or*
6 *rural business investment company by 1 or more*
7 *entities of any State (including by a political*
8 *subdivision, agency, or instrumentality of the*
9 *State and including any guarantee extended by*
10 *those entities) in an aggregate amount that does*
11 *not exceed 33 percent of the private capital of the*
12 *applicant or rural business investment company.*

13 *“(13) RURAL BUSINESS CONCERN.—The term*
14 *‘rural business concern’ means—*

15 *“(A) a public, private, or cooperative for-*
16 *profit or nonprofit organization;*

17 *“(B) a for-profit or nonprofit business con-*
18 *trolled by an Indian tribe; or*

19 *“(C) any other person or entity that pri-*
20 *marily operates in a rural area, as determined*
21 *by the Secretary.*

22 *“(14) RURAL BUSINESS INVESTMENT COM-*
23 *PANY.—The term ‘rural business investment company’*
24 *means a company that—*

1 “(A) has been granted final approval by the
2 Secretary under subsection (d)(5); and

3 “(B) has entered into a participation agree-
4 ment with the Secretary.

5 “(15) SMALLER ENTERPRISE.—

6 “(A) IN GENERAL.—The term ‘smaller en-
7 terprise’ means any rural business concern that,
8 together with its affiliates—

9 “(i) has—

10 “(I) a net financial worth of not
11 more than \$6,000,000, as of the date
12 on which assistance is provided under
13 this section to the rural business con-
14 cern; and

15 “(II) except as provided in sub-
16 paragraph (B), an average net income
17 for the 2-year period preceding the
18 date on which assistance is provided
19 under this section to the rural business
20 concern, of not more than \$2,000,000,
21 after Federal income taxes (excluding
22 any carryover losses); or

23 “(ii) satisfies the standard industrial
24 classification size standards established by
25 the Administrator of the Small Business

1 *Administration for the industry in which*
2 *the rural business concern is primarily en-*
3 *gaged.*

4 “(B) *EXCEPTION.—For purposes of sub-*
5 *paragraph (A)(i)(II), if the rural business con-*
6 *cern is not required by law to pay Federal in-*
7 *come taxes at the enterprise level, but is required*
8 *to pass income through to the shareholders, part-*
9 *ners, beneficiaries, or other equitable owners of*
10 *the business concern, the net income of the busi-*
11 *ness concern shall be determined by allowing a*
12 *deduction in an amount equal to the total of—*

13 “(i) *if the rural business concern is not*
14 *required by law to pay State (and local, if*
15 *any) income taxes at the enterprise level,*
16 *the product obtained by multiplying—*

17 “(I) *the net income (determined*
18 *without regard to this subparagraph);*
19 *by*

20 “(II) *the marginal State income*
21 *tax rate (or by the combined State and*
22 *local income tax rates, as applicable)*
23 *that would have applied if the business*
24 *concern were a corporation; and*

1 “(i) the product obtained by multi-
2 plying—

3 “(I) the net income (so deter-
4 mined) less any deduction for State
5 (and local) income taxes calculated
6 under clause (i); by

7 “(II) the marginal Federal income
8 tax rate that would have applied if the
9 rural business concern were a corpora-
10 tion.

11 “(b) PURPOSES.—The purposes of the Rural Business
12 Investment Program established under this section are—

13 “(1) to promote economic development and the
14 creation of wealth and job opportunities in rural
15 areas and among individuals living in those areas by
16 encouraging developmental venture capital invest-
17 ments in smaller enterprises primarily located in
18 rural areas; and

19 “(2) to establish a developmental venture capital
20 program, with the mission of addressing the unmet
21 equity investment needs of small enterprises located
22 in rural areas, by authorizing the Secretary—

23 “(A) to enter into participation agreements
24 with rural business investment companies;

1 “(B) to guarantee debentures of rural busi-
2 ness investment companies to enable each rural
3 business investment company to make develop-
4 mental venture capital investments in smaller
5 enterprises in rural areas; and

6 “(C) to make grants to rural business in-
7 vestment companies, and to other entities, for the
8 purpose of providing operational assistance to
9 smaller enterprises financed, or expected to be fi-
10 nanced, by rural business investment companies.

11 “(c) *ESTABLISHMENT.*—In accordance with this sub-
12 title, the Secretary shall establish a Rural Business Invest-
13 ment Program, under which the Secretary may—

14 “(1) enter into participation agreements with
15 companies granted final approval under subsection
16 (d)(5) for the purposes described in subsection (b);

17 “(2) guarantee the debentures issued by rural
18 business investment companies as provided in sub-
19 section (e); and

20 “(3) make grants to rural business investment
21 companies, and to other entities, under subsection (h).

22 “(d) *SELECTION OF RURAL BUSINESS INVESTMENT*
23 *COMPANIES.*—

24 “(1) *ELIGIBILITY.*—A company shall be eligible
25 to apply to participate, as a rural business invest-

1 *ment company, in the program established under this*
2 *section if—*

3 “(A) *the company is a newly formed for-*
4 *profit entity or a newly formed for-profit sub-*
5 *subsidiary of such an entity;*

6 “(B) *the company has a management team*
7 *with experience in community development fi-*
8 *nancing or relevant venture capital financing;*
9 *and*

10 “(C) *the company will invest in enterprises*
11 *that will create wealth and job opportunities in*
12 *rural areas, with an emphasis on smaller enter-*
13 *prises.*

14 “(2) *APPLICATION.—To participate, as a rural*
15 *business investment company, in the program estab-*
16 *lished under this section, a company meeting the eli-*
17 *gibility requirements of paragraph (1) shall submit*
18 *an application to the Secretary that includes—*

19 “(A) *a business plan describing how the*
20 *company intends to make successful develop-*
21 *mental venture capital investments in identified*
22 *rural areas;*

23 “(B) *information regarding the community*
24 *development finance or relevant venture capital*

1 *qualifications and general reputation of the*
2 *management of the company;*

3 “(C) *a description of how the company in-*
4 *tends to work with community-based organiza-*
5 *tions and local entities (including local economic*
6 *development companies, local lenders, and local*
7 *investors) and to seek to address the unmet eq-*
8 *uity capital needs of the communities served;*

9 “(D) *a proposal describing how the com-*
10 *pany intends to use the grant funds provided*
11 *under this section to provide operational assist-*
12 *ance to smaller enterprises financed by the com-*
13 *pany, including information regarding whether*
14 *the company intends to use licensed profes-*
15 *sionals, as necessary, on the staff of the company*
16 *or from an outside entity;*

17 “(E) *with respect to binding commitments*
18 *to be made to the company under this section, an*
19 *estimate of the ratio of cash to in-kind contribu-*
20 *tions;*

21 “(F) *a description of the criteria to be used*
22 *to evaluate whether and to what extent the com-*
23 *pany meets the purposes of the program estab-*
24 *lished under this section;*

1 “(G) information regarding the manage-
2 ment and financial strength of any parent firm,
3 affiliated firm, or any other firm essential to the
4 success of the business plan of the company; and

5 “(H) such other information as the Sec-
6 retary may require.

7 “(3) STATUS.—Not later than 90 days after the
8 initial receipt by the Secretary of an application
9 under this subsection, the Secretary shall provide to
10 the applicant a written report describing the status of
11 the application and any requirements remaining for
12 completion of the application.

13 “(4) MATTERS CONSIDERED.—In reviewing and
14 processing any application under this subsection, the
15 Secretary shall—

16 “(A) determine whether—

17 “(i) the applicant meets the require-
18 ments of paragraph (5); and

19 “(ii) the management of the applicant
20 is qualified and has the knowledge, experi-
21 ence, and capability necessary to comply
22 with this section;

23 “(B) take into consideration—

24 “(i) the need for and availability of fi-
25 nancing for rural business concerns in the

1 *geographic area in which the applicant is to*
2 *commence business;*

3 “(ii) *the general business reputation of*
4 *the owners and management of the appli-*
5 *cant; and*

6 “(iii) *the probability of successful oper-*
7 *ations of the applicant, including adequate*
8 *profitability and financial soundness; and*

9 “(C) *not take into consideration any pro-*
10 *jected shortage or unavailability of grant funds*
11 *or leverage.*

12 “(5) *APPROVAL; LICENSE.—*

13 “(A) *IN GENERAL.—Except as provided in*
14 *subparagraph (B), the Secretary may approve*
15 *an applicant to operate as a rural business in-*
16 *vestment company under this subtitle and license*
17 *the applicant as a rural business investment*
18 *company, if—*

19 “(i) *the Secretary determines that the*
20 *application satisfies the requirements of*
21 *paragraph (2);*

22 “(ii) *the area in which the rural busi-*
23 *ness investment company is to conduct its*
24 *operations, and establishment of branch of-*

1 *fices or agencies (if authorized by the arti-*
2 *cles), are approved by the Secretary; and*

3 *“(iii) the applicant enters into a par-*
4 *ticipation agreement with the Secretary.*

5 *“(B) CAPITAL REQUIREMENTS.—*

6 *“(i) IN GENERAL.—Notwithstanding*
7 *any other provision of this section, the Sec-*
8 *retary may approve an applicant to operate*
9 *as a rural business investment company*
10 *under this section and designate the appli-*
11 *cant as a rural business investment com-*
12 *pany, if the Secretary determines that the*
13 *applicant—*

14 *“(I) has private capital as deter-*
15 *mined by the Secretary;*

16 *“(II) would otherwise be approved*
17 *under this section, except that the ap-*
18 *plicant does not satisfy the require-*
19 *ments of subsection (i)(3); and*

20 *“(III) has a viable business plan*
21 *that—*

22 *“(aa) reasonably projects*
23 *profitable operations; and*

24 *“(bb) has a reasonable time-*
25 *table for achieving a level of pri-*

1 *vate capital that satisfies the re-*
2 *quirements of subsection (i)(3).*

3 “(ii) *LEVERAGE.*—*An applicant ap-*
4 *proved under clause (i) shall not be eligible*
5 *to receive leverage under this section until*
6 *the applicant satisfies the requirements of*
7 *section 3602(i)(3).*

8 “(iii) *GRANTS.*—*An applicant ap-*
9 *proved under clause (i) shall be eligible for*
10 *grants under subsection (h) in proportion to*
11 *the private capital of the applicant, as de-*
12 *termined by the Secretary.*

13 “(e) *DEBENTURES.*—

14 “(1) *IN GENERAL.*—*The Secretary may guar-*
15 *antee the timely payment of principal and interest,*
16 *as scheduled, on debentures issued by any rural busi-*
17 *ness investment company.*

18 “(2) *TERMS AND CONDITIONS.*—*The Secretary*
19 *may make guarantees under this subsection on such*
20 *terms and conditions as the Secretary considers ap-*
21 *propriate, except that the term of any debenture guar-*
22 *anteed under this section shall not exceed 15 years.*

23 “(3) *FULL FAITH AND CREDIT OF THE UNITED*
24 *STATES.*—*Section 3901 shall apply to any guarantee*
25 *under this subsection.*

1 “(4) *MAXIMUM GUARANTEE.*—*Under this sub-*
2 *section, the Secretary may—*

3 “(A) *guarantee the debentures issued by a*
4 *rural business investment company only to the*
5 *extent that the total face amount of outstanding*
6 *guaranteed debentures of the rural business in-*
7 *vestment company does not exceed the lesser of—*

8 “(i) *300 percent of the private capital*
9 *of the rural business investment company;*

10 *or*

11 “(ii) *\$105,000,000; and*

12 “(B) *provide for the use of discounted de-*
13 *bentures.*

14 “(f) *ISSUANCE AND GUARANTEE OF TRUST CERTIFI-*
15 *CATES.*—

16 “(1) *ISSUANCE.*—*The Secretary may issue trust*
17 *certificates representing ownership of all or a frac-*
18 *tional part of debentures issued by a rural business*
19 *investment company and guaranteed by the Secretary*
20 *under this section, if the certificates are based on and*
21 *backed by a trust or pool approved by the Secretary*
22 *and composed solely of guaranteed debentures.*

23 “(2) *GUARANTEE.*—

24 “(A) *IN GENERAL.*—*The Secretary may,*
25 *under such terms and conditions as the Sec-*

1 *retary considers appropriate, guarantee the time-*
2 *ly payment of the principal of and interest on*
3 *trust certificates issued by the Secretary or*
4 *agents of the Secretary for purposes of this sub-*
5 *section.*

6 “(B) *LIMITATION.*—*Each guarantee under*
7 *this paragraph shall be limited to the extent of*
8 *principal and interest on the guaranteed debent-*
9 *ures that compose the trust or pool.*

10 “(C) *PREPAYMENT OR DEFAULT.*—

11 “(i) *IN GENERAL.*—

12 “(I) *AUTHORITY TO PREPAY.*—*A*
13 *debenture may be prepaid at any time*
14 *without penalty.*

15 “(II) *REDUCTION OF GUAR-*
16 *ANTEE.*—*Subject to subclause (I), if a*
17 *debenture in a trust or pool is prepaid,*
18 *or in the event of default of such a de-*
19 *benture, the guarantee of timely pay-*
20 *ment of principal and interest on the*
21 *trust certificates shall be reduced in*
22 *proportion to the amount of principal*
23 *and interest the prepaid debenture rep-*
24 *resents in the trust or pool.*

1 “(ii) *INTEREST.*—*Interest on prepaid*
2 *or defaulted debentures shall accrue and be*
3 *guaranteed by the Secretary only through*
4 *the date of payment of the guarantee.*

5 “(iii) *REDEMPTION.*—*At any time*
6 *during the term of a trust certificate, the*
7 *trust certificate may be called for redemp-*
8 *tion due to prepayment or default of all de-*
9 *bentures.*

10 “(3) *FULL FAITH AND CREDIT OF THE UNITED*
11 *STATES.*—*Section 3901 shall apply to any guarantee*
12 *of a trust certificate issued by the Secretary under*
13 *this section.*

14 “(4) *SUBROGATION AND OWNERSHIP RIGHTS.*—

15 “(A) *SUBROGATION.*—*If the Secretary pays*
16 *a claim under a guarantee issued under this sec-*
17 *tion, the claim shall be subrogated fully to the*
18 *rights satisfied by the payment.*

19 “(B) *OWNERSHIP RIGHTS.*—*No Federal,*
20 *State, or local law shall preclude or limit the ex-*
21 *ercise by the Secretary of the ownership rights of*
22 *the Secretary in a debenture residing in a trust*
23 *or pool against which 1 or more trust certificates*
24 *are issued under this subsection.*

25 “(5) *MANAGEMENT AND ADMINISTRATION.*—

1 “(A) *REGISTRATION.*—*The Secretary shall*
2 *provide for a central registration of all trust cer-*
3 *tificates issued under this subsection.*

4 “(B) *CREATION OF POOLS.*—*The Secretary*
5 *may—*

6 “(i) *maintain such commercial bank*
7 *accounts or investments in obligations of the*
8 *United States as may be necessary to facili-*
9 *tate the creation of trusts or pools backed by*
10 *debentures guaranteed under this subtitle;*
11 *and*

12 “(ii) *issue trust certificates to facilitate*
13 *the creation of those trusts or pools.*

14 “(C) *FIDELITY BOND OR INSURANCE RE-*
15 *QUIREMENT.*—*Any agent performing functions*
16 *on behalf of the Secretary under this paragraph*
17 *shall provide a fidelity bond or insurance in*
18 *such amount as the Secretary considers to be*
19 *necessary to fully protect the interests of the*
20 *United States.*

21 “(D) *REGULATION OF BROKERS AND DEAL-*
22 *ERS.*—*The Secretary may regulate brokers and*
23 *dealers in trust certificates issued under this sub-*
24 *section.*

1 “(E) *ELECTRONIC REGISTRATION.*—*Nothing*
2 *in this paragraph prohibits the use of a book-*
3 *entry or other electronic form of registration for*
4 *trust certificates issued under this subsection.*

5 “(g) *FEEES.*—

6 “(1) *IN GENERAL.*—*The Secretary may charge a*
7 *fee that does not exceed \$500 with respect to any*
8 *guarantee or grant issued under this section.*

9 “(2) *TRUST CERTIFICATE.*—*Notwithstanding*
10 *paragraph (1), the Secretary shall not collect a fee for*
11 *any guarantee of a trust certificate under subsection*
12 *(f), except that any agent of the Secretary may collect*
13 *a fee that does not exceed \$500 for the functions de-*
14 *scribed in subsection (f)(5)(B).*

15 “(3) *LICENSE.*—

16 “(A) *IN GENERAL.*—*Except as provided in*
17 *subparagraph (C), the Secretary may prescribe*
18 *fees to be paid by each applicant for a license to*
19 *operate as a rural business investment company*
20 *under this section.*

21 “(B) *USE OF AMOUNTS.*—*Fees collected*
22 *under this paragraph—*

23 “(i) *shall be deposited in the account*
24 *for salaries and expenses of the Secretary;*

1 “(ii) are authorized to be appropriated
2 solely to cover the costs of licensing exami-
3 nations; and

4 “(iii) shall—

5 “(I) in the case of a license issued
6 before the date of enactment of the Ag-
7 riculture Reform, Food, and Jobs Act
8 of 2013, not exceed \$500 for any fee
9 collected under this paragraph; and

10 “(II) in the case of a license
11 issued after the date of enactment of
12 the Agriculture Reform, Food, and
13 Jobs Act of 2013, be a rate as deter-
14 mined by the Secretary.

15 “(C) PROHIBITION ON COLLECTION OF CER-
16 TAIN FEES.—In the case of a license described in
17 subparagraph (A) that was approved before July
18 1, 2007, the Secretary shall not collect any fees
19 due on or after the date of enactment of the Agri-
20 culture Reform, Food, and Jobs Act of 2013.

21 “(h) OPERATIONAL ASSISTANCE GRANTS.—

22 “(1) IN GENERAL.—In accordance with this sub-
23 section, the Secretary may make grants to rural busi-
24 ness investment companies and to other entities, as
25 authorized by this section, to provide operational as-

1 *sistance to smaller enterprises financed, or expected to*
2 *be financed, by the entities.*

3 “(2) *TERMS.*—*Grants made under this sub-*
4 *section shall be made over a multiyear period (not to*
5 *exceed 10 years) under such terms as the Secretary*
6 *may require.*

7 “(3) *USE OF FUNDS.*—*The proceeds of a grant*
8 *made under this subsection may be used by the rural*
9 *business investment company receiving the grant only*
10 *to provide operational assistance in connection with*
11 *an equity or prospective equity investment in a busi-*
12 *ness located in a rural area.*

13 “(4) *SUBMISSION OF PLANS.*—*A rural business*
14 *investment company shall be eligible for a grant*
15 *under this subsection only if the rural business invest-*
16 *ment company submits to the Secretary, in such form*
17 *and manner as the Secretary may require, a plan for*
18 *use of the grant.*

19 “(5) *GRANT AMOUNT.*—

20 “(A) *RURAL BUSINESS INVESTMENT COMPA-*
21 *NIES.*—*The amount of a grant made under this*
22 *subsection to a rural business investment com-*
23 *pany shall be equal to the lesser of—*

1 “(i) 10 percent of the private capital
2 raised by the rural business investment
3 company; or

4 “(ii) \$1,000,000.

5 “(6) *OTHER ENTITIES.*—The amount of a grant
6 made under this subsection to any entity other than
7 a rural business investment company shall be equal
8 to the resources (in cash or in kind) raised by the en-
9 tity in accordance with the requirements applicable to
10 rural business investment companies under this sec-
11 tion.

12 “(i) *RURAL BUSINESS INVESTMENT COMPANIES.*—

13 “(1) *ORGANIZATION.*—For purposes of this sub-
14 section, a rural business investment company shall—

15 “(A) be an incorporated body, a limited li-
16 ability company, or a limited partnership orga-
17 nized and chartered or otherwise existing under
18 State law solely for the purpose of performing
19 the functions and conducting the activities au-
20 thorized by this section; and

21 “(B)(i) if incorporated, have succession for
22 a period of not less than 30 years unless earlier
23 dissolved by the shareholders of the rural busi-
24 ness investment company; and

1 “(ii) if a limited partnership or a limited
2 liability company, have succession for a period
3 of not less than 10 years; and

4 “(iii) possess the powers reasonably nec-
5 essary to perform the functions and conduct the
6 activities.

7 “(2) ARTICLES.—The articles of any rural busi-
8 ness investment company—

9 “(A) shall specify in general terms—

10 “(i) the purposes for which the rural
11 business investment company is formed;

12 “(ii) the name of the rural business in-
13 vestment company;

14 “(iii) the 1 or more areas in which the
15 operations of the rural business investment
16 company are to be carried out;

17 “(iv) the place where the principal of-
18 fice of the rural business investment com-
19 pany is to be located; and

20 “(v) the amount and classes of the
21 shares of capital stock of the rural business
22 investment company;

23 “(B) may contain any other provisions con-
24 sistent with this section that the rural business
25 investment company may determine appropriate

1 to adopt for the regulation of the business of the
2 rural business investment company and the con-
3 duct of the affairs of the rural business invest-
4 ment company; and

5 “(C) shall be subject to the approval of the
6 Secretary.

7 “(3) CAPITAL REQUIREMENTS.—

8 “(A) IN GENERAL.—Each rural business in-
9 vestment company shall be required to meet the
10 capital requirements as provided by the Sec-
11 retary.

12 “(B) TIME FRAME.—Each rural business
13 investment company shall have a period of 2
14 years to meet the capital requirements of this
15 paragraph.

16 “(C) ADEQUACY.—In addition to the re-
17 quirements of subparagraph (A), the Secretary
18 shall—

19 “(i) determine whether the private cap-
20 ital of each rural business investment com-
21 pany is adequate to ensure a reasonable
22 prospect that the rural business investment
23 company will be operated soundly and prof-
24 itably, and managed actively and prudently

1 *in accordance with the articles of the rural*
2 *business investment company;*

3 “(ii) *determine that the rural business*
4 *investment company will be able to comply*
5 *with the requirements of this section;*

6 “(iii) *require that at least 75 percent*
7 *of the capital of each rural business invest-*
8 *ment company is invested in rural business*
9 *concerns;*

10 “(iv) *ensure that the rural business in-*
11 *vestment company is designed primarily to*
12 *meet equity capital needs of the businesses*
13 *in which the rural business investment com-*
14 *pany invests and not to compete with tradi-*
15 *tional small business financing by commer-*
16 *cial lenders; and*

17 “(v) *require that the rural business in-*
18 *vestment company makes short-term non-*eq-**
19 *uity investments of less than 5 years only*
20 *to the extent necessary to preserve an exist-*
21 *ing investment.*

22 “(4) *DIVERSIFICATION OF OWNERSHIP.—The*
23 *Secretary shall ensure that the management of each*
24 *rural business investment company licensed after the*
25 *date of enactment of the Agriculture Reform, Food,*

1 *and Jobs Act of 2013 is sufficiently diversified from*
2 *and unaffiliated with the ownership of the rural busi-*
3 *ness investment company so as to ensure independ-*
4 *ence and objectivity in the financial management and*
5 *oversight of the investments and operations of the*
6 *rural business investment company.*

7 “(j) *FINANCIAL INSTITUTION INVESTMENTS.*—

8 “(1) *IN GENERAL.*—*Except as otherwise provided*
9 *in this subsection and notwithstanding any other pro-*
10 *vision of law, the following banks, associations, and*
11 *institutions are eligible both to establish and invest in*
12 *any rural business investment company or in any en-*
13 *tity established to invest solely in rural business in-*
14 *vestment companies:*

15 “(A) *Any bank or savings association the*
16 *deposits of which are insured under the Federal*
17 *Deposit Insurance Act (12 U.S.C. 1811 et seq.),*
18 *including an investment pool created entirely by*
19 *such bank or savings association.*

20 “(B) *Any Farm Credit System institution*
21 *described in subsection 1.2(a) of the Farm Credit*
22 *Act of 1971 (12 U.S.C. 2002(a)).*

23 “(2) *LIMITATION.*—*No bank, association, or in-*
24 *stitution described in paragraph (1) may make in-*
25 *vestments described in paragraph (1) that are greater*

1 *than 5 percent of the capital and surplus of the bank,*
2 *association, or institution.*

3 “(3) *LIMITATION ON RURAL BUSINESS INVEST-*
4 *MENT COMPANIES CONTROLLED BY FARM CREDIT SYS-*
5 *TEM INSTITUTIONS.*—*If a Farm Credit System insti-*
6 *tution described in section 1.2(a) of the Farm Credit*
7 *Act of 1971 (12 U.S.C. 2002(a)) holds more than 25*
8 *percent of the shares of a rural business investment*
9 *company, either alone or in conjunction with other*
10 *System institutions (or affiliates), the rural business*
11 *investment company shall not provide equity invest-*
12 *ments in, or provide other financial assistance to, en-*
13 *tities that are not otherwise eligible to receive financ-*
14 *ing from the Farm Credit System under that Act (12*
15 *U.S.C. 2001 et seq.).*

16 “(k) *EXAMINATIONS.*—

17 “(1) *IN GENERAL.*—*Each rural business invest-*
18 *ment company that participates in the program es-*
19 *tablished under this section shall be subject to exami-*
20 *nations made at the direction of the Secretary in ac-*
21 *cordance with this subsection.*

22 “(2) *ASSISTANCE OF PRIVATE SECTOR ENTI-*
23 *TIES.*—*An examination under this subsection may be*
24 *conducted with the assistance of a private sector enti-*

1 *ty that has the qualifications and the expertise nec-*
 2 *essary to conduct such an examination.*

3 “(3) *COSTS.*—

4 “(A) *IN GENERAL.*—*The Secretary may as-*
 5 *sess the cost of an examination under this sec-*
 6 *tion, including compensation of the examiners,*
 7 *against the rural business investment company*
 8 *examined.*

9 “(B) *PAYMENT.*—*Any rural business invest-*
 10 *ment company against which the Secretary as-*
 11 *sesses costs under this subparagraph shall pay*
 12 *the costs.*

13 “(4) *DEPOSIT OF FUNDS.*—*Funds collected under*
 14 *this subsection shall—*

15 “(A) *be deposited in the account that in-*
 16 *curred the costs for carrying out this subsection;*

17 “(B) *be made available to the Secretary to*
 18 *carry out this subsection, without further appro-*
 19 *priation; and*

20 “(C) *remain available until expended.*

21 “(l) *REPORTING REQUIREMENTS.*—

22 “(1) *RURAL BUSINESS INVESTMENT COMPA-*
 23 *NIES.*—*Each entity that participates in a program*
 24 *established under this section shall provide to the Sec-*

1 *retary such information as the Secretary may re-*
2 *quire, including—*

3 *“(A) information relating to the measure-*
4 *ment criteria that the entity proposed in the pro-*
5 *gram application of the rural business invest-*
6 *ment company; and*

7 *“(B) in each case in which the entity under*
8 *this section makes an investment in, or a loan*
9 *or grant to, a business that is not located in a*
10 *rural area, a report on the number and percent-*
11 *age of employees of the business who reside in*
12 *those areas.*

13 *“(2) PUBLIC REPORTS.—*

14 *“(A) IN GENERAL.—The Secretary shall*
15 *prepare and make available to the public an an-*
16 *ual report on the programs established under*
17 *this section, including detailed information on—*

18 *“(i) the number of rural business in-*
19 *vestment companies licensed by the Sec-*
20 *retary during the previous fiscal year;*

21 *“(ii) the aggregate amount of leverage*
22 *that rural business investment companies*
23 *have received from the Federal Government*
24 *during the previous fiscal year;*

1 “(iii) the aggregate number of each
2 type of leveraged instruments used by rural
3 business investment companies during the
4 previous fiscal year and how each number
5 compares to previous fiscal years;

6 “(iv) the number of rural business in-
7 vestment company licenses surrendered and
8 the number of rural business investment
9 companies placed in liquidation during the
10 previous fiscal year, identifying the amount
11 of leverage each rural business investment
12 company has received from the Federal Gov-
13 ernment and the type of leverage instru-
14 ments each rural business investment com-
15 pany has used;

16 “(v) the amount of losses sustained by
17 the Federal Government as a result of oper-
18 ations under this section during the pre-
19 vious fiscal year and an estimate of the
20 total losses that the Federal Government can
21 reasonably expect to incur as a result of the
22 operations during the current fiscal year;

23 “(vi) actions taken by the Secretary to
24 maximize recoupment of funds of the Fed-
25 eral Government expended to implement

1 *and administer the Rural Business Invest-*
2 *ment Program under this section during the*
3 *previous fiscal year and to ensure compli-*
4 *ance with the requirements of this section*
5 *(including regulations);*

6 “(vii) *the amount of Federal Govern-*
7 *ment leverage that each licensee received in*
8 *the previous fiscal year and the types of le-*
9 *verage instruments each licensee used;*

10 “(viii) *for each type of financing in-*
11 *strument, the sizes, types of geographic loca-*
12 *tions, and other characteristics of the small*
13 *business investment companies using the in-*
14 *strument during the previous fiscal year,*
15 *including the extent to which the investment*
16 *companies have used the leverage from each*
17 *instrument to make loans or equity invest-*
18 *ments in rural areas; and*

19 “(ix) *the actions of the Secretary to*
20 *carry out this section*

21 “(B) *PROHIBITION.—In compiling the re-*
22 *port required under subparagraph (A), the Sec-*
23 *retary may not—*

24 “(i) *compile the report in a manner*
25 *that permits identification of any par-*

1 *ticular type of investment by an individual*
 2 *rural business investment company or small*
 3 *business concern in which a rural business*
 4 *investment company invests; or*

5 *“(ii) release any information that is*
 6 *prohibited under section 1905 of title 18,*
 7 *United States Code.*

8 *“(m) AUTHORIZATION OF APPROPRIATIONS.—There is*
 9 *authorized to be appropriated to carry out this section*
 10 *\$25,000,000 for the period of fiscal years 2008 through*
 11 *2018.”.*

12 **“CHAPTER 3—GENERAL RURAL**
 13 **DEVELOPMENT PROVISIONS**

14 **“SEC. 3701. GENERAL PROVISIONS FOR LOANS AND**
 15 **GRANTS.**

16 *“(a) PERIOD FOR REPAYMENT.—Unless otherwise spe-*
 17 *cifically provided for in this subtitle, the period for repay-*
 18 *ment of a loan under this subtitle shall not exceed 40 years.*

19 *“(b) INTEREST RATES.—*

20 *“(1) IN GENERAL.—Except as otherwise provided*
 21 *in this title, the interest rate on a loan under this*
 22 *subtitle shall be determined by the Secretary at a*
 23 *rate—*

24 *“(A) not to exceed a sum obtained by add-*
 25 *ing—*

1 “(i) the current average market yield
2 on outstanding marketable obligations of the
3 United States with remaining periods to
4 maturity comparable to the average matu-
5 rity of the loan; and

6 “(ii) an amount not to exceed 1 per-
7 cent, as determined by the Secretary; and

8 “(B) adjusted to the nearest $\frac{1}{8}$ of 1 percent.

9 “(2) WATER AND WASTE FACILITY LOANS AND
10 COMMUNITY FACILITIES LOANS.—

11 “(A) IN GENERAL.—Notwithstanding any
12 provision of State law limiting the rate or
13 amount of interest that may be charged, taken,
14 received, or reserved, except as provided in sub-
15 paragraph (C) and paragraph (4), the interest
16 rate on a loan (other than a guaranteed loan) to
17 a public body or nonprofit association (including
18 an Indian tribe) for a water or waste disposal
19 facility or essential community facility shall be
20 determined by the Secretary at a rate not to ex-
21 ceed—

22 “(i) the current market yield on out-
23 standing municipal obligations with re-
24 maining periods to maturity comparable to

1 *the average maturity for the loan, and ad-*
2 *justed to the nearest 1/8 of 1 percent;*

3 “(ii) 5 percent per year for a loan that
4 *is for the upgrading of a facility or con-*
5 *struction of a new facility as required to*
6 *meet applicable health or sanitary stand-*
7 *ards in—*

8 “(I) *an area in which the median*
9 *family income of the persons to be*
10 *served by the facility is below the pov-*
11 *erty line (as defined in section 673 of*
12 *the Community Services Block Grant*
13 *Act (42 U.S.C. 9902)); and*

14 “(II) *any areas the Secretary may*
15 *designate in which a significant per-*
16 *centage of the persons to be served by*
17 *the facilities are low income persons,*
18 *as determined by the Secretary; and*

19 “(iii) 7 percent per year for a loan for
20 *a facility that does not qualify for the 5*
21 *percent per year interest rate prescribed in*
22 *clause (ii) but that is located in an area in*
23 *a State in which the median household in-*
24 *come of the persons to be served by the facil-*
25 *ity does not exceed 100 percent of the state-*

1 *wide nonmetropolitan median household in-*
2 *come for the State.*

3 “(B) *HEALTH CARE AND RELATED FACILI-*
4 *TIES.—Notwithstanding subparagraph (A), the*
5 *Secretary shall establish a rate for a loan for a*
6 *health care or related facility that is—*

7 “(i) *based solely on the income of the*
8 *area to be served; and*

9 “(ii) *otherwise consistent with sub-*
10 *paragraph (A).*

11 “(C) *INTEREST RATES FOR WATER AND*
12 *WASTE DISPOSAL FACILITIES LOANS.—*

13 “(i) *IN GENERAL.—Except as provided*
14 *in clause (ii) and notwithstanding subpara-*
15 *graph (A), in the case of a direct loan for*
16 *a water or waste disposal facility—*

17 “(I) *in the case of a loan that*
18 *would be subject to the 5 percent inter-*
19 *est rate limitation under subparagraph*
20 *(A), the Secretary shall establish the*
21 *interest rate at a rate that is equal to*
22 *60 percent of the current market yield*
23 *for outstanding municipal obligations*
24 *with remaining periods to maturity*
25 *comparable to the average maturity of*

1 the loan, adjusted to the nearest $\frac{1}{8}$ of
2 1 percent; and

3 “(II) in the case of a loan that
4 would be subject to the 7 percent limi-
5 tation under subparagraph (A), the
6 Secretary shall establish the interest
7 rate at a rate that is equal to 80 per-
8 cent of the current market yield for
9 outstanding municipal obligations
10 with remaining periods to maturity
11 comparable to the average maturity of
12 the loan, adjusted to the nearest $\frac{1}{8}$ of
13 1 percent.

14 “(ii) *EXCEPTION.*—Clause (i) does not
15 apply to a loan for a specific project that
16 is the subject of a loan that has been ap-
17 proved, but not closed, as of the date of en-
18 actment of the Agriculture Reform, Food,
19 and Jobs Act of 2013.

20 “(3) *INTEREST RATES ON BUSINESS AND OTHER*
21 *LOANS.*—

22 “(A) *IN GENERAL.*—Except as provided in
23 paragraph (4), the interest rates on loans under
24 sections 3501(a)(1) (other than guaranteed loans
25 and loans as described in paragraph (2)(A))

1 *shall be as determined by the Secretary in ac-*
2 *cordance with subparagraph (B).*

3 “(B) *MINIMUM RATE.*—*The interest rates*
4 *described in subparagraph (A) shall be not less*
5 *than the sum obtained by adding—*

6 “(i) *such rates as determined by the*
7 *Secretary of the Treasury taking into con-*
8 *sideration the current average market yield*
9 *on outstanding marketable obligations of the*
10 *United States with remaining periods to*
11 *maturity comparable to the average matu-*
12 *rities of such loans, adjusted in the judg-*
13 *ment of the Secretary of the Treasury to*
14 *provide for rates comparable to the rates*
15 *prevailing in the private market for similar*
16 *loans and considering the insurance by the*
17 *Secretary of the loans; and*

18 “(ii) *an additional charge, prescribed*
19 *by the Secretary, to cover the losses of the*
20 *Secretary and cost of administration, which*
21 *shall be deposited in the Rural Development*
22 *Insurance Fund, and further adjusted to the*
23 *nearest $\frac{1}{8}$ of 1 percent.*

24 “(4) *INTEREST RATES ADJUSTMENTS.*—

1 “(A) *ADJUSTMENTS.*—Notwithstanding any
2 *other provision of this subsection, in the case of*
3 *loans (other than guaranteed loans) made or*
4 *guaranteed under the authorities of this title*
5 *specified in subparagraph (C) for activities that*
6 *involve the use of prime farmland, the interest*
7 *rates shall be the interest rates otherwise appli-*
8 *cable under this section increased by 2 percent*
9 *per year.*

10 “(B) *PRIME FARMLAND.*—

11 “(i) *IN GENERAL.*—Wherever prac-
12 *ticable, construction by a State, municipi-*
13 *pality, or other political subdivision of local*
14 *government that is supported by loans de-*
15 *scribed in subparagraph (A) shall be placed*
16 *on land that is not prime farmland, in*
17 *order to preserve the maximum practicable*
18 *quantity of prime farmlands for production*
19 *of food and fiber.*

20 “(ii) *INCREASED RATE.*—In any case
21 *in which other options exist for the siting of*
22 *construction described in clause (i) and the*
23 *governmental authority still desires to carry*
24 *out the construction on prime farmland, the*
25 *2-percent interest rate increase provided by*

1 *this paragraph shall apply, but that in-*
2 *creased interest rate shall not apply where*
3 *such other options do not exist.*

4 “(C) *APPLICABLE AUTHORITIES.*—*The au-*
5 *thorities referred to in subparagraph (A) are—*

6 “(i) *the provisions of section 3502(a)*
7 *relating to loans for recreational develop-*
8 *ments and essential community facilities;*

9 “(ii) *section 3601(e)(2)(A); and*

10 “(iii) *section 3601(c).*

11 “(c) *PAYMENT OF CHARGES.*—*A borrower of a loan*
12 *made or guaranteed under this subtitle shall pay such fees*
13 *and other charges as the Secretary may require, and prepay*
14 *to the Secretary such taxes and insurance as the Secretary*
15 *may require, on such terms and conditions as the Secretary*
16 *may prescribe.*

17 “(d) *SECURITY.*—

18 “(1) *IN GENERAL.*—*The Secretary shall take as*
19 *security for an obligation entered into in connection*
20 *with a loan made under this subtitle such security as*
21 *the Secretary may require.*

22 “(2) *LIENS TO UNITED STATES.*—*An instrument*
23 *for security under paragraph (1) may constitute a*
24 *lien running to the United States notwithstanding the*

1 *fact that the note for the security may be held by a*
2 *lender other than the United States.*

3 “(3) *MULTIPLE LOANS.*—*A borrower may use the*
4 *same collateral to secure 2 or more loans made or*
5 *guaranteed under this subtitle, except that the out-*
6 *standing amount of the loans may not exceed the total*
7 *value of the collateral.*

8 “(e) *LEGAL COUNSEL FOR SMALL LOANS.*—*In the case*
9 *of a loan of less than \$500,000 made or guaranteed under*
10 *section 3501 that is evidenced by a note or mortgage (as*
11 *distinguished from a bond issue), the borrower shall not be*
12 *required to appoint bond counsel to review the legal validity*
13 *of the loan if the Secretary has available legal counsel to*
14 *perform the review.*

15 **“SEC. 3702. STRATEGIC ECONOMIC AND COMMUNITY DE-**
16 **VELOPMENT.**

17 “(a) *PRIORITY.*—*In the case of any rural development*
18 *program authorized by this subtitle, the Secretary may give*
19 *priority to applications that are otherwise eligible and sup-*
20 *port strategic community and economic development plans*
21 *on a multijurisdictional basis, as approved by the Sec-*
22 *retary.*

23 “(b) *EVALUATION.*—*In evaluating strategic applica-*
24 *tions, the Secretary shall give a higher priority to strategic*

1 applications for a plan described in subsection (a) that
2 demonstrate—

3 “(1) the plan was developed through the collabo-
4 ration of multiple stakeholders in the service area of
5 the plan, including the participation of combinations
6 of stakeholders such as State, local, and tribal govern-
7 ments, nonprofit institutions, institutions of higher
8 education, and private entities;

9 “(2) an understanding of the applicable regional
10 resources that could support the plan, including nat-
11 ural resources, human resources, infrastructure, and
12 financial resources;

13 “(3) investment from other Federal agencies;

14 “(4) investment from philanthropic organiza-
15 tions; and

16 “(5) clear objectives for the plan and the ability
17 to establish measurable performance measures and to
18 track progress toward meeting the objectives.

19 “(c) FUNDS.—

20 “(1) IN GENERAL.—Subject to paragraph (3), the
21 Secretary may reserve for projects that support multi-
22 jurisdictional strategic community and economic de-
23 velopment plans described in subsection (a) an
24 amount that does not exceed—

1 “(A) 20 percent of the funds made available
2 for a fiscal year for a functional category de-
3 scribed in paragraph (2); and

4 “(B) 15 percent of the total funds available
5 for all functional categories.

6 “(2) *FUNCTIONAL CATEGORIES.*—The function
7 categories described in this subsection are the fol-
8 lowing:

9 “(A) *RURAL COMMUNITY FACILITIES.*—The
10 rural community development category consists
11 of all amounts made available for community fa-
12 cility grants and direct and guaranteed loans
13 under section 3502.

14 “(B) *RURAL UTILITIES.*—The rural utilities
15 category consists of all amounts made available
16 for—

17 “(i) water or waste disposal grants or
18 direct or guaranteed loans under section
19 3501(a);

20 “(ii) emergency community water as-
21 sistance grants under section 3501(e)(2);

22 “(iii) solid waste management grants
23 under section 3501(e)(4); or

1 “(iv) rural water or wastewater tech-
2 nical assistance and training grants under
3 section 3501(e)(5).

4 “(C) *RURAL BUSINESS AND COOPERATIVE*
5 *DEVELOPMENT.*—*The rural business and cooper-*
6 *ative development category consists of all*
7 *amounts made available for—*

8 “(i) rural business opportunity grants,
9 rural business enterprise grants, or rural
10 educational network grants under section
11 3601(a); or

12 “(ii) business and industry direct and
13 guaranteed loans under section 3601(e).

14 “(3) *LIMITATION.*—*The reservation of funds de-*
15 *scribed in paragraph (2) may only extend through*
16 *June 30 of the fiscal year in which the funds were*
17 *first made available.*

18 **“SEC. 3703. GUARANTEED RURAL DEVELOPMENT LOANS.**

19 “(a) *IN GENERAL.*—*The Secretary may provide finan-*
20 *cial assistance to a borrower for a purpose provided in this*
21 *subtitle by guaranteeing a loan made by any Federal or*
22 *State chartered bank, savings and loan association, cooper-*
23 *ative lending agency, or other legally organized lending*
24 *agency.*

1 “(b) *INTEREST RATE.*—*The interest rate payable by*
2 *a borrower on the portion of a guaranteed loan that is sold*
3 *by a lender to the secondary market under this subtitle may*
4 *be lower than the interest rate charged on the portion re-*
5 *tained by the lender.*

6 “(c) *MAXIMUM GUARANTEE OF 90 PERCENT.*—*Except*
7 *as provided in subsections (d) and (e), a loan guarantee*
8 *under this subtitle shall be for not more than 90 percent*
9 *of the principal and interest due on the loan.*

10 “(d) *REFINANCED LOANS GUARANTEED AT 95 PER-*
11 *CENT.*—*The Secretary shall guarantee 95 percent of—*

12 “(1) *in the case of a loan that solely refinances*
13 *a direct loan made under this subtitle, the principal*
14 *and interest due on the loan on the date of the refi-*
15 *nancing; or*

16 “(2) *in the case of a loan that is used for mul-*
17 *tiiple purposes, the portion of the loan that refinances*
18 *the principal and interest due on a direct loan made*
19 *under this subtitle that is outstanding on the date on*
20 *which the loan is guaranteed.*

21 “(e) *RISK OF LOSS.*—

22 “(1) *IN GENERAL.*—*Subject to subsection (b), the*
23 *Secretary may not make a loan under section 3501*
24 *or 3601 unless the Secretary determines that no other*
25 *lender is willing to make the loan and assume 10 per-*

1 *cent of the potential loss to be sustained from the*
2 *loan.*

3 “(2) *EXCEPTION FOR NONPROFIT GROUPS.—*
4 *Paragraph (1) shall not apply to a public body or*
5 *nonprofit association, including an Indian tribe.*

6 **“SEC. 3704. RURAL DEVELOPMENT INSURANCE FUND.**

7 “(a) *DEFINITION OF RURAL DEVELOPMENT LOAN.—*
8 *In this section, the term ‘rural development loan’ means*
9 *a loan provided for by section 3501 or 3601.*

10 “(b) *ESTABLISHMENT.—There is established in the*
11 *Treasury of the United States a fund to be known as the*
12 *‘Rural Development Insurance Fund’ that shall be used by*
13 *the Secretary to discharge the obligations of the Secretary*
14 *under contracts making or guaranteeing rural development*
15 *loans.*

16 **“SEC. 3705. RURAL ECONOMIC AREA PARTNERSHIP ZONES.**

17 “(a) *IN GENERAL.—The Secretary may designate ad-*
18 *ditional areas as rural economic area partnership zones to*
19 *be assisted under this chapter—*

20 “(1) *through an open, competitive process; and*

21 “(2) *with priority given to rural areas—*

22 “(A) *with excessive unemployment or*
23 *underemployment, a high percentage of low-in-*
24 *come residents, or high rates of outmigration, as*
25 *determined by the Secretary; and*

1 “(B) that the Secretary determines have a
2 substantial need for assistance.

3 “(b) *REQUIREMENTS.*—The Secretary shall carry out
4 those rural economic area partnership zones administra-
5 tively in effect on the date of enactment of the Agriculture
6 Reform, Food, and Jobs Act of 2013 in accordance with
7 the terms and conditions contained in the memoranda of
8 agreement entered into by the Secretary for the rural eco-
9 nomic area partnership zones.

10 **“SEC. 3706. STREAMLINING APPLICATIONS AND IMPROVING**
11 **ACCESSIBILITY OF RURAL DEVELOPMENT**
12 **PROGRAMS.**

13 “The Secretary shall expedite the process of creating
14 user-friendly and accessible application forms and proce-
15 dures prioritizing programs and applications at the indi-
16 vidual applicant level with an emphasis on utilizing cur-
17 rent technology including online applications and submis-
18 sion processes.

19 **“SEC. 3707. STATE RURAL DEVELOPMENT PARTNERSHIP.**

20 “(a) *DEFINITIONS.*—In this section:

21 “(1) *AGENCY WITH RURAL RESPONSIBILITIES.*—
22 The term ‘agency with rural responsibilities’ means
23 any executive agency (as defined in section 105 of
24 title 5, United States Code) that implements a Fed-

1 *eral law, or administers a program, targeted at or*
2 *having a significant impact on rural areas.*

3 “(2) *PARTNERSHIP.*—*The term ‘Partnership’*
4 *means the State Rural Development Partnership con-*
5 *tinued by subsection (b).*

6 “(3) *STATE RURAL DEVELOPMENT COUNCIL.*—
7 *The term ‘State rural development council’ means a*
8 *State rural development council that meets the re-*
9 *quirements of subsection (c).*

10 “(b) *PARTNERSHIP.*—

11 “(1) *IN GENERAL.*—*The Secretary shall support*
12 *the State Rural Development Partnership comprised*
13 *of State rural development councils.*

14 “(2) *PURPOSES.*—*The purposes of the Partner-*
15 *ship are to empower and build the capacity of States,*
16 *regions, and rural communities to design flexible and*
17 *innovative responses to their rural development needs*
18 *in a manner that maximizes collaborative public- and*
19 *private-sector cooperation and minimizes regulatory*
20 *redundancy.*

21 “(3) *COORDINATING PANEL.*—*A panel consisting*
22 *of representatives of State rural development councils*
23 *shall be established—*

24 “(A) *to lead and coordinate the strategic op-*
25 *eration and policies of the Partnership; and*

1 “(B) to facilitate effective communication
2 among the members of the Partnership, includ-
3 ing the sharing of best practices.

4 “(4) *ROLE OF FEDERAL GOVERNMENT.*—The role
5 of the Federal Government in the Partnership may be
6 that of a partner and facilitator, with Federal agen-
7 cies authorized—

8 “(A) to cooperate with States to implement
9 the Partnership;

10 “(B) to provide States with the technical
11 and administrative support necessary to plan
12 and implement tailored rural development strat-
13 egies to meet local needs;

14 “(C) to ensure that the head of each agency
15 with rural responsibilities directs appropriate
16 field staff to participate fully with the State
17 rural development council within the jurisdiction
18 of the field staff; and

19 “(D) to enter into cooperative agreements
20 with, and to provide grants and other assistance
21 to, State rural development councils.

22 “(c) *STATE RURAL DEVELOPMENT COUNCILS.*—

23 “(1) *ESTABLISHMENT.*—Notwithstanding chap-
24 ter 63 of title 31, United States Code, each State may
25 elect to participate in the Partnership by entering

1 *into an agreement with the Secretary to recognize a*
2 *State rural development council.*

3 “(2) *COMPOSITION.*—*A State rural development*
4 *council shall—*

5 “(A) *be composed of representatives of Fed-*
6 *eral, State, local, and tribal governments, non-*
7 *profit organizations, regional organizations, the*
8 *private sector, and other entities committed to*
9 *rural advancement; and*

10 “(B) *have a nonpartisan and nondiscrim-*
11 *inatory membership that—*

12 “(i) *is broad and representative of the*
13 *economic, social, and political diversity of*
14 *the State; and*

15 “(ii) *shall be responsible for the gov-*
16 *ernance and operations of the State rural*
17 *development council.*

18 “(3) *DUTIES.*—*A State rural development coun-*
19 *cil shall—*

20 “(A) *facilitate collaboration among Federal,*
21 *State, local, and tribal governments and the pri-*
22 *vate and nonprofit sectors in the planning and*
23 *implementation of programs and policies that*
24 *have an impact on rural areas of the State;*

1 “(B) monitor, report, and comment on poli-
2 cies and programs that address, or fail to ad-
3 dress, the needs of the rural areas of the State;

4 “(C) as part of the Partnership, facilitate
5 the development of strategies to reduce or elimi-
6 nate conflicting or duplicative administrative or
7 regulatory requirements of Federal, State, local,
8 and tribal governments; and

9 “(D)(i) provide to the Secretary an annual
10 plan with goals and performance measures; and

11 “(ii) submit to the Secretary an annual re-
12 port on the progress of the State rural develop-
13 ment council in meeting the goals and measures.

14 “(4) *FEDERAL PARTICIPATION IN STATE RURAL*
15 *DEVELOPMENT COUNCILS.*—

16 “(A) *IN GENERAL.*—A State Director for
17 Rural Development of the Department of Agri-
18 culture, other employees of the Department, and
19 employees of other Federal agencies with rural
20 responsibilities shall fully participate as voting
21 members in the governance and operations of
22 State rural development councils (including ac-
23 tivities related to grants, contracts, and other
24 agreements in accordance with this section) on

1 *an equal basis with other members of the State*
2 *rural development councils.*

3 “(B) *CONFLICTS.—Participation by a Fed-*
4 *eral employee in a State rural development*
5 *council in accordance with this paragraph shall*
6 *not constitute a violation of section 205 or 208*
7 *of title 18, United States Code.*

8 “(d) *ADMINISTRATIVE SUPPORT OF THE PARTNER-*
9 *SHIP.—*

10 “(1) *DETAIL OF EMPLOYEES.—*

11 “(A) *IN GENERAL.—In order to provide ex-*
12 *perience in intergovernmental collaboration, the*
13 *head of an agency with rural responsibilities*
14 *that elects to participate in the Partnership*
15 *may, and is encouraged to, detail to the Sec-*
16 *retary for the support of the Partnership 1 or*
17 *more employees of the agency with rural respon-*
18 *sibilities without reimbursement for a period of*
19 *up to 1 year.*

20 “(B) *CIVIL SERVICE STATUS.—The detail*
21 *shall be without interruption or loss of civil serv-*
22 *ice status or privilege.*

23 “(2) *ADDITIONAL SUPPORT.—The Secretary may*
24 *provide for any additional support staff to the Part-*

1 *nership as the Secretary determines to be necessary to*
2 *carry out the duties of the Partnership.*

3 “(3) *INTERMEDIARIES.*—*The Secretary may*
4 *enter into a contract with a qualified intermediary*
5 *under which the intermediary shall be responsible for*
6 *providing administrative and technical assistance to*
7 *a State rural development council, including admin-*
8 *istering the financial assistance available to the State*
9 *rural development council.*

10 “(e) *MATCHING REQUIREMENTS FOR STATE RURAL*
11 *DEVELOPMENT COUNCILS.*—

12 “(1) *IN GENERAL.*—*Except as provided in para-*
13 *graph (2), a State rural development council shall*
14 *provide matching funds, or in-kind goods or services,*
15 *to support the activities of the State rural develop-*
16 *ment council in an amount that is not less than 33*
17 *percent of the amount of Federal funds received from*
18 *a Federal agency under subsection (f)(2).*

19 “(2) *EXCEPTIONS TO MATCHING REQUIREMENT*
20 *FOR CERTAIN FEDERAL FUNDS.*—*Paragraph (1) shall*
21 *not apply to funds, grants, funds provided under con-*
22 *tracts or cooperative agreements, gifts, contributions,*
23 *or technical assistance received by a State rural devel-*
24 *opment council from a Federal agency that are*
25 *used—*

1 “(A) to support 1 or more specific program
2 or project activities; or

3 “(B) to reimburse the State rural develop-
4 ment council for services provided to the Federal
5 agency providing the funds, grants, funds pro-
6 vided under contracts or cooperative agreements,
7 gifts, contributions, or technical assistance.

8 “(3) DEPARTMENT’S SHARE.—The Secretary
9 shall develop a plan to decrease, over time, the share
10 of the Department of Agriculture of the cost of the
11 core operations of State rural development councils.

12 “(f) FUNDING.—

13 “(1) AUTHORIZATION OF APPROPRIATIONS.—
14 There is authorized to be appropriated to carry out
15 this section \$5,000,000 for each of fiscal years 2014
16 through 2018.

17 “(2) FEDERAL AGENCIES.—

18 “(A) IN GENERAL.—Notwithstanding any
19 other provision of law limiting the ability of an
20 agency, along with other agencies, to provide
21 funds to a State rural development council in
22 order to carry out the purposes of this section, a
23 Federal agency may make grants, gifts, or con-
24 tributions to, provide technical assistance to, or

1 *enter into contracts or cooperative agreements*
 2 *with, a State rural development council.*

3 “(B) *ASSISTANCE.*—*Federal agencies are*
 4 *encouraged to use funds made available for pro-*
 5 *grams that have an impact on rural areas to*
 6 *provide assistance to, and enter into contracts*
 7 *with, a State rural development council, as de-*
 8 *scribed in subparagraph (A).*

9 “(3) *CONTRIBUTIONS.*—*A State rural develop-*
 10 *ment council may accept private contributions.*

11 “(g) *TERMINATION.*—*The authority provided under*
 12 *this section shall terminate on September 30, 2018.*

13 **“CHAPTER 4—DELTA REGIONAL**
 14 **AUTHORITY**

15 **“SEC. 3801. DEFINITIONS.**

16 *“In this chapter:*

17 “(1) *AUTHORITY.*—*The term ‘Authority’ means*
 18 *the Delta Regional Authority established by section*
 19 *3802.*

20 “(2) *FEDERAL GRANT PROGRAM.*—*The term*
 21 *‘Federal grant program’ means a Federal grant pro-*
 22 *gram to provide assistance in—*

23 “(A) *acquiring or developing land;*

24 “(B) *constructing or equipping a highway,*
 25 *road, bridge, or facility; or*

1 “(C) carrying out other economic develop-
2 ment activities.

3 “(3) REGION.—The term ‘region’ means the
4 Lower Mississippi (as defined in section 4 of the
5 Delta Development Act (42 U.S.C. 3121 note; Public
6 Law 100–460)).

7 **“SEC. 3802. DELTA REGIONAL AUTHORITY.**

8 “(a) ESTABLISHMENT.—

9 “(1) IN GENERAL.—There is established the
10 Delta Regional Authority.

11 “(2) COMPOSITION.—The Authority shall be com-
12 posed of—

13 “(A) a Federal member, to be appointed by
14 the President, with the advice and consent of the
15 Senate; and

16 “(B) the Governor (or a designee of the Gov-
17 ernor) of each State in the region that elects to
18 participate in the Authority.

19 “(3) COCHAIRPERSONS.—The Authority shall be
20 headed by—

21 “(A) the Federal member, who shall serve
22 as—

23 “(i) the Federal cochairperson; and

24 “(ii) a liaison between the Federal
25 Government and the Authority; and

1 “(B) a State cochairperson, who shall be—

2 “(i) a Governor of a participating
3 State in the region; and

4 “(ii) elected by the State members for
5 a term of not less than 1 year.

6 “(4) ALABAMA.—Notwithstanding any other pro-
7 vision of law, the State of Alabama shall be a full
8 member of the Authority and shall be entitled to all
9 rights and privileges that the membership affords to
10 all other participating States in the Authority.

11 “(b) ALTERNATE MEMBERS.—

12 “(1) STATE ALTERNATES.—The State member of
13 a participating State may have a single alternate,
14 who shall be—

15 “(A) a resident of that State; and

16 “(B) appointed by the Governor of the
17 State.

18 “(2) ALTERNATE FEDERAL COCHAIRPERSON.—
19 The President shall appoint an alternate Federal co-
20 chairperson.

21 “(3) QUORUM.—A State alternate shall not be
22 counted toward the establishment of a quorum of the
23 Authority in any instance in which a quorum of the
24 State members is required to be present.

1 “(4) *DELEGATION OF POWER.*—No power or re-
2 *responsibility of the Authority specified in paragraphs*
3 *(2) and (3) of subsection (c), and no voting right of*
4 *any Authority member, shall be delegated to any per-*
5 *son—*

6 “(A) *who is not an Authority member; or*

7 “(B) *who is not entitled to vote in Author-*
8 *ity meetings.*

9 “(c) *VOTING.*—

10 “(1) *IN GENERAL.*—A decision by the Authority
11 *shall require a majority vote of the Authority (not in-*
12 *cluding any member representing a State that is de-*
13 *linquent under subsection (g)(2)(C)) to be effective.*

14 “(2) *QUORUM.*—A quorum of State members
15 *shall be required to be present for the Authority to*
16 *make any policy decision, including—*

17 “(A) *a modification or revision of an Au-*
18 *thority policy decision;*

19 “(B) *approval of a State or regional devel-*
20 *opment plan; and*

21 “(C) *any allocation of funds among the*
22 *States.*

23 “(3) *PROJECT AND GRANT PROPOSALS.*—The ap-
24 *proval of project and grant proposals shall be—*

25 “(A) *a responsibility of the Authority; and*

1 “(B) conducted in accordance with section
2 3809.

3 “(4) *VOTING BY ALTERNATE MEMBERS.*—An al-
4 ternate member shall vote in the case of the absence,
5 death, disability, removal, or resignation of the Fed-
6 eral or State representative for which the alternate
7 member is an alternate.

8 “(d) *DUTIES.*—The Authority shall—

9 “(1) develop, on a continuing basis, compre-
10 hensive and coordinated plans and programs to establish
11 priorities and approve grants for the economic devel-
12 opment of the region, giving due consideration to
13 other Federal, State, and local planning and develop-
14 ment activities in the region;

15 “(2) review, and where appropriate amend, pri-
16 orities in a development plan for the region (includ-
17 ing 5-year regional outcome targets);

18 “(3) assess the needs and assets of the region
19 based on available research, demonstrations, inves-
20 tigations, assessments, and evaluations of the region
21 prepared by Federal, State, and local agencies, uni-
22 versities, local development districts, and other non-
23 profit groups;

1 “(4) formulate and recommend to the Governors
2 and legislatures of States that participate in the Au-
3 thority forms of interstate cooperation;

4 “(5) work with State and local agencies in devel-
5 oping appropriate model legislation;

6 “(6)(A) enhance the capacity of, and provide
7 support for, local development districts in the region;
8 or

9 “(B) if no local development district exists in an
10 area in a participating State in the region, foster the
11 creation of a local development district;

12 “(7) encourage private investment in industrial,
13 commercial, and other economic development projects
14 in the region; and

15 “(8) cooperate with and assist State governments
16 with economic development programs of participating
17 States.

18 “(e) ADMINISTRATION.—In carrying out subsection
19 (d), the Authority may—

20 “(1) hold such hearings, sit and act at such
21 times and places, take such testimony, receive such
22 evidence, and print or otherwise reproduce and dis-
23 tribute a description of the proceedings and reports
24 on actions by the Authority as the Authority con-
25 siders appropriate;

1 “(2) authorize, through the Federal or State co-
2 chairperson or any other member of the Authority
3 designated by the Authority, the administration of
4 oaths if the Authority determines that testimony
5 should be taken or evidence received under oath;

6 “(3) request from any Federal, State, or local de-
7 partment or agency such information as may be
8 available to or procurable by the department or agen-
9 cy that may be of use to the Authority in carrying
10 out duties of the Authority;

11 “(4) adopt, amend, and repeal bylaws, rules, and
12 regulations governing the conduct of Authority busi-
13 ness and the performance of Authority duties;

14 “(5) request the head of any Federal department
15 or agency to detail to the Authority such personnel as
16 the Authority requires to carry out duties of the Au-
17 thority, each such detail to be without loss of senior-
18 ity, pay, or other employee status;

19 “(6) request the head of any State department or
20 agency or local government to detail to the Authority
21 such personnel as the Authority requires to carry out
22 duties of the Authority, each such detail to be without
23 loss of seniority, pay, or other employee status;

1 “(7) provide for coverage of Authority employees
2 in a suitable retirement and employee benefit system
3 by—

4 “(A) making arrangements or entering into
5 contracts with any participating State govern-
6 ment; or

7 “(B) otherwise providing retirement and
8 other employee benefit coverage;

9 “(8) accept, use, and dispose of gifts or donations
10 of services or real, personal, tangible, or intangible
11 property;

12 “(9) enter into and perform such contracts,
13 leases, cooperative agreements, or other transactions
14 as are necessary to carry out Authority duties, in-
15 cluding any contracts, leases, or cooperative agree-
16 ments with—

17 “(A) any department, agency, or instru-
18 mentality of the United States;

19 “(B) any State (including a political sub-
20 division, agency, or instrumentality of the
21 State); or

22 “(C) any person, firm, association, or cor-
23 poration; and

1 “(10) *establish and maintain a central office*
2 *and field offices at such locations as the Authority*
3 *may select.*

4 “(f) *FEDERAL AGENCY COOPERATION.—A Federal*
5 *agency shall—*

6 “(1) *cooperate with the Authority; and*

7 “(2) *provide, on request of the Federal cochair-*
8 *person, appropriate assistance in carrying out this*
9 *chapter, in accordance with applicable Federal laws*
10 *(including regulations).*

11 “(g) *ADMINISTRATIVE EXPENSES.—*

12 “(1) *IN GENERAL.—Administrative expenses of*
13 *the Authority (except for the expenses of the Federal*
14 *cochairperson, including expenses of the alternate and*
15 *staff of the Federal cochairperson, which shall be paid*
16 *solely by the Federal Government) shall be paid—*

17 “(A) *by the Federal Government, in an*
18 *amount equal to 50 percent of the administrative*
19 *expenses; and*

20 “(B) *by the States in the region partici-*
21 *parting in the Authority, in an amount equal to*
22 *50 percent of the administrative expenses.*

23 “(2) *STATE SHARE.—*

1 “(A) *IN GENERAL.*—*The share of adminis-*
2 *trative expenses of the Authority to be paid by*
3 *each State shall be determined by the Authority.*

4 “(B) *NO FEDERAL PARTICIPATION.*—*The*
5 *Federal cochairperson shall not participate or*
6 *vote in any decision under subparagraph (A).*

7 “(C) *DELINQUENT STATES.*—*If a State is*
8 *delinquent in payment of the State’s share of ad-*
9 *ministrative expenses of the Authority under this*
10 *subsection—*

11 “(i) *no assistance under this chapter*
12 *shall be furnished to the State (including*
13 *assistance to a political subdivision or a*
14 *resident of the State); and*

15 “(ii) *no member of the Authority from*
16 *the State shall participate or vote in any*
17 *action by the Authority.*

18 “(h) *COMPENSATION.*—

19 “(1) *FEDERAL COCHAIRPERSON.*—*The Federal*
20 *cochairperson shall be compensated by the Federal*
21 *Government at level III of the Executive Schedule in*
22 *subchapter II of chapter 53 of title 5, United States*
23 *Code.*

24 “(2) *ALTERNATE FEDERAL COCHAIRPERSON.*—
25 *The alternate Federal cochairperson—*

1 “(A) shall be compensated by the Federal
2 Government at level V of the Executive Schedule
3 described in paragraph (1); and

4 “(B) when not actively serving as an alter-
5 nate for the Federal cochairperson, shall perform
6 such functions and duties as are delegated by the
7 Federal cochairperson.

8 “(3) STATE MEMBERS AND ALTERNATES.—

9 “(A) IN GENERAL.—A State shall com-
10 pensate each member and alternate representing
11 the State on the Authority at the rate established
12 by law of the State.

13 “(B) NO ADDITIONAL COMPENSATION.—No
14 State member or alternate member shall receive
15 any salary, or any contribution to or sup-
16 plementation of salary from any source other
17 than the State for services provided by the mem-
18 ber or alternate to the Authority.

19 “(4) DETAILED EMPLOYEES.—

20 “(A) IN GENERAL.—No person detailed to
21 serve the Authority under subsection (e)(6) shall
22 receive any salary or any contribution to or sup-
23 plementation of salary for services provided to
24 the Authority from—

1 “(i) *any source other than the State,*
2 *local, or intergovernmental department or*
3 *agency from which the person was detailed;*
4 *or*

5 “(ii) *the Authority.*

6 “(B) *VIOLATION.—Any person that violates*
7 *this paragraph shall be fined not more than*
8 *\$5,000, imprisoned not more than 1 year, or*
9 *both.*

10 “(C) *APPLICABLE LAW.—The Federal co-*
11 *chairperson, the alternate Federal cochairperson,*
12 *and any Federal officer or employee detailed to*
13 *duty on the Authority under subsection (e)(5)*
14 *shall not be subject to subparagraph (A), but*
15 *shall remain subject to sections 202 through 209*
16 *of title 18, United States Code.*

17 “(5) *ADDITIONAL PERSONNEL.—*

18 “(A) *COMPENSATION.—*

19 “(i) *IN GENERAL.—The Authority may*
20 *appoint and fix the compensation of an ex-*
21 *ecutive director and such other personnel as*
22 *are necessary to enable the Authority to*
23 *carry out the duties of the Authority.*

24 “(ii) *EXCEPTION.—Compensation*
25 *under clause (i) shall not exceed the max-*

1 *imum rate for the Senior Executive Service*
2 *under section 5382 of title 5, United States*
3 *Code, including any applicable locality-*
4 *based comparability payment that may be*
5 *authorized under section 5304(h)(2)(C) of*
6 *that title.*

7 “(B) *EXECUTIVE DIRECTOR.*—*The executive*
8 *director shall be responsible for—*

9 “(i) *the carrying out of the adminis-*
10 *trative duties of the Authority;*

11 “(ii) *direction of the Authority staff;*
12 *and*

13 “(iii) *such other duties as the Author-*
14 *ity may assign.*

15 “(C) *NO FEDERAL EMPLOYEE STATUS.*—*No*
16 *member, alternate, officer, or employee of the Au-*
17 *thority (except the Federal cochairperson of the*
18 *Authority, the alternate and staff for the Federal*
19 *cochairperson, and any Federal employee de-*
20 *tailed to the Authority under subsection (e)(5))*
21 *shall be considered to be a Federal employee for*
22 *any purpose.*

23 “(i) *CONFLICTS OF INTEREST.*—

24 “(1) *IN GENERAL.*—*Except as provided under*
25 *paragraph (2), no State member, alternate, officer, or*

1 *employee of the Authority shall participate personally*
2 *and substantially as a member, alternate, officer, or*
3 *employee of the Authority, through decision, approval,*
4 *disapproval, recommendation, the rendering of advice,*
5 *investigation, or otherwise, in any proceeding, appli-*
6 *cation, request for a ruling or other determination,*
7 *contract, claim, controversy, or other matter in which,*
8 *to knowledge of the member, alternate, officer, or em-*
9 *ployee, there is a financial interest of—*

10 *“(A) the member, alternate, officer, or em-*
11 *ployee;*

12 *“(B) the spouse, minor child, partner, or or-*
13 *ganization (other than a State or political sub-*
14 *division of the State) of the member, alternate,*
15 *officer, or employee, in which the member, alter-*
16 *nate, officer, or employee is serving as officer, di-*
17 *rector, trustee, partner, or employee; or*

18 *“(C) any person or organization with whom*
19 *the member, alternate, officer, or employee is ne-*
20 *gotiating or has any arrangement concerning*
21 *prospective employment.*

22 *“(2) DISCLOSURE.—Paragraph (1) shall not*
23 *apply if the State member, alternate, officer, or em-*
24 *ployee—*

1 “(A) immediately advises the Authority of
2 the nature and circumstances of the proceeding,
3 application, request for a ruling or other deter-
4 mination, contract, claim, controversy, or other
5 particular matter presenting a potential conflict
6 of interest;

7 “(B) makes full disclosure of the financial
8 interest; and

9 “(C) before the proceeding concerning the
10 matter presenting the conflict of interest, receives
11 a written determination by the Authority that
12 the interest is not so substantial as to be likely
13 to affect the integrity of the services that the Au-
14 thority may expect from the State member, alter-
15 nate, officer, or employee.

16 “(3) VIOLATION.—Any person that violates this
17 subsection shall be fined not more than \$10,000, im-
18 prisoned not more than 2 years, or both.

19 “(j) VALIDITY OF CONTRACTS, LOANS, AND GRANTS.—
20 The Authority may declare void any contract, loan, or
21 grant of or by the Authority in relation to which the Au-
22 thority determines that there has been a violation of any
23 provision under subsection (h)(4), subsection (i), or sections
24 202 through 209 of title 18, United States Code.

1 **“SEC. 3803. ECONOMIC AND COMMUNITY DEVELOPMENT**
2 **GRANTS.**

3 “(a) *IN GENERAL.*—*The Authority may approve*
4 *grants to States and public and nonprofit entities for*
5 *projects, approved in accordance with section 3809—*

6 “(1) *to develop the transportation infrastructure*
7 *of the region for the purpose of facilitating economic*
8 *development in the region (except that grants for this*
9 *purpose may only be made to a State or local govern-*
10 *ment);*

11 “(2) *to assist the region in obtaining the job*
12 *training, employment-related education, and business*
13 *development (with an emphasis on entrepreneurship)*
14 *that are needed to build and maintain strong local*
15 *economies;*

16 “(3) *to provide assistance to severely distressed*
17 *and underdeveloped areas that lack financial re-*
18 *sources for improving basic public services;*

19 “(4) *to provide assistance to severely distressed*
20 *and underdeveloped areas that lack financial re-*
21 *sources for equipping industrial parks and related fa-*
22 *cilities; and*

23 “(5) *to otherwise achieve the purposes of this*
24 *chapter.*

25 “(b) *FUNDING.*—

1 “(1) *IN GENERAL.*—*Funds for grants under sub-*
2 *section (a) may be provided—*

3 “(A) *entirely from appropriations to carry*
4 *out this section;*

5 “(B) *in combination with funds available*
6 *under another Federal or Federal grant pro-*
7 *gram; or*

8 “(C) *from any other source.*

9 “(2) *PRIORITY OF FUNDING.*—*To best build the*
10 *foundations for long-term economic development and*
11 *to complement other Federal and State resources in*
12 *the region, Federal funds available under this chapter*
13 *shall be focused on the activities in the following order*
14 *or priority:*

15 “(A) *Basic public infrastructure in dis-*
16 *trressed counties and isolated areas of distress.*

17 “(B) *Transportation infrastructure for the*
18 *purpose of facilitating economic development in*
19 *the region.*

20 “(C) *Business development, with emphasis*
21 *on entrepreneurship.*

22 “(D) *Job training or employment-related*
23 *education, with emphasis on use of existing pub-*
24 *lic educational institutions located in the region.*

1 **“SEC. 3804. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.**

2 “(a) *FINDING.*—Congress finds that certain States and
3 local communities of the region, including local develop-
4 ment districts, may be unable to take maximum advantage
5 of Federal grant programs for which the States and commu-
6 nities are eligible because—

7 “(1) the States or communities lack the economic
8 resources to provide the required matching share; or

9 “(2) there are insufficient funds available under
10 the applicable Federal law authorizing the Federal
11 grant program to meet pressing needs of the region.

12 “(b) *FEDERAL GRANT PROGRAM FUNDING.*—Notwith-
13 standing any provision of law limiting the Federal share,
14 the areas eligible for assistance, or the authorizations of ap-
15 propriations of any Federal grant program, and in accord-
16 ance with subsection (c), the Authority, with the approval
17 of the Federal cochairperson and with respect to a project
18 to be carried out in the region—

19 “(1) may increase the Federal share of the costs
20 of a project under the Federal grant program to not
21 more than 90 percent (except as provided in section
22 3806(b)); and

23 “(2) shall use amounts made available to carry
24 out this chapter to pay the increased Federal share.

25 “(c) *CERTIFICATIONS.*—

1 “(1) *IN GENERAL.*—*In the case of any project for*
2 *which all or any portion of the basic Federal share*
3 *of the costs of the project is proposed to be paid under*
4 *this section, no Federal contribution shall be made*
5 *until the Federal official administering the Federal*
6 *law that authorizes the Federal grant program cer-*
7 *tifies that the project—*

8 “(A) *meets (except as provided in subsection*
9 *(b)) the applicable requirements of the applicable*
10 *Federal grant program; and*

11 “(B) *could be approved for Federal con-*
12 *tribution under the Federal grant program if*
13 *funds were available under the law for the*
14 *project.*

15 “(2) *CERTIFICATION BY AUTHORITY.*—

16 “(A) *IN GENERAL.*—*The certifications and*
17 *determinations required to be made by the Au-*
18 *thority for approval of projects under this Act in*
19 *accordance with section 3809 shall be—*

20 “(i) *controlling; and*

21 “(ii) *accepted by the Federal agencies.*

22 “(B) *ACCEPTANCE BY FEDERAL COCHAIR-*
23 *PERSON.*—*In the case of any project described in*
24 *paragraph (1), any finding, report, certification,*
25 *or documentation required to be submitted with*

1 *respect to the project to the head of the depart-*
2 *ment, agency, or instrumentality of the Federal*
3 *Government responsible for the administration of*
4 *the Federal grant program under which the*
5 *project is carried out shall be accepted by the*
6 *Federal cochairperson.*

7 **“SEC. 3805. LOCAL DEVELOPMENT DISTRICTS; CERTIFI-**
8 **CATION AND ADMINISTRATIVE EXPENSES.**

9 “(a) *DEFINITION OF LOCAL DEVELOPMENT DIS-*
10 *TRICT.—In this section, the term ‘local development district’*
11 *means an entity that—*

12 “(1) *is—*

13 “(A) *a planning district in existence on the*
14 *date of enactment of the Agriculture Reform,*
15 *Food, and Jobs Act of 2013 that is recognized by*
16 *the Secretary; or*

17 “(B) *if an entity described in subparagraph*
18 *(A) does not exist—*

19 “(i) *organized and operated in a man-*
20 *ner that ensures broad-based community*
21 *participation and an effective opportunity*
22 *for other nonprofit groups to contribute to*
23 *the development and implementation of pro-*
24 *grams in the region;*

1 “(ii) governed by a policy board with
2 at least a simple majority of members con-
3 sisting of elected officials or employees of a
4 general purpose unit of local government
5 who have been appointed to represent the
6 government;

7 “(iii) certified to the Authority as hav-
8 ing a charter or authority that includes the
9 economic development of counties or parts
10 of counties or other political subdivisions
11 within the region—

12 “(I) by the Governor of each State
13 in which the entity is located; or

14 “(II) by the State officer des-
15 ignated by the appropriate State law
16 to make the certification; and

17 “(iv)(I) a nonprofit incorporated body
18 organized or chartered under the law of the
19 State in which the entity is located;

20 “(II) a nonprofit agency or instrumen-
21 tality of a State or local government;

22 “(III) a public organization established
23 before December 21, 2000, under State law
24 for creation of multi-jurisdictional, area-
25 wide planning organizations; or

1 “(IV) a nonprofit association or com-
2 bination of bodies, agencies, and instrumen-
3 talities described in subclauses (I) through
4 (III); and

5 “(2) has not, as certified by the Federal cochair-
6 person—

7 “(A) inappropriately used Federal grant
8 funds from any Federal source; or

9 “(B) appointed an officer who, during the
10 period in which another entity inappropriately
11 used Federal grant funds from any Federal
12 source, was an officer of the other entity.

13 “(b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

14 “(1) IN GENERAL.—The Authority shall make
15 grants for administrative expenses under this section.

16 “(2) CONDITIONS FOR GRANTS.—

17 “(A) MAXIMUM AMOUNT.—The amount of
18 any grant awarded under paragraph (1) shall
19 not exceed 80 percent of the administrative ex-
20 penses of the local development district receiving
21 the grant.

22 “(B) MAXIMUM PERIOD.—No grant de-
23 scribed in paragraph (1) shall be awarded to a
24 State agency certified as a local development dis-
25 trict for a period greater than 3 years.

1 “(C) *LOCAL SHARE*.—*The contributions of a*
2 *local development district for administrative ex-*
3 *penditures may be in cash or in kind, fairly evalu-*
4 *ated, including space, equipment, and services.*

5 “(c) *DUTIES OF LOCAL DEVELOPMENT DISTRICTS*.—
6 *A local development district shall—*

7 “(1) *operate as a lead organization serving*
8 *multicounty areas in the region at the local level; and*

9 “(2) *serve as a liaison between State and local*
10 *governments, nonprofit organizations (including com-*
11 *munity-based groups and educational institutions),*
12 *the business community, and citizens that—*

13 “(A) *are involved in multijurisdictional*
14 *planning;*

15 “(B) *provide technical assistance to local*
16 *jurisdictions and potential grantees; and*

17 “(C) *provide leadership and civic develop-*
18 *ment assistance.*

19 “**SEC. 3806. DISTRESSED COUNTIES AND AREAS AND NON-**
20 ***DISTRESSED COUNTIES.***

21 “(a) *DESIGNATIONS*.—*Each year, the Authority, in ac-*
22 *cordance with such criteria as the Authority may establish,*
23 *shall designate—*

24 “(1) *as distressed counties, counties in the region*
25 *that are the most severely and persistently distressed*

1 *and underdeveloped and have high rates of poverty or*
2 *unemployment;*

3 *“(2) as nondistressed counties, counties in the re-*
4 *gion that are not designated as distressed counties*
5 *under paragraph (1); and*

6 *“(3) as isolated areas of distress, areas located in*
7 *nondistressed counties (as designated under para-*
8 *graph (2)) that have high rates of poverty or unem-*
9 *ployment.*

10 *“(b) DISTRESSED COUNTIES.—*

11 *“(1) IN GENERAL.—The Authority shall allocate*
12 *at least 75 percent of the appropriations made avail-*
13 *able under section 3813 for programs and projects de-*
14 *signed to serve the needs of distressed counties and*
15 *isolated areas of distress in the region.*

16 *“(2) FUNDING LIMITATIONS.—The funding limi-*
17 *tations under section 3804(b) shall not apply to a*
18 *project providing transportation or basic public serv-*
19 *ices to residents of 1 or more distressed counties or*
20 *isolated areas of distress in the region.*

21 *“(c) NONDISTRESSED COUNTIES.—*

22 *“(1) IN GENERAL.—Except as provided in this*
23 *subsection, no funds shall be provided under this*
24 *chapter for a project located in a county designated*
25 *as a nondistressed county under subsection (a)(2).*

1 “(2) *EXCEPTIONS.*—

2 “(A) *IN GENERAL.*—*The funding prohibi-*
3 *tion under paragraph (1) shall not apply to*
4 *grants to fund the administrative expenses of*
5 *local development districts under section 3805(b).*

6 “(B) *MULTICOUNTY PROJECTS.*—*The Au-*
7 *thority may waive the application of the funding*
8 *prohibition under paragraph (1) to a multi-*
9 *county project that includes participation by a*
10 *nondistressed county; or any other type of project*
11 *if the Authority determines that the project could*
12 *bring significant benefits to areas of the region*
13 *outside a nondistressed county.*

14 “(C) *ISOLATED AREAS OF DISTRESS.*—*For*
15 *a designation of an isolated area of distress for*
16 *assistance to be effective, the designation shall be*
17 *supported—*

18 “(i) *by the most recent Federal data*
19 *available; or*

20 “(ii) *if no recent Federal data are*
21 *available, by the most recent data available*
22 *through the government of the State in*
23 *which the isolated area of distress is located.*

24 “(d) *TRANSPORTATION AND BASIC PUBLIC INFRA-*
25 *STRUCTURE.*—*The Authority shall allocate at least 50 per-*

1 cent of any funds made available under section 3813 for
 2 transportation and basic public infrastructure projects au-
 3 thorized under paragraphs (1) and (3) of section 3803(a).

4 **“SEC. 3807. DEVELOPMENT PLANNING PROCESS.**

5 “(a) *STATE DEVELOPMENT PLAN.*—In accordance
 6 with policies established by the Authority, each State mem-
 7 ber shall submit a development plan for the area of the re-
 8 gion represented by the State member.

9 “(b) *CONTENT OF PLAN.*—A State development plan
 10 submitted under subsection (a) shall reflect the goals, objec-
 11 tives, and priorities identified in the regional development
 12 plan developed under section 3802(d)(2).

13 “(c) *CONSULTATION WITH INTERESTED LOCAL PAR-*
 14 *TIES.*—In carrying out the development planning process
 15 (including the selection of programs and projects for assist-
 16 ance), a State may—

17 “(1) consult with—

18 “(A) local development districts; and

19 “(B) local units of government; and

20 “(2) take into consideration the goals, objectives,
 21 priorities, and recommendations of the entities de-
 22 scribed in paragraph (1).

23 “(d) *PUBLIC PARTICIPATION.*—

24 “(1) *IN GENERAL.*—The Authority and applica-
 25 ble State and local development districts shall encour-

1 *age and assist, to the maximum extent practicable,*
2 *public participation in the development, revision, and*
3 *implementation of all plans and programs under this*
4 *chapter.*

5 “(2) *REGULATIONS.—The Authority shall de-*
6 *velop guidelines for providing public participation*
7 *described in paragraph (1), including public hear-*
8 *ings.*

9 **“SEC. 3808. PROGRAM DEVELOPMENT CRITERIA.**

10 “(a) *IN GENERAL.—In considering programs and*
11 *projects to be provided assistance under this chapter and*
12 *in establishing a priority ranking of the requests for assist-*
13 *ance provided by the Authority, the Authority shall follow*
14 *procedures that ensure, to the maximum extent practicable,*
15 *consideration of—*

16 “(1) *the relationship of the project or class of*
17 *projects to overall regional development;*

18 “(2) *the per capita income and poverty and un-*
19 *employment rates in an area;*

20 “(3) *the financial resources available to the ap-*
21 *plicants for assistance seeking to carry out the*
22 *project, with emphasis on ensuring that projects are*
23 *adequately financed to maximize the probability of*
24 *successful economic development;*

1 “(4) *the importance of the project or class of*
2 *projects in relation to other projects or classes of*
3 *projects that may be in competition for the same*
4 *funds;*

5 “(5) *the prospects that the project for which as-*
6 *sistance is sought will improve, on a continuing rath-*
7 *er than a temporary basis, the opportunities for em-*
8 *ployment, the average level of income, or the economic*
9 *development of the area served by the project; and*

10 “(6) *the extent to which the project design pro-*
11 *vides for detailed outcome measurements by which*
12 *grant expenditures and the results of the expenditures*
13 *may be evaluated.*

14 “(b) *NO RELOCATION ASSISTANCE.—*

15 “(1) *IN GENERAL.—Except as provided in para-*
16 *graph (2), no financial assistance authorized by this*
17 *chapter shall be used to assist a person or entity in*
18 *relocating from 1 area to another.*

19 “(2) *OUTSIDE BUSINESSES.—Financial assist-*
20 *ance under this chapter may be used as otherwise au-*
21 *thorized by this subtitle to attract businesses from*
22 *outside the region to the region.*

23 “(c) *REDUCTION OF FUNDS.—Funds may be provided*
24 *for a program or project in a State under this chapter only*
25 *if the Authority determines that the level of Federal or State*

1 *financial assistance provided under a law other than this*
2 *chapter, for the same type of program or project in the same*
3 *area of the State within the region, will not be reduced as*
4 *a result of funds made available by this chapter.*

5 **“SEC. 3809. APPROVAL OF DEVELOPMENT PLANS AND**
6 **PROJECTS.**

7 *“(a) IN GENERAL.—A State or regional development*
8 *plan or any multistate subregional plan that is proposed*
9 *for development under this chapter shall be reviewed and*
10 *approved by the Authority.*

11 *“(b) EVALUATION BY STATE MEMBER.—An applica-*
12 *tion for a grant or any other assistance for a project under*
13 *this chapter shall be made through and evaluated for ap-*
14 *proval by the State member of the Authority representing*
15 *the applicant.*

16 *“(c) CERTIFICATION.—An application for a grant or*
17 *other assistance for a project shall be approved only on cer-*
18 *tification by the State member that the application for the*
19 *project—*

20 *“(1) describes ways in which the project complies*
21 *with any applicable State development plan;*

22 *“(2) meets applicable criteria under section*
23 *3808;*

1 “(3) provides adequate assurance that the pro-
2 posed project will be properly administered, operated,
3 and maintained; and

4 “(4) otherwise meets the requirements of this
5 chapter.

6 “(d) *APPROVAL OF GRANT APPLICATIONS.*—On certifi-
7 cation by a State member of the Authority of an application
8 for a grant or other assistance for a specific project under
9 this section, an affirmative vote of the Authority under sec-
10 tion 3802(c) shall be required for approval of the applica-
11 tion.

12 **“SEC. 3810. CONSENT OF STATES.**

13 “Nothing in this chapter requires any State to engage
14 in or accept any program under this chapter without the
15 consent of the State.

16 **“SEC. 3811. RECORDS.**

17 “(a) *RECORDS OF THE AUTHORITY.*—

18 “(1) *IN GENERAL.*—The Authority shall main-
19 tain accurate and complete records of all transactions
20 and activities of the Authority.

21 “(2) *AVAILABILITY.*—All records of the Authority
22 shall be available for audit and examination by the
23 Comptroller General of the United States and the In-
24 spector General of the Department of Agriculture (in-
25 cluding authorized representatives of the Comptroller

1 *General and the Inspector General of the Department*
2 *of Agriculture).*

3 “(b) *RECORDS OF RECIPIENTS OF FEDERAL ASSIST-*
4 *ANCE.—*

5 “(1) *IN GENERAL.—A recipient of Federal funds*
6 *under this chapter shall, as required by the Authority,*
7 *maintain accurate and complete records of trans-*
8 *actions and activities financed with Federal funds*
9 *and report on the transactions and activities to the*
10 *Authority.*

11 “(2) *AVAILABILITY.—All records required under*
12 *paragraph (1) shall be available for audit by the*
13 *Comptroller General of the United States, the Inspec-*
14 *tor General of the Department of Agriculture, and the*
15 *Authority (including authorized representatives of the*
16 *Comptroller General, the Inspector General of the De-*
17 *partment of Agriculture, and the Authority).*

18 **“SEC. 3812. ANNUAL REPORT.**

19 “*Not later than 180 days after the end of each fiscal*
20 *year, the Authority shall submit to the President and to*
21 *Congress a report describing the activities carried out under*
22 *this chapter.*

23 **“SEC. 3813. AUTHORIZATION OF APPROPRIATIONS.**

24 “(a) *IN GENERAL.—There is authorized to be appro-*
25 *priated to the Authority to carry out this chapter*

1 \$30,000,000 for each of fiscal years 2014 through 2018, to
2 remain available until expended.

3 “(b) *ADMINISTRATIVE EXPENSES.*—Not more than 5
4 percent of the amount appropriated under subsection (a)
5 for a fiscal year shall be used for administrative expenses
6 of the Authority.

7 **“SEC. 3814. TERMINATION OF AUTHORITY.**

8 “This chapter and the authority provided under this
9 chapter expire on October 1, 2018.

10 **“CHAPTER 5—NORTHERN GREAT PLAINS**
11 **REGIONAL AUTHORITY**

12 **“SEC. 3821. DEFINITIONS.**

13 “In this chapter:

14 “(1) *AUTHORITY.*—The term ‘Authority’ means
15 the Northern Great Plains Regional Authority estab-
16 lished by section 3822.

17 “(2) *FEDERAL GRANT PROGRAM.*—The term
18 ‘Federal grant program’ means a Federal grant pro-
19 gram to provide assistance in—

20 “(A) implementing the recommendations of
21 the Northern Great Plains Rural Development
22 Commission established by the Northern Great
23 Plains Rural Development Act (7 U.S.C. 2661
24 note; Public Law 103–318);

25 “(B) acquiring or developing land;

1 “(C) constructing or equipping a highway,
2 road, bridge, or facility;

3 “(D) carrying out other economic develop-
4 ment activities; or

5 “(E) conducting research activities related
6 to the activities described in subparagraphs (A)
7 through (D).

8 “(3) *REGION*.—The term ‘region’ means the
9 States of Iowa, Minnesota, Missouri (other than coun-
10 ties included in the Delta Regional Authority), Ne-
11 braska, North Dakota, and South Dakota.

12 **“SEC. 3822. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**
13 **ITY.**

14 “(a) *ESTABLISHMENT*.—

15 “(1) *IN GENERAL*.—There is established the
16 Northern Great Plains Regional Authority.

17 “(2) *COMPOSITION*.—The Authority shall be com-
18 posed of—

19 “(A) a Federal member, to be appointed by
20 the President, by and with the advice and con-
21 sent of the Senate;

22 “(B) the Governor (or a designee of the Gov-
23 ernor) of each State in the region that elects to
24 participate in the Authority; and

1 “(C) a member of an Indian tribe, who
2 shall be a chairperson of an Indian tribe in the
3 region or a designee of such a chairperson, to be
4 appointed by the President, by and with the ad-
5 vice and consent of the Senate.

6 “(3) COCHAIRPERSONS.—The Authority shall be
7 headed by—

8 “(A) the Federal member, who shall serve
9 as—

10 “(i) the Federal cochairperson; and

11 “(ii) a liaison between the Federal
12 Government and the Authority;

13 “(B) a State cochairperson, who shall be—

14 “(i) a Governor of a participating
15 State in the region; and

16 “(ii) elected by the State members for
17 a term of not less than 1 year; and

18 “(C) the member of an Indian tribe, who
19 shall serve as—

20 “(i) the tribal cochairperson; and

21 “(ii) a liaison between the governments
22 of Indian tribes in the region and the Au-
23 thority.

24 “(4) FAILURE TO CONFIRM.—

1 “(A) *FEDERAL MEMBER.*—*Notwithstanding*
2 *any other provision of this section, if a Federal*
3 *member described in paragraph (2)(A) has not*
4 *been confirmed by the Senate by not later than*
5 *180 days after the date of enactment of the Agri-*
6 *culture Reform, Food, and Jobs Act of 2013, the*
7 *Authority may organize and operate without the*
8 *Federal member.*

9 “(B) *TRIBAL COCHAIRPERSON.*—*In the case*
10 *of the tribal cochairperson, if no tribal cochair-*
11 *person is confirmed by the Senate, the regional*
12 *authority shall consult and coordinate with the*
13 *leaders of Indian tribes in the region concerning*
14 *the activities of the Authority, as appropriate.*

15 “(b) *ALTERNATE MEMBERS.*—

16 “(1) *ALTERNATE FEDERAL COCHAIRPERSON.*—
17 *The President shall appoint an alternate Federal co-*
18 *chairperson.*

19 “(2) *STATE ALTERNATES.*—

20 “(A) *IN GENERAL.*—*The State member of a*
21 *participating State may have a single alternate,*
22 *who shall be—*

23 “(i) *a resident of that State; and*

24 “(ii) *appointed by the Governor of the*
25 *State.*

1 “(B) *QUORUM.*—A State alternate member
2 shall not be counted toward the establishment of
3 a quorum of the members of the Authority in
4 any case in which a quorum of the State mem-
5 bers is required to be present.

6 “(3) *ALTERNATE TRIBAL COCHAIRPERSON.*—The
7 President shall appoint an alternate tribal cochair-
8 person, by and with the advice and consent of the
9 Senate.

10 “(4) *DELEGATION OF POWER.*—No power or re-
11 sponsibility of the Authority specified in paragraphs
12 (2) and (3) of subsection (c), and no voting right of
13 any member of the Authority, shall be delegated to
14 any person who is not—

15 “(A) a member of the Authority; or

16 “(B) entitled to vote in Authority meetings.

17 “(c) *VOTING.*—

18 “(1) *IN GENERAL.*—A decision by the Authority
19 shall require a majority vote of the Authority (not in-
20 cluding any member representing a State that is de-
21 linquent under subsection (g)(2)(D)) to be effective.

22 “(2) *QUORUM.*—A quorum of State members
23 shall be required to be present for the Authority to
24 make any policy decision, including—

1 “(A) a modification or revision of an Au-
2 thority policy decision;

3 “(B) approval of a State or regional devel-
4 opment plan; and

5 “(C) any allocation of funds among the
6 States.

7 “(3) *PROJECT AND GRANT PROPOSALS.*—The ap-
8 proval of project and grant proposals shall be—

9 “(A) a responsibility of the Authority; and

10 “(B) conducted in accordance with section
11 3830.

12 “(4) *VOTING BY ALTERNATE MEMBERS.*—An al-
13 ternate member shall vote in the case of the absence,
14 death, disability, removal, or resignation of the Fed-
15 eral, State, or Indian tribe member for whom the al-
16 ternate member is an alternate.

17 “(d) *DUTIES.*—The Authority shall—

18 “(1) develop, on a continuing basis, comprehen-
19 sive and coordinated plans and programs for
20 multistate cooperation to advance the economic and
21 social well-being of the region and to approve grants
22 for the economic development of the region, giving due
23 consideration to other Federal, State, tribal, and local
24 planning and development activities in the region;

1 “(2) review, and when appropriate amend, pri-
2 orities in a development plan for the region (includ-
3 ing 5-year regional outcome targets);

4 “(3) assess the needs and assets of the region
5 based on available research, demonstrations, inves-
6 tigations, assessments, and evaluations of the region
7 prepared by Federal, State, tribal, and local agencies,
8 universities, regional and local development districts
9 or organizations, and other nonprofit groups;

10 “(4) formulate and recommend to the Governors
11 and legislatures of States that participate in the Au-
12 thority forms of interstate cooperation for—

13 “(A) renewable energy development and
14 transmission;

15 “(B) transportation planning and economic
16 development;

17 “(C) information technology;

18 “(D) movement of freight and individuals
19 within the region;

20 “(E) federally funded research at institu-
21 tions of higher education; and

22 “(F) conservation land management;

23 “(5) work with State, tribal, and local agencies
24 in developing appropriate model legislation;

1 “(6) enhance the capacity of, and provide sup-
2 port for, multistate development and research organi-
3 zations, local development organizations and districts,
4 and resource conservation districts in the region;

5 “(7) encourage private investment in industrial,
6 commercial, renewable energy, and other economic de-
7 velopment projects in the region; and

8 “(8) cooperate with and assist State governments
9 with economic development programs of participating
10 States.

11 “(e) ADMINISTRATION.—In carrying out subsection
12 (d), the Authority may—

13 “(1) hold such hearings, sit and act at such
14 times and places, take such testimony, receive such
15 evidence, and print or otherwise reproduce and dis-
16 tribute a description of the proceedings and reports
17 on actions by the Authority as the Authority con-
18 siders appropriate;

19 “(2) authorize, through the Federal, State, or
20 tribal cochairperson or any other member of the Au-
21 thority designated by the Authority, the administra-
22 tion of oaths if the Authority determines that testi-
23 mony should be taken or evidence received under oath;

24 “(3) request from any Federal, State, tribal, or
25 local agency such information as may be available to

1 *or procurable by the agency that may be of use to the*
2 *Authority in carrying out the duties of the Authority;*

3 *“(4) adopt, amend, and repeal bylaws and rules*
4 *governing the conduct of business and the perform-*
5 *ance of duties of the Authority;*

6 *“(5) request the head of any Federal agency to*
7 *detail to the Authority such personnel as the Author-*
8 *ity requires to carry out duties of the Authority, each*
9 *such detail to be without loss of seniority, pay, or*
10 *other employee status;*

11 *“(6) request the head of any State agency, tribal*
12 *government, or local government to detail to the Au-*
13 *thority such personnel as the Authority requires to*
14 *carry out duties of the Authority, each such detail to*
15 *be without loss of seniority, pay, or other employee*
16 *status;*

17 *“(7) provide for coverage of Authority employees*
18 *in a suitable retirement and employee benefit system*
19 *by—*

20 *“(A) making arrangements or entering into*
21 *contracts with any participating State govern-*
22 *ment or tribal government; or*

23 *“(B) otherwise providing retirement and*
24 *other employee benefit coverage;*

1 “(8) accept, use, and dispose of gifts or donations
2 of services or real, personal, tangible, or intangible
3 property;

4 “(9) enter into and perform such contracts,
5 leases, cooperative agreements, or other transactions
6 as are necessary to carry out Authority duties, in-
7 cluding any contracts, leases, or cooperative agree-
8 ments with—

9 “(A) any department, agency, or instru-
10 mentality of the United States;

11 “(B) any State (including a political sub-
12 division, agency, or instrumentality of the
13 State);

14 “(C) any Indian tribe in the region; or

15 “(D) any person, firm, association, or cor-
16 poration; and

17 “(10) establish and maintain a central office
18 and field offices at such locations as the Authority
19 may select.

20 “(f) *FEDERAL AGENCY COOPERATION*.—A Federal
21 agency shall—

22 “(1) cooperate with the Authority; and

23 “(2) provide, on request of a cochairperson, ap-
24 propriate assistance in carrying out this chapter, in

1 *accordance with applicable Federal laws (including*
2 *regulations).*

3 “(g) *ADMINISTRATIVE EXPENSES.*—

4 “(1) *FEDERAL SHARE.*—*The Federal share of the*
5 *administrative expenses of the Authority shall be—*

6 “(A) *for fiscal year 2014, 100 percent;*

7 “(B) *for fiscal year 2015, 75 percent; and*

8 “(C) *for fiscal year 2016 and each fiscal*
9 *year thereafter, 50 percent.*

10 “(2) *NON-FEDERAL SHARE.*—

11 “(A) *IN GENERAL.*—*The non-Federal share*
12 *of the administrative expenses of the Authority*
13 *shall be paid by non-Federal sources in the*
14 *States that participate in the Authority.*

15 “(B) *SHARE PAID BY EACH STATE.*—*The*
16 *share of administrative expenses of the Authority*
17 *to be paid by non-Federal sources in each State*
18 *shall be determined by the Authority.*

19 “(C) *NO FEDERAL PARTICIPATION.*—*The*
20 *Federal cochairperson shall not participate or*
21 *vote in any decision under subparagraph (B).*

22 “(D) *DELINQUENT STATES.*—*If a State is*
23 *delinquent in payment of the State’s share of ad-*
24 *ministrative expenses of the Authority under this*
25 *subsection—*

1 “(i) no assistance under this chapter
2 shall be provided to the State (including as-
3 sistance to a political subdivision or a resi-
4 dent of the State); and

5 “(ii) no member of the Authority from
6 the State shall participate or vote in any
7 action by the Authority.

8 “(h) COMPENSATION.—

9 “(1) FEDERAL AND TRIBAL COCHAIRPERSONS.—
10 The Federal cochairperson and the tribal cochair-
11 person shall be compensated by the Federal Govern-
12 ment at the annual rate of basic pay prescribed for
13 level III of the Executive Schedule in subchapter II of
14 chapter 53 of title 5, United States Code.

15 “(2) ALTERNATE FEDERAL AND TRIBAL CO-
16 CHAIRPERSONS.—The alternate Federal cochairperson
17 and the alternate tribal cochairperson—

18 “(A) shall be compensated by the Federal
19 Government at the annual rate of basic pay pre-
20 scribed for level V of the Executive Schedule de-
21 scribed in paragraph (1); and

22 “(B) when not actively serving as an alter-
23 nate, shall perform such functions and duties as
24 are delegated by the Federal cochairperson or the
25 tribal cochairperson, respectively.

1 “(3) *STATE MEMBERS AND ALTERNATES.*—

2 “(A) *IN GENERAL.*—*A State shall com-*
3 *pensate each member and alternate representing*
4 *the State on the Authority at the rate established*
5 *by State law.*

6 “(B) *NO ADDITIONAL COMPENSATION.*—*No*
7 *State member or alternate member shall receive*
8 *any salary, or any contribution to or sup-*
9 *plementation of salary from any source other*
10 *than the State for services provided by the mem-*
11 *ber or alternate member to the Authority.*

12 “(4) *DETAILED EMPLOYEES.*—

13 “(A) *IN GENERAL.*—*No person detailed to*
14 *serve the Authority under subsection (e)(6) shall*
15 *receive any salary or any contribution to or sup-*
16 *plementation of salary for services provided to*
17 *the Authority from—*

18 “(i) *any source other than the State,*
19 *tribal, local, or intergovernmental agency*
20 *from which the person was detailed; or*

21 “(ii) *the Authority.*

22 “(B) *VIOLATION.*—*Any person that violates*
23 *this paragraph shall be fined not more than*
24 *\$5,000, imprisoned not more than 1 year, or*
25 *both.*

1 “(C) *APPLICABLE LAW.*—*The Federal co-*
2 *chairperson, the alternate Federal cochairperson,*
3 *and any Federal officer or employee detailed to*
4 *duty on the Authority under subsection (e)(5)*
5 *shall not be subject to subparagraph (A), but*
6 *shall remain subject to sections 202 through 209*
7 *of title 18, United States Code.*

8 “(5) *ADDITIONAL PERSONNEL.*—

9 “(A) *COMPENSATION.*—

10 “(i) *IN GENERAL.*—*The Authority may*
11 *appoint and fix the compensation of an ex-*
12 *ecutive director and such other personnel as*
13 *are necessary to enable the Authority to*
14 *carry out the duties of the Authority.*

15 “(ii) *EXCEPTION.*—*Compensation*
16 *under clause (i) shall not exceed the max-*
17 *imum rate for the Senior Executive Service*
18 *under section 5382 of title 5, United States*
19 *Code, including any applicable locality-*
20 *based comparability payment that may be*
21 *authorized under section 5304(h)(2)(C) of*
22 *that title.*

23 “(B) *EXECUTIVE DIRECTOR.*—*The executive*
24 *director shall be responsible for—*

1 “(i) the carrying out of the adminis-
2 trative duties of the Authority;

3 “(ii) direction of the Authority staff;
4 and

5 “(iii) such other duties as the Author-
6 ity may assign.

7 “(C) *NO FEDERAL EMPLOYEE STATUS.*—No
8 member, alternate, officer, or employee of the Au-
9 thority (except the Federal cochairperson of the
10 Authority, the alternate and staff for the Federal
11 cochairperson, and any Federal employee de-
12 tailed to the Authority under subsection (e)(5))
13 shall be considered to be a Federal employee for
14 any purpose.

15 “(i) *CONFLICTS OF INTEREST.*—

16 “(1) *IN GENERAL.*—Except as provided under
17 paragraph (2), no State member, Indian tribe mem-
18 ber, State alternate, officer, or employee of the Au-
19 thority shall participate personally and substantially
20 as a member, alternate, officer, or employee of the Au-
21 thority, through decision, approval, disapproval, rec-
22 ommendation, the rendering of advice, investigation,
23 or otherwise, in any proceeding, application, request
24 for a ruling or other determination, contract, claim,
25 controversy, or other matter in which, to knowledge of

1 *the member, alternate, officer, or employee, there is a*
2 *financial interest of—*

3 “(A) *the member, alternate, officer, or em-*
4 *ployee;*

5 “(B) *the spouse, minor child, partner, or or-*
6 *ganization (other than a State or political sub-*
7 *division of the State or the Indian tribe) of the*
8 *member, alternate, officer, or employee, in which*
9 *the member, alternate, officer, or employee is*
10 *serving as officer, director, trustee, partner, or*
11 *employee; or*

12 “(C) *any person or organization with whom*
13 *the member, alternate, officer, or employee is ne-*
14 *gotiating or has any arrangement concerning*
15 *prospective employment.*

16 “(2) *DISCLOSURE.—Paragraph (1) shall not*
17 *apply if the State member, Indian tribe member, al-*
18 *ternate, officer, or employee—*

19 “(A) *immediately advises the Authority of*
20 *the nature and circumstances of the proceeding,*
21 *application, request for a ruling or other deter-*
22 *mination, contract, claim, controversy, or other*
23 *particular matter presenting a potential conflict*
24 *of interest;*

1 “(1) to develop a regional transmission system
2 for movement of renewable energy to markets outside
3 the region;

4 “(2) to address regional transportation concerns,
5 including the establishment of a Northern Great
6 Plains Regional Transportation Working Group;

7 “(3) to encourage and support interstate collabo-
8 ration on federally funded research that is in the na-
9 tional interest; and

10 “(4) to establish a Regional Working Group on
11 Agriculture Development and Transportation.

12 “(b) *ECONOMIC ISSUES.*—The multistate economic
13 issues referred to in subsection (a) shall include—

14 “(1) renewable energy development and trans-
15 mission;

16 “(2) transportation planning and economic de-
17 velopment;

18 “(3) information technology;

19 “(4) movement of freight and individuals within
20 the region;

21 “(5) federally funded research at institutions of
22 higher education; and

23 “(6) conservation land management.

1 **“SEC. 3824. ECONOMIC AND COMMUNITY DEVELOPMENT**
2 **GRANTS.**

3 “(a) *IN GENERAL.*—*The Authority may approve*
4 *grants to States, Indian tribes, local governments, and pub-*
5 *lic and nonprofit organizations for projects, approved in*
6 *accordance with section 3830—*

7 “(1) *to assist the region in obtaining the job*
8 *training, employment-related education, and business*
9 *development (with an emphasis on entrepreneurship)*
10 *that are needed to build and maintain strong local*
11 *economies;*

12 “(2) *to develop the transportation, renewable en-*
13 *ergy transmission, and telecommunication infrastruc-*
14 *ture of the region for the purpose of facilitating eco-*
15 *nomie development in the region (except that grants*
16 *for this purpose may be made only to States, Indian*
17 *tribes, local governments, and nonprofit organiza-*
18 *tions);*

19 “(3) *to provide assistance to severely distressed*
20 *and underdeveloped areas that lack financial re-*
21 *sources for improving basic public services;*

22 “(4) *to provide assistance to severely distressed*
23 *and underdeveloped areas that lack financial re-*
24 *sources for equipping industrial parks and related fa-*
25 *cilities; and*

1 “(5) to otherwise achieve the purposes of this
2 chapter.

3 “(b) FUNDING.—

4 “(1) IN GENERAL.—Funds for grants under sub-
5 section (a) may be provided—

6 “(A) entirely from appropriations to carry
7 out this section;

8 “(B) in combination with funds available
9 under another Federal grant program; or

10 “(C) from any other source.

11 “(2) PRIORITY OF FUNDING.—To best build the
12 foundations for long-term economic development and
13 to complement other Federal, State, and tribal re-
14 sources in the region, Federal funds available under
15 this chapter shall be focused on the following activi-
16 ties:

17 “(A) Basic public infrastructure in dis-
18 tressed counties and isolated areas of distress.

19 “(B) Transportation and telecommuni-
20 cation infrastructure for the purpose of facili-
21 tating economic development in the region.

22 “(C) Business development, with emphasis
23 on entrepreneurship.

1 “(D) *Job training or employment-related*
2 *education, with emphasis on use of existing pub-*
3 *lic educational institutions located in the region.*

4 **“SEC. 3825. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.**

5 “(a) *FINDING.—Congress finds that certain States and*
6 *local communities of the region may be unable to take max-*
7 *imum advantage of Federal grant programs for which the*
8 *States and communities are eligible because—*

9 “(1) *the States and communities lack the eco-*
10 *nomical resources to provide the required matching*
11 *share; or*

12 “(2) *there are insufficient funds available under*
13 *the applicable Federal law authorizing the Federal*
14 *grant program to meet pressing needs of the region.*

15 “(b) *FEDERAL GRANT PROGRAM FUNDING.—Notwith-*
16 *standing any provision of law limiting the Federal share,*
17 *the areas eligible for assistance, or the authorizations of ap-*
18 *propriations, under any Federal grant program, and in ac-*
19 *cordance with subsection (c), the Authority, with the ap-*
20 *proval of the Federal cochairperson and with respect to a*
21 *project to be carried out in the region—*

22 “(1) *may increase the Federal share of the costs*
23 *of a project under any Federal grant program to not*
24 *more than 90 percent (except as provided in section*
25 *3827(b)); and*

1 “(2) shall use amounts made available to carry
2 out this chapter to pay the increased Federal share.

3 “(c) CERTIFICATIONS.—

4 “(1) IN GENERAL.—In the case of any project for
5 which all or any portion of the basic Federal share
6 of the costs of the project is proposed to be paid under
7 this section, no Federal contribution shall be made
8 until the Federal official administering the Federal
9 law that authorizes the Federal grant program cer-
10 tifies that the project—

11 “(A) meets (except as provided in subsection
12 (b)) the applicable requirements of the applicable
13 Federal grant program; and

14 “(B) could be approved for Federal con-
15 tribution under the Federal grant program if
16 funds were available under the law for the
17 project.

18 “(2) CERTIFICATION BY AUTHORITY.—

19 “(A) IN GENERAL.—The certifications and
20 determinations required to be made by the Au-
21 thority for approval of projects under this Act in
22 accordance with section 3830 shall be—

23 “(i) controlling; and

24 “(ii) accepted by the Federal agencies.

1 “(B) *ACCEPTANCE BY FEDERAL COCHAIR-*
2 *PERSON.—In the case of any project described in*
3 *paragraph (1), any finding, report, certification,*
4 *or documentation required to be submitted with*
5 *respect to the project to the head of the depart-*
6 *ment, agency, or instrumentality of the Federal*
7 *Government responsible for the administration of*
8 *the Federal grant program under which the*
9 *project is carried out shall be accepted by the*
10 *Federal cochairperson.*

11 **“SEC. 3826. MULTISTATE AND LOCAL DEVELOPMENT DIS-**
12 **TRICTS AND ORGANIZATIONS AND NORTH-**
13 **ERN GREAT PLAINS INC.**

14 “(a) *DEFINITION OF MULTISTATE AND LOCAL DEVEL-*
15 *OPMENT DISTRICT OR ORGANIZATION.—In this section, the*
16 *term ‘multistate and local development district or organiza-*
17 *tion’ means an entity—*

18 “(1) *that—*

19 “(A) *is a planning district that is recog-*
20 *nized by the Economic Development Administra-*
21 *tion of the Department of Commerce; or*

22 “(B) *is—*

23 “(i) *organized and operated in a man-*
24 *ner that ensures broad-based community*
25 *participation and an effective opportunity*

1 for other nonprofit groups to contribute to
2 the development and implementation of pro-
3 grams in the region;

4 “(ii) a nonprofit incorporated body or-
5 ganized or chartered under the law of the
6 State in which the entity is located;

7 “(iii) a nonprofit agency or instru-
8 mentality of a State or local government;

9 “(iv) a public organization established
10 before the date of enactment of the Agri-
11 culture Reform, Food, and Jobs Act of 2013
12 under State law for creation of multijuris-
13 dictional, area-wide planning organiza-
14 tions;

15 “(v) a nonprofit agency or instrumen-
16 tality of a State that was established for the
17 purpose of assisting with multistate co-
18 operation; or

19 “(vi) a nonprofit association or com-
20 bination of bodies, agencies, and instrumen-
21 talities described in clauses (ii) through (v);
22 and

23 “(2) that has not, as certified by the Authority
24 (in consultation with the Federal cochairperson or
25 Secretary, as appropriate)—

1 “(A) *inappropriately used Federal grant*
2 *funds from any Federal source; or*

3 “(B) *appointed an officer who, during the*
4 *period in which another entity inappropriately*
5 *used Federal grant funds from any Federal*
6 *source, was an officer of the other entity.*

7 “(b) *GRANTS TO MULTISTATE, LOCAL, OR REGIONAL*
8 *DEVELOPMENT DISTRICTS AND ORGANIZATIONS.—*

9 “(1) *IN GENERAL.—The Authority may make*
10 *grants for administrative expenses under this section*
11 *to multistate, local, and regional development dis-*
12 *tricts and organizations.*

13 “(2) *CONDITIONS FOR GRANTS.—*

14 “(A) *MAXIMUM AMOUNT.—The amount of*
15 *any grant awarded under paragraph (1) shall*
16 *not exceed 80 percent of the administrative ex-*
17 *penditures of the multistate, local, or regional devel-*
18 *opment district or organization receiving the*
19 *grant.*

20 “(B) *MAXIMUM PERIOD.—No grant de-*
21 *scribed in paragraph (1) shall be awarded for a*
22 *period of greater than 3 years.*

23 “(3) *LOCAL SHARE.—The contributions of a*
24 *multistate, local, or regional development district or*
25 *organization for administrative expenses may be in*

1 *cash or in kind, fairly evaluated, including space,*
2 *equipment, and services.*

3 “(c) *DUTIES.*—

4 “(1) *IN GENERAL.*—*Except as provided in para-*
5 *graph (2), a local development district shall operate*
6 *as a lead organization serving multicounty areas in*
7 *the region at the local level.*

8 “(2) *DESIGNATION.*—*The Federal cochairperson*
9 *may designate an Indian tribe or multijurisdictional*
10 *organization to serve as a lead organization in such*
11 *cases as the Federal cochairperson or Secretary, as*
12 *appropriate, determines appropriate.*

13 “(d) *NORTHERN GREAT PLAINS INC.*—*Northern Great*
14 *Plains Inc., a nonprofit corporation incorporated in the*
15 *State of Minnesota to implement the recommendations of*
16 *the Northern Great Plains Rural Development Commission*
17 *established by the Northern Great Plains Rural Develop-*
18 *ment Act (7 U.S.C. 2661 note; Public Law 103–318)—*

19 “(1) *shall serve as an independent, primary re-*
20 *source for the Authority on issues of concern to the re-*
21 *gion;*

22 “(2) *shall advise the Authority on development of*
23 *international trade;*

24 “(3) *may provide research, education, training,*
25 *and other support to the Authority; and*

1 “(4) may carry out other activities on its own
2 *behalf or on behalf of other entities.*

3 **“SEC. 3827. DISTRESSED COUNTIES AND AREAS AND NON-**
4 ***DISTRESSED COUNTIES.***

5 “(a) *DESIGNATIONS.*—*Each year, the Authority, in ac-*
6 *cordance with such criteria as the Authority may establish,*
7 *shall designate—*

8 “(1) *as distressed counties, counties in the region*
9 *that are the most severely and persistently distressed*
10 *and underdeveloped and have high rates of poverty,*
11 *unemployment, or outmigration;*

12 “(2) *as nondistressed counties, counties in the re-*
13 *gion that are not designated as distressed counties*
14 *under paragraph (1); and*

15 “(3) *as isolated areas of distress, areas located in*
16 *nondistressed counties (as designated under para-*
17 *graph (2)) that have high rates of poverty, unemploy-*
18 *ment, or outmigration.*

19 “(b) *DISTRESSED COUNTIES.*—

20 “(1) *IN GENERAL.*—*The Authority shall allocate*
21 *at least 50 percent of the appropriations made avail-*
22 *able under section 3834 for programs and projects de-*
23 *signed to serve the needs of distressed counties and*
24 *isolated areas of distress in the region.*

1 “(2) *FUNDING LIMITATIONS.*—*The funding limi-*
2 *tations under section 3825(b) shall not apply to a*
3 *project to provide transportation or telecommuni-*
4 *cation or basic public services to residents of 1 or*
5 *more distressed counties or isolated areas of distress*
6 *in the region.*

7 “(c) *TRANSPORTATION, TELECOMMUNICATION, RE-*
8 *NEWABLE ENERGY, AND BASIC PUBLIC INFRASTRUC-*
9 *TURE.*—*The Authority shall allocate at least 50 percent of*
10 *any funds made available under section 3834 for transpor-*
11 *tation, telecommunication, renewable energy, and basic*
12 *public infrastructure projects authorized under paragraphs*
13 *(1) and (3) of section 3824(a).*

14 “**SEC. 3828. DEVELOPMENT PLANNING PROCESS.**

15 “(a) *STATE DEVELOPMENT PLAN.*—*In accordance*
16 *with policies established by the Authority, each State mem-*
17 *ber shall submit a development plan for the area of the re-*
18 *gion represented by the State member.*

19 “(b) *CONTENT OF PLAN.*—*A State development plan*
20 *submitted under subsection (a) shall reflect the goals, objec-*
21 *tives, and priorities identified in the regional development*
22 *plan developed under section 3823(d)(2).*

23 “(c) *CONSULTATION WITH INTERESTED LOCAL PAR-*
24 *TIES.*—*In carrying out the development planning process*

1 *(including the selection of programs and projects for assist-*
2 *ance), a State may—*

3 *“(1) consult with—*

4 *“(A) multistate, regional, and local develop-*
5 *ment districts and organizations; and*

6 *“(B) local units of government; and*

7 *“(2) take into consideration the goals, objectives,*
8 *priorities, and recommendations of the entities de-*
9 *scribed in paragraph (1).*

10 *“(d) PUBLIC PARTICIPATION.—*

11 *“(1) IN GENERAL.—The Authority and applica-*
12 *ble multistate, regional, and local development dis-*
13 *tricts and organizations shall encourage and assist, to*
14 *the maximum extent practicable, public participation*
15 *in the development, revision, and implementation of*
16 *all plans and programs under this chapter.*

17 *“(2) REGULATIONS.—The Authority shall de-*
18 *velop guidelines for providing public participation*
19 *described in paragraph (1), including public hear-*
20 *ings.*

21 **“SEC. 3829. PROGRAM DEVELOPMENT CRITERIA.**

22 *“(a) IN GENERAL.—In considering programs and*
23 *projects to be provided assistance under this chapter, and*
24 *in establishing a priority ranking of the requests for assist-*
25 *ance provided to the Authority, the Authority shall follow*

1 *procedures that ensure, to the maximum extent practicable,*
2 *consideration of—*

3 “(1) *the relationship of the project or class of*
4 *projects to overall multistate or regional development;*

5 “(2) *the per capita income and poverty and un-*
6 *employment and outmigration rates in an area;*

7 “(3) *the financial resources available to the ap-*
8 *plicants for assistance seeking to carry out the*
9 *project, with emphasis on ensuring that projects are*
10 *adequately financed to maximize the probability of*
11 *successful economic development;*

12 “(4) *the importance of the project or class of*
13 *projects in relation to other projects or classes of*
14 *projects that may be in competition for the same*
15 *funds;*

16 “(5) *the prospects that the project for which as-*
17 *sistance is sought will improve, on a continuing rath-*
18 *er than a temporary basis, the opportunities for em-*
19 *ployment, the average level of income, or the economic*
20 *development of the area to be served by the project;*
21 *and*

22 “(6) *the extent to which the project design pro-*
23 *vides for detailed outcome measurements by which*
24 *grant expenditures and the results of the expenditures*
25 *may be evaluated.*

1 “(b) *NO RELOCATION ASSISTANCE.*—

2 “(1) *IN GENERAL.*—*Except as provided in para-*
3 *graph (2), no financial assistance authorized by this*
4 *chapter shall be used to assist a person or entity in*
5 *relocating from 1 area to another.*

6 “(2) *OUTSIDE BUSINESSES.*—*Financial assist-*
7 *ance under this chapter may be used as otherwise au-*
8 *thorized by this title to attract businesses from outside*
9 *the region to the region.*

10 “(c) *MAINTENANCE OF EFFORT.*—*Funds may be pro-*
11 *vided for a program or project in a State under this chapter*
12 *only if the Authority determines that the level of Federal*
13 *or State financial assistance provided under a law other*
14 *than this chapter, for the same type of program or project*
15 *in the same area of the State within the region, will not*
16 *be reduced as a result of funds made available by this chap-*
17 *ter.*

18 **“SEC. 3830. APPROVAL OF DEVELOPMENT PLANS AND**
19 **PROJECTS.**

20 “(a) *IN GENERAL.*—*A State or regional development*
21 *plan or any multistate subregional plan that is proposed*
22 *for development under this chapter shall be reviewed by the*
23 *Authority.*

24 “(b) *EVALUATION BY STATE MEMBER.*—*An applica-*
25 *tion for a grant or any other assistance for a project under*

1 *this chapter shall be made through and evaluated for ap-*
2 *proval by the State member of the Authority representing*
3 *the applicant.*

4 “(c) *CERTIFICATION.*—*An application for a grant or*
5 *other assistance for a project shall be approved only on cer-*
6 *tification by the State member that the application for the*
7 *project—*

8 “(1) *describes ways in which the project complies*
9 *with any applicable State development plan;*

10 “(2) *meets applicable criteria under section*
11 *3829;*

12 “(3) *provides adequate assurance that the pro-*
13 *posed project will be properly administered, operated,*
14 *and maintained; and*

15 “(4) *otherwise meets the requirements of this*
16 *chapter.*

17 “(d) *VOTES FOR DECISIONS.*—*On certification by a*
18 *State member of the Authority of an application for a grant*
19 *or other assistance for a specific project under this section,*
20 *an affirmative vote of the Authority under section 3822(c)*
21 *shall be required for approval of the application.*

22 **“SEC. 3831. CONSENT OF STATES.**

23 “*Nothing in this chapter requires any State to engage*
24 *in or accept any program under this chapter without the*
25 *consent of the State.*

1 **“SEC. 3832. RECORDS.**

2 “(a) *RECORDS OF THE AUTHORITY.*—

3 “(1) *IN GENERAL.*—*The Authority shall main-*
4 *tain accurate and complete records of all transactions*
5 *and activities of the Authority.*

6 “(2) *AVAILABILITY.*—*All records of the Authority*
7 *shall be available for audit and examination by the*
8 *Comptroller General of the United States and the In-*
9 *pector General of the Department of Agriculture (in-*
10 *cluding authorized representatives of the Comptroller*
11 *General and the Inspector General of the Department*
12 *of Agriculture).*

13 “(b) *RECORDS OF RECIPIENTS OF FEDERAL ASSIST-*
14 *ANCE.*—

15 “(1) *IN GENERAL.*—*A recipient of Federal funds*
16 *under this chapter shall, as required by the Authority,*
17 *maintain accurate and complete records of trans-*
18 *actions and activities financed with Federal funds*
19 *and report to the Authority on the transactions and*
20 *activities to the Authority.*

21 “(2) *AVAILABILITY.*—*All records required under*
22 *paragraph (1) shall be available for audit by the*
23 *Comptroller General of the United States, the Inspec-*
24 *tor General of the Department of Agriculture, and the*
25 *Authority (including authorized representatives of the*

1 *Comptroller General, the Inspector General of the De-*
2 *partment of Agriculture, and the Authority).*

3 “(c) *ANNUAL AUDIT.—The Inspector General of the*
4 *Department of Agriculture shall audit the activities, trans-*
5 *actions, and records of the Authority on an annual basis*
6 *for any fiscal year for which funds are appropriated.*

7 **“SEC. 3833. ANNUAL REPORT.**

8 “*Not later than 180 days after the end of each fiscal*
9 *year, the Authority shall submit to the President and to*
10 *Congress a report describing the activities carried out under*
11 *this chapter.*

12 **“SEC. 3834. AUTHORIZATION OF APPROPRIATIONS.**

13 “(a) *IN GENERAL.—There is authorized to be appro-*
14 *priated to the Authority to carry out this chapter*
15 *\$30,000,000 for each of fiscal years 2014 through 2018, to*
16 *remain available until expended.*

17 “(b) *ADMINISTRATIVE EXPENSES.—Not more than 5*
18 *percent of the amount appropriated under subsection (a)*
19 *for a fiscal year shall be used for administrative expenses*
20 *of the Authority.*

21 “(c) *MINIMUM STATE SHARE OF GRANTS.—Notwith-*
22 *standing any other provision of this chapter, for any fiscal*
23 *year, the aggregate amount of grants received by a State*
24 *and all persons or entities in the State under this chapter*

1 *shall be not less than $\frac{1}{3}$ of the product obtained by multi-*
 2 *plying—*

3 “(1) *the aggregate amount of grants under this*
 4 *chapter for the fiscal year; and*

5 “(2) *the ratio that—*

6 “(A) *the population of the State (as deter-*
 7 *mined by the Secretary of Commerce based on*
 8 *the most recent decennial census for which data*
 9 *are available); bears to*

10 “(B) *the population of the region (as so de-*
 11 *termined).*

12 **“SEC. 3835. TERMINATION OF AUTHORITY.**

13 *“The authority provided by this chapter terminates ef-*
 14 *fective October 1, 2018.*

15 **“Subtitle C—General Provisions**

16 **“SEC. 3901. FULL FAITH AND CREDIT.**

17 “(a) *IN GENERAL.—A guarantee executed by the Sec-*
 18 *retary under this title shall be an obligation supported by*
 19 *the full faith and credit of the United States.*

20 “(b) *CONTESTABILITY.—A guarantee executed by the*
 21 *Secretary under this title shall be incontestable except for*
 22 *fraud or misrepresentation that the lender or any holder—*

23 “(1) *has actual knowledge of at the time the*
 24 *guarantee is executed; or*

25 “(2) *participates in or condones.*

1 **“SEC. 3902. PURCHASE AND SALE OF GUARANTEED POR-**
2 **TIONS OF LOANS.**

3 “(a) *IN GENERAL.*—Subject to subsections (b) and (c),
4 the Secretary may purchase, on such terms and conditions
5 as the Secretary considers appropriate, the guaranteed por-
6 tion of a loan guaranteed under this title, if the Secretary
7 determines that an adequate secondary market is not avail-
8 able in the private sector.

9 “(b) *MAXIMUM PAYMENT.*—The Secretary may not
10 pay for any guaranteed portion of a loan under subsection
11 (a) in excess of an amount equal to the unpaid principal
12 balance and accrued interest on the guaranteed portion of
13 the loan.

14 “(c) *SOURCES OF FUNDING.*—The Secretary may use
15 for the purchases—

16 “(1) funds from the Rural Development Insur-
17 ance Fund with respect to rural development loans
18 (as defined in section 3704(a)); and

19 “(2) funds from the Agricultural Credit Insur-
20 ance Fund with respect to all other loans under this
21 title.

22 “(d) *SALE OF GUARANTEED LOANS.*—

23 “(1) *SALES.*—

24 “(A) *REGULATION.*—

25 “(i) *IN GENERAL.*—The guaranteed
26 portion of any loan made under this title

1 *may be sold by the lender, and by any sub-*
2 *sequent holder, in accordance with such reg-*
3 *ulations governing the sales as the Secretary*
4 *shall establish, subject to clauses (ii) and*
5 *(iii).*

6 “(ii) *FEEES TO BE PAID IN FULL.—All*
7 *fees due the Secretary with respect to a*
8 *guaranteed loan shall be paid in full before*
9 *any sale.*

10 “(iii) *LOAN TO BE FULLY DIS-*
11 *BURSED.—The loan shall be fully disbursed*
12 *to the borrower before the sale.*

13 “(B) *POST-SALE.—After a loan is sold in*
14 *the secondary market, the lender shall—*

15 “(i) *remain obligated under the guar-*
16 *antee agreement of the lender with the Sec-*
17 *retary; and*

18 “(ii) *continue to service the loan in ac-*
19 *cordance with the terms and conditions of*
20 *that agreement.*

21 “(C) *PROCEDURES.—The Secretary shall*
22 *develop such procedures as are necessary for—*

23 “(i) *the facilitation, administration,*
24 *and promotion of secondary market oper-*
25 *ations; and*

1 “(ii) *determining the increase of access*
2 *of farmers to capital at reasonable rates*
3 *and terms as a result of secondary market*
4 *operations.*

5 “(D) *RIGHTS TO PREPAY.—This subsection*
6 *does not impede or extinguish—*

7 “(i) *the right of the borrower or the*
8 *successor in interest to the borrower to pre-*
9 *pay (in whole or in part) any loan made*
10 *under this title; or*

11 “(ii) *the rights of any party under any*
12 *provision of this title.*

13 “(2) *ISSUE POOL CERTIFICATES.—*

14 “(A) *IN GENERAL.—The Secretary may, di-*
15 *rectly or through a market maker approved by*
16 *the Secretary, issue pool certificates representing*
17 *ownership of part or all of the guaranteed por-*
18 *tion of any loan guaranteed by the Secretary*
19 *under this title.*

20 “(B) *APPROVAL.—Certificates under sub-*
21 *paragraph (A) shall be based on and backed by*
22 *a pool established or approved by the Secretary*
23 *and composed solely of the entire guaranteed*
24 *portion of the loans.*

1 “(C) *GUARANTEE OF POOL.*—On such terms
2 and conditions as the Secretary considers appro-
3 priate, the Secretary may guarantee the timely
4 payment of the principal and interest on pool
5 certificates issued on behalf of the Secretary by
6 approved market makers for purposes of this sub-
7 section.

8 “(D) *LIMITATIONS.*—A guarantee under
9 subparagraph (C) shall be limited to the extent
10 of principal and interest on the guaranteed por-
11 tions of loans that compose the pool.

12 “(E) *PREPAYMENT.*—If a loan in a pool is
13 prepaid, either voluntarily or by reason of de-
14 fault, the guarantee of timely payment of prin-
15 cipal and interest on the pool certificates shall be
16 reduced in proportion to the amount of principal
17 and interest that the prepaid loan represents in
18 the pool.

19 “(F) *INTEREST ACCRUAL.*—Interest on pre-
20 paid or defaulted loans shall accrue and be guar-
21 anteed by the Secretary only through the date of
22 payment on the guarantee.

23 “(G) *REDEMPTION.*—During the term of the
24 pool certificate, the certificate may be called for

1 *redemption due to prepayment or default of all*
2 *loans constituting the pool.*

3 “(H) *FULL FAITH AND CREDIT.*—*The full*
4 *faith and credit of the United States is pledged*
5 *to the payment of all amounts that may be re-*
6 *quired to be paid under any guarantee of the*
7 *pool certificates issued by approved market mak-*
8 *ers under this subsection.*

9 “(I) *FEEES.*—

10 “(i) *IN GENERAL.*—*The Secretary shall*
11 *not collect any fee for any guarantee under*
12 *this subsection.*

13 “(ii) *SECRETARIAL FUNCTIONS.*—
14 *Clause (i) does not preclude the Secretary*
15 *from collecting a fee for the functions de-*
16 *scribed in paragraph (3).*

17 “(J) *DEFAULT.*—*Not later than 30 days*
18 *after a borrower of a guaranteed loan is in de-*
19 *fault of any principal or interest payment due*
20 *for 60 days or more, the Secretary shall—*

21 “(i) *purchase the pool certificates rep-*
22 *resenting ownership of the guaranteed por-*
23 *tion of the loan; and*

24 “(ii) *pay the registered holder of the*
25 *certificates an amount equal to the guaran-*

1 *teed portion of the loan represented by the*
2 *certificate.*

3 “(K) *PAYMENT OF CLAIMS.—If the Sec-*
4 *retary pays a claim under a guarantee issued*
5 *under this subsection, the claim shall be sub-*
6 *rogated fully to the rights satisfied by the pay-*
7 *ment, as may be provided by the Secretary.*

8 “(L) *APPLICATION OF LAWS.—No State or*
9 *local law, and no Federal law, shall preclude or*
10 *limit the exercise by the Secretary of the owner-*
11 *ship rights of the Secretary in the portions of*
12 *loans constituting the pool against which the cer-*
13 *tificates are issued.*

14 “(3) *DUTIES OF THE SECRETARY.—*

15 “(A) *IN GENERAL.—On the adoption of*
16 *final rules and regulations, the Secretary shall—*

17 “(i) *provide for the central collection of*
18 *registration information from all partici-*
19 *pating market makers for all loans and pool*
20 *certificates sold under paragraphs (1) and*
21 *(2), including, with respect to each original*
22 *sale and any subsequent sale—*

23 “(I) *identification of the interest*
24 *rate paid by the borrower to the lender;*

1 “(II) the servicing fee of the lend-
2 er;

3 “(III) disclosure of whether inter-
4 est on the loan is at a fixed or variable
5 rate;

6 “(IV) identification of each pur-
7 chaser of a pool certificate;

8 “(V) the interest rate paid on the
9 certificate; and

10 “(VI) such other information as
11 the Secretary considers appropriate.

12 “(ii) before any sale, require the seller
13 (as defined in subparagraph (B)) to disclose
14 to each prospective purchaser of the portion
15 of a loan guaranteed under this title and to
16 each prospective purchaser of a pool certifi-
17 cate issued under paragraph (2) informa-
18 tion on the terms, conditions, and yield of
19 such instrument;

20 “(iii) provide for adequate custody of
21 any pooled guaranteed loans;

22 “(iv) take such actions as are nec-
23 essary, in restructuring pools of the guaran-
24 teed portion of loans, to minimize the esti-

1 *mated costs of paying claims under guaran-*
2 *tees issued under this subsection;*

3 *“(v) require each market maker—*

4 *“(I) to service all pools formed,*
5 *and participations sold, by the market*
6 *maker; and*

7 *“(II) to provide the Secretary*
8 *with information relating to the collec-*
9 *tion and disbursement of all periodic*
10 *payments, prepayments, and default*
11 *funds from lenders, to or from the re-*
12 *serve fund that the Secretary shall es-*
13 *tablish to enable the timely payment*
14 *guarantee to be self-funding, and from*
15 *all beneficial holders; and*

16 *“(vi) regulate market makers in pool*
17 *certificates sold under this subsection.*

18 *“(B) DEFINITION OF SELLER.—For pur-*
19 *poses of subparagraph (A)(ii), if the instrument*
20 *being sold is a loan, the term ‘seller’ does not in-*
21 *clude—*

22 *“(i) the person who made the loan; or*

23 *“(ii) any person who sells 3 or fewer*
24 *guaranteed loans per year.*

1 “(4) *CONTRACT FOR SERVICES.*—*The Secretary*
2 *may contract for goods and services to be used for the*
3 *purposes of this subsection without regard to titles 5,*
4 *40, and 41, United States Code (including any regu-*
5 *lations issued under those titles).*

6 **“SEC. 3903. ADMINISTRATION.**

7 “(a) *POWERS OF SECRETARY.*—*The Secretary may—*
8 “(1)(A) *administer the powers and duties of the*
9 *Secretary through such national, area, State, or local*
10 *offices and employees in the United States as the Sec-*
11 *retary determines to be necessary; and*

12 “(B) *authorize an office to serve an area com-*
13 *posed of 2 or more States if the Secretary determines*
14 *that the volume of business in the area is not suffi-*
15 *cient to justify separate State offices;*

16 “(2)(A) *accept and use voluntary and uncom-*
17 *pensated services; and*

18 “(B) *with the consent of the agency concerned,*
19 *use the officers, employees, equipment, and informa-*
20 *tion of any agency of the Federal Government, or of*
21 *any State, territory, or political subdivision;*

22 “(3) *subject to appropriations, make necessary*
23 *expenditures for the purchase or hire of passenger ve-*
24 *hicles, and such other facilities and services as the*

1 *Secretary may from time to time find necessary for*
2 *the proper administration of this title;*

3 *“(4) subject to subsection (b), compromise, ad-*
4 *just, reduce, or charge-off debts or claims (including*
5 *debts and claims arising from loan guarantees), and*
6 *adjust, modify, subordinate, or release the terms of se-*
7 *curity instruments, leases, contracts, and agreements*
8 *entered into or administered by the Farm Service*
9 *Agency, the Rural Utilities Service, the Rural Hous-*
10 *ing Service, the Rural Business-Cooperative Service,*
11 *or successor agencies under this title, except for activi-*
12 *ties conducted under the Housing Act of 1949 (42*
13 *U.S.C. 1441 et seq.);*

14 *“(5)(A) except for activities conducted under the*
15 *Housing Act of 1949 (42 U.S.C. 1441 et seq.), collect*
16 *all claims and obligations administered by the Farm*
17 *Service Agency, the Rural Utilities Service, the Rural*
18 *Housing Service, or the Rural Business-Cooperative*
19 *Service, or under any mortgage, lease, contract, or*
20 *agreement entered into or administered by the Agency*
21 *or Service; and*

22 *“(B) if the Secretary determines the action is*
23 *necessary and advisable, pursue the collection to final*
24 *collection in any court having jurisdiction;*

1 “(6) release mortgage and other contract liens if
2 it appears that the mortgage and liens have no
3 present or prospective value or that the enforcement
4 of the mortgage and liens likely would be ineffectual
5 or uneconomical;

6 “(7) obtain fidelity bonds protecting the Federal
7 Government against fraud and dishonesty of officers
8 and employees of the Farm Service Agency, the Rural
9 Utilities Service, the Rural Housing Service, or the
10 Rural Business-Cooperative Service in lieu of faithful
11 performance of duties bonds under section 14 of title
12 6, United States Code, but otherwise in accordance
13 with the section;

14 “(8) consent to—

15 “(A) long-term leases of facilities financed
16 under this title notwithstanding the failure of the
17 lessee to meet any of the requirements of this title
18 if the long-term leases are necessary to ensure the
19 continuation of services for which financing was
20 extended to the lessor; and

21 “(B) the transfer of property securing any
22 loan or financed by any loan or grant made or
23 guaranteed by the Farm Service Agency, the
24 Rural Utilities Service, the Rural Housing Serv-
25 ice, or the Rural Business-Cooperative Service

1 *under this title, or any other law administered*
2 *by the Secretary, on such terms as the Secretary*
3 *considers necessary to carry out the purpose of*
4 *the loan or grant or to protect the financial in-*
5 *terest of the Federal Government, provided that*
6 *the Secretary shall document the consent of the*
7 *Secretary for the transfer of the property of a*
8 *borrower in the file of the borrower; and*

9 “(9) *notwithstanding that an area ceases, or has*
10 *ceased, to be rural, in a rural area, or an eligible*
11 *area, make loans and grants, and approve transfers*
12 *and assumptions, under this title on the same basis*
13 *as though the area still was rural in connection with*
14 *property securing any loan made or guaranteed by*
15 *the Secretary under this title or in connection with*
16 *any property held by the Secretary under this title.*

17 “(b) *LOAN ADJUSTMENTS.—*

18 “(1) *NO LIQUIDATION OF PROPERTY.—The Sec-*
19 *retary may not require liquidation of property secur-*
20 *ing any farmer program loan or acceleration of any*
21 *payment required under any farmer program loan as*
22 *a prerequisite to initiating an action authorized*
23 *under subsection (a).*

24 “(2) *RELEASE OF PERSONAL LIABILITY.—*

1 “(A) *IN GENERAL.*—*Except as provided in*
2 *subparagraph (B), the Secretary may release a*
3 *borrower or other person obligated on a debt*
4 *(other than debt incurred under the Housing Act*
5 *of 1949 (42 U.S.C. 1441 et seq.)) from personal*
6 *liability with or without payment of any consid-*
7 *eration at the time of the compromise, adjust-*
8 *ment, reduction, or charge-off of any claim.*

9 “(B) *EXCEPTION.*—*No compromise, adjust-*
10 *ment, reduction, or charge-off of any claim may*
11 *be made or carried out after the claim has been*
12 *referred to the Attorney General, unless the At-*
13 *torney General approves.*

14 “(3) *RURAL ELECTRIFICATION SECURITY IN-*
15 *STRUMENTS.*—*In the case of a security instrument*
16 *entered into under the Rural Electrification Act of*
17 *1936 (7 U.S.C. 901 et seq.), the Secretary shall notify*
18 *the Attorney General of the intent of the Secretary to*
19 *exercise the authority of the Secretary under para-*
20 *graph (2).*

21 “(c) *SIMPLIFIED APPLICATION FORMS FOR LOAN*
22 *GUARANTEES.*—

23 “(1) *IN GENERAL.*—*The Secretary shall provide*
24 *to lenders a short, simplified application form for*
25 *guarantees under this title of—*

1 “(A) farmer program loans the principal
2 amount of which is \$125,000 or less; and

3 “(B) business and industry guaranteed
4 loans under section 3601(a)(2)(A) the principal
5 amount of which is—

6 “(i) \$400,000 or less; or

7 “(ii) if the Secretary determines that
8 there is not a significant increased risk of
9 a default on the loan, \$600,000 or less.

10 “(2) WATER AND WASTE DISPOSAL GRANTS AND
11 LOANS.—The Secretary shall develop an application
12 process that accelerates, to the maximum extent prac-
13 ticable, the processing of applications for water and
14 waste disposal grants or direct or guaranteed loans
15 under section 3501(a)(1) the grant award amount or
16 principal loan amount, respectively, of which is
17 \$300,000 or less.

18 “(3) ADMINISTRATION.—In developing an appli-
19 cation under this subsection, the Secretary shall—

20 “(A) consult with commercial and coopera-
21 tive lenders; and

22 “(B) ensure that—

23 “(i) the form can be completed manu-
24 ally or electronically, at the option of the
25 lender;

1 “(ii) *the form minimizes the docu-*
2 *mentation required to accompany the form;*

3 “(iii) *the cost of completing and proc-*
4 *essing the form is minimal; and*

5 “(iv) *the form can be completed and*
6 *processed in an expeditious manner.*

7 “(d) *USE OF ATTORNEYS FOR PROSECUTION OR DE-*
8 *FENSE OF CLAIMS.—The Secretary may use for the prosecu-*
9 *tion or defense of any claim or obligation described in sub-*
10 *section (a)(5) the Attorney General, the General Counsel of*
11 *the Department, or a private attorney who has entered into*
12 *a contract with the Secretary.*

13 “(e) *PRIVATE COLLECTION AGENCY.—The Secretary*
14 *may use a private collection agency to collect a claim or*
15 *obligation described in subsection (a)(5).*

16 “(f) *SECURITY SERVICING.—*

17 “(1) *IN GENERAL.—The Secretary may—*

18 “(A) *make advances, without regard to any*
19 *loan or total indebtedness limitation, to preserve*
20 *and protect the security for, or the lien or pri-*
21 *ority of the lien securing any loan or other in-*
22 *debtedness owing to or acquired by the Secretary*
23 *under this title or under any other program ad-*
24 *ministered by the Farm Service Agency, the*
25 *Rural Utilities Service, the Rural Housing Serv-*

1 *ice, or the Rural Business-Cooperative Service*
2 *applicable program, as determined by the Sec-*
3 *retary; and*

4 “(B)(i) *bid for and purchase at any execu-*
5 *tion, foreclosure, or other sale or otherwise ac-*
6 *quire property on which the United States has a*
7 *lien by reason of a judgment or execution arising*
8 *from, or that is pledged, mortgaged, conveyed, at-*
9 *tached, or levied on to secure the payment of, the*
10 *indebtedness regardless of whether the property is*
11 *subject to other liens;*

12 “(ii) *accept title to any property so pur-*
13 *chased or acquired; and*

14 “(iii) *sell, manage, or otherwise dispose of*
15 *the property in accordance with this subsection.*

16 “(2) *OPERATION OR LEASE OF REALTY.—Except*
17 *as provided in subsections (c) and (e), real property*
18 *administered under this title may be operated or*
19 *leased by the Secretary for such period as the Sec-*
20 *retary may consider necessary to protect the invest-*
21 *ment of the Federal Government in the property.*

22 “(g) *PAYMENTS TO LENDERS.—*

23 “(1) *REQUIREMENT.—Not later than 90 days*
24 *after a court of competent jurisdiction confirms a*
25 *plan of reorganization under chapter 12 of title 11,*

1 *United States Code, for any borrower to whom a*
2 *lender has made a loan guaranteed under this title,*
3 *the Secretary shall pay the lender an amount esti-*
4 *mated by the Secretary to be equal to the loss in-*
5 *curring by the lender for purposes of the guarantee.*

6 *“(2) PAYMENT TOWARD LOAN GUARANTEE.—Any*
7 *amount paid to a lender under this subsection with*
8 *respect to a loan guaranteed under this title shall be*
9 *treated as payment towards satisfaction of the loan*
10 *guarantee.*

11 **“SEC. 3904. LOAN MORATORIUM AND POLICY ON FORE-**
12 **CLOSURES.**

13 *“(a) IN GENERAL.—In addition to any other authority*
14 *that the Secretary may have to defer principal and interest*
15 *and forgo foreclosure, the Secretary may permit, at the re-*
16 *quest of the borrower, the deferral of principal and interest*
17 *on any outstanding loan made or guaranteed by the Sec-*
18 *retary under this title, or under any other law administered*
19 *by the Farm Service Agency, the Rural Utilities Service,*
20 *the Rural Housing Service, or the Rural Business-Coopera-*
21 *tive Service, and may forgo foreclosure of the loan, for such*
22 *period as the Secretary considers necessary on a showing*
23 *by the borrower that, due to circumstances beyond the con-*
24 *trol of the borrower, the borrower is temporarily unable to*
25 *continue making payments of the principal and interest*

1 *when due without unduly impairing the standard of living*
2 *of the borrower.*

3 “(b) *INTEREST.*—

4 “(1) *IN GENERAL.*—*Except as provided in para-*
5 *graph (2), the Secretary may permit any loan de-*
6 *ferred under this section to bear no interest during or*
7 *after the deferral period.*

8 “(2) *EXCEPTION.*—*If the security instrument se-*
9 *curing the loan is foreclosed, such interest as is in-*
10 *cluded in the purchase price at the foreclosure shall*
11 *become part of the principal and draw interest from*
12 *the date of foreclosure at the rate prescribed by law.*

13 “(c) *MORATORIUM REGARDING CIVIL RIGHTS*
14 *CLAIMS.*—

15 “(1) *IN GENERAL.*—*Except as otherwise provided*
16 *in this subsection, effective beginning on May 22,*
17 *2008, there shall be in effect a moratorium, with re-*
18 *spect to farmer program loans made under subtitle A,*
19 *on all acceleration and foreclosure proceedings insti-*
20 *tuted by the Department against any farmer who—*

21 “(A) *has pending against the Department a*
22 *claim of program discrimination that is accepted*
23 *by the Department as valid; or*

24 “(B) *files a claim of program discrimina-*
25 *tion that is accepted by the Department as valid.*

1 “(2) *WAIVER OF INTEREST AND OFFSETS.*—*During*
2 *the period of the moratorium, the Secretary shall*
3 *waive the accrual of interest and offsets on all farmer*
4 *program loans made under subtitle A for which loan*
5 *acceleration or foreclosure proceedings have been sus-*
6 *sended under paragraph (1).*

7 “(3) *TERMINATION OF MORATORIUM.*—*The mor-*
8 *atorium shall terminate with respect to a claim of*
9 *discrimination by a farmer on the earlier of—*

10 “(A) *the date the Secretary resolves the*
11 *claim; or*

12 “(B) *if the farmer appeals the decision of*
13 *the Secretary on the claim to a court of com-*
14 *petent jurisdiction, the date that the court ren-*
15 *ders a final decision on the claim.*

16 “(4) *FAILURE TO PREVAIL.*—*If a farmer does not*
17 *prevail on a claim of discrimination described in*
18 *paragraph (1), the farmer shall be liable for any in-*
19 *terest and offsets that accrued during the period that*
20 *loan acceleration or foreclosure proceedings have been*
21 *suspended under paragraph (1).*

22 **“SEC. 3905. OIL AND GAS ROYALTY PAYMENTS ON LOANS.**

23 “(a) *IN GENERAL.*—*The Secretary shall permit a bor-*
24 *rower of a loan made or guaranteed under this title to make*
25 *a prospective payment on the loan with proceeds from—*

1 “(1) *the leasing of oil, gas, or other mineral*
2 *rights to real property used to secure the loan; or*

3 “(2) *the sale of oil, gas, or other minerals re-*
4 *moved from real property used to secure the loan, if*
5 *the value of the rights to the oil, gas, or other min-*
6 *erals has not been used to secure the loan.*

7 “(b) *APPLICABILITY.—Subsection (a) shall not apply*
8 *to a borrower of a loan made or guaranteed under this title*
9 *with respect to which a liquidation or foreclosure pro-*
10 *ceeding was pending on December 23, 1985.*

11 **“SEC. 3906. TAXATION.**

12 “(a) *IN GENERAL.—Except as provided in subsection*
13 *(b), all property subject to a lien held by the United States*
14 *or the title to which is acquired or held by the Secretary*
15 *under this title (other than property used for administra-*
16 *tive purposes) shall be subject to taxation by State, terri-*
17 *tory, district, and local political subdivisions in the same*
18 *manner and to the same extent as other property is taxed.*

19 “(b) *EXCEPTIONS.—No tax shall be imposed or col-*
20 *lected as described in subsection (a) if the tax (whether as*
21 *a tax on the instrument or in connection with conveying,*
22 *transferring, or recording the instrument) is based on—*

23 “(1) *the value of any notes or mortgages or other*
24 *lien instruments held by or transferred to the Sec-*
25 *retary;*

1 “(2) any notes or lien instruments administered
2 under this title that are made, assigned, or held by
3 a person otherwise liable for the tax; or

4 “(3) the value of any property conveyed or trans-
5 ferred to the Secretary.

6 “(c) *FAILURE TO PAY OR COLLECT TAX.*—The failure
7 to pay or collect a tax under subsection (a) shall not—

8 “(1) be a ground for—

9 “(A) refusal to record or file an instrument;

10 or

11 “(B) failure to provide notice; or

12 “(2) prevent the enforcement of the instrument
13 in any Federal or State court.

14 **“SEC. 3907. CONFLICTS OF INTEREST.**

15 “(a) *ACCEPTANCE OF CONSIDERATION PROHIBITED.*—

16 No officer, attorney, or other employee of the Department
17 shall, directly or indirectly, be the beneficiary of or receive
18 any fee, commission, gift, or other consideration for or in
19 connection with any transaction or business under this title
20 other than such salary, fee, or other compensation as the
21 officer, attorney, or employee may receive as the officer, at-
22 torney, or employee.

23 “(b) *ACQUISITION OF INTEREST IN LAND PROHIB-*
24 *ITED.*—

1 “(1) *IN GENERAL.*—*Except as provided in para-*
2 *graph (2), no officer or employee of the Department*
3 *who acts on or reviews an application made by any*
4 *person under this title for a loan to purchase land*
5 *may acquire, directly or indirectly, any interest in*
6 *the land for a period of 3 years after the date on*
7 *which the action is taken or the review is made.*

8 “(2) *FORMER COUNTY COMMITTEE MEMBERS.*—
9 *Paragraph (1) shall not apply to a former member of*
10 *a county committee on a determination by the Sec-*
11 *retary, prior to the acquisition of the interest, that the*
12 *former member acted in good faith when acting on or*
13 *reviewing the application.*

14 “(c) *PENALTIES.*—*Any person violating this section*
15 *shall, on conviction of the violation, be punished by a fine*
16 *of not more than \$2,000 or imprisonment for not more than*
17 *2 years, or both.*

18 “**SEC. 3908. LOAN SUMMARY STATEMENTS.**

19 “(a) *DEFINITION OF SUMMARY PERIOD.*—*In this sec-*
20 *tion, the term ‘summary period’ means the period begin-*
21 *ning on the date of issuance of the preceding loan summary*
22 *statement and ending on the date of issuance of the current*
23 *loan summary statement.*

24 “(b) *ISSUANCE OF STATEMENTS.*—*On the request of a*
25 *borrower of a loan made (but not guaranteed) under this*

1 *title, the Secretary shall issue to the borrower a loan sum-*
2 *mary statement that reflects the account activity during the*
3 *summary period for each loan made under this title to the*
4 *borrower, including—*

5 “(1) *the outstanding amount of principal due on*
6 *each loan at the beginning of the summary period;*

7 “(2) *the interest rate charged on each loan;*

8 “(3) *the amount of payments made on, and the*
9 *application of the payments to, each loan during the*
10 *summary period and an explanation of the basis for*
11 *the application of the payments;*

12 “(4) *the amount of principal and interest due on*
13 *each loan at the end of the summary period;*

14 “(5) *the total amount of unpaid principal and*
15 *interest on all loans at the end of the summary pe-*
16 *riod;*

17 “(6) *any delinquency in the repayment of any*
18 *loan;*

19 “(7) *a schedule of the amount and date of pay-*
20 *ments due on each loan; and*

21 “(8) *the procedure the borrower may use to ob-*
22 *tain more information concerning the status of the*
23 *loans.*

24 **“SEC. 3909. CERTIFIED LENDERS PROGRAM.**

25 “(a) *CERTIFIED LENDERS PROGRAM.—*

1 “(1) *IN GENERAL.*—*The Secretary shall establish*
2 *a program under which the Secretary shall guarantee*
3 *loans under this title that are made by lending insti-*
4 *tutions certified by the Secretary.*

5 “(2) *CERTIFICATION REQUIREMENTS.*—*The Sec-*
6 *retary shall certify a lending institution that meets*
7 *such criteria as the Secretary may prescribe in regu-*
8 *lations, including the ability of the institution to*
9 *properly make, service, and liquidate the loans of the*
10 *institution.*

11 “(3) *CONDITION OF CERTIFICATION.*—

12 “(A) *IN GENERAL.*—*As a condition of the*
13 *certification, the Secretary shall require the in-*
14 *stitution to undertake to service the loans guar-*
15 *anteed by the Secretary under this section, using*
16 *standards that are not less stringent than gen-*
17 *erally accepted banking standards concerning*
18 *loan servicing employed by prudent commercial*
19 *or cooperative lenders.*

20 “(B) *MONITORING.*—*The Secretary shall, at*
21 *least annually, monitor the performance of each*
22 *certified lender to ensure that the conditions of*
23 *the certification are being met.*

24 “(4) *EFFECT OF CERTIFICATION.*—*Notwith-*
25 *standing any other provision of law:*

1 “(A) *AMOUNT OF LOAN GUARANTEE.*—*In*
2 *the case of a loan made or guaranteed under sub-*
3 *title A, the Secretary shall guarantee not more*
4 *than 80 percent of a loan made under this sec-*
5 *tion by a certified lending institution as de-*
6 *scribed in paragraph (1), subject to a determina-*
7 *tion that the borrower of the loan meets the eligi-*
8 *bility requirements and such other criteria as*
9 *may be applicable to loans guaranteed by the*
10 *Secretary under other provisions of this title.*

11 “(B) *CERTIFICATIONS BY LENDING INSTITU-*
12 *TIONS.*—*In the case of loans to be guaranteed by*
13 *the Secretary under this section, the Secretary*
14 *shall permit certified lending institutions to*
15 *make appropriate certifications (as provided by*
16 *regulations issued by the Secretary)—*

17 “(i) *relating to issues such as credit-*
18 *worthiness, repayment ability, adequacy of*
19 *collateral, and feasibility of farm operation;*
20 *and*

21 “(ii) *that the borrower is in compli-*
22 *ance with all requirements of law, including*
23 *regulations issued by the Secretary.*

24 “(C) *APPROVAL PROCESS.*—

1 “(i) *IN GENERAL.*—*The Secretary shall*
2 *approve or disapprove a guarantee not later*
3 *than 14 days after the date that the lending*
4 *institution applies to the Secretary for the*
5 *guarantee.*

6 “(ii) *DISAPPROVAL.*—*If the Secretary*
7 *disapproves the loan application during the*
8 *14-day period, the Secretary shall state, in*
9 *writing, all of the reasons the application*
10 *was disapproved.*

11 “(5) *RELATIONSHIP TO OTHER REQUIRE-*
12 *MENTS.*—*Nothing in this section affects the responsi-*
13 *bility of the Secretary to certify eligibility, review fi-*
14 *nancial information, and otherwise assess an applica-*
15 *tion.*

16 “(b) *PREFERRED CERTIFIED LENDERS PROGRAM.*—

17 “(1) *IN GENERAL.*—*The Secretary shall establish*
18 *a Preferred Certified Lenders Program for lenders*
19 *under this title who establish—*

20 “(A) *knowledge of, and experience under,*
21 *the program established under subsection (a);*

22 “(B) *knowledge of the regulations con-*
23 *cerning the guaranteed loan program; and*

24 “(C) *proficiency related to the certified*
25 *lender program requirements.*

1 “(2) *REVOCATION OF DESIGNATION.*—

2 “(A) *IN GENERAL.*—Subject to subpara-
3 graph (B), the designation of a lender as a Pre-
4 ferred Certified Lender shall be revoked at any
5 time—

6 “(i) that the Secretary determines that
7 the lender is not adhering to the rules and
8 regulations applicable to the program; or

9 “(ii) if the loss experiences of a Pre-
10 ferred Certified Lender are excessive as com-
11 pared to other Preferred Certified Lenders.

12 “(B) *EFFECT.*—A suspension or revocation
13 under subparagraph (A) shall not affect any out-
14 standing guarantee.

15 “(3) *CONDITION OF CERTIFICATION.*—As a con-
16 dition of preferred certification, the Secretary shall
17 require the institution to undertake to service the
18 loans guaranteed by the Secretary under this sub-
19 section using generally accepted banking standards
20 concerning loan servicing employed by prudent com-
21 mercial or cooperative lenders.

22 “(4) *MONITORING.*—The Secretary shall, at least
23 annually, monitor the performance of each Preferred
24 Certified Lender to ensure that the conditions of cer-
25 tification are being met.

1 “(5) *EFFECT OF PREFERRED LENDER CERTIFI-*
2 *CATION.—*

3 “(A) *IN GENERAL.—Notwithstanding any*
4 *other provision of law, the Secretary shall—*

5 “(i) *guarantee not more than 80 per-*
6 *cent of an approved loan made by a cer-*
7 *tified lending institution as described in*
8 *this subsection, subject to a determination*
9 *that the borrower meets the eligibility re-*
10 *quirements or such other criteria as may be*
11 *applicable to loans guaranteed by the Sec-*
12 *retary under other provisions of this title;*

13 “(ii) *permit certified lending institu-*
14 *tions—*

15 “(I) *to make all decisions, with*
16 *respect to loans to be guaranteed by the*
17 *Secretary under this subsection relat-*
18 *ing to credit worthiness, the closing,*
19 *monitoring, collection and liquidation*
20 *of loans; and*

21 “(II) *to accept appropriate certifi-*
22 *cations, as provided by regulations*
23 *issued by the Secretary, that the bor-*
24 *rower is in compliance with all re-*

1 *quirements of law or regulations pro-*
2 *mulgated by the Secretary; and*

3 *“(iii) be considered to have guaranteed*
4 *80 percent of a loan made by a preferred*
5 *certified lending institution as described in*
6 *paragraph (1), if the Secretary fails to ap-*
7 *prove or reject the application of such insti-*
8 *tution within 14 calendar days after the*
9 *date that the lending institution presented*
10 *the application to the Secretary.*

11 *“(B) REQUIREMENT.—If the Secretary re-*
12 *jects an application under subparagraph (A)(iii)*
13 *during the 14-day period, the Secretary shall*
14 *state, in writing, the reasons the application was*
15 *rejected.*

16 *“(c) ADMINISTRATION OF CERTIFIED LENDERS AND*
17 *PREFERRED CERTIFIED LENDERS PROGRAMS.—The Sec-*
18 *retary may administer the loan guarantee programs under*
19 *subsections (a) and (b) through central offices established*
20 *in States or in multi-State areas.*

21 **“SEC. 3910. LOANS TO RESIDENT ALIENS.**

22 *“(a) IN GENERAL.—Notwithstanding the provisions of*
23 *this title limiting the making of a loan to a citizen of the*
24 *United States, the Secretary may make a loan under this*
25 *title to an alien lawfully admitted to the United States for*

1 *permanent residence under the Immigration and Nation-*
2 *ality Act (8 U.S.C. 1101 et seq.).*

3 “(b) *REGULATIONS.*—

4 “(1) *IN GENERAL.*—*No loan may be made under*
5 *this title to an alien referred to in subsection (a) until*
6 *the Secretary issues regulations establishing the terms*
7 *and conditions under which the alien may receive the*
8 *loan.*

9 “(2) *REQUIREMENT.*—*The Secretary shall sub-*
10 *mit the regulations to the Committee on Agriculture*
11 *of the House of Representatives and the Committee on*
12 *Agriculture, Nutrition, and Forestry of the Senate at*
13 *least 30 days prior to the date on which the regula-*
14 *tions are published in the Federal Register.*

15 **“SEC. 3911. EXPEDITED CLEARING OF TITLE TO INVENTORY**
16 **PROPERTY.**

17 “(a) *IN GENERAL.*—*The Secretary may employ local*
18 *attorneys, on a case-by-case basis, to process all legal proce-*
19 *dures necessary to clear the title to foreclosed properties in*
20 *the inventory of the Department.*

21 “(b) *COMPENSATION.*—*Attorneys shall be compensated*
22 *at not more than the usual and customary charges of the*
23 *attorneys for the work.*

1 **“SEC. 3912. TRANSFER OF LAND TO SECRETARY.**

2 *“The President may at any time, in the discretion of*
3 *the President, transfer to the Secretary any right, interest,*
4 *or title held by the United States in any land acquired in*
5 *the program of national defense and no longer needed for*
6 *that purpose that the President finds suitable for the pur-*
7 *poses of this title, and the Secretary shall dispose of the*
8 *transferred land in the manner and subject to the terms*
9 *and conditions of this title.*

10 **“SEC. 3913. COMPETITIVE SOURCING LIMITATIONS.**

11 *“The Secretary may not complete a study of, or enter*
12 *into a contract with a private party to carry out, without*
13 *specific authorization in a subsequent Act of Congress, a*
14 *competitive sourcing activity of the Secretary, including*
15 *support personnel of the Department, relating to rural de-*
16 *velopment or farmer program loans.*

17 **“SEC. 3914. REGULATIONS.**

18 *“The Secretary may issue such regulations, prescribe*
19 *such terms and conditions for making or guaranteeing*
20 *loans, security instruments, and agreements, except as oth-*
21 *erwise specified in this title, and make such delegations of*
22 *authority as the Secretary considers necessary to carry out*
23 *this title.”.*

1 **SEC. 6002. CONFORMING AMENDMENTS.**

2 (a) *Section 17(c) of the Rural Electrification Act of*
3 *1936 (7 U.S.C. 917(c)) is amended by striking paragraph*
4 *(1) and inserting the following:*

5 “(1) *Subtitle B of the Consolidated Farm and*
6 *Rural Development Act.*”

7 (b) *Section 305(c)(2)(B)(i)(I) of the Rural Electrifica-*
8 *tion Act of 1936 (7 U.S.C. 935(c)(2)(B)(i)(I)) is amended*
9 *by striking “section 307(a)(3)(A) of the Consolidated Farm*
10 *and Rural Development Act (7 U.S.C. 1927(a)(3)(A))” and*
11 *inserting “section 3701(b)(2) of the Consolidated Farm and*
12 *Rural Development Act.”*

13 (c) *Section 306F(a)(1) of the Rural Electrification Act*
14 *of 1936 (7 U.S.C. 936f(a)(1)) is amended by striking sub-*
15 *paragraph (B) and inserting the following:*

16 “(B) *chapter 1 of subtitle B of the Consoli-*
17 *dated Farm and Rural Development Act.*”

18 (d) *Section 2333(d) of the Food, Agriculture, Conserva-*
19 *tion, and Trade Act of 1990 (7 U.S.C. 950aaa–2(d)) is*
20 *amended—*

21 (1) *in paragraph (11), by adding “and” at the*
22 *end;*

23 (2) *by striking paragraph (12); and*

24 (3) *by redesignating paragraph (13) as para-*
25 *graph (12).*

1 (e) *Section 601(b) of the Rural Electrification Act of*
2 *1936 (7 U.S.C. 950bb(b)) is amended by striking paragraph*
3 *(3).*

4 (f) *Section 602(5) of the Emergency Livestock Feed As-*
5 *sistance Act of 1988 (7 U.S.C. 1471(5)) is amended by*
6 *striking “section 355(e)(1)(D)(ii) of the Consolidated Farm*
7 *and Rural Development Act (7 U.S.C. 1985(e)(1)(D)(ii))”*
8 *and inserting “section 3409(c)(1)(A) of the Consolidated*
9 *Farm and Rural Development Act)”.*

10 (g) *Section 508 of the Federal Crop Insurance Act (7*
11 *U.S.C. 1508) is amended—*

12 (1) *in subsection (b)(7)(A), by striking “section*
13 *371 of the Consolidated Farm and Rural Develop-*
14 *ment Act (7 U.S.C. 2008f)” and inserting “section*
15 *3424 of the Consolidated Farm and Rural Develop-*
16 *ment Act”;* and

17 (2) *in subsection (n)(2), by striking “subtitle C*
18 *of the Consolidated Farm and Rural Development Act*
19 *(7 U.S.C. 1961 et seq.)” and inserting “chapter 3 of*
20 *subtitle A of the Consolidated Farm and Rural Devel-*
21 *opment Act”.*

22 (h) *Section 231(a) of the Agricultural Risk Protection*
23 *Act of 2000 (7 U.S.C. 1632a(a)) is amended—*

24 (1) *in paragraph (1), by striking “section 343(a)*
25 *of the Consolidated Farm and Rural Development Act*

1 (7 U.S.C. 1991(a))” and inserting “section 3002 of
2 the Consolidated Farm and Rural Development Act”;
3 and

4 (2) in paragraph (4), by striking “section 355(e)
5 of the Consolidated Farm and Rural Development Act
6 (7 U.S.C. 2003(e))” and inserting “section 3002 of
7 the Consolidated Farm and Rural Development Act”.

8 (i) Section 14204(a) of the Food, Conservation, and
9 Energy Act of 2008 (7 U.S.C. 2008q–1(a)) is amended by
10 striking “an entity described in section 379C(a) of the Con-
11 solidated Farm and Rural Development Act (7 U.S.C.
12 2008q(a))” and inserting “an entity determined by the Sec-
13 retary”.

14 (j) Section 607(c)(6) of the Rural Development Policy
15 Act of 1972 (7 U.S.C. 2204b(c)(6)) is amended in the last
16 sentence—

17 (1) by striking “, and” and inserting “and
18 any”; and

19 (2) by striking “required under section
20 306(a)(12) of the Consolidated Farm and Rural De-
21 velopment Act”.

22 (k) Section 901(b) of the Agricultural Act of 1970 (7
23 U.S.C. 2204b–1(b)) is amended by striking “rural areas as
24 defined in the private business enterprise exception in sec-
25 tion 306(a)(7) of the Consolidated Farmers Home Adminis-

1 *tration Act of 1961, as amended (7 U.S.C. 1926)” and in-*
2 *serting “rural areas, as defined in section 3002 of the Con-*
3 *solidated Farm and Rural Development Act”.*

4 *(l) Section 14220 of the Food, Conservation, and En-*
5 *ergy Act of 2008 (7 U.S.C. 2206b) is amended by striking*
6 *“section 343(a)(13)(A) of the Consolidated Farm and Rural*
7 *Development Act)” and inserting “section 3002 of the Con-*
8 *solidated Farm and Rural Development Act)”.*

9 *(m) Section 2501(c)(2)(D) of the Food, Agriculture,*
10 *Conservation, and Trade Act of 1990 (7 U.S.C.*
11 *2279(c)(2)(D)) is amended by striking “sections 355(a)(1)*
12 *and 355(c) of the Consolidated Farm and Rural Develop-*
13 *ment Act (7 U.S.C. 2003(a)(1))” and inserting “para-*
14 *graphs (1) and (3) of section 3416(a) of the Consolidated*
15 *Farm and Rural Development Act”.*

16 *(n) Section 2501A(b) of the Food, Agriculture, Con-*
17 *servation, and Trade Act of 1990 (7 U.S.C. 2279–1(b)) is*
18 *amended by striking “section 355(e) of the Consolidated*
19 *Farm and Rural Development Act (7 U.S.C. 2003(e))” and*
20 *inserting “section 3002 of the Consolidated Farm and*
21 *Rural Development Act”.*

22 *(o) Section 7405(c)(8)(B) of the Farm Security and*
23 *Rural Investment Act of 2002 (7 U.S.C. 3319f(c)(8)(B)) is*
24 *amended by striking “section 355(e) of the Consolidated*
25 *Farm and Rural Development Act (7 U.S.C. 2003(e))” and*

1 *inserting “section 3002 of the Consolidated Farm and*
2 *Rural Development Act)”*.

3 *(p) Section 1101(d)(2)(A) of the Food, Conservation,*
4 *and Energy Act of 2008 (7 U.S.C. 8711(d)(2)(A)) is amend-*
5 *ed by striking “section 355(e) of the Consolidated Farm and*
6 *Rural Development Act (7 U.S.C. 2003(e))” and inserting*
7 *“section 3002 of the Consolidated Farm and Rural Develop-*
8 *ment Act)”*.

9 *(q) Section 1302(d)(2)(A) of the Food, Conservation,*
10 *and Energy Act of 2008 (7 U.S.C. 8752(d)(2)(A)) is amend-*
11 *ed by striking “section 355(e) of the Consolidated Farm and*
12 *Rural Development Act (7 U.S.C. 2003(e))” and inserting*
13 *“section 3002 of the Consolidated Farm and Rural Develop-*
14 *ment Act)”*.

15 *(r) Section 2375(g) of the Food, Agriculture, Conserva-*
16 *tion, and Trade Act of 1990 (7 U.S.C. 6613(g)) is amended*
17 *by striking “section 304(b), 306(a), or 310B(e) of the Con-*
18 *solidated Farm and Rural Development Act (7 U.S.C.*
19 *1924(b), 1926(a), and 1932(e))” and inserting “subtitle B*
20 *of the Consolidated Farm and Rural Development Act”*.

21 *(s) Section 226B(a)(1) of the Department of Agri-*
22 *culture Reorganization Act of 1994 (7 U.S.C. 6934(a)(1))*
23 *is amended by striking “section 343(a) of the Consolidated*
24 *Farm and Rural Development Act (7 U.S.C. 1991(a))” and*

1 *inserting “section 3002 of the Consolidated Farm and*
2 *Rural Development Act”.*

3 *(t) Section 196(i)(3)(B) of the Federal Agriculture Im-*
4 *provement and Reform Act of 1996 (7 U.S.C.*
5 *7333(i)(3)(B)) is amended by striking “subtitle C of the*
6 *Consolidated Farm and Rural Development Act (7 U.S.C.*
7 *1961 et seq.)” and inserting “chapter 3 of subtitle A of the*
8 *Consolidated Farm and Rural Development Act”.*

9 *(u) Section 9009(a)(1) of the Farm Security and*
10 *Rural Investment Act of 2002 (7 U.S.C. 8109(a)(1)) is*
11 *amended by striking “section 343(a)(13)(A) of the Consoli-*
12 *dated Farm and Rural Development Act (7 U.S.C.*
13 *1991(a)(13)(A))” and inserting “section 3002 of the Con-*
14 *solidated Farm and Rural Development Act”.*

15 *(v) Section 9011(c)(2)(B)(v) of the Farm Security and*
16 *Rural Investment Act of 2002 (7 U.S.C. 8111(c)(2)(B)(v))*
17 *is amended by striking subclause (I) and inserting the fol-*
18 *lowing:*

19 *“(I) beginning farmers (as defined*
20 *in accordance with section 3002 of the*
21 *Consolidated Farm and Rural Devel-*
22 *opment Act); or”.*

23 *(w) Section 7(b)(2)(B) of the Small Business Act (15*
24 *U.S.C. 636(b)(2)(B)) is amended by striking “section 321*
25 *of the Consolidated Farm and Rural Development Act (7*

1 *U.S.C. 1961)*” and inserting “*section 3301 of the Consoli-*
2 *dated Farm and Rural Development Act*”.

3 (x) *Section 8(b)(5)(B)(iii)(III)(bb) of the Soil Con-*
4 *servation and Domestic Allotment Act (16 U.S.C.*
5 *590h(b)(5)(B)(iii)(III)(bb)) is amended by striking “section*
6 *355(e)(1) of the Consolidated Farm and Rural Development*
7 *Act (7 U.S.C. 2003(e)(1))” and inserting “section 3002 of*
8 *the Consolidated Farm and Rural Development Act*”.

9 (y) *Section 10(b)(3) of the Cooperative Forestry Assist-*
10 *ance Act of 1978 (16 U.S.C. 2106(b)(3)) is amended in the*
11 *last sentence by striking “set out in the first clause of sec-*
12 *tion 306(a)(7) of the Consolidated Farm and Rural Devel-*
13 *opment Act” and inserting “given the term in section 3002*
14 *of the Consolidated Farm and Rural Development Act*”.

15 (z) *Section 1201(a)(2) of the Food Security Act of 1985*
16 *(16 U.S.C. 3801(a)(2)) is amended by striking “section*
17 *343(a)(8) of the Consolidated Farm and Rural Development*
18 *Act (7 U.S.C. 1991(a)(8))” and inserting “section 3002 of*
19 *the Consolidated Farm and Rural Development Act*”.

20 (aa) *Section 1238(2) of the Food Security Act of 1985*
21 *(16 U.S.C. 3838(2)) is amended by striking “section 343(a)*
22 *of the Consolidated Farm and Rural Development Act (7*
23 *U.S.C. 1991(a))” and inserting “section 3002 of the Con-*
24 *solidated Farm and Rural Development Act*”.

1 *(bb) Section 5 of Public Law 91–229 (25 U.S.C. 492)*
2 *is amended by striking “section 307(a)(3)(B) of the Consoli-*
3 *dated Farmers Home Administration Act of 1961, as*
4 *amended, and to the provisions of subtitle D of that Act*
5 *except sections 340, 341, 342, and 343” and inserting*
6 *“3105(b)(2) of the Consolidated Farm and Rural Develop-*
7 *ment Act”.*

8 *(cc) Section 6(c) of Public Law 91–229 (25 U.S.C.*
9 *493(c)) is amended by striking “section 333B of the Con-*
10 *solidated Farm and Rural Development Act (7 U.S.C.*
11 *1983b)” and inserting “subtitle H of the Department of Ag-*
12 *riculture Reorganization Act of 1994 (7 U.S.C. 6991 et*
13 *seq.)”.*

14 *(dd) Section 181(a)(2)(B)(ii) of the Internal Revenue*
15 *Code of 1986 is amended by striking “section 2009aa–1 of*
16 *title 7, United States Code” and inserting “section 3801*
17 *of the Consolidated Farm and Rural Development Act”.*

18 *(ee) Section 515(b)(3) of the Housing Act of 1949 (42*
19 *U.S.C. 1485(b)(3)) is amended by striking “all the provi-*
20 *sions of section 309 and the second and third sentences of*
21 *section 308 of the Consolidated Farmers Home Administra-*
22 *tion Act of 1961, including the authority in section*
23 *309(f)(1) of that Act” and inserting “section 3401 of the*
24 *Consolidated Farm and Rural Development Act”.*

1 (ff) *Section 517(b) of the Housing Act of 1949 (42*
2 *U.S.C. 1487(b)) is amended in the third sentence by strik-*
3 *ing “(7 U.S.C. 1929)” and inserting “under section 3401*
4 *of the Consolidated Farm and Rural Development Act”.*

5 (gg) *Section 3(8) of the Public Works and Economic*
6 *Development Act of 1965 (42 U.S.C. 3122(8)) is amended—*

7 (1) *by striking subparagraph (B) and inserting*
8 *the following:*

9 *“(B) the Delta Regional Authority estab-*
10 *lished under chapter 4 of subtitle B of the Con-*
11 *solidated Farm and Rural Development Act;”;*

12 *and*

13 (2) *by striking subparagraph (D) and inserting*
14 *the following:*

15 *“(D) the Northern Great Plains Regional*
16 *Authority established under chapter 5 of subtitle*
17 *B of the Consolidated Farm and Rural Develop-*
18 *ment Act.”.*

19 (hh) *Section 310(a) of the Robert T. Stafford Disaster*
20 *Relief and Emergency Assistance Act (42 U.S.C. 5153(a))*
21 *is amended by striking paragraph (4) and inserting the fol-*
22 *lowing:*

23 *“(4) Chapter 1 of subtitle B of the Consolidated*
24 *Farm and Rural Development Act.”.*

1 (ii) Section 582(d)(1) of the National Flood Insurance
2 Reform Act of 1994 (42 U.S.C. 5154a(d)(1)) is amended
3 by striking “section 321(a) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1961(a))” and inserting
5 “section 3301(b) of the Consolidated Farm and Rural De-
6 velopment Act”.

7 (jj) Section 213(c)(1) of the Biomass Energy and Alco-
8 hol Fuels Act of 1980 (42 U.S.C. 8813(c)(1)) is amended
9 in the first sentence by striking “section 309 of the Consoli-
10 dated Farm and Rural Development Act or the Rural De-
11 velopment Insurance Fund in section 309A of such Act”
12 and inserting “under section 3401 of the Consolidated
13 Farm and Rural Development Act or the Rural Develop-
14 ment Insurance Fund under section 3704 of that Act”.

15 (kk) Section 1323(b)(2) of the Food Security Act of
16 1985 (Public Law 99–198; 7 U.S.C. 1932 note) is amend-
17 ed—

18 (1) in subparagraph (A), by inserting “and” at
19 the end;

20 (2) in subparagraph (B), by striking “; and” at
21 the end and inserting a period; and

22 (3) by striking subparagraph (C).

1 ***Subtitle B—Rural Electrification***

2 ***SEC. 6101. DEFINITION OF RURAL AREA.***

3 *Section 13(3) of the Rural Electrification Act of 1936*
 4 *(7 U.S.C. 913(A)) is amended by striking subparagraph (A)*
 5 *and inserting the following:*

6 “(A) any area described in section
 7 3002(28)(A)(i) of the Consolidated Farm and
 8 Rural Development Act; and”.

9 ***SEC. 6102. GUARANTEES FOR BONDS AND NOTES ISSUED***
 10 ***FOR ELECTRIFICATION OR TELEPHONE PUR-***
 11 ***POSES.***

12 *Section 313A(f) of the Rural Electrification Act of*
 13 *1936 (7 U.S.C. 940c-1(f)) is amended by striking “2012”*
 14 *and inserting “2018”.*

15 ***SEC. 6103. EXPANSION OF 911 ACCESS.***

16 *Section 315(d) of the Rural Electrification Act of 1936*
 17 *(7 U.S.C. 940e(d)) is amended by striking “2012” and in-*
 18 *serting “2018”.*

19 ***SEC. 6104. ACCESS TO BROADBAND TELECOMMUNICATIONS***
 20 ***SERVICES IN RURAL AREAS.***

21 *Section 601 of the Rural Electrification Act of 1936*
 22 *(7 U.S.C. 950bb) is amended—*

23 (1) *in subsection (a), by striking “loans and”*
 24 *and inserting “grants, loans, and”;*

1 (2) *in subsection (b), by striking paragraph (3)*
2 *and inserting the following:*

3 “(3) *RURAL AREA.*—*The term ‘rural area’ means*
4 *any area described in section 3002 of the Consoli-*
5 *dated Farm and Rural Development Act.*

6 “(4) *ULTRA-HIGH SPEED SERVICE.*—*The term*
7 *‘ultra-high speed service’ means broadband service op-*
8 *erating at a 1 gigabit per second downstream trans-*
9 *mission capacity.”;*

10 (3) *in subsection (c)—*

11 (A) *in the subsection heading, by striking*
12 *“LOANS AND” and inserting “GRANTS, LOANS,*
13 *AND”;*

14 (B) *in paragraph (1), by inserting “make*
15 *grants and” after “Secretary shall”;*

16 (C) *by striking paragraph (2) and inserting*
17 *the following:*

18 “(2) *PRIORITY.*—

19 (A) *IN GENERAL.*—*In making grants,*
20 *loans, or loan guarantees under paragraph (1),*
21 *the Secretary shall—*

22 “(i) *establish not less than 2, and not*
23 *more than 4, evaluation periods for each fis-*
24 *cal year to compare grant, loan, and loan*
25 *guarantee applications and to prioritize*

1 *grants, loans, and loan guarantees to all or*
2 *part of rural communities that do not have*
3 *residential broadband service that meets the*
4 *minimum acceptable level of broadband*
5 *service established under subsection (e);*

6 *“(ii) give the highest priority to appli-*
7 *cants that offer to provide broadband service*
8 *to the greatest proportion of unserved rural*
9 *households or rural households that do not*
10 *have residential broadband service that*
11 *meets the minimum acceptable level of*
12 *broadband service established under sub-*
13 *section (e), as—*

14 *“(I) certified by the affected com-*
15 *munity, city, county, or designee; or*

16 *“(II) demonstrated on—*

17 *“(aa) the broadband map of*
18 *the affected State if the map con-*
19 *tains address-level data; or*

20 *“(bb) the National*
21 *Broadband Map if address-level*
22 *data is unavailable; and*

23 *“(iii) provide equal consideration to*
24 *all qualified applicants, including those*
25 *that have not previously received grants,*

1 *loans, or loan guarantees under paragraph*
2 *(1).*

3 *“(B) OTHER.—After giving priority to the*
4 *applicants described in subparagraph (A), the*
5 *Secretary shall then give priority to projects that*
6 *serve rural communities—*

7 *“(i) with a population of less than*
8 *20,000 permanent residents;*

9 *“(ii) experiencing outmigration;*

10 *“(iii) with a high percentage of low-in-*
11 *come residents; and*

12 *“(iv) that are isolated from other sig-*
13 *nificant population centers.”; and*

14 *(D) by adding at the end the following:*

15 *“(3) GRANT AMOUNTS.—*

16 *“(A) ELIGIBILITY.—To be eligible for a*
17 *grant under this section, the project that is the*
18 *subject of the grant shall be carried out in a*
19 *rural area.*

20 *“(B) MAXIMUM.—Except as provided in*
21 *subparagraph (D), the amount of any grant*
22 *made under this section shall not exceed 50 per-*
23 *cent of the development costs of the project for*
24 *which the grant is provided.*

1 “(C) *GRANT RATE.*—*The Secretary shall es-*
2 *tablish the grant rate for each project in accord-*
3 *ance with regulations issued by the Secretary*
4 *that shall provide for a graduated scale of grant*
5 *rates that establish higher rates for projects in*
6 *communities that have—*

7 “(i) *remote locations;*

8 “(ii) *low community populations;*

9 “(iii) *low income levels;*

10 “(iv) *developed the applications of the*
11 *communities with the participation of com-*
12 *binations of stakeholders, including—*

13 “(I) *State, local, and tribal gov-*
14 *ernments;*

15 “(II) *nonprofit institutions;*

16 “(III) *institutions of higher edu-*
17 *cation;*

18 “(IV) *private entities; and*

19 “(V) *philanthropic organizations;*

20 *and*

21 “(v) *targeted funding to provide the*
22 *minimum acceptable level of broadband*
23 *service established under subsection (e) in*
24 *all or part of an unserved community that*

1 *is below that minimum acceptable level of*
2 *broadband service.*

3 “(D) *SECRETARIAL AUTHORITY TO AD-*
4 *JUST.—The Secretary may make grants of up to*
5 *75 percent of the development costs of the project*
6 *for which the grant is provided to an eligible en-*
7 *tity if the Secretary determines that the project*
8 *serves a remote or low income area that does not*
9 *have access to broadband service from any pro-*
10 *vider of broadband service (including the appli-*
11 *cant).”;*

12 *(4) in subsection (d)—*

13 *(A) in paragraph (1)(A)—*

14 *(i) in the matter preceding clause (i),*
15 *by striking “loan or” and inserting “grant,*
16 *loan, or”;*

17 *(ii) by striking clause (i) and inserting*
18 *the following:*

19 *“(i) demonstrate the ability—*

20 *“(I) to furnish, improve in order*
21 *to meet the minimum acceptable level*
22 *of broadband service established under*
23 *subsection (e), or extend broadband*
24 *service to all or part of an unserved*
25 *rural area or an area below the min-*

1 *imum acceptable level of broadband*
2 *service established under subsection (e);*
3 *or*

4 *“(II) to carry out a project under*
5 *paragraph (4)(B)(ii);”;*

6 *(iii) in clause (ii), by striking “a loan*
7 *application” and inserting “an applica-*
8 *tion”; and*

9 *(iv) in clause (iii)—*

10 *(I) by striking “the loan applica-*
11 *tion” and inserting “the application”;*
12 *and*

13 *(II) by striking “proceeds from*
14 *the loan made or guaranteed under*
15 *this section are” and inserting “assist-*
16 *ance under this section is”;*

17 *(B) in paragraph (2)—*

18 *(i) in subparagraph (A)—*

19 *(I) in the matter preceding clause*
20 *(i)—*

21 *(aa) by striking “the pro-*
22 *ceeds of a loan made or guaran-*
23 *teed” and inserting “assistance”;*
24 *and*

1 (bb) by striking “for the loan
2 or loan guarantee” and inserting
3 “of the eligible entity”;

4 (II) in clause (i), by striking “is
5 offered broadband service by not more
6 than 1 incumbent service provider”
7 and inserting “are unserved or have
8 service levels below the minimum ac-
9 ceptable level of broadband service es-
10 tablished under subsection (e)”; and

11 (III) in clause (ii), by striking
12 “3” and inserting “2”;

13 (ii) by striking subparagraph (B) and
14 inserting the following:

15 “(B) ADJUSTMENTS.—

16 “(i) INCREASE.—The Secretary may
17 increase the household percentage require-
18 ment under subparagraph (A)(i) if—

19 “(I) more than 25 percent of the
20 costs of the project are funded by
21 grants made under this section; or

22 “(II) the proposed service terri-
23 tory includes 1 or more communities
24 with a population in excess of 20,000.

1 “(i) *REDUCTION.*—*The Secretary may*
2 *reduce the household percentage requirement*
3 *under subparagraph (A)(i)—*

4 “(I) *to not less than 15 percent, if*
5 *the proposed service territory does not*
6 *have a population in excess of 5,000*
7 *people; or*

8 “(II) *to not less than 18 percent,*
9 *if the proposed service territory does*
10 *not have a population in excess of*
11 *7,500 people.”; and*

12 (iii) *in subparagraph (C)—*

13 (I) *in the subparagraph heading,*
14 *by striking “3” and inserting “2”;*

15 (II) *in clause (i), by inserting*
16 *“the minimum acceptable level of*
17 *broadband service established under*
18 *subsection (e) in” after “service to”;*
19 *and*

20 (III) *by striking clause (ii) and*
21 *inserting the following:*

22 “(i) *EXCEPTIONS.*—*Clause (i) shall*
23 *not apply if—*

1 “(I) the applicant is eligible for
2 funding under another title of this Act;
3 or

4 “(II) the project is being carried
5 out under paragraph (4)(B)(ii), unless
6 an incumbent service provider is pro-
7 viding ultra-high speed service as of
8 the date of an application for assist-
9 ance submitted to the Secretary under
10 this section.”;

11 (C) in paragraph (3)—

12 (i) in subparagraph (A), by striking
13 “loan or” and inserting “grant, loan, or”;
14 and

15 (ii) in subparagraph (B), by adding at
16 the end the following:

17 “(iii) INFORMATION.—Information
18 submitted under this subparagraph shall
19 be—

20 “(I) certified by the affected com-
21 munity, city, county, or designee; and

22 “(II) demonstrated on—

23 “(aa) the broadband map of
24 the affected State if the map con-
25 tains address-level data; or

1 “(bb) the National
2 Broadband Map if address-level
3 data is unavailable.”;

4 (D) in paragraph (4)—

5 (i) by striking “Subject to paragraph
6 (1),” and inserting the following:

7 “(A) *IN GENERAL.*—Subject to paragraph
8 (1) and subparagraph (B),”;

9 (ii) by striking “loan or” and insert-
10 ing “grant, loan, or”; and

11 (iii) by adding at the end the fol-
12 lowing:

13 “(B) *PILOT PROGRAMS.*—The Secretary
14 shall establish pilot programs under which the
15 Secretary may, at the discretion of the Secretary,
16 provide grants, loans, or loan guarantees under
17 this section to eligible entities, including inter-
18 ested entities described in subparagraph (A)—

19 “(i) to address areas that are unserved
20 or have service levels below the minimum
21 acceptable level of broadband service estab-
22 lished under subsection (e); or

23 “(ii) for the purposes of providing a
24 proposed service territory with ultra-high

1 *speed service, subject to the conditions*
2 *that—*

3 “(I) *not more than 5 projects, and*
4 *not more than 1 project in any State,*
5 *shall be carried out under this clause*
6 *during the period beginning on the*
7 *date of enactment of this Act and end-*
8 *ing on September 30, 2018;*

9 “(II) *for each fiscal year, not*
10 *more than 10 percent of the funds*
11 *made available under subsection (l)*
12 *shall be used to carry out this clause;*

13 “(III) *for each fiscal year, not*
14 *more than 20 percent of the funds*
15 *made available under subclause (II)*
16 *shall be used for any 1 project; and*

17 “(IV) *paragraph (2)(A)(i) shall*
18 *apply to the project, unless—*

19 “(aa) *the Secretary deter-*
20 *mines that no other project in the*
21 *State is funded under this section;*
22 *and*

23 “(bb) *no application for any*
24 *other project that could be funded*
25 *under this section, other than*

1 under this clause, is pending in
2 the State.”;

3 (E) in paragraph (5)—

4 (i) in the matter preceding subpara-
5 graph (A), by striking “loan or” and insert-
6 ing “grant, loan, or”; and

7 (ii) in subparagraph (C), by inserting
8 “, and proportion relative to the service ter-
9 ritory,” after “estimated number”;

10 (F) in paragraph (6), by striking “loan or”
11 and inserting “grant, loan, or”;

12 (G) in paragraph (7), by striking “a loan
13 application” and inserting “an application”;
14 and

15 (H) by adding at the end the following:

16 “(8) *TRANSPARENCY AND REPORTING.*—The Sec-
17 retary—

18 “(A) shall require any entity receiving as-
19 sistance under this section to submit quarterly,
20 in a format specified by the Secretary, a report
21 that describes—

22 “(i) the use by the entity of the assist-
23 ance, including new equipment and capac-
24 ity enhancements that support high-speed
25 broadband access for educational institu-

1 *tions, health care providers, and public safe-*
2 *ty service providers (including the estimated*
3 *number of end users who are currently*
4 *using or forecasted to use the new or up-*
5 *graded infrastructure); and*

6 *“(ii) the progress towards fulfilling the*
7 *objectives for which the assistance was*
8 *granted, including—*

9 *“(I) the number and location of*
10 *residences and businesses that will re-*
11 *ceive new broadband service, existing*
12 *network service improvements, and fa-*
13 *cility upgrades resulting from the Fed-*
14 *eral assistance;*

15 *“(II) the speed of broadband serv-*
16 *ice;*

17 *“(III) the price of broadband serv-*
18 *ice;*

19 *“(IV) any changes in broadband*
20 *service adoption rates, including new*
21 *subscribers generated from demand-side*
22 *projects; and*

23 *“(V) any other metrics the Sec-*
24 *retary determines to be appropriate;*

1 “(B) shall maintain a fully searchable data-
2 base, accessible on the Internet at no cost to the
3 public, that contains, at a minimum—

4 “(i) a list of each entity that has ap-
5 plied for assistance under this section;

6 “(ii) a description of each application,
7 including the status of each application;

8 “(iii) for each entity receiving assist-
9 ance under this section—

10 “(I) the name of the entity;

11 “(II) the type of assistance being
12 received;

13 “(III) the purpose for which the
14 entity is receiving the assistance; and

15 “(IV) each quarterly report sub-
16 mitted under subparagraph (A); and

17 “(iv) such other information as is suf-
18 ficient to allow the public to understand
19 and monitor assistance provided under this
20 section;

21 “(C) shall, in addition to other authority
22 under applicable law, establish written proce-
23 dures for all broadband programs administered
24 by the Secretary that, to the maximum extent
25 practicable—

1 “(i) recover funds from loan defaults;

2 “(ii)(I) deobligate awards to grantees
3 that demonstrate an insufficient level of
4 performance (including failure to meet
5 build-out requirements, service quality
6 issues, or other metrics determined by the
7 Secretary) or wasteful or fraudulent spend-
8 ing; and

9 “(II) award those funds, on a competi-
10 tive basis, to new or existing applicants
11 consistent with this section; and

12 “(iii) consolidate and minimize over-
13 lap among the programs;

14 “(D) with respect to an application for as-
15 sistance under this section, shall—

16 “(i) promptly post on the website of the
17 Rural Utility Service—

18 “(I) an announcement that iden-
19 tifies—

20 “(aa) each applicant;

21 “(bb) the amount and type of
22 support requested by each appli-
23 cant; and

24 “(II) a list of the census block
25 groups or proposed service territory, in

1 *a manner specified by the Secretary,*
2 *that the applicant proposes to service;*

3 “(ii) *provide not less than 15 days for*
4 *broadband service providers to voluntarily*
5 *submit information about the broadband*
6 *services that the providers offer in the*
7 *groups or tracts listed under clause (i)(II)*
8 *so that the Secretary may assess whether the*
9 *applications submitted meet the eligibility*
10 *requirements under this section; and*

11 “(iii) *if no broadband service provider*
12 *submits information under clause (ii), con-*
13 *sider the number of providers in the group*
14 *or tract to be established by reference to—*

15 “(I) *the most current National*
16 *Broadband Map of the National Tele-*
17 *communications and Information Ad-*
18 *ministration; or*

19 “(II) *any other data regarding the*
20 *availability of broadband service that*
21 *the Secretary may collect or obtain*
22 *through reasonable efforts; and*

23 “(E) *may establish additional reporting*
24 *and information requirements for any recipient*

1 *of any assistance under this section so as to en-*
2 *sure compliance with this section.”;*

3 *(5) in subsection (e)—*

4 *(A) by redesignating paragraph (2) as*
5 *paragraph (3); and*

6 *(B) by striking paragraph (1) and inserting*
7 *the following:*

8 *“(1) IN GENERAL.—Subject to paragraph (2), for*
9 *purposes of this section, the minimum acceptable level*
10 *of broadband service for a rural area shall be at*
11 *least—*

12 *“(A) a 4-Mbps downstream transmission*
13 *capacity; and*

14 *“(B) a 1-Mbps upstream transmission ca-*
15 *capacity.*

16 *“(2) ADJUSTMENTS.—*

17 *“(A) IN GENERAL.—At least once every 2*
18 *years, the Secretary shall review, and may ad-*
19 *just, the minimum acceptable level of broadband*
20 *service established under paragraph (1) to ensure*
21 *that high quality, cost-effective broadband service*
22 *is provided to rural areas over time.*

23 *“(B) CONSIDERATIONS.—In making an ad-*
24 *justment to the minimum acceptable level of*
25 *broadband service under subparagraph (A), the*

1 *Secretary may consider establishing different*
2 *transmission rates for fixed broadband service*
3 *and mobile broadband service.”;*

4 *(6) in subsection (f), by striking “make a loan*
5 *or loan guarantee” and inserting “provide assist-*
6 *ance”;*

7 *(7) in subsection (g), by striking paragraph (2)*
8 *and inserting the following:*

9 *“(2) TERMS.—In determining the term and con-*
10 *ditions of a loan or loan guarantee, the Secretary*
11 *may—*

12 *“(A) consider whether the recipient would*
13 *be serving an area that is unserved; and*

14 *“(B) if the Secretary makes a determination*
15 *in the affirmative under subparagraph (A), es-*
16 *tablish a limited initial deferral period or com-*
17 *parable terms necessary to achieve the financial*
18 *feasibility and long-term sustainability of the*
19 *project.”;*

20 *(8) in subsection (j)—*

21 *(A) in the matter preceding paragraph (1),*
22 *by striking “loan and loan guarantee”;*

23 *(B) in paragraph (1)—*

24 *(i) by inserting “grants and” after*
25 *“number of”; and*

1 (ii) by inserting “, including any loan
2 terms or conditions for which the Secretary
3 provided additional assistance to unserved
4 areas” before the semicolon at the end;

5 (C) in paragraph (2)—

6 (i) in subparagraph (A), by striking
7 “loan”; and

8 (ii) in subparagraph (B), by striking
9 “loans and” and inserting “grants, loans,
10 and”;

11 (D) in paragraph (3), by striking “loan”;

12 (E) in paragraph (5), by striking “and” at
13 the end;

14 (F) in paragraph (6), by striking the period
15 at the end and inserting “; and”; and

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

17 “(7) the overall progress towards fulfilling the
18 goal of improving the quality of rural life by expand-
19 ing rural broadband access, as demonstrated by
20 metrics, including—

21 “(A) the number of residences and busi-
22 nesses receiving new broadband services;

23 “(B) network improvements, including fa-
24 cility upgrades and equipment purchases;

1 “(C) average broadband speeds and prices
2 on a local and statewide basis;

3 “(D) any changes in broadband adoption
4 rates; and

5 “(E) any specific activities that increased
6 high speed broadband access for educational in-
7 stitutions, health care providers, and public safe-
8 ty service providers.”; and

9 (9) by redesignating subsections (k) and (l) as
10 subsections (l) and (m), respectively;

11 (10) by inserting after subsection (j) the fol-
12 lowing:

13 “(k) *BROADBAND BUILDOUT DATA.*—

14 “(1) *IN GENERAL.*—As a condition of receiving
15 a grant, loan, or loan guarantee under this section,
16 a recipient of assistance shall provide to the Secretary
17 address-level broadband buildout data that indicates
18 the location of new broadband service that is being
19 provided or upgraded within the service territory sup-
20 ported by the grant, loan, or loan guarantee—

21 “(A) for purposes of inclusion in the semi-
22 annual updates to the National Broadband Map
23 that is managed by the National Telecommuni-
24 cations and Information Administration (re-

1 *ferred to in this subsection as the ‘Administra-*
2 *tion’); and*

3 *“(B) not later than 30 days after the earlier*
4 *of—*

5 *“(i) the date of completion of any*
6 *project milestone established by the Sec-*
7 *retary; or*

8 *“(ii) the date of completion of the*
9 *project.*

10 *“(2) ADDRESS-LEVEL DATA.—Effective beginning*
11 *on the date the Administration receives data described*
12 *in paragraph (1), the Administration shall use only*
13 *address-level broadband buildout data for the Na-*
14 *tional Broadband Map.*

15 *“(3) CORRECTIONS.—*

16 *“(A) IN GENERAL.—The Secretary shall*
17 *submit to the Administration any correction to*
18 *the National Broadband Map that is based on*
19 *the actual level of broadband coverage within the*
20 *rural area, including any requests for a correc-*
21 *tion from an elected or economic development of-*
22 *ficial.*

23 *“(B) INCORPORATION.—Not later than 30*
24 *days after the date on which the Administration*
25 *receives a correction submitted under subpara-*

1 *graph (A), the Administration shall incorporate*
2 *the correction into the National Broadband Map.*

3 “(C) *USE.—If the Secretary has submitted*
4 *a correction to the Administration under sub-*
5 *paragraph (A), but the National Broadband*
6 *Map has not been updated to reflect the correct*
7 *by the date on which the Secretary is making a*
8 *grant or loan award decision under this section,*
9 *the Secretary may use the correction submitted*
10 *under that subparagraph for purposes of make*
11 *the grant or loan award decision.”;*

12 *(11) subsection (l) (as redesignated by paragraph*
13 *(9))—*

14 *(A) in paragraph (1)—*

15 *(i) by striking “\$25,000,000” and in-*
16 *serting “\$50,000,000”; and*

17 *(ii) by striking “2012” and inserting*
18 *“2018”; and*

19 *(B) in paragraph (2)(A)—*

20 *(i) in clause (i), by striking “and” at*
21 *the end;*

22 *(ii) in clause (ii), by striking the pe-*
23 *riod at the end and inserting “; and”; and*

24 *(iii) by adding at the end the fol-*
25 *lowing:*

1 “(iii) set aside at least 1 percent to be
2 used for—

3 “(I) conducting oversight under
4 this section; and

5 “(II) implementing accountability
6 measures and related activities author-
7 ized under this section.”; and

8 (12) in subsection (m) (as redesignated by para-
9 graph (9))—

10 (A) by striking “loan or” and inserting
11 “grant, loan, or”; and

12 (B) by striking “2012” and inserting
13 “2018”.

14 ***Subtitle C—Miscellaneous***

15 **SEC. 6201. DISTANCE LEARNING AND TELEMEDICINE.**

16 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section
17 2335A of the Food, Agriculture, Conservation, and Trade
18 Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking
19 “2012” and inserting “2018”.

20 (b) *CONFORMING AMENDMENT.*—Section 1(b) of Public
21 Law 102–551 (7 U.S.C. 950aaa note) is amended by strik-
22 ing “2012” and inserting “2018”.

1 **SEC. 6202. DEFINITION OF RURAL AREA FOR PURPOSES OF**
2 **THE HOUSING ACT OF 1949.**

3 *The second sentence of section 520 of the Housing Act*
4 *of 1949 (42 U.S.C. 1490) is amended—*

5 *(1) by striking “1990 or 2000 decennial census*
6 *shall continue to be so classified until the receipt of*
7 *data from the decennial census in the year 2010” and*
8 *inserting “1990, 2000, or 2010 decennial census, and*
9 *any area deemed to be a ‘rural area’ for purposes of*
10 *this title under any other provision of law at any*
11 *time during the period beginning January 1, 2000,*
12 *and ending December 31, 2010, shall continue to be*
13 *so classified until the receipt of data from the decen-*
14 *ennial census in the year 2020”; and*

15 *(2) by striking “25,000” and inserting “35,000”.*

16 **SEC. 6203. RURAL ENERGY SAVINGS PROGRAM.**

17 *Subtitle E of title VI of the Farm Security and Rural*
18 *Investment Act of 2002 (Public Law 107–171; 116 Stat.*
19 *424) is amended by adding at the end the following:*

20 **“SEC. 6407. RURAL ENERGY SAVINGS PROGRAM.**

21 *“(a) PURPOSE.—The purpose of this section is to cre-*
22 *ate jobs, promote rural development, and help rural families*
23 *and small businesses achieve cost savings by providing*
24 *loans to qualified consumers to implement durable cost-ef-*
25 *fective energy efficiency measures.*

26 *“(b) DEFINITIONS.—In this section:*

1 “(1) *ELIGIBLE ENTITY.*—The term ‘eligible enti-
2 ty’ means—

3 “(A) any public power district, public util-
4 ity district, or similar entity, or any electric co-
5 operative described in section 501(c)(12) or
6 1381(a)(2) of the Internal Revenue Code of 1986,
7 that borrowed and repaid, prepaid, or is paying
8 an electric loan made or guaranteed by the
9 Rural Utilities Service (or any predecessor agen-
10 cy);

11 “(B) any entity primarily owned or con-
12 trolled by 1 or more entities described in sub-
13 paragraph (A); or

14 “(C) any other entity that is an eligible
15 borrower of the Rural Utility Service, as deter-
16 mined under section 1710.101 of title 7, Code of
17 Federal Regulations (or a successor regulation).

18 “(2) *ENERGY EFFICIENCY MEASURES.*—The term
19 ‘energy efficiency measures’ means, for or at property
20 served by an eligible entity, structural improvements
21 and investments in cost-effective, commercial tech-
22 nologies to increase energy efficiency.

23 “(3) *QUALIFIED CONSUMER.*—The term ‘quali-
24 fied consumer’ means a consumer served by an eligi-
25 ble entity that has the ability to repay a loan made

1 under subsection (d), as determined by the eligible en-
2 tity.

3 “(4) *SECRETARY.*—The term ‘Secretary’ means
4 the Secretary of Agriculture, acting through the Ad-
5 ministrators of the Rural Utilities Service.

6 “(c) *LOANS TO ELIGIBLE ENTITIES.*—

7 “(1) *IN GENERAL.*—Subject to paragraph (2), the
8 Secretary shall make loans to eligible entities that
9 agree to use the loan funds to make loans to qualified
10 consumers for the purpose of implementing energy ef-
11 ficiency measures.

12 “(2) *REQUIREMENTS.*—

13 “(A) *IN GENERAL.*—As a condition of re-
14 ceiving a loan under this subsection, an eligible
15 entity shall—

16 “(i) establish a list of energy efficiency
17 measures that is expected to decrease energy
18 use or costs of qualified consumers;

19 “(ii) prepare an implementation plan
20 for use of the loan funds, including use of
21 any interest to be received pursuant to sub-
22 section (d)(1)(A);

23 “(iii) provide for appropriate measure-
24 ment and verification to ensure—

1 “(I) the effectiveness of the energy
2 efficiency loans made by the eligible
3 entity; and

4 “(II) that there is no conflict of
5 interest in carrying out this section;
6 and

7 “(iv) demonstrate expertise in effective
8 use of energy efficiency measures at an ap-
9 propriate scale.

10 “(B) *REVISION OF LIST OF ENERGY EFFI-*
11 *CIENCY MEASURES.*—Subject to the approval of
12 the Secretary, an eligible entity may update the
13 list required under subparagraph (A)(i) to ac-
14 count for newly available efficiency technologies.

15 “(C) *EXISTING ENERGY EFFICIENCY PRO-*
16 *GRAMS.*—An eligible entity that, at any time be-
17 fore the date that is 60 days after the date of en-
18 actment of this section, has established an energy
19 efficiency program for qualified consumers may
20 use an existing list of energy efficiency measures,
21 implementation plan, or measurement and
22 verification system of that program to satisfy the
23 requirements of subparagraph (A) if the Sec-
24 retary determines the list, plan, or systems are
25 consistent with the purposes of this section.

1 “(3) *NO INTEREST.*—A loan under this sub-
2 section shall bear no interest.

3 “(4) *REPAYMENT.*—With respect to a loan under
4 paragraph (1)—

5 “(A) *the term shall not exceed 20 years from*
6 *the date on which the loan is closed; and*

7 “(B) *except as provided in paragraph (6),*
8 *the repayment of each advance shall be amor-*
9 *tized for a period not to exceed 10 years.*

10 “(5) *AMOUNT OF ADVANCES.*—Any advance of
11 loan funds to an eligible entity in any single year
12 shall not exceed 50 percent of the approved loan
13 amount.

14 “(6) *SPECIAL ADVANCE FOR START-UP ACTIVI-*
15 *TIES.*—

16 “(A) *IN GENERAL.*—In order to assist an el-
17 igible entity in defraying the appropriate start-
18 up costs (as determined by the Secretary) of es-
19 tablishing new programs or modifying existing
20 programs to carry out subsection (d), the Sec-
21 retary shall allow an eligible entity to request a
22 special advance.

23 “(B) *AMOUNT.*—No eligible entity may re-
24 ceive a special advance under this paragraph for
25 an amount that is greater than 4 percent of the

1 *loan amount received by the eligible entity under*
2 *paragraph (1).*

3 “(C) *REPAYMENT.*—*Repayment of the spe-*
4 *cial advance—*

5 “(i) *shall be required during the 10-*
6 *year period beginning on the date on which*
7 *the special advance is made; and*

8 “(ii) *at the election of the eligible enti-*
9 *ty, may be deferred to the end of the 10-year*
10 *period.*

11 “(7) *LIMITATION.*—*All special advances shall be*
12 *made under a loan described in paragraph (1) during*
13 *the first 10 years of the term of the loan.*

14 “(d) *LOANS TO QUALIFIED CONSUMERS.*—

15 “(1) *TERMS OF LOANS.*—*Loans made by an eli-*
16 *gible entity to qualified consumers using loan funds*
17 *provided by the Secretary under subsection (c)—*

18 “(A) *may bear interest, not to exceed 3 per-*
19 *cent, to be used for purposes that include—*

20 “(i) *to establish a loan loss reserve;*
21 *and*

22 “(ii) *to offset personnel and program*
23 *costs of eligible entities to provide the loans;*

24 “(B) *shall finance energy efficiency meas-*
25 *ures for the purpose of decreasing energy usage*

1 *or costs of the qualified consumer by an amount*
2 *that ensures, to the maximum extent practicable,*
3 *that a loan term of not more than 10 years will*
4 *not pose an undue financial burden on the quali-*
5 *fied consumer, as determined by the eligible enti-*
6 *ty;*

7 *“(C) shall not be used to fund purchases of,*
8 *or modifications to, personal property unless the*
9 *personal property is or becomes attached to real*
10 *property (including a manufactured home) as a*
11 *fixture;*

12 *“(D) shall be repaid through charges added*
13 *to the electric bill for the property for, or at*
14 *which, energy efficiency measures are or will be*
15 *implemented, on the condition that this require-*
16 *ment does not prohibit—*

17 *“(i) the voluntary prepayment of a*
18 *loan by the owner of the property; or*

19 *“(ii) the use of any additional repay-*
20 *ment mechanisms that are—*

21 *“(I) demonstrated to have appro-*
22 *prate risk mitigation features, as de-*
23 *termined by the eligible entity; or*

1 “(II) required if the qualified con-
2 sumer is no longer a customer of the el-
3 igible entity; and

4 “(E) shall require an energy audit by an el-
5 igible entity to determine the impact of proposed
6 energy efficiency measures on the energy costs
7 and consumption of the qualified consumer.

8 “(2) CONTRACTORS.—In addition to any other
9 qualified general contractor, eligible entities may
10 serve as general contractors.

11 “(e) CONTRACT FOR MEASUREMENT AND
12 VERIFICATION, TRAINING, AND TECHNICAL ASSISTANCE.—

13 “(1) IN GENERAL.—Not later than 90 days after
14 the date of enactment of this section, the Secretary—

15 “(A) shall establish a plan for measurement
16 and verification, training, and technical assist-
17 ance of the program; and

18 “(B) may enter into 1 or more contracts
19 with a qualified entity for the purposes of—

20 “(i) providing measurement and
21 verification activities; and

22 “(ii) developing a program to provide
23 technical assistance and training to the em-
24 ployees of eligible entities to carry out this
25 section.

1 “(2) *USE OF SUBCONTRACTORS AUTHORIZED.*—
2 *A qualified entity that enters into a contract under*
3 *paragraph (1) may use subcontractors to assist the*
4 *qualified entity in carrying out the contract.*

5 “(f) *FAST START DEMONSTRATION PROJECTS.*—

6 “(1) *IN GENERAL.*—*The Secretary shall offer to*
7 *enter into agreements with eligible entities (or groups*
8 *of eligible entities) that have energy efficiency pro-*
9 *grams described in subsection (c)(2)(C) to establish an*
10 *energy efficiency loan demonstration projects con-*
11 *sistent with the purposes of this section.*

12 “(2) *EVALUATION CRITERIA.*—*In determining*
13 *which eligible entities to award loans under this sec-*
14 *tion, the Secretary shall take into consideration eligi-*
15 *ble entities that—*

16 “(A) *implement approaches to energy au-*
17 *ditions and investments in energy efficiency meas-*
18 *ures that yield measurable and predictable sav-*
19 *ings;*

20 “(B) *use measurement and verification*
21 *processes to determine the effectiveness of energy*
22 *efficiency loans made by eligible entities;*

23 “(C) *include training for employees of eligi-*
24 *ble entities, including any contractors of such en-*

1 *ties, to implement or oversee the activities de-*
2 *scribed in subparagraphs (A) and (B);*

3 *“(D) provide for the participation of a ma-*
4 *ajority of eligible entities in a State;*

5 *“(E) reduce the need for generating capac-*
6 *ity;*

7 *“(F) provide efficiency loans to—*

8 *“(i) in the case of a single eligible enti-*
9 *ty, not fewer than 20,000 consumers; or*

10 *“(ii) in the case of a group of eligible*
11 *entities, not fewer than 80,000 consumers;*
12 *and*

13 *“(G) serve areas in which, as determined by*
14 *the Secretary, a large percentage of consumers*
15 *reside—*

16 *“(i) in manufactured homes; or*

17 *“(ii) in housing units that are more*
18 *than 50 years old.*

19 *“(3) DEADLINE FOR IMPLEMENTATION.—To the*
20 *maximum extent practicable, the Secretary shall enter*
21 *into agreements described in paragraph (1) by not*
22 *later than 90 days after the date of enactment of this*
23 *section.*

24 *“(4) EFFECT ON AVAILABILITY OF LOANS NA-*
25 *TIONALLY.—Nothing in this subsection shall delay the*

1 *availability of loans to eligible entities on a national*
2 *basis beginning not later than 180 days after the date*
3 *of enactment of this section.*

4 “(5) *ADDITIONAL DEMONSTRATION PROJECT AU-*
5 *THORITY.—*

6 “(A) *IN GENERAL.—The Secretary may*
7 *conduct demonstration projects in addition to*
8 *the project required by paragraph (1).*

9 “(B) *INAPPLICABILITY OF CERTAIN CRI-*
10 *TERIA.—The additional demonstration projects*
11 *may be carried out without regard to subpara-*
12 *graphs (D), (F), or (G) of paragraph (2).*

13 “(g) *ADDITIONAL AUTHORITY.—The authority pro-*
14 *vided in this section is in addition to any other authority*
15 *of the Secretary to offer loans under any other law.*

16 “(h) *EFFECTIVE PERIOD.—Subject to the availability*
17 *of funds and except as otherwise provided in this section,*
18 *the loans and other expenditures required to be made under*
19 *this section shall be available until expended, with the Sec-*
20 *retary authorized to make new loans as loans are repaid.*

21 “(i) *REGULATIONS.—*

22 “(1) *IN GENERAL.—Except as otherwise provided*
23 *in this subsection, not later than 180 days after the*
24 *date of enactment of this section, the Secretary shall*

1 *promulgate such regulations as are necessary to im-*
2 *plement this section.*

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

6 “(A) *the Statement of Policy of the Sec-*
7 *retary of Agriculture effective July 24, 1971 (36*
8 *Fed. Reg. 13804), relating to notices of proposed*
9 *rulemaking and public participation in rule-*
10 *making; and*

11 “(B) *chapter 35 of title 44, United States*
12 *Code (commonly known as the ‘Paperwork Re-*
13 *duction Act’).*

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

18 “(4) *INTERIM REGULATIONS.*—*Notwithstanding*
19 *paragraphs (1) and (2), to the extent regulations are*
20 *necessary to carry out any provision of this section,*
21 *the Secretary shall implement such regulations*
22 *through the promulgation of an interim rule.”.*

1 **SEC. 6204. FUNDING OF PENDING RURAL DEVELOPMENT**
2 **LOAN AND GRANT APPLICATIONS.**

3 (a) *IN GENERAL.*—*The Secretary shall use funds made*
4 *available under subsection (b) to provide funds for applica-*
5 *tions that are pending on the date of enactment of this Act*
6 *in accordance with the terms and conditions of section 6029*
7 *of the Food, Conservation, and Energy Act of 2008 (Public*
8 *Law 110–246; 122 Stat. 1955).*

9 (b) *FUNDING.*—*Notwithstanding any other provision*
10 *of law, beginning in fiscal year 2014, of the funds of the*
11 *Commodity Credit Corporation, the Secretary shall use to*
12 *carry out this section \$150,000,000, to remain available*
13 *until expended.*

14 **SEC. 6205. STUDY OF RURAL TRANSPORTATION ISSUES.**

15 (a) *IN GENERAL.*—*The Secretary and the Secretary of*
16 *Transportation shall jointly conduct a study of transpor-*
17 *tation issues regarding the movement of agricultural prod-*
18 *ucts, domestically produced renewable fuels, and domesti-*
19 *cally produced resources for the production of electricity for*
20 *rural areas of the United States, and economic development*
21 *in those areas.*

22 (b) *INCLUSIONS.*—*The study shall include an exam-*
23 *ination of—*

24 (1) *the importance of freight transportation, in-*
25 *cluding rail, truck, and barge, to—*

1 (A) the delivery of equipment, seed, fer-
2 tilizer, and other products important to the de-
3 velopment of agricultural commodities and prod-
4 ucts;

5 (B) the movement of agricultural commod-
6 ities and products to market;

7 (C) the delivery of ethanol and other renew-
8 able fuels;

9 (D) the delivery of domestically produced
10 resources for use in the generation of electricity
11 for rural areas;

12 (E) the location of grain elevators, ethanol
13 plants, and other facilities;

14 (F) the development of manufacturing fa-
15 cilities in rural areas; and

16 (G) the vitality and economic development
17 of rural communities;

18 (2) the sufficiency in rural areas of transpor-
19 tation capacity, the sufficiency of competition in the
20 transportation system, the reliability of transpor-
21 tation services, and the reasonableness of transpor-
22 tation rates;

23 (3) the sufficiency of facility investment in rural
24 areas necessary for efficient and cost-effective trans-
25 portation; and

1 (4) *the accessibility to shippers in rural areas of*
 2 *Federal processes for the resolution of grievances aris-*
 3 *ing within various transportation modes.*

4 (c) *REPORT TO CONGRESS.*—*Not later than 1 year*
 5 *after the date of enactment of this Act, the Secretary and*
 6 *the Secretary of Transportation shall submit a report to*
 7 *Congress that contains the results of the study required*
 8 *under subsection (a).*

9 (d) *PERIODIC UPDATES.*—*The Secretary and the Sec-*
 10 *retary of Transportation shall publish triennially an up-*
 11 *dated version of the study described in subsection (a).*

12 **SEC. 6206. AGRICULTURAL TRANSPORTATION POLICY.**

13 *Section 203 of the Agricultural Marketing Act of 1946*
 14 *(7 U.S.C. 1622) is amended by striking subsection (j) and*
 15 *inserting the following:*

16 “(j) *POLICY DEVELOPMENT PROCEEDINGS.*—*The Sec-*
 17 *retary shall participate on behalf of the interests of agri-*
 18 *culture and rural America in all policy development pro-*
 19 *ceedings or other proceedings of the Surface Transportation*
 20 *Board that may establish freight rail transportation policy*
 21 *affecting agriculture and rural America.”.*

22 **SEC. 6207. VALUE-ADDED AGRICULTURAL MARKET DEVEL-**
 23 **OPMENT PROGRAM GRANTS.**

24 *Section 231(b) of the Agricultural Risk Protection Act*
 25 *of 2000 (7 U.S.C. 1632a(b)) is amended—*

1 (1) *in paragraph (6)—*

2 (A) *in subparagraph (B), by striking “and”*
3 *at the end;*

4 (B) *in subparagraph (C), by striking the*
5 *period at the end and inserting “; and”; and*

6 (C) *by adding at the end the following:*

7 “(D) *veteran farmers or ranchers (as de-*
8 *fin ed in section 2501(e) of the Food, Agriculture,*
9 *Conservation, and Trade Act of 1990 (7 U.S.C.*
10 *2279(e)).”;* and

11 (2) *in paragraph (7)(B), by striking “2012” and*
12 *inserting “2017”.*

13 **TITLE VII—RESEARCH, EXTEN-**
14 **SION, AND RELATED MAT-**
15 **TERS**

16 **Subtitle A—National Agricultural**
17 **Research, Extension, and Teach-**
18 **ing Policy Act of 1977**

19 **SEC. 7101. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
20 **SION, EDUCATION, AND ECONOMICS ADVI-**
21 **SORY BOARD.**

22 (a) *AUTHORIZATION OF APPROPRIATIONS.—Section*
23 *1408(h) of the National Agricultural Research, Extension,*
24 *and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is*
25 *amended by striking “2012” and inserting “2018”.*

1 **(b) DUTIES OF NATIONAL AGRICULTURAL RESEARCH,**
2 **EXTENSION, EDUCATION, AND ECONOMICS ADVISORY**
3 **BOARD.**—*Section 1408(c) of the National Agricultural Re-*
4 *search, Extension, and Teaching Policy Act of 1977 (7*
5 *U.S.C. 3123(c)) is amended—*

6 (1) *in paragraph (3), by striking “and” at the*
7 *end;*

8 (2) *in paragraph (4)(C), by striking the period*
9 *at the end and inserting “; and”; and*

10 (3) *by adding at the end the following:*

11 “(5) *consult with industry groups on agricul-*
12 *tural research, extension, education, and economics,*
13 *and make recommendations to the Secretary based on*
14 *that consultation.”.*

15 **SEC. 7102. SPECIALTY CROP COMMITTEE.**

16 *Section 1408A of the National Agricultural Research,*
17 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
18 *3123a) is amended—*

19 (1) *in subsection (b)—*

20 (A) *by striking “Individuals” and inserting*
21 *the following:*

22 “(1) **ELIGIBILITY.**—*Individuals*”;

23 (B) *by striking “Members” and inserting*
24 *the following:*

25 “(2) **SERVICE.**—*Members*”; and

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

2 “(3) *DIVERSITY.*—Membership of the specialty
3 crops committee shall reflect diversity in the specialty
4 crops represented.”;

5 (2) in subsection (c), by adding at the end the
6 following:

7 “(6) *Analysis of alignment of specialty crop*
8 *committee recommendations with specialty crop re-*
9 *search initiative grants awarded under section 412(d)*
10 *of the Agricultural Research, Extension, and Edu-*
11 *cation Reform Act of 1998 (7 U.S.C. 7632).”;*

12 (3) by redesignating subsections (d) and (e) as
13 subsections (e) and (f), respectively;

14 (4) by inserting after subsection (c) the fol-
15 lowing:

16 “(d) *CONSULTATION WITH SPECIALTY CROP INDUS-*
17 *TRY.*—In studying the scope and effectiveness of programs
18 under subsection (a), the specialty crops committee shall
19 consult on an ongoing basis with diverse sectors of the spe-
20 cialty crop industry.”; and

21 (5) in subsection (f) (as redesignated by para-
22 graph (3)), by striking “subsection (d)” and inserting
23 “subsection (e)”.

1 **SEC. 7103. VETERINARY SERVICES GRANT PROGRAM.**

2 *The National Agricultural Research, Extension, and*
3 *Teaching Policy Act of 1977 is amended by inserting after*
4 *section 1415A (7 U.S.C. 3151a) the following:*

5 **“SEC. 1415B. VETERINARY SERVICES GRANT PROGRAM.**

6 *“(a) DEFINITIONS.—In this section:*

7 *“(1) QUALIFIED ENTITY.—The term ‘qualified*
8 *entity’ means—*

9 *“(A) a for-profit or nonprofit entity located*
10 *in the United States that operates a veterinary*
11 *clinic providing veterinary services—*

12 *“(i) in a rural area, as defined in sec-*
13 *tion 343(a) of the Consolidated Farm and*
14 *Rural Development Act (7 U.S.C. 1991(a));*
15 *and*

16 *“(ii) in response to a veterinarian*
17 *shortage situation;*

18 *“(B) a State, national, allied, or regional*
19 *veterinary organization or specialty board recog-*
20 *nized by the American Veterinary Medical Asso-*
21 *ciation;*

22 *“(C) a college or school of veterinary medi-*
23 *cine accredited by the American Veterinary Med-*
24 *ical Association;*

25 *“(D) a university research foundation or*
26 *veterinary medical foundation;*

1 “(E) a department of veterinary science or
2 department of comparative medicine accredited
3 by the Department of Education;

4 “(F) a State agricultural experiment sta-
5 tion; and

6 “(G) a State, local, or tribal government
7 agency.

8 “(2) *VETERINARIAN SHORTAGE SITUATION.*—*The*
9 *term ‘veterinarian shortage situation’ means a veteri-*
10 *narian shortage situation determined by the Sec-*
11 *retary under section 1415A(b).*

12 “(b) *ESTABLISHMENT OF PROGRAM.*—

13 “(1) *COMPETITIVE GRANTS.*—*The Secretary shall*
14 *carry out a program to make competitive grants to*
15 *qualified entities that carry out programs or activi-*
16 *ties described in paragraph (2) for the purpose of de-*
17 *veloping, implementing, and sustaining veterinary*
18 *services.*

19 “(2) *ELIGIBILITY REQUIREMENTS.*—*To be eligi-*
20 *ble to receive a grant described in paragraph (1), a*
21 *qualified entity shall carry out programs or activities*
22 *that the Secretary determines will—*

23 “(A) *substantially relieve veterinarian*
24 *shortage situations;*

1 “(B) support or facilitate private veterinary
2 practices engaged in public health activities; or

3 “(C) support or facilitate the practices of
4 veterinarians who are participating in or have
5 successfully completed a service requirement
6 under section 1415A(a)(2).

7 “(c) AWARD PROCESSES AND PREFERENCES.—

8 “(1) APPLICATION, EVALUATION, AND INPUT
9 PROCESSES.—In administering the grant program
10 under this section, the Secretary shall—

11 “(A) use an appropriate application and
12 evaluation process, as determined by the Sec-
13 retary; and

14 “(B) seek the input of interested persons.

15 “(2) GRANT PREFERENCES.—In selecting recipi-
16 ents of grants to be used for any of the purposes de-
17 scribed in paragraphs (2) through (6) of subsection
18 (d), the Secretary shall give a preference to qualified
19 entities that provide documentation of coordination
20 with other qualified entities, with respect to any such
21 purpose.

22 “(3) ADDITIONAL PREFERENCES.—In awarding
23 grants under this section, the Secretary may develop
24 additional preferences by taking into account the

1 *amount of funds available for grants and the purposes*
2 *for which the grant funds will be used.*

3 “(4) *APPLICABILITY OF OTHER PROVISIONS.—*
4 *Sections 1413B, 1462(a), 1469(a)(3), 1469(c), and*
5 *1470 apply to the administration of the grant pro-*
6 *gram under this section.*

7 “(d) *USE OF GRANTS TO RELIEVE VETERINARIAN*
8 *SHORTAGE SITUATIONS AND SUPPORT VETERINARY SERV-*
9 *ICES.—A qualified entity may use funds provided by grants*
10 *under this section to relieve veterinarian shortage situations*
11 *and support veterinary services for the following purposes:*

12 “(1) *To assist veterinarians with establishing or*
13 *expanding practices for the purpose of—*

14 “(A) *equipping veterinary offices;*

15 “(B) *sharing in the reasonable overhead*
16 *costs of the practices, as determined by the Sec-*
17 *retary; or*

18 “(C) *establishing mobile veterinary facilities*
19 *in which a portion of the facilities will address*
20 *education or extension needs.*

21 “(2) *To promote recruitment (including for pro-*
22 *grams in secondary schools), placement, and retention*
23 *of veterinarians, veterinary technicians, students of*
24 *veterinary medicine, and students of veterinary tech-*
25 *nology.*

1 “(3) *To allow veterinary students, veterinary in-*
2 *terns, externs, fellows, and residents, and veterinary*
3 *technician students to cover expenses (other than the*
4 *types of expenses described in 1415A(c)(5)) to attend*
5 *training programs in food safety or food animal med-*
6 *icine.*

7 “(4) *To establish or expand accredited veterinary*
8 *education programs (including faculty recruitment*
9 *and retention), veterinary residency and fellowship*
10 *programs, or veterinary internship and externship*
11 *programs carried out in coordination with accredited*
12 *colleges of veterinary medicine.*

13 “(5) *To assess veterinarian shortage situations*
14 *and the preparation of applications submitted to the*
15 *Secretary for designation as a veterinarian shortage*
16 *situation under section 1415A(b).*

17 “(6) *To provide continuing education and exten-*
18 *sion, including veterinary telemedicine and other dis-*
19 *tance-based education, for veterinarians, veterinary*
20 *technicians, and other health professionals needed to*
21 *strengthen veterinary programs and enhance food*
22 *safety.*

23 “(e) *SPECIAL REQUIREMENTS FOR CERTAIN*
24 *GRANTS.—*

25 “(1) *TERMS OF SERVICE REQUIREMENTS.—*

1 “(A) *IN GENERAL.*—Grants provided under
2 this section for the purpose specified in sub-
3 section (d)(1) shall be subject to an agreement be-
4 tween the Secretary and the grant recipient that
5 includes a required term of service for the recipi-
6 ent, as established by the Secretary.

7 “(B) *CONSIDERATIONS.*—In establishing a
8 term of service under subparagraph (A), the Sec-
9 retary shall consider only—

10 “(i) the amount of the grant awarded;

11 and

12 “(ii) the specific purpose of the grant.

13 “(2) *BREACH REMEDIES.*—

14 “(A) *IN GENERAL.*—An agreement under
15 paragraph (1) shall provide remedies for any
16 breach of the agreement by the grant recipient,
17 including repayment or partial repayment of the
18 grant funds, with interest.

19 “(B) *WAIVER.*—The Secretary may grant a
20 waiver of the repayment obligation for breach of
21 contract if the Secretary determines that the
22 grant recipient demonstrates extreme hardship or
23 extreme need.

1 “(C) *TREATMENT OF AMOUNTS RECOV-*
2 *ERED.—Funds recovered under this paragraph*
3 *shall—*

4 “(i) *be credited to the account avail-*
5 *able to carry out this section; and*

6 “(ii) *remain available until expended.*

7 “(f) *COST-SHARING REQUIREMENTS.—*

8 “(1) *RECIPIENT SHARE.—Subject to paragraph*
9 *(2), to be eligible to receive a grant under this section,*
10 *a qualified entity shall provide matching non-Federal*
11 *funds, either in cash or in-kind support, in an*
12 *amount equal to not less than 25 percent of the Fed-*
13 *eral funds provided by the grant.*

14 “(2) *WAIVER.—The Secretary may establish, by*
15 *regulation, conditions under which the cost-sharing*
16 *requirements of paragraph (1) may be reduced or*
17 *waived.*

18 “(g) *PROHIBITION ON USE OF GRANT FUNDS FOR*
19 *CONSTRUCTION.—Funds made available for grants under*
20 *this section may not be used—*

21 “(1) *to construct a new building or facility; or*

22 “(2) *to acquire, expand, remodel, or alter an ex-*
23 *isting building or facility, including site grading and*
24 *improvement and architect fees.*

1 (2) *in subsection (a), in the matter preceding*
2 *paragraph (1)—*

3 (A) *by striking “Secretary may” and in-*
4 *serting “Secretary shall, acting through the Of-*
5 *fice of the Chief Economist,”; and*

6 (B) *by inserting “with a history of pro-*
7 *viding unbiased, nonpartisan economic analysis*
8 *to Congress” after “subsection (b)”;*

9 (3) *in subsection (b), by striking “other research*
10 *institutions” and all that follows through “shall be el-*
11 *igible” and inserting “other public research institu-*
12 *tions and organizations shall be eligible”;*

13 (4) *in subsection (c)—*

14 (A) *in the matter preceding paragraph (1),*
15 *by inserting “, with preference given to policy*
16 *research centers having extensive databases, mod-*
17 *els, and demonstrated experience in providing*
18 *Congress with agricultural market projections,*
19 *rural development analysis, agricultural policy*
20 *analysis, and baseline projections at the farm,*
21 *multiregional, national, and international levels,*
22 *including information, analysis, and research re-*
23 *lating to drought mitigation,” after “with this*
24 *section”; and*

1 (B) in paragraph (2), by inserting “ap-
2 plied” after “theoretical”; and

3 (5) by striking subsection (d) and inserting the
4 following:

5 “(d) *AUTHORIZATION OF APPROPRIATIONS.—There is*
6 *authorized to be appropriated to carry out this section*
7 *\$10,000,000 for fiscal year 2013 and each fiscal year there-*
8 *after.”.*

9 **SEC. 7106. EDUCATION GRANTS TO ALASKA NATIVE SERV-**
10 **ING INSTITUTIONS AND NATIVE HAWAIIAN**
11 **SERVING INSTITUTIONS.**

12 Section 1419B of the National Agricultural Research,
13 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
14 3156) is amended—

15 (1) in subsection (a)—

16 (A) in paragraph (1), by striking “(or
17 grants without regard to any requirement for
18 competition)”; and

19 (B) in paragraph (3), by striking “2012”
20 and inserting “2018”; and

21 (2) in subsection (b)(1), by striking “(or grants
22 without regard to any requirement for competition)”;
23 and

24 (3) in paragraph (3), by striking “2012” and in-
25 serting “2018”.

1 **SEC. 7107. NUTRITION EDUCATION PROGRAM.**

2 *Section 1425(f) of the National Agricultural Research,*
3 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
4 *3175(f)) is amended by striking “2012” and inserting*
5 *“2018”.*

6 **SEC. 7108. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
7 **SEARCH PROGRAMS.**

8 *Section 1433 of the National Agricultural Research,*
9 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
10 *3195) is amended by striking the section designation and*
11 *heading and all that follows through subsection (a) and in-*
12 *serting the following:*

13 **“SEC. 1433. APPROPRIATIONS FOR CONTINUING ANIMAL**
14 **HEALTH AND DISEASE RESEARCH PRO-**
15 **GRAMS.**

16 *“(a) AUTHORIZATION OF APPROPRIATIONS.—*

17 *“(1) IN GENERAL.—There are authorized to be*
18 *appropriated to support continuing animal health*
19 *and disease research programs at eligible institutions*
20 *such sums as are necessary, but not to exceed*
21 *\$25,000,000 for each of fiscal years 1991 through*
22 *2018.*

23 *“(2) USE OF FUNDS.—Funds made available*
24 *under this section shall be used—*

25 *“(A) to meet the expenses of conducting ani-*
26 *mal health and disease research, publishing and*

1 *disseminating the results of such research, and*
2 *contributing to the retirement of employees sub-*
3 *ject to the Act of March 4, 1940 (7 U.S.C. 331);*

4 *“(B) for administrative planning and di-*
5 *rection; and*

6 *“(C) to purchase equipment and supplies*
7 *necessary for conducting research described in*
8 *subparagraph (A).”.*

9 **SEC. 7109. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**
10 **SCIENCES FACILITIES AT 1890 LAND-GRANT**
11 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**
12 **SITY.**

13 *Section 1447(b) of the National Agricultural Research,*
14 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
15 *3222b(b)) is amended by striking “2012” and inserting*
16 *“2018”.*

17 **SEC. 7110. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**
18 **SCIENCES FACILITIES AND EQUIPMENT AT**
19 **INSULAR AREA LAND-GRANT INSTITUTIONS.**

20 *Section 1447B(d) of the National Agricultural Re-*
21 *search, Extension, and Teaching Policy Act of 1977 (7*
22 *U.S.C. 3222b–2(d)) is amended by striking “2012” and in-*
23 *serting “2018”.*

1 **SEC. 7111. HISPANIC-SERVING INSTITUTIONS.**

2 *Section 1455(c) of the National Agricultural Research,*
3 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
4 *3241(c)) is amended by striking “2012” and inserting*
5 *“2018”.*

6 **SEC. 7112. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
7 **RICULTURAL SCIENCE AND EDUCATION PRO-**
8 **GRAMS.**

9 *Section 1459A of the National Agricultural Research,*
10 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
11 *3292b) is amended by striking subsection (c) and inserting*
12 *the following:*

13 *“(c) AUTHORIZATION OF APPROPRIATIONS.—There are*
14 *authorized to be appropriated to carry out this section—*

15 *“(1) such sums as are necessary for each of fiscal*
16 *years 1999 through 2013; and*

17 *“(2) \$5,000,000 for each of fiscal years 2014*
18 *through 2018.”.*

19 **SEC. 7113. UNIVERSITY RESEARCH.**

20 *Section 1463 of the National Agricultural Research,*
21 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
22 *3311) is amended in each of subsections (a) and (b) by*
23 *striking “2012” each place it appears and inserting*
24 *“2018”.*

1 **SEC. 7114. EXTENSION SERVICE.**

2 *Section 1464 of the National Agricultural Research,*
3 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
4 *3312) is amended by striking “2012” and inserting “2018”.*

5 **SEC. 7115. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

6 *(a) AUTHORIZATION OF APPROPRIATIONS AND TERMI-*
7 *NATION.—Section 1473D of the National Agricultural Re-*
8 *search, Extension, and Teaching Policy Act of 1977 (7*
9 *U.S.C. 3319d) is amended—*

10 *(1) in subsection (a), by striking “2012” and in-*
11 *serting “2018”; and*

12 *(2) by adding at the end the following:*

13 *“(e) AUTHORIZATION OF APPROPRIATIONS.—There are*
14 *authorized to be appropriated to carry out this section—*

15 *“(1) such sums as are necessary for each of fiscal*
16 *years 2012 and 2013; and*

17 *“(2) \$1,000,000 for each of fiscal years 2014*
18 *through 2018.”.*

19 *(b) COMPETITIVE GRANTS.—Section 1473D(c)(1) of*
20 *the National Agricultural Research, Extension, and Teach-*
21 *ing Policy Act of 1977 (7 U.S.C. 3319d(c)(1)) is amended*
22 *by striking “use such research funding, special or competi-*
23 *tive grants, or other means, as the Secretary determines,”*
24 *and inserting “make competitive grants”.*

1 **SEC. 7116. CAPACITY BUILDING GRANTS FOR NLGCA INSTI-**
2 **TUTIONS.**

3 *Section 1473F(b) of the National Agricultural Re-*
4 *search, Extension, and Teaching Policy Act of 1977 (7*
5 *U.S.C. 3319i(b)) is amended by striking “2012” and insert-*
6 *ing “2018”.*

7 **SEC. 7117. AQUACULTURE ASSISTANCE PROGRAMS.**

8 *(a) COMPETITIVE GRANTS.—Section 1475(b) of the*
9 *National Agricultural Research, Extension, and Teaching*
10 *Policy Act of 1977 (7 U.S.C. 3322(b)) is amended in the*
11 *matter preceding paragraph (1) by inserting “competitive”*
12 *before “grants”.*

13 *(b) AUTHORIZATION OF APPROPRIATIONS.—Section*
14 *1477 of the National Agricultural Research, Extension, and*
15 *Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended*
16 *to read as follows:*

17 **“SEC. 1477. AUTHORIZATION OF APPROPRIATIONS.**

18 *“(a) IN GENERAL.—There are authorized to be appro-*
19 *priated to carry out this subtitle—*

20 *“(1) \$7,500,000 for each of fiscal years 1991*
21 *through 2013; and*

22 *“(2) \$5,000,000 for each of fiscal years 2014*
23 *through 2018.*

24 *“(b) PROHIBITION ON USE.—Funds made available*
25 *under this section may not be used to acquire or construct*
26 *a building.”.*

1 **SEC. 7118. RANGELAND RESEARCH PROGRAMS.**

2 *Section 1483(a) of the National Agricultural Research,*
3 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
4 *3336(a)) is amended by striking “subtitle” and all that fol-*
5 *lows and inserting the following: “subtitle—*

6 *“(1) \$10,000,000 for each of fiscal years 1991*
7 *through 2013; and*

8 *“(2) \$2,000,000 for each of fiscal years 2014*
9 *through 2018.”.*

10 **SEC. 7119. SPECIAL AUTHORIZATION FOR BIOSECURITY**
11 **PLANNING AND RESPONSE.**

12 *Section 1484(a) of the National Agricultural Research,*
13 *Extension, and Teaching Policy Act of 1977 (7 U.S.C.*
14 *3351(a)) is amended by striking “response such sums as*
15 *are necessary” and all that follows and inserting the fol-*
16 *lowing: “response—*

17 *“(1) such sums as are necessary for each of fiscal*
18 *years 2002 through 2013; and*

19 *“(2) \$20,000,000 for each of fiscal years 2014*
20 *through 2018.”.*

21 **SEC. 7120. DISTANCE EDUCATION AND RESIDENT INSTRU-**
22 **CTION GRANTS PROGRAM FOR INSULAR AREA**
23 **INSTITUTIONS OF HIGHER EDUCATION.**

24 *(a) DISTANCE EDUCATION GRANTS FOR INSULAR*
25 *AREAS.—*

1 (1) *COMPETITIVE GRANTS*.—Section 1490(a) of
2 the National Agricultural Research, Extension, and
3 Teaching Policy Act of 1977 (7 U.S.C. 3362(a)) is
4 amended by striking “or noncompetitive”.

5 (2) *AUTHORIZATION OF APPROPRIATIONS*.—Sec-
6 tion 1490(f) of the National Agricultural Research,
7 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
8 3362(f)) is amended by striking “section” and all that
9 follows and inserting the following: “section—

10 “(1) such sums as are necessary for each of fiscal
11 years 2002 through 2013; and

12 “(2) \$2,000,000 for each of fiscal years 2014
13 through 2018.”.

14 (b) *RESIDENT INSTRUCTION GRANTS FOR INSULAR*
15 *AREAS*.—Section 1491(c) of the National Agricultural Re-
16 search, Extension, and Teaching Policy Act of 1977 (7
17 U.S.C. 3363(c)) is amended by striking “such sums as are
18 necessary” and all that follows and inserting the following:
19 “to carry out this section—

20 “(1) such sums as are necessary for each of fiscal
21 years 2002 through 2013; and

22 “(2) \$2,000,000 for each of fiscal years 2014
23 through 2018.”.

1 ***Subtitle B—Food, Agriculture, Con-***
2 ***servation, and Trade Act of 1990***

3 ***SEC. 7201. BEST UTILIZATION OF BIOLOGICAL APPLICA-***
4 ***TIONS.***

5 *Section 1624 of the Food, Agriculture, Conservation,*
6 *and Trade Act of 1990 (7 U.S.C. 5814) is amended—*

7 *(1) by striking “\$40,000,000 for each fiscal*
8 *year”; and*

9 *(2) by inserting “\$40,000,000 for each of fiscal*
10 *years 2014 through 2018” after “chapter”.*

11 ***SEC. 7202. INTEGRATED MANAGEMENT SYSTEMS.***

12 *Section 1627 of the Food, Agriculture, Conservation,*
13 *and Trade Act of 1990 (7 U.S.C. 5821) is amended by strik-*
14 *ing subsection (d) and inserting the following:*

15 *“(d) AUTHORIZATION OF APPROPRIATIONS.—There is*
16 *authorized to be appropriated to carry out this section*
17 *through the National Institute of Food and Agriculture*
18 *\$20,000,000 for each of fiscal years 2014 through 2018.”.*

19 ***SEC. 7203. SUSTAINABLE AGRICULTURE TECHNOLOGY DE-***
20 ***VELOPMENT AND TRANSFER PROGRAM.***

21 *Section 1628 of the Food, Agriculture, Conservation,*
22 *and Trade Act of 1990 (7 U.S.C. 5831) is amended by strik-*
23 *ing subsection (f) and inserting the following:*

24 *“(f) AUTHORIZATION OF APPROPRIATIONS.—There are*
25 *authorized to be appropriated to carry out this section such*

1 *sums as are necessary for each of fiscal years 2014 through*
2 *2018.”.*

3 **SEC. 7204. NATIONAL TRAINING PROGRAM.**

4 *Section 1629 of the Food, Agriculture, Conservation,*
5 *and Trade Act of 1990 (7 U.S.C. 5832) is amended by strik-*
6 *ing subsection (i) and inserting the following:*

7 *“(i) AUTHORIZATION OF APPROPRIATIONS.—There is*
8 *authorized to be appropriated to carry out the National*
9 *Training Program \$20,000,000 for each of fiscal years 2014*
10 *through 2018.”.*

11 **SEC. 7205. NATIONAL GENETICS RESOURCES PROGRAM.**

12 *Section 1635(b) of the Food, Agriculture, Conservation,*
13 *and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended—*

14 *(1) by striking “such funds as may be nec-*
15 *essary”; and*

16 *(2) by striking “subtitle” and all that follows*
17 *and inserting the following: “subtitle—*

18 *“(1) such sums as are necessary for each of fiscal*
19 *years 1991 through 2013; and*

20 *“(2) \$1,000,000 for each of fiscal years 2014*
21 *through 2018.”.*

22 **SEC. 7206. NATIONAL AGRICULTURAL WEATHER INFORMA-**
23 **TION SYSTEM.**

24 *Section 1641(c) of the Food, Agriculture, Conservation,*
25 *and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by*

1 *inserting “and \$1,000,000 for each of fiscal years 2014*
2 *through 2018” before the period at the end.*

3 **SEC. 7207. AGRICULTURAL GENOME INITIATIVE.**

4 *Section 1671(c) of the Food, Agriculture, Conservation,*
5 *and Trade Act of 1990 (7 U.S.C. 5924(c)) is amended by*
6 *adding at the end the following:*

7 *“(3) CONSORTIA.—The Secretary shall encourage*
8 *awards under this section to consortia of eligible enti-*
9 *ties.”.*

10 **SEC. 7208. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
11 **TIATIVES.**

12 *Section 1672 of the Food, Agriculture, Conservation,*
13 *and Trade Act of 1990 (7 U.S.C. 5925) is amended—*

14 *(1) in the first sentence of subsection (a), by*
15 *striking “subsections (e) through (i) of”;*

16 *(2) in subsection (b)(2)—*

17 *(A) by striking the first sentence and insert-*
18 *ing the following:*

19 *“(A) IN GENERAL.—To facilitate the mak-*
20 *ing of research and extension grants under sub-*
21 *section (d), the Secretary may appoint a task*
22 *force to make recommendations to the Sec-*
23 *retary.”; and*

24 *(B) in the second sentence, by striking “The*
25 *Secretary may not incur costs in excess of \$1,000*

1 *for any fiscal year in connection with each” and*
2 *inserting the following:*

3 “(B) COSTS.—*The Secretary may not incur*
4 *costs in excess of \$1,000 for any fiscal year in*
5 *connection with a”;*

6 *(3) in subsection (e)—*

7 *(A) by striking paragraphs (1) through (5),*
8 *(7), (8), (11) through (43), (47), (48), (51), and*
9 *(52);*

10 *(B) by redesignating paragraphs (6), (9),*
11 *(10), (44), (45), (46), (49), and (50) as para-*
12 *graphs (1), (2), (3), (4), (5), (6), (7), and (8), re-*
13 *spectively; and*

14 *(C) by adding at the end the following:*

15 “(9) CERVIDAE INITIATIVE.—*Research and ex-*
16 *ension grants may be made under this section to*
17 *support collaborative research focusing on the develop-*
18 *ment of viable strategies for the prevention, diagnosis,*
19 *and treatment of parasites and diseases of farmed*
20 *deer and elk such as epizootic hemorrhagic disease*
21 *and chronic wasting disease and the mapping of the*
22 *cervid genome.*

23 “(10) CORN, SOYBEAN MEAL, CEREAL GRAINS,
24 AND GRAIN BYPRODUCTS RESEARCH AND EXTEN-
25 SION.—*Research and extension grants may be made*

1 *under this section for the purpose of carrying out or*
2 *enhancing research to improve the digestibility, nutri-*
3 *tional value, and efficiency of use of corn, soybean*
4 *meal, cereal grains, and grain byproducts for the*
5 *poultry and food animal production industries.”;*

6 *(4) by striking subsections (f), (g), and (i);*

7 *(5) by redesignating subsections (h) and (j) as*
8 *subsections (j) and (k), respectively;*

9 *(6) by inserting after subsection (e) the following:*

10 *“(f) PULSE HEALTH INITIATIVE.—*

11 *“(1) DEFINITIONS.—In this subsection;*

12 *“(A) INITIATIVE.—The term ‘Initiative’*
13 *means the pulse health initiative established by*
14 *paragraph (2).*

15 *“(B) PULSE.—The term ‘pulse’ means dry*
16 *beans, dry peas, lentils, and chickpeas or*
17 *garbanzo beans.*

18 *“(2) ESTABLISHMENT.—Notwithstanding any*
19 *other provision of law, during the period beginning*
20 *on the date of enactment of the Agriculture Reform,*
21 *Food, and Jobs Act of 2013 and ending on September*
22 *30, 2018, the Secretary shall carry out a pulse crop*
23 *health and extension initiative to address the critical*
24 *needs of the pulse crop industry by developing and*

1 *disseminating science-based tools and information,*
2 *including—*

3 “(A) *research in health and nutrition, such*
4 *as—*

5 “(i) *identifying global dietary patterns*
6 *of pulse crops in relation to population*
7 *health;*

8 “(ii) *researching pulse crop diets and*
9 *the ability of the diets to reduce obesity and*
10 *associated chronic disease (including car-*
11 *diovascular disease, type 2 diabetes, and*
12 *cancer); and*

13 “(iii) *identifying the underlying mech-*
14 *anisms of the health benefits of pulse crop*
15 *consumption (including disease biomarkers,*
16 *bioactive components, and relevant plant*
17 *genetic components to enhance the health*
18 *promoting value of pulse crops);*

19 “(B) *research in functionality, such as—*

20 “(i) *improving the functional prop-*
21 *erties of pulse crops and pulse fractions;*

22 “(ii) *developing new and innovative*
23 *technologies to improve pulse crops as an*
24 *ingredient in food products; and*

1 “(iii) developing nutrient-dense food
2 product solutions to ameliorate chronic dis-
3 ease and enhance food security worldwide;

4 “(C) research in sustainability to enhance
5 global food security, such as—

6 “(i) plant breeding, genetics and
7 genomics to improve productivity, nutrient
8 density, and phytonutrient content for a
9 growing world population;

10 “(ii) pest and disease management, in-
11 cluding resistance to pests and diseases re-
12 sulting in reduced application management
13 strategies; and

14 “(iii) improving nitrogen fixation to
15 reduce the carbon and energy footprint of
16 agriculture;

17 “(D) optimizing pulse cropping systems to
18 reduce water usage; and

19 “(E) education and technical service, such
20 as—

21 “(i) providing technical expertise to
22 help food companies include nutrient-dense
23 pulse crops in innovative and healthy foods;
24 and

1 “(ii) *establishing an educational pro-*
2 *gram to encourage the consumption and*
3 *production of pulse crops in the United*
4 *States and other countries.*

5 “(3) *ELIGIBLE ENTITIES.—The Secretary may*
6 *carry out the Initiative through—*

7 “(A) *Federal agencies, including the Agri-*
8 *cultural Research Service and the National In-*
9 *stitute of Food and Agriculture;*

10 “(B) *National Laboratories;*

11 “(C) *institutions of higher education;*

12 “(D) *research institutions or organizations;*

13 “(E) *private organizations or corporations;*

14 “(F) *State agricultural experiment stations;*

15 “(G) *individuals; or*

16 “(H) *groups consisting of 2 or more entities*
17 *or individuals described in subparagraphs (A)*
18 *through (G).*

19 “(4) *RESEARCH PROJECT GRANTS.—*

20 “(A) *IN GENERAL.—In carrying out this*
21 *subsection, the Secretary shall award grants on*
22 *a competitive basis.*

23 “(B) *IN GENERAL.—The Secretary shall—*

24 “(i) *seek and accept proposals for*
25 *grants;*

1 “(ii) determine the relevance and merit
2 of proposals through a system of peer re-
3 view, in consultation with the pulse crop
4 industry; and

5 “(iii) award grants on the basis of
6 merit, quality, and relevance.

7 “(C) *PRIORITIES.*—In making grants under
8 this subsection, the Secretary shall provide a
9 higher priority to projects that—

10 “(i) are multistate, multiinstitutional,
11 and multidisciplinary; and

12 “(ii) include explicit mechanisms to
13 communicate results to the pulse crop in-
14 dustry and the public.

15 “(5) *AUTHORIZATION OF APPROPRIATIONS.*—
16 There is authorized to be appropriated to carry out
17 this subsection \$25,000,000 for each of fiscal years
18 2014 through 2018.

19 “(g) *FORESTRY PRODUCTS ADVANCED UTILIZATION*
20 *RESEARCH.*—

21 “(1) *ESTABLISHMENT.*—The Secretary shall es-
22 tablish a forestry and forestry products research and
23 extension initiative to develop and disseminate
24 science-based tools that address the needs of the for-
25 estry sector and their respective regions, forest and

1 *timberland owners and managers, and forestry prod-*
2 *ucts engineering, manufacturing, and related inter-*
3 *ests, including—*

4 *“(A) research in wood quality improvement*
5 *with respect to lumber strength and grade yield;*

6 *“(B) improvement in forestry products,*
7 *lumber, and evaluation standards and valuation*
8 *techniques;*

9 *“(C) research and development of novel en-*
10 *gineered lumber products and renewable energy*
11 *from wood;*

12 *“(D) efforts to improve lumber quality and*
13 *value based on forest management techniques;*

14 *“(E) efforts to improve forestry products*
15 *conversion and manufacturing efficiency, pro-*
16 *ductivity, and profitability over the long term*
17 *(including forestry product marketing); and*

18 *“(F) other research to support the longevity,*
19 *sustainability, and profitability of timberland*
20 *through sound management and utilization.*

21 *“(2) GRANTS.—*

22 *“(A) IN GENERAL.—As part of the initia-*
23 *tive described in paragraph (1), the Secretary*
24 *shall make grants to eligible entities to carry out*

1 *the activities described in subparagraphs (A)*
2 *through (F) of paragraph (1).*

3 “(B) *ELIGIBLE ENTITIES.—Entities eligible*
4 *for grants described in subparagraph (A) shall*
5 *include—*

6 “(i) *Federal agencies;*

7 “(ii) *National Laboratories*

8 “(iii) *colleges and universities;*

9 “(iv) *research institutions and organi-*
10 *zations;*

11 “(v) *private organizations or corpora-*
12 *tions;*

13 “(vi) *State agricultural experiment*
14 *stations; and*

15 “(vii) *groups consisting of 2 or more*
16 *such entities.*

17 “(C) *PRIORITIES.—In making grants, the*
18 *Secretary shall give higher priority to projects*
19 *that—*

20 “(i) *are multistate, multiinstitutional,*
21 *or multidisciplinary;*

22 “(ii) *include explicit mechanisms to*
23 *communicate results to producers, forestry*
24 *industry stakeholders, policymakers, and the*
25 *public; and*

1 “(iii) have—

2 “(I) extensive history and dem-
3 onstrated experience in forestry and
4 forestry products research;

5 “(II) existing capacity in forestry
6 products research and dissemination;
7 and

8 “(III) a demonstrated means of
9 evaluating and responding to the needs
10 of the related commercial sector.

11 “(D) ADMINISTRATION.—

12 “(i) SELECTION PROCESS.—In award-
13 ing grants under this subsection, the Sec-
14 retary shall—

15 “(I) seek and accept proposals;

16 “(II) determine the relevance and
17 merit of proposals through a system of
18 peer and merit review; and

19 “(III) award grants on the basis
20 of merit, quality, and relevance.

21 “(ii) TERMS.—The term of a grant
22 made under this paragraph may not exceed
23 10 years.

24 “(iii) MATCHING FUNDS.—The Sec-
25 retary shall require the recipient of a grant

1 to provide funds or in-kind support from
2 non-Federal sources in an amount that is at
3 least equal to the amount provided by the
4 Federal Government.

5 “(iv) *BUILDINGS AND FACILITIES.*—
6 Funds made available under this paragraph
7 shall not be used for the construction of a
8 new building or facility or the acquisition,
9 expansion, remodeling, or alteration of an
10 existing building or facility (including site
11 grading and improvement, and architect
12 fees).

13 “(v) *COORDINATION.*—The Secretary
14 shall ensure that any activities carried out
15 under this paragraph are done in coordina-
16 tion with the Forest Products Laboratory.

17 “(3) *AUTHORIZATION OF APPROPRIATIONS.*—

18 “(A) *IN GENERAL.*—There is authorized to
19 be appropriated to carry out this subsection
20 \$7,000,000 for each of fiscal years 2014 through
21 2018.

22 “(B) *MATCHING FUNDS.*—To the extent
23 practicable, the Secretary shall match any funds
24 received under subparagraph (A) with funds re-
25 ceived for the research and development program

1 *of the Forest Service under section 3 of the For-*
2 *est and Rangeland Renewable Resources Re-*
3 *search Act of 1978 (16 U.S.C. 1642).*

4 “(h) *TRAINING COORDINATION FOR FOOD AND AGRI-*
5 *CULTURE PROTECTION.—*

6 “(1) *IN GENERAL.—The Secretary shall make*
7 *grants and enter into contracts or cooperative agree-*
8 *ments with eligible entities described in paragraph*
9 *(2) for the purposes of establishing a Comprehensive*
10 *Food Safety Training Network.*

11 “(2) *ELIGIBILITY.—*

12 “(A) *IN GENERAL.—For purposes of this*
13 *subsection, an eligible entity is a multiinstitu-*
14 *tional consortium that includes—*

15 “(i) *a nonprofit institution that pro-*
16 *vides administering food protection train-*
17 *ing; and*

18 “(ii) *1 or more training centers in in-*
19 *stitutions of higher education that have*
20 *demonstrated expertise in developing and*
21 *delivering community-based training in*
22 *food and agricultural safety and defense.*

23 “(B) *REQUIREMENTS.—To ensure that co-*
24 *ordination and administration is provided*
25 *across all the disciplines and provide comprehen-*

1 *sive food protection training, the Secretary may*
2 *only consider an entire consortium collectively*
3 *rather than on an institution-by-institution*
4 *basis.*

5 “(C) *MEMBERSHIP.*—*An eligible entity may*
6 *alter the consortium membership to meet specific*
7 *training expertise needs.*

8 “(3) *DUTIES OF ELIGIBLE ENTITY.*—*As a condi-*
9 *tion of the receipt of assistance under this subsection,*
10 *an eligible entity, in cooperation with the Secretary,*
11 *shall establish and maintain the network for an inter-*
12 *nationally integrated training system to enhance pro-*
13 *tection of the United States food supply, including, at*
14 *a minimum—*

15 “(A) *developing curricula and a training*
16 *network to provide basic, technical, management,*
17 *and leadership training to regulatory and public*
18 *health officials, producers, processors, and other*
19 *agrifood businesses;*

20 “(B) *serving as the hub for the administra-*
21 *tion of an open training network;*

22 “(C) *implementing standards to ensure the*
23 *delivery of quality training through a national*
24 *curricula;*

1 “(D) building and overseeing a nationally
2 recognized instructor cadre to ensure the avail-
3 ability of highly qualified instructors;

4 “(E) reviewing training proposed through
5 the National Institute of Food and Agriculture
6 and other relevant Federal agencies that report
7 to the Secretary on the quality and content of
8 proposed and existing courses;

9 “(F) assisting Federal agencies in the im-
10 plementation of food protection training require-
11 ments including requirements contained in the
12 Agriculture Reform, Food, and Jobs Act of 2013,
13 the FDA Food Safety Modernization Act (Public
14 Law 111–353; 124 Stat. 3885), and amendments
15 made by those Acts; and

16 “(G) performing evaluation and outcome-
17 based studies to provide to the Secretary feedback
18 on the effectiveness and impact of training and
19 metrics on jurisdictions and sectors within the
20 food safety system.

21 “(4) AUTHORIZATION OF APPROPRIATIONS.—
22 There is authorized to be appropriated to carry out
23 this section \$20,000,000 for each of fiscal years 2014
24 through 2018, to remain available until expended.

1 “(i) *FARM ANIMAL AGRICULTURE INTEGRATED RE-*
2 *SEARCH INITIATIVE.*—

3 “(1) *DEFINITION OF INITIATIVE.*—*In this sub-*
4 *section, the term ‘Initiative’ means the farm animal*
5 *integrated research initiative established under para-*
6 *graph (2).*

7 “(2) *ESTABLISHMENT.*—*Notwithstanding any*
8 *other provision of law, during the period beginning*
9 *on the date of enactment of the Agriculture Reform,*
10 *Food, and Jobs Act of 2013 and ending on September*
11 *30, 2018, the Secretary shall carry out a farm animal*
12 *integrated research initiative to address the critical*
13 *needs of animal agriculture, by developing and dis-*
14 *seminating science-based tools and information, in-*
15 *cluding—*

16 “(A) *research to promote food security, such*
17 *as—*

18 “(i) *improving feed efficiency;*

19 “(ii) *improving energetic efficiency;*

20 “(iii) *connecting genomics, proteomics,*
21 *metabolomics, and related phenomena to*
22 *animal production;*

23 “(iv) *improving reproductive effi-*
24 *ciency; and*

1 “(v) enhancing pre- and post-harvest
2 *food safety systems;*

3 “(B) research on the interrelationship be-
4 *tween animal and human health, such as—*

5 “(i) exploring new approaches for vac-
6 *cine development;*

7 “(ii) understanding and controlling
8 *zoonoses, including the impact of zoonoses*
9 *on food safety;*

10 “(iii) improving animal health
11 *through feed; and*

12 “(iv) enhancing product quality and
13 *nutritive value; and*

14 “(C) research on stewardship, such as—

15 “(i) minimizing or reducing the flow of
16 *nutrients from animal production systems;*

17 “(ii) improving sustainability and in-
18 *creasing efficiency of natural resource use;*
19 *and*

20 “(iii) better understanding animal
21 *production systems and the interactions be-*
22 *tween animals, plants, and human manage-*
23 *ment.*

24 “(3) *ELIGIBLE ENTITIES.*—*The Secretary may*
25 *carry out the Initiative through—*

1 “(A) *Federal agencies, including the Agri-*
2 *cultural Research Service and the National In-*
3 *stitute of Food and Agriculture;*

4 “(B) *National Laboratories;*

5 “(C) *institutions of higher education;*

6 “(D) *research institutions or organizations;*

7 “(E) *private organizations or corporations;*

8 “(F) *State agricultural experiment stations;*

9 “(G) *individuals; and*

10 “(H) *groups consisting of 2 or more entities*
11 *or individuals described in subparagraphs (A)*
12 *through (G).*

13 “(4) *RESEARCH PROJECT GRANTS.—*

14 “(A) *IN GENERAL.—In carrying out this*
15 *subsection, the Secretary shall award grants on*
16 *a competitive basis in accordance with subpara-*
17 *graphs (B) and (C).*

18 “(B) *PROCESS FOR AWARDING GRANTS.—*

19 *The Secretary shall—*

20 “(i) *seek and accept proposals for*
21 *grants;*

22 “(ii) *determine the relevance and merit*
23 *of proposals through a system of peer re-*
24 *view, in consultation with the animal agri-*
25 *culture industry; and*

1 “(iii) award grants on the basis of
2 merit, quality, and relevance.

3 “(C) *PRIORITIES.*—In making grants under
4 this subsection, the Secretary shall give priority
5 to projects that—

6 “(i) are multistate, multiinstitutional,
7 and multidisciplinary; and

8 “(ii) include explicit mechanisms to
9 communicate results to the animal agri-
10 culture industry and the public.

11 “(5) *AUTHORIZATION OF APPROPRIATIONS.*—
12 There is authorized to be appropriated to carry out
13 this subsection \$50,000,000 for each of fiscal years
14 2014 through 2018.”;

15 (7) in subsection (j) (as redesignated by para-
16 graph (5)), by striking “2012” each place it appears
17 and inserting “2018”; and

18 (8) in subsection (k) (as redesignated by para-
19 graph (5)), by striking “2012” and inserting “2018”.

20 **SEC. 7209. ORGANIC AGRICULTURE RESEARCH AND EXTEN-**
21 **SION INITIATIVE.**

22 Section 1672B of the Food, Agriculture, Conservation,
23 and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

24 (1) in subsection (a)—

1 (A) in the matter preceding paragraph (1),
2 by inserting “, education,” after “support re-
3 search”;

4 (B) in paragraph (1), by inserting “and
5 improvement” after “development”;

6 (C) in paragraph (2), by striking “to pro-
7 ducers and processors who use organic methods”
8 and inserting “of organic agricultural produc-
9 tion and methods to producers, processors, and
10 rural communities”;

11 (D) in paragraph (5), by inserting “and re-
12 searching solutions to” after “identifying”; and

13 (E) in paragraph (6), by striking “and
14 marketing” and inserting “, marketing, and food
15 safety”;

16 (2) by striking subsection (e);

17 (3) by redesignating subsection (f) as subsection
18 (e); and

19 (4) in paragraph (1) of subsection (e) (as so re-
20 designated)—

21 (A) in the heading, by striking “FOR FISCAL
22 YEARS 2008 THROUGH 2012”;

23 (B) in subparagraph (A), by striking “and”
24 at the end;

1 (C) in subparagraph (B), by striking the
2 period at the end and inserting “; and”; and

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

4 “(C) \$16,000,000 for each of fiscal years
5 2014 through 2018.”.

6 **SEC. 7210. FARM BUSINESS MANAGEMENT.**

7 Section 1672D(d) of the Food, Agriculture, Conserva-
8 tion, and Trade Act of 1990 (7 U.S.C. 5925f(d)) is amended
9 by striking “such sums as are necessary to carry out this
10 section.” and inserting the following: “to carry out this sec-
11 tion—

12 “(1) such sums as are necessary for fiscal year
13 2013; and

14 “(2) \$5,000,000 for each of fiscal years 2014
15 through 2018.”.

16 **SEC. 7211. REGIONAL CENTERS OF EXCELLENCE.**

17 Subtitle H of the Food, Agriculture, Conservation, and
18 Trade Act of 1990 is amended by inserting after section
19 1672D (7 U.S.C. 5925) the following:

20 **“SEC. 1673. REGIONAL CENTERS OF EXCELLENCE.**

21 “(a) *ESTABLISHMENT.*—The Secretary may prioritize
22 regional centers of excellence established for specific agricul-
23 tural commodities for the receipt of funding.

24 “(b) *COMPOSITION.*—A regional center of excellence
25 shall be composed of 1 or more colleges and universities (in-

1 *cluding land-grant institutions, schools of forestry, schools*
2 *of veterinary medicine, or NLGCA Institutions (as defined*
3 *in section 1404 of the National Agricultural Research, Ex-*
4 *tension, and Teaching Policy Act of 1977 (7 U.S.C. 3103))*
5 *that provide financial support to the regional center of ex-*
6 *cellence.*

7 “(c) *CRITERIA FOR REGIONAL CENTERS OF EXCEL-*
8 *LENCE.—The criteria for consideration to be a regional cen-*
9 *ter of excellence shall include efforts—*

10 “(1) *to ensure coordination and cost-effectiveness*
11 *by reducing unnecessarily duplicative efforts regard-*
12 *ing research, teaching, and extension;*

13 “(2) *to leverage available resources by using pub-*
14 *lic/private partnerships among agricultural industry*
15 *groups, institutions of higher education, and the Fed-*
16 *eral Government;*

17 “(3) *to implement teaching initiatives to in-*
18 *crease awareness and effectively disseminate solutions*
19 *to target audiences through extension activities;*

20 “(4) *to increase the economic returns to rural*
21 *communities by identifying, attracting, and directing*
22 *funds to high-priority agricultural issues; and*

23 “(5) *to improve teaching capacity and infra-*
24 *structure at colleges and universities (including land-*

1 ***Subtitle C—Agricultural Research,***
2 ***Extension, and Education Re-***
3 ***form Act of 1998***

4 **SEC. 7301. RELEVANCE AND MERIT OF AGRICULTURAL RE-**
5 **SEARCH, EXTENSION, AND EDUCATION FUND-**
6 **ED BY THE DEPARTMENT.**

7 *Section 103(a)(2) of the Agricultural Research, Exten-*
8 *sion, and Education Reform Act of 1998 (7 U.S.C.*
9 *7613(a)(2)) is amended—*

10 *(1) by striking the paragraph designation and*
11 *heading and inserting the following:*

12 *“(2) RELEVANCE AND MERIT REVIEW OF RE-*
13 *SEARCH, EXTENSION, AND EDUCATION GRANTS.—”;*

14 *(2) in subparagraph (A)—*

15 *(A) by inserting “relevance and” before*
16 *“merit”; and*

17 *(B) by striking “extension or education”*
18 *and inserting, “research, extension, or edu-*
19 *cation”; and*

20 *(3) in subparagraph (B) by inserting “on a con-*
21 *tinuous basis” after “procedures”.*

1 **SEC. 7302. INTEGRATED RESEARCH, EDUCATION, AND EX-**
2 **TENSION COMPETITIVE GRANTS PROGRAM.**

3 *Section 406(f) of the Agricultural Research, Extension,*
4 *and Education Reform Act of 1998 (7 U.S.C. 7626(f)) is*
5 *amended by striking “2012” and inserting “2018”.*

6 **SEC. 7303. SUPPORT FOR RESEARCH REGARDING DISEASES**
7 **OF WHEAT, TRITICALE, AND BARLEY CAUSED**
8 **BY FUSARIUM GRAMINEARUM OR BY**
9 **TILLETIA INDICA.**

10 *Section 408(e) of the Agricultural Research, Extension,*
11 *and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is*
12 *amended by striking “such sums as may be necessary for*
13 *each of fiscal years 1999 through 2012” and inserting*
14 *“\$10,000,000 for each of fiscal years 2014 through 2018”.*

15 **SEC. 7304. GRANTS FOR YOUTH ORGANIZATIONS.**

16 *Section 410(d) of the Agricultural Research, Exten-*
17 *sion, and Education Reform Act of 1998 (7 U.S.C. 7630(d))*
18 *is amended by striking “section such sums as are necessary”*
19 *and all that follows and inserting the following: “section—*

20 *“(1) such sums as are necessary for each of fiscal*
21 *years 2008 through 2013; and*

22 *“(2) \$3,000,000 for each of fiscal years 2014*
23 *through 2018.”.*

1 **SEC. 7305. 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)(3), by inserting “handling*
6 *and processing,” after “production efficiency,”;*

7 (2) *in subsection (e)—*

8 (A) *in paragraph (1)—*

9 (i) *in subparagraph (B), by striking*
10 *“and” at the end;*

11 (ii) *in subparagraph (C), by striking*
12 *the period at the end and inserting “; and”;*
13 *and*

14 (iii) *by inserting after subparagraph*
15 *(C) the following:*

16 *“(D) consult with the specialty crops com-*
17 *mittee authorized under section 1408A of the Na-*
18 *tional Agricultural Research, Extension, and*
19 *Teaching Policy Act of 1977 (7 U.S.C. 3123a)*
20 *during the peer and merit review process.”; and*

21 (B) *in paragraph (3), by striking “non-*
22 *Federal” and all that follows through the end of*
23 *the paragraph and inserting “other sources in*
24 *an amount that is at least equal to the amount*
25 *provided by a grant received under this sec-*
26 *tion.”; and*

1 (3) in subsection (h), by striking paragraph (3)
2 and inserting the following:

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

6 “(A) \$25,000,000 for fiscal year 2014;

7 “(B) \$30,000,000 for each of fiscal years
8 2015 and 2016;

9 “(C) \$65,000,000 for fiscal year 2017; and

10 “(D) \$50,000,000 for fiscal year 2018 and
11 each fiscal year thereafter.”.

12 **SEC. 7306. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE**
13 **PROGRAM.**

14 Section 604(e) of the Agricultural Research, Extension,
15 and Education Reform Act of 1998 (7 U.S.C. 7642(e)) is
16 amended by striking “2012” and inserting “2018”.

17 **SEC. 7307. OFFICE OF PEST MANAGEMENT POLICY.**

18 Section 614(f) of the Agricultural Research, Extension,
19 and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is
20 amended—

21 (1) by striking “such sums as are necessary”;

22 and

23 (2) by striking “section” and all that follows and
24 inserting the following: “section—

1 “(1) such sums as are necessary for each of fiscal
2 years 1999 through 2013; and

3 “(2) \$3,000,000 for each of fiscal years 2014
4 through 2018.”.

5 **SEC. 7308. AUTHORIZATION OF REGIONAL INTEGRATED**
6 **PEST MANAGEMENT CENTERS.**

7 *Subtitle B of title VI of the Agricultural Research, Ex-*
8 *tension, and Education Reform Act of 1998 (7 U.S.C. 7651*
9 *et seq.) is amended by adding at the end the following:*

10 **“SEC. 621. AUTHORIZATION OF REGIONAL INTEGRATED**
11 **PEST MANAGEMENT CENTERS.**

12 “(a) *IN GENERAL.*—*There are established 4 regional*
13 *integrated pest management centers (referred to in this sec-*
14 *tion as the ‘Centers’), which shall be located at such specific*
15 *locations in the north central, northeastern, southern, and*
16 *western regions of the United States as the Secretary shall*
17 *specify.*

18 “(b) *PURPOSES.*—*The purposes of the Centers shall*
19 *be—*

20 “(1) *to strengthen the connection of the Depart-*
21 *ment with production agriculture, research, and ex-*
22 *tension programs, and agricultural stakeholders*
23 *throughout the United States;*

1 “(2) to increase the effectiveness of providing pest
2 management solutions for the private and public sec-
3 tors;

4 “(3) to quickly respond to information needs of
5 the public and private sectors; and

6 “(4) to improve communication among the rel-
7 evant stakeholders.

8 “(c) *DUTIES.*—In meeting the purposes described in
9 subsection (b) and otherwise carrying out this section, the
10 Centers shall—

11 “(1) develop regional strategies to address pest
12 management needs;

13 “(2) assist the Department and partner institu-
14 tions of the Department in identifying, prioritizing,
15 and coordinating a national pest management re-
16 search, extension, and education program imple-
17 mented on a regional basis;

18 “(3) establish a national pest management com-
19 munication network that includes—

20 “(A) the agencies of the Department and
21 other government agencies;

22 “(B) scientists at institutions of higher edu-
23 cation; and

24 “(C) stakeholders focusing on pest manage-
25 ment issues;

1 “(4) serve as regional hubs responsible for ensur-
2 ing efficient access to pest management expertise and
3 data available through institutions of higher edu-
4 cation; and

5 “(5) on behalf of the Department, manage grants
6 that can be most effectively and efficiently delivered
7 at the regional level, as determined by the Sec-
8 retary.”.

9 **Subtitle D—Other Laws**

10 **SEC. 7401. CRITICAL AGRICULTURAL MATERIALS ACT.**

11 Section 16(a) of the Critical Agricultural Materials
12 Act (7 U.S.C. 178n(a)) is amended—

13 (1) by striking “such sums as are necessary”;
14 and

15 (2) by striking “Act” and all that follows and
16 inserting the following: “Act—

17 “(1) such sums as are necessary for each of fiscal
18 years 1991 through 2013; and

19 “(2) \$2,000,000 for each of fiscal years 2014
20 through 2018.”.

21 **SEC. 7402. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**

22 **ACT OF 1994.**

23 (a) **DEFINITION OF 1994 INSTITUTIONS.**—Section 532
24 of the Equity in Educational Land-Grant Status Act of

1 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended
2 to read as follows:

3 **“SEC. 532. DEFINITION OF 1994 INSTITUTIONS.**

4 “In this part, the term ‘1994 Institutions’ means any
5 1 of the following:

6 “(1) Aaniiih Nakoda College.

7 “(2) Bay Mills Community College.

8 “(3) Blackfeet Community College.

9 “(4) Cankdeska Cikana Community College.

10 “(5) Chief Dull Knife Memorial College.

11 “(6) College of Menominee Nation.

12 “(7) College of the Muscogee Nation.

13 “(8) D–Q University.

14 “(9) Dine College.

15 “(10) Fond du Lac Tribal and Community Col-
16 lege.

17 “(11) Fort Berthold Community College.

18 “(12) Fort Peck Community College.

19 “(13) Haskell Indian Nations University.

20 “(14) Iisagvik College.

21 “(15) Institute of American Indian and Alaska
22 Native Culture and Arts Development.

23 “(16) Keweenaw Bay Ojibwa Community Col-
24 lege.

1 “(17) *Lac Courte Oreilles Ojibwa Community*
2 *College.*

3 “(18) *Leech Lake Tribal College.*

4 “(19) *Little Big Horn College.*

5 “(20) *Little Priest Tribal College.*

6 “(21) *Navajo Technical College.*

7 “(22) *Nebraska Indian Community College.*

8 “(23) *Northwest Indian College.*

9 “(24) *Oglala Lakota College.*

10 “(25) *Saginaw Chippewa Tribal College.*

11 “(26) *Salish Kootenai College.*

12 “(27) *Sinte Gleska University.*

13 “(28) *Sisseton Wahpeton College.*

14 “(29) *Sitting Bull College.*

15 “(30) *Southwestern Indian Polytechnic Institute.*

16 “(31) *Stone Child College.*

17 “(32) *Tohono O’odham Community College.*

18 “(33) *Turtle Mountain Community College.*

19 “(34) *United Tribes Technical College.*

20 “(35) *White Earth Tribal and Community Col-*
21 *lege.*”.

22 **(b) ENDOWMENT FOR 1994 INSTITUTIONS.—**

23 **(1) IN GENERAL.—***Section 533 of the Equity in*
24 *Educational Land-Grant Status Act of 1994 (7*
25 *U.S.C. 301 note; Public Law 103–382) is amended—*

1 (A) in subsection (a)(2)(A)(ii), by striking
2 “of such Act as added by section 534(b)(1) of this
3 part” and inserting “of that Act (7 U.S.C.
4 343(b)(3)) and for programs for children, youth,
5 and families at risk and for Federally recognized
6 tribes implemented under section 3(d) of that Act
7 (7 U.S.C. 343(d))”; and

8 (B) in subsection (b), in the first sentence
9 by striking “2012” and inserting “2018”.

10 (2) CONFORMING AMENDMENT.—Section 3(d) of
11 the Smith-Lever Act (7 U.S.C. 343(d)) is amended in
12 the second sentence by inserting “and, in the case of
13 programs for children, youth, and families at risk
14 and for Federally recognized tribes, the 1994 Institu-
15 tions (as defined in section 532 of the Equity in Edu-
16 cational Land-Grant Status Act of 1994 (7 U.S.C.
17 301 note; Public Law 103–382)),” before “may com-
18 pete for”.

19 (c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—
20 Section 535 of the Equity in Educational Land-Grant Sta-
21 tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)
22 is amended by striking “2012” each place it appears in
23 subsections (b)(1) and (c) and inserting “2018”.

24 (d) RESEARCH GRANTS.—

1 (1) *AUTHORIZATION OF APPROPRIATIONS.*—*Sec-*
2 *tion 536(c) of the Equity in Educational Land-Grant*
3 *Status Act of 1994 (7 U.S.C. 301 note; Public Law*
4 *103–382) is amended in the first sentence by striking*
5 *“2012” and inserting “2018”.*

6 (2) *RESEARCH GRANT REQUIREMENTS.*—*Section*
7 *536(b) of the Equity in Educational Land-Grant Sta-*
8 *tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–*
9 *382) is amended by striking “with at least 1 other*
10 *land-grant college or university” and all that follows*
11 *and inserting the following: “with—*

12 *“(1) the Agricultural Research Service of the De-*
13 *partment of Agriculture; or*

14 *“(2) at least 1—*

15 *“(A) other land-grant college or university*
16 *(exclusive of another 1994 Institution);*

17 *“(B) non-land-grant college of agriculture*
18 *(as defined in section 1404 of the National Agri-*
19 *cultural Research, Extension, and Teaching Pol-*
20 *icy Act of 1977 (7 U.S.C. 3103)); or*

21 *“(C) cooperating forestry school (as defined*
22 *in that section).”.*

23 (e) *EFFECTIVE DATE.*—*The amendments made by sub-*
24 *sections (a), (b), and (d)(2) take effect on October 1, 2013.*

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 *“2018”.*

5 **SEC. 7404. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
6 **SEARCH GRANT ACT.**

7 *Section 2 of the Competitive, Special, and Facilities*
8 *Research Grant Act (7 U.S.C. 450i) is amended—*

9 *(1) in subsection (b)(11)(A)—*

10 *(A) in the matter preceding clause (i), by*
11 *striking “2012” and inserting “2018”; and*

12 *(B) in clause (i), by striking “integrated re-*
13 *search” and all that follows through “; and” and*
14 *inserting “integrated research, extension, and*
15 *education activities; and”; and*

16 *(2) by adding at the end the following:*

17 *“(l) STREAMLINING GRANT APPLICATION PROCESS.—*

18 *Not later than 1 year after the date of enactment of this*
19 *subsection, the Secretary shall submit to Congress a report*
20 *that includes—*

21 *“(1) an analysis of barriers that exist in the*
22 *competitive grants process administered by the Na-*
23 *tional Institute of Food and Agriculture that prevent*
24 *eligible institutions and organizations with limited*
25 *institutional capacity from successfully applying and*
26 *competing for competitive grants; and*

1 “(2) *specific recommendations for future steps*
2 *that the Department can take to streamline the com-*
3 *petitive grants application process so as to remove the*
4 *barriers and increase the success rates of applicants*
5 *described in paragraph (1).”.*

6 **SEC. 7405. ENHANCED USE LEASE AUTHORITY PILOT PRO-**
7 **GRAM UNDER DEPARTMENT OF AGRICULTURE**
8 **CULTURE REORGANIZATION ACT OF 1994.**

9 *Section 308(b)(6) of the Department of Agriculture Re-*
10 *organization Act of 1994 (7 U.S.C. 3125a note; Public Law*
11 *103–354) is amended by striking subparagraph (A) and in-*
12 *serting the following:*

13 “(A) *on September 30, 2018; or*”.

14 **SEC. 7406. RENEWABLE RESOURCES EXTENSION ACT OF**
15 **1978.**

16 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section 6
17 *of the Renewable Resources Extension Act of 1978 (16*
18 *U.S.C. 1675) is amended in the first sentence by striking*
19 *“2012” and inserting “2018”.*

20 (b) *TERMINATION DATE.*—Section 8 of the Renewable
21 *Resources Extension Act of 1978 (16 U.S.C. 1671 note; Pub-*
22 *lic Law 95–306) is amended by striking “2012” and insert-*
23 *ing “2018”.*

1 **SEC. 7407. NATIONAL AQUACULTURE ACT OF 1980.**

2 *Section 10 of the National Aquaculture Act of 1980*
 3 *(16 U.S.C. 2809) is amended by striking “2012” each place*
 4 *it appears and inserting “2018”.*

5 **SEC. 7408. BEGINNING FARMER AND RANCHER DEVELOP-**
 6 **MENT PROGRAM UNDER FARM SECURITY AND**
 7 **RURAL INVESTMENT ACT OF 2002.**

8 *Section 7405 of the Farm Security and Rural Invest-*
 9 *ment Act of 2002 (7 U.S.C. 3319f) is amended—*

10 *(1) in subsection (c)(8)—*

11 *(A) in subparagraph (B), by striking “and”*
 12 *at the end;*

13 *(B) in subparagraph (C), by striking the*
 14 *period at the end and inserting “; and”; and*

15 *(C) by adding at the end the following:*

16 *“(D) beginning farmers and ranchers who*
 17 *are veterans (as defined in section 101 of title*
 18 *38, United States Code).”;* and

19 *(2) by redesignating subsection (h) as subsection*
 20 *(i);*

21 *(3) by inserting after subsection (g) the fol-*
 22 *lowing:*

23 *“(h) STATE GRANTS.—*

24 *“(1) DEFINITION OF ELIGIBLE ENTITY.—In this*
 25 *subsection, the term ‘eligible entity’ means—*

1 “(A) *an agency of a State or political sub-*
2 *division of a State;*

3 “(B) *a national, State, or regional organi-*
4 *zation of agricultural producers; and*

5 “(C) *any other entity determined appro-*
6 *priate by the Secretary.*

7 “(2) *GRANTS.—The Secretary shall use such*
8 *sums as are necessary of funds made available to*
9 *carry out this section for each fiscal year under sub-*
10 *section (i) to make grants to States, on a competitive*
11 *basis, which States shall use the grants to make*
12 *grants to eligible entities to establish and improve*
13 *farm safety programs at the local level.”; and*

14 (4) *in subsection (i) (as redesignated by para-*
15 *graph (2))—*

16 (A) *in paragraph (1)—*

17 (i) *in the heading, by striking “FOR*
18 *FISCAL YEARS 2009 THROUGH 2012”;*

19 (ii) *in subparagraph (A), by striking*
20 *“and” at the end;*

21 (iii) *in subparagraph (B), by striking*
22 *the period at the end and inserting “; and”;*
23 *and*

24 (iv) *by adding at the end the following:*

1 “(C) \$17,000,000 for each of fiscal years
2 2014 through 2018, to remain available until ex-
3 pended.”;

4 (B) in paragraph (2)—

5 (i) in the heading, by striking “FOR
6 FISCAL YEARS 2009 THROUGH 2012”; and

7 (ii) striking “2012” and inserting
8 “2018”; and

9 (C) by striking paragraph (3).

10 ***Subtitle E—Food, Conservation,***
11 ***and Energy Act of 2008***

12 ***PART I—AGRICULTURAL SECURITY***

13 ***SEC. 7501. AGRICULTURAL BIOSECURITY COMMUNICATION***

14 ***CENTER.***

15 Section 14112 of the Food, Conservation, and Energy
16 Act of 2008 (7 U.S.C. 8912) is amended by striking sub-
17 section (c) and inserting the following:

18 “(c) *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 2008 through 2013; and*

22 “(2) *\$2,000,000 for each of fiscal years 2014*
23 *through 2018.”.*

1 **SEC. 7502. ASSISTANCE TO BUILD LOCAL CAPACITY IN AG-**
2 **RICULTURAL BIOSECURITY PLANNING, PREP-**
3 **ARATION, AND RESPONSE.**

4 *Section 14113 of the Food, Conservation, and Energy*
5 *Act of 2008 (7 U.S.C. 8913) is amended—*

6 *(1) in subsection (a)(2)—*

7 *(A) by striking “such sums as may be nec-*
8 *essary”; and*

9 *(B) by striking “subsection” and all that*
10 *follows and inserting the following: “subsection—*

11 *“(1) such sums as are necessary for each of fiscal*
12 *years 2008 through 2013; and*

13 *“(2) \$15,000,000 for each of fiscal years 2014*
14 *through 2018.”; and*

15 *(2) in subsection (b)(2), by striking “is author-*
16 *ized to be appropriated to carry out this subsection”*
17 *and all that follows and inserting the following: “are*
18 *authorized to be appropriated to carry out this sub-*
19 *section—*

20 *“(1) \$25,000,000 for each of fiscal years 2008*
21 *through 2013; and*

22 *“(2) \$15,000,000 for each of fiscal years 2014*
23 *through 2018.”.*

1 **SEC. 7503. RESEARCH AND DEVELOPMENT OF AGRICUL-**
2 **TURAL COUNTERMEASURES.**

3 *Section 14121(b) of the Food, Conservation, and En-*
4 *ergy Act of 2008 (7 U.S.C. 8921(b)) is amended by striking*
5 *“is authorized to be appropriated to carry out this section”*
6 *and all that follows and inserting the following: “are au-*
7 *thorized to be appropriated to carry out this section—*

8 *“(1) \$50,000,000 for each of fiscal years 2008*
9 *through 2013; and*

10 *“(2) \$15,000,000 for each of fiscal years 2014*
11 *through 2018.”.*

12 **SEC. 7504. AGRICULTURAL BIOSECURITY GRANT PROGRAM.**

13 *Section 14122(e) of the Food, Conservation, and En-*
14 *ergy Act of 2008 (7 U.S.C. 8922(e)) is amended—*

15 *(1) by striking “such sums as are necessary”;*
16 *and*

17 *(2) by striking “section” and all that follows and*
18 *inserting the following: “section—*

19 *“(1) such sums as are necessary for each of fiscal*
20 *years 2008 through 2013, to remain available until*
21 *expended; and*

22 *“(2) \$5,000,000 for each of fiscal years 2014*
23 *through 2018, to remain available until expended.”.*

1 **PART II—MISCELLANEOUS**

2 **SEC. 7511. GRAZINGLANDS RESEARCH LABORATORY.**

3 *Section 7502 of the Food, Conservation, and Energy*
4 *Act of 2008 (Public Law 110–246; 112 Stat. 2019) is*
5 *amended by striking “for the 5-year period beginning on*
6 *the date of enactment of this Act” and inserting “until Sep-*
7 *tember 30, 2018”.*

8 **SEC. 7512. BUDGET SUBMISSION AND FUNDING.**

9 *Section 7506 of the Food, Conservation, and Energy*
10 *Act of 2008 (7 U.S.C. 7614c) is amended—*

11 *(1) in subsection (a)—*

12 *(A) by striking “(a) DEFINITION OF COM-*
13 *PETITIVE PROGRAMS.—In this section, the*
14 *term”; and inserting the following:*

15 *“(a) DEFINITIONS.—In this section:*

16 *“(1) COMPETITIVE PROGRAMS.—The term”; and*

17 *(B) by adding at the end the following:*

18 *“(2) COVERED PROGRAM.—The term ‘covered*
19 *program’ means—*

20 *“(A) each research program carried out by*
21 *the Agricultural Research Service or the Eco-*
22 *nomics Research Service for which annual appro-*
23 *priations are requested in the annual budget*
24 *submission of the President; and*

25 *“(B) each competitive program (as defined*
26 *in section 251(f)(1) of the Department of Agri-*

1 *culture Reorganization Act of 1994 (7 U.S.C.*
2 *6971(f)(1))) carried out by the National Institute*
3 *of Food and Agriculture for which annual ap-*
4 *propriations are requested in the annual budget*
5 *submission of the President.*

6 “(3) *REQUEST FOR AWARDS.*—*The term ‘request*
7 *for awards’ means a funding announcement published*
8 *by the National Institute of Food and Agriculture*
9 *that provides detailed information on funding oppor-*
10 *tunities at the Institute, including the purpose, eligi-*
11 *bility, restriction, focus areas, evaluation criteria,*
12 *regulatory information, and instructions on how to*
13 *apply for such opportunities.”; and*

14 (2) *by adding at the end the following:*

15 “(e) *ADDITIONAL PRESIDENTIAL BUDGET SUBMISSION*
16 *REQUIREMENT.*—

17 “(1) *IN GENERAL.*—*Each year, the President*
18 *shall submit to Congress, together with the annual*
19 *budget submission of the President, the information*
20 *described in paragraph (2) for each funding request*
21 *for a covered program.*

22 “(2) *INFORMATION DESCRIBED.*—*The informa-*
23 *tion described in this paragraph includes—*

24 “(A) *baseline information, including with*
25 *respect to each covered program—*

1 “(i) the funding level for the program
2 for the fiscal year preceding the year the
3 annual budget submission of the President
4 is submitted;

5 “(ii) the funding level requested in the
6 annual budget submission of the President,
7 including any increase or decrease in the
8 funding level; and

9 “(iii) an explanation justifying any
10 change from the funding level specified in
11 clause (i) to the level specified in clause (ii);

12 “(B) with respect to each covered program
13 that is carried out by the Economic Research
14 Service or the Agricultural Research Service, the
15 location and staff years of the program;

16 “(C) the proposed funding levels to be allo-
17 cated to, and the expected publication date,
18 scope, and allocation level for, each request for
19 awards to be published under—

20 “(i) each priority area specified in sec-
21 tion 2(b)(2) of the Competitive, Special, and
22 Facilities Research Grant Act (7 U.S.C.
23 450i(b)(2));

24 “(ii) each research and extension
25 project carried out under section 1621(a) of

1 *the Food, Agriculture, Conservation, and*
2 *Trade Act of 1990 (7 U.S.C. 5811(a));*

3 “(iii) *each grant awarded under sec-*
4 *tion 1672B(a) of the Food, Agriculture,*
5 *Conservation, and Trade Act of 1990 (7*
6 *U.S.C. 5925b(a));*

7 “(iv) *each grant awarded under section*
8 *412(b) of the Agricultural Research, Exten-*
9 *sion, and Education Reform Act of 1998 (7*
10 *U.S.C. 7632(b)); and*

11 “(v) *each grant awarded under*
12 *7405(c)(1) of the Farm Security and Rural*
13 *Investment Act of 2002 (7 U.S.C.*
14 *3319f(c)(1)); or*

15 “(D) *any other information the Secretary*
16 *determines will increase congressional oversight*
17 *with respect to covered programs.*

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 submission, the*
21 *Secretary shall submit to Congress a report containing a*
22 *description of the agricultural research, extension, and edu-*
23 *cation activities carried out by the Federal Government*
24 *during the fiscal year that immediately precedes the year*
25 *for which the report 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, 2014, a 5-year projection of
19 national priorities with respect to agricultural re-
20 search, extension, and education, taking into account
21 both domestic and international needs.”.

22 **SEC. 7513. NATURAL PRODUCTS RESEARCH PROGRAM.**

23 Section 7525 of the Food, Conservation, and Energy
24 Act of 2008 (7 U.S.C. 5937) is amended by striking sub-
25 section (e) and inserting the following:

1 “(e) *AUTHORIZATION OF APPROPRIATIONS.—There is*
2 *authorized to be appropriated to carry out this section*
3 *\$7,000,000 for each of fiscal years 2014 through 2018.”.*

4 **SEC. 7514. SUN GRANT PROGRAM.**

5 (a) *IN GENERAL.—Section 7526 of the Food, Conserva-*
6 *tion, and Energy Act of 2008 (7 U.S.C. 8114) is amended—*

7 (1) *in subsection (a)(4)(B), by striking “the De-*
8 *partment of Energy” and inserting “other appro-*
9 *prate Federal agencies (as determined by the Sec-*
10 *retary)”;*

11 (2) *in subsection (b)(1)—*

12 (A) *in subparagraph (A), by striking “at*
13 *South Dakota State University”;*

14 (B) *in subparagraph (B), by striking “at*
15 *the University of Tennessee at Knoxville”;*

16 (C) *in subparagraph (C), by striking “at*
17 *Oklahoma State University”;*

18 (D) *in subparagraph (D), by striking “at*
19 *Oregon State University”;*

20 (E) *in subparagraph (E), by striking “at*
21 *Cornell University”;* and

22 (F) *in subparagraph (F), by striking “at*
23 *the University of Hawaii”;*

24 (3) *in subsection (c)(1)—*

1 (A) in subparagraph (B), by striking
2 “multistate” and all that follows through “tech-
3 nology implementation” and inserting “inte-
4 grated, multistate research, extension, and edu-
5 cation programs on technology development and
6 technology implementation”;

7 (B) by striking subparagraph (C); and

8 (C) by redesignating subparagraph (D) as
9 subparagraph (C);

10 (4) in subsection (d)—

11 (A) in paragraph (1)—

12 (i) by striking “gasification” and in-
13 serting “bioproducts”; and

14 (ii) by striking “the Department of
15 Energy” and inserting “other appropriate
16 Federal agencies”;

17 (B) by striking paragraph (2);

18 (C) by redesignating paragraphs (3) and
19 (4) as paragraphs (2) and (3), respectively; and

20 (D) in paragraph (1), by striking “in ac-
21 cordance with paragraph (2)”;

22 (5) in subsection (g), by striking “2012” and in-
23 serting “2018”.

1 (b) *CONFORMING AMENDMENTS.*—Section 7526(f) of
 2 *the Food, Conservation, and Energy Act of 2008 (7 U.S.C.*
 3 *8114(f)) is amended—*

4 (1) *in paragraph (1), by striking “subsection*
 5 *(c)(1)(D)(i)” and inserting “subsection (c)(1)(C)(i)”;*
 6 *and*

7 (2) *in paragraph (2), by striking “subsection*
 8 *(d)(1)” and inserting “subsection (d)”.*

9 ***Subtitle F—Miscellaneous***

10 ***SEC. 7601. FOUNDATION FOR FOOD AND AGRICULTURE RE-***
 11 ***SEARCH.***

12 (a) *DEFINITIONS.*—*In this section:*

13 (1) *BOARD.*—*The term “Board” means the*
 14 *Board of Directors described in subsection (e).*

15 (2) *DEPARTMENT.*—*The term “Department”*
 16 *means the Department of Agriculture.*

17 (3) *FOUNDATION.*—*The term “Foundation”*
 18 *means the Foundation for Food and Agriculture Re-*
 19 *search established under subsection (b).*

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

22 (b) *ESTABLISHMENT.*—

23 (1) *IN GENERAL.*—*The Secretary shall establish*
 24 *a nonprofit corporation to be known as the “Founda-*
 25 *tion for Food and Agriculture Research”.*

1 (2) *STATUS.*—*The Foundation shall not be an*
2 *agency or instrumentality of the United States Gov-*
3 *ernment.*

4 (c) *PURPOSES.*—*The purposes of the Foundation shall*
5 *be—*

6 (1) *to advance the research mission of the De-*
7 *partment by supporting agricultural research activi-*
8 *ties focused on addressing key problems of national*
9 *and international significance including—*

10 (A) *plant health, production, and plant*
11 *products;*

12 (B) *animal health, production, and prod-*
13 *ucts;*

14 (C) *food safety, nutrition, and health;*

15 (D) *renewable energy, natural resources,*
16 *and the environment;*

17 (E) *agricultural and food security;*

18 (F) *agriculture systems and technology; and*

19 (G) *agriculture economics and rural com-*
20 *munities; and*

21 (2) *to foster collaboration with agricultural re-*
22 *searchers from the Federal Government, institutions*
23 *of higher education, industry, and nonprofit organi-*
24 *zations.*

25 (d) *DUTIES.*—

1 (1) *IN GENERAL.*—*The Foundation shall—*

2 (A) *award grants to, or enter into contracts,*
3 *memoranda of understanding, or cooperative*
4 *agreements with, scientists and entities, which*
5 *may include agricultural research agencies in*
6 *the Department, university consortia, public-pri-*
7 *ate partnerships, institutions of higher edu-*
8 *cation, nonprofit organizations, and industry, to*
9 *efficiently and effectively advance the goals and*
10 *priorities of the Foundation;*

11 (B) *in consultation with the Secretary—*

12 (i) *identify existing and proposed Fed-*
13 *eral intramural and extramural research*
14 *and development programs relating to the*
15 *purposes of the Foundation described in*
16 *subsection (c); and*

17 (ii) *coordinate Foundation activities*
18 *with those programs so as to minimize du-*
19 *plication of existing efforts;*

20 (C) *identify unmet and emerging agricul-*
21 *tural research needs after reviewing the Road-*
22 *map for Agricultural Research, Education and*
23 *Extension as required by section 7504 of the*
24 *Food, Conservation, and Energy Act of 2008 (7*
25 *U.S.C. 7614a);*

1 (D) *facilitate technology transfer and re-*
2 *lease of information and data gathered from the*
3 *activities of the Foundation to the agricultural*
4 *research community;*

5 (E) *promote and encourage the development*
6 *of the next generation of agricultural research*
7 *scientists; and*

8 (F) *carry out such other activities as the*
9 *Board determines to be consistent with the pur-*
10 *poses of the Foundation.*

11 (2) *AUTHORITY.*—*Subject to paragraph (3), the*
12 *Foundation shall be the sole entity responsible for car-*
13 *rying out the duties enumerated in this subsection.*

14 (3) *RELATIONSHIP TO OTHER ACTIVITIES.*—*The*
15 *activities described in paragraph (1) shall be supple-*
16 *mental to any other activities at the Department and*
17 *shall not preempt any authority or responsibility of*
18 *the Department under another provision of law.*

19 (e) *BOARD OF DIRECTORS.*—

20 (1) *ESTABLISHMENT.*—*The Foundation shall be*
21 *governed by a Board of Directors.*

22 (2) *COMPOSITION.*—

23 (A) *IN GENERAL.*—*The Board shall be com-*
24 *posed of appointed and ex-officio, nonvoting*
25 *members.*

1 (B) *EX-OFFICIO MEMBERS.*—*The ex-officio*
2 *members of the Board shall be the following indi-*
3 *viduals or designees:*

4 (i) *The Secretary.*

5 (ii) *The Under Secretary of Agri-*
6 *culture for Research, Education, and Eco-*
7 *nomics.*

8 (iii) *The Administrator of the Agricul-*
9 *tural Research Service.*

10 (iv) *The Director of the National Insti-*
11 *tute of Food and Agriculture.*

12 (v) *The Director of the National*
13 *Science Foundation.*

14 (C) *APPOINTED MEMBERS.*—

15 (i) *IN GENERAL.*—*The ex-officio mem-*
16 *bers of the Board under subparagraph (B)*
17 *shall, by majority vote, appoint to the*
18 *Board 15 individuals, of whom—*

19 (I) *8 shall be selected from a list*
20 *of candidates to be provided by the Na-*
21 *tional Academy of Sciences; and*

22 (II) *7 shall be selected from lists*
23 *of candidates provided by industry.*

24 (ii) *REQUIREMENTS.*—

1 (I) *EXPERTISE.*—*The ex-officio*
2 *members shall ensure that a majority*
3 *of the members of the Board have ac-*
4 *tual experience in agricultural research*
5 *and, to the extent practicable, represent*
6 *diverse sectors of agriculture.*

7 (II) *LIMITATION.*—*No employee of*
8 *the Federal Government may serve as*
9 *an appointed member of the Board*
10 *under this subparagraph.*

11 (III) *NOT FEDERAL EMPLOY-*
12 *MENT.*—*Appointment to the Board*
13 *under this subparagraph shall not con-*
14 *stitute Federal employment.*

15 (iii) *AUTHORITY.*—*All appointed mem-*
16 *bers of the Board shall be voting members.*

17 (D) *CHAIR.*—*The Board shall, from among*
18 *the members of the Board, designate an indi-*
19 *vidual to serve as Chair of the Board.*

20 (3) *INITIAL MEETING.*—*Not later than 60 days*
21 *after the date of enactment of this Act, the Secretary*
22 *shall convene a meeting of the ex-officio members of*
23 *the Board—*

24 (A) *to incorporate the Foundation; and*

1 (B) to appoint the members of the Board in
2 accordance with paragraph (2)(C)(i).

3 (4) DUTIES.—

4 (A) IN GENERAL.—The Board shall—

5 (i) establish bylaws for the Foundation
6 that, at a minimum, include—

7 (I) policies for the selection of fu-
8 ture Board members, officers, employ-
9 ees, agents, and contractors of the
10 Foundation;

11 (II) policies, including ethical
12 standards, for—

13 (aa) the acceptance, sollicita-
14 tion, and disposition of donations
15 and grants to the Foundation;
16 and

17 (bb) the disposition of assets
18 of the Foundation, including ap-
19 propriate limits on the ability of
20 donors to designate, by stipulation
21 or restriction, the use or recipient
22 of donated funds;

23 (III) policies that would subject
24 all employees, fellows, trainees, and
25 other agents of the Foundation (includ-

1 *ing members of the Board) to the con-*
2 *flict of interest standards under section*
3 *208 of title 18, United States Code;*

4 *(IV) policies for writing, editing,*
5 *printing, publishing, and vending of*
6 *books and other materials;*

7 *(V) policies for the conduct of the*
8 *general operations of the Foundation,*
9 *including a cap on administrative ex-*
10 *penses for recipients of a grant, con-*
11 *tract, or cooperative agreement from*
12 *the Foundation; and*

13 *(VI) specific duties for the Execu-*
14 *tive Director;*

15 *(ii) prioritize and provide overall di-*
16 *rection for the activities of the Foundation;*

17 *(iii) evaluate the performance of the*
18 *Executive Director; and*

19 *(iv) carry out any other necessary ac-*
20 *tivities regarding the Foundation.*

21 *(B) ESTABLISHMENT OF BYLAWS.—In es-*
22 *tablishing bylaws under subparagraph (A)(i), the*
23 *Board shall ensure that the bylaws do not—*

24 *(i) reflect unfavorably on the ability of*
25 *the Foundation to carry out the duties of*

1 *the Foundation in a fair and objective man-*
2 *ner; or*

3 *(ii) compromise, or appear to com-*
4 *promise, the integrity of any governmental*
5 *agency or program, or any officer or em-*
6 *ployee employed by or involved in a govern-*
7 *mental agency or program.*

8 (5) *TERMS AND VACANCIES.—*

9 (A) *TERMS.—*

10 *(i) IN GENERAL.—The term of each*
11 *member of the Board appointed under para-*
12 *graph (2)(C) shall be 5 years.*

13 *(ii) PARTIAL TERMS.—If a member of*
14 *the Board does not serve the full term appli-*
15 *cable under clause (i), the individual ap-*
16 *pointed to fill the resulting vacancy shall be*
17 *appointed for the remainder of the term of*
18 *the predecessor of the individual.*

19 *(iii) TRANSITION.—A member of the*
20 *Board may continue to serve after the expi-*
21 *ration of the term of the member until a*
22 *successor is appointed.*

23 (B) *VACANCIES.—Any vacancy in the mem-*
24 *bership of the Board shall be filled in the manner*
25 *in which the original position was made and*

1 *shall not affect the power of the remaining mem-*
2 *bers to execute the duties of the Board.*

3 (6) *COMPENSATION.*—*Members of the Board may*
4 *not receive compensation for service on the Board but*
5 *may be reimbursed for travel, subsistence, and other*
6 *necessary expenses incurred in carrying out the duties*
7 *of the Board.*

8 (7) *MEETINGS AND QUORUM.*—*A majority of the*
9 *members of the Board shall constitute a quorum for*
10 *purposes of conducting business of the Board.*

11 (f) *ADMINISTRATION.*—

12 (1) *EXECUTIVE DIRECTOR.*—

13 (A) *IN GENERAL.*—*The Board shall hire an*
14 *Executive Director who shall carry out such du-*
15 *ties and responsibilities as the Board may pre-*
16 *scribe.*

17 (B) *SERVICE.*—*The Executive Director shall*
18 *serve at the pleasure of the Board.*

19 (2) *ADMINISTRATIVE POWERS.*—

20 (A) *IN GENERAL.*—*In carrying out this sec-*
21 *tion, the Board, acting through the Executive Di-*
22 *rector, may—*

23 (i) *adopt, alter, and use a corporate*
24 *seal, which shall be judicially noticed;*

1 (ii) hire, promote, compensate, and
2 discharge 1 or more officers, employees, and
3 agents, as may be necessary, and define the
4 duties of the officers, employees, and agents;

5 (iii) solicit and accept any funds, gifts,
6 grants, devises, or bequests of real or per-
7 sonal property made to the Foundation, in-
8 cluding such support from private entities;

9 (iv) prescribe the manner in which—

10 (I) real or personal property of
11 the Foundation is acquired, held, and
12 transferred;

13 (II) general operations of the
14 Foundation are to be conducted; and

15 (III) the privileges granted to the
16 Board by law are exercised and en-
17 joyed;

18 (v) with the consent of the applicable
19 executive department or independent agen-
20 cy, use the information, services, and facili-
21 ties of the department or agency in carrying
22 out this section;

23 (vi) enter into contracts with public
24 and private organizations for the writing,

1 *editing, printing, and publishing of books*
2 *and other material;*

3 *(vii) hold, administer, invest, and*
4 *spend any gift, devise, or bequest of real or*
5 *personal property made to the Foundation;*

6 *(viii) enter into such contracts, leases,*
7 *cooperative agreements, and other trans-*
8 *actions as the Board considers appropriate*
9 *to conduct the activities of the Foundation;*

10 *(ix) modify or consent to the modifica-*
11 *tion of any contract or agreement to which*
12 *the Foundation is a party or in which the*
13 *Foundation has an interest;*

14 *(x) take such action as may be nec-*
15 *essary to obtain patents and licenses for de-*
16 *vices and procedures developed by the Foun-*
17 *dation and employees of the Foundation;*

18 *(xi) sue and be sued in the corporate*
19 *name of the Foundation, and complain and*
20 *defend in courts of competent jurisdiction;*

21 *(xii) appoint other groups of advisors*
22 *as may be determined necessary to carry*
23 *out the functions of the Foundation; and*

24 *(xiii) exercise such other incidental*
25 *powers as are necessary to carry out the du-*

1 *ties and functions of the Foundation in ac-*
2 *cordance with this section.*

3 *(B) LIMITATION.—No appointed member of*
4 *the Board or officer or employee of the Founda-*
5 *tion or of any program established by the Foun-*
6 *dation (other than ex-officio members of the*
7 *Board) shall exercise administrative control over*
8 *any Federal employee.*

9 *(3) RECORDS.—*

10 *(A) AUDITS.—The Foundation shall—*

11 *(i) provide for annual audits of the fi-*
12 *nancial condition of the Foundation; and*

13 *(ii) make the audits, and all other*
14 *records, documents, and other papers of the*
15 *Foundation, available to the Secretary and*
16 *the Comptroller General of the United*
17 *States for examination or audit.*

18 *(B) REPORTS.—*

19 *(i) ANNUAL REPORT ON FOUNDA-*
20 *TION.—*

21 *(I) IN GENERAL.—Not later than*
22 *5 months following the end of each fis-*
23 *cal year, the Foundation shall publish*
24 *a report for the preceding fiscal year*
25 *that includes—*

1 (aa) a description of Foun-
2 dation activities, including ac-
3 complishments; and

4 (bb) a comprehensive state-
5 ment of the operations and finan-
6 cial condition of the Foundation.

7 (II) FINANCIAL CONDITION.—
8 Each report under subclause (I) shall
9 include a description of all gifts or
10 grants to the Foundation of real or
11 personal property or money, which
12 shall include—

13 (aa) the source of the gifts or
14 grants; and

15 (bb) any restrictions on the
16 purposes for which the gift or
17 grant may be used.

18 (III) AVAILABILITY.—The Foun-
19 dation shall—

20 (aa) make copies of each re-
21 port submitted under subclause
22 (I) available for public inspection;
23 and

1 (bb) on request, provide a
2 copy of the report to any indi-
3 vidual.

4 (IV) PUBLIC MEETING.—The
5 Board shall hold an annual public
6 meeting to summarize the activities of
7 the Foundation.

8 (ii) GRANT REPORTING.—Any recipi-
9 ent of a grant under subsection (d)(1)(A)
10 shall provide the Foundation with a report
11 at the conclusion of any research or studies
12 conducted the describes the results of the re-
13 search or studies, including any data gen-
14 erated.

15 (4) INTEGRITY.—

16 (A) IN GENERAL.—To ensure integrity in
17 the operations of the Foundation, the Board shall
18 develop and enforce procedures relating to stand-
19 ards of conduct, financial disclosure statements,
20 conflict of interest (including recusal and waiver
21 rules), audits, and any other matters determined
22 appropriate by the Board.

23 (B) FINANCIAL CONFLICTS OF INTEREST.—
24 Any individual who is an officer, employee, or
25 member of the Board is prohibited from any par-

1 *ticipation in deliberations by the Foundation of*
2 *a matter that would directly or predictably affect*
3 *any financial interest of—*

4 *(i) the individual;*

5 *(ii) a relative (as defined in section*
6 *109 of the Ethics in Government Act of*
7 *1978 (5 U.S.C. App.)) of that individual; or*

8 *(iii) a business organization or other*
9 *entity in which the individual has an inter-*
10 *est, including an organization or other enti-*
11 *ty with which the individual is negotiating*
12 *employment.*

13 *(5) INTELLECTUAL PROPERTY.—The Board shall*
14 *adopt written standards to govern ownership of any*
15 *intellectual property rights derived from the collabo-*
16 *rative efforts of the Foundation.*

17 *(6) LIABILITY.—The United States shall not be*
18 *liable for any debts, defaults, acts, or omissions of the*
19 *Foundation nor shall the full faith and credit of the*
20 *United States extend to any obligations of the Foun-*
21 *dation.*

22 *(g) FUNDS.—*

23 *(1) MANDATORY FUNDING.—*

24 *(A) IN GENERAL.—On October 1, 2013, of*
25 *the funds of the Commodity Credit Corporation,*

1 *the Secretary shall transfer to the Foundation to*
2 *carry out this section \$200,000,000, to remain*
3 *available until expended under the conditions de-*
4 *scribed in subparagraph (B).*

5 *(B) CONDITIONS ON EXPENDITURE.—The*
6 *Foundation may use the funds made available*
7 *under subparagraph (A) to carry out the pur-*
8 *poses of the Foundation only to the extent that*
9 *the Foundation secures an equal amount of non-*
10 *Federal matching funds for each expenditure.*

11 *(C) PROHIBITION ON CONSTRUCTION.—*
12 *None of the funds made available under subpara-*
13 *graph (A) may be used for construction.*

14 *(2) SEPARATION OF FUNDS.—The Executive Di-*
15 *rector shall ensure that any funds received under*
16 *paragraph (1) are held in separate accounts from*
17 *funds received from nongovernmental entities as de-*
18 *scribed in subsection (f)(2)(A)(iii).*

19 **SEC. 7602. AGRICULTURAL AND FOOD LAW RESEARCH,**
20 **LEGAL TOOLS, AND INFORMATION.**

21 *(a) FINDINGS.—Congress finds that—*

22 *(1) the farms, ranches, and forests of the United*
23 *States are impacted by a complex and rapidly evol-*
24 *ving web of competition and international, Federal,*
25 *State, and local laws (including regulations);*

1 (2) *objective, scholarly, and authoritative agri-*
2 *cultural and food law research, legal tools, and infor-*
3 *mation helps the farm, ranch, and forestry commu-*
4 *nity contribute to the strength of the United States*
5 *through improved conservation, environmental protec-*
6 *tion, job creation, economic development, renewable*
7 *energy production, outdoor recreational opportunities,*
8 *and increased and diversified local and regional sup-*
9 *plies of food, fiber, and fuel; and*

10 (3) *the vast agricultural community of the*
11 *United States, including farmers, ranchers, foresters,*
12 *attorneys, policymakers, and extension personnel,*
13 *need access to agricultural and food law research and*
14 *information provided by an objective, scholarly, and*
15 *neutral source.*

16 (b) *PARTNERSHIPS.*—*The Secretary, acting through*
17 *the National Agricultural Library, shall support the dis-*
18 *semination of objective, scholarly, and authoritative agri-*
19 *cultural and food law research, legal tools, and information*
20 *by entering into cooperative agreements with institutions*
21 *of higher education that on the date of enactment of this*
22 *Act are carrying out objective programs for research, legal*
23 *tools, and information in agricultural and food law.*

24 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*For each*
25 *fiscal year, the Secretary may use not more than \$5,000,000*

1 *of the amounts made available to the National Agricultural*
 2 *Library to carry out this section.*

3 **TITLE VIII—FORESTRY**
 4 **Subtitle A—Repeal of Certain**
 5 **Forestry Programs**

6 **SEC. 8001. FOREST LAND ENHANCEMENT PROGRAM.**

7 (a) *REPEAL.*—Section 4 of the Cooperative Forestry
 8 *Assistance Act of 1978 (16 U.S.C. 2103) is repealed.*

9 (b) *CONFORMING AMENDMENT.*—Section 8002 of the
 10 *Farm Security and Rural Investment Act of 2002 (Public*
 11 *Law 107–171; 16 U.S.C. 2103 note) is amended by striking*
 12 *subsection (a).*

13 (c) *EFFECTIVE DATE.*—The amendments made by this
 14 *section shall take effect on October 1, 2013.*

15 **SEC. 8002. HISPANIC-SERVING INSTITUTION AGRICUL-**
 16 **TURAL LAND NATIONAL RESOURCES LEADER-**
 17 **SHIP PROGRAM.**

18 (a) *REPEAL.*—Section 8402 of the Food, Conservation,
 19 *and Energy Act of 2008 (16 U.S.C. 1649a) is repealed.*

20 (b) *EFFECTIVE DATE.*—The amendment made by this
 21 *section shall take effect on October 1, 2013.*

22 **SEC. 8003. TRIBAL WATERSHED FORESTRY ASSISTANCE**
 23 **PROGRAM.**

24 (a) *REPEAL.*—Section 303 of the Healthy Forests Res-
 25 *toration Act of 2003 (16 U.S.C. 6542) is repealed.*

1 (b) *EFFECTIVE DATE.*—The amendment made by this
2 section shall take effect on October 1, 2013.

3 **Subtitle B—Reauthorization of Co-**
4 **operative Forestry Assistance Act**
5 **of 1978 Programs**

6 **SEC. 8101. STATE-WIDE ASSESSMENT AND STRATEGIES FOR**
7 **FOREST RESOURCES.**

8 Section 2A(f)(1) of the Cooperative Forestry Assistance
9 Act of 1978 (16 U.S.C. 2101a(f)(1)) is amended by striking
10 “2012” and inserting “2018”.

11 **Subtitle C—Reauthorization of**
12 **Other Forestry-Related Laws**

13 **SEC. 8201. RURAL REVITALIZATION TECHNOLOGIES.**

14 Section 2371(d)(2) of the Food, Agriculture, Conserva-
15 tion, and Trade Act of 1990 (7 U.S.C. 6601(d)(2)) is
16 amended by striking “2012” and inserting “2018”.

17 **SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.**

18 Section 2405(d) of the Global Climate Change Preven-
19 tion Act of 1990 (7 U.S.C. 6704(d)) is amended by striking
20 “2012” and inserting “2018”.

21 **SEC. 8203. INSECT AND DISEASE INFESTATION.**

22 Title VI of the Healthy Forests Restoration Act of 2003
23 (16 U.S.C. 6591 *et seq.*) is amended by adding at the end
24 the following:

1 **“SEC. 602. DESIGNATION OF TREATMENT AREAS.**

2 “(a) *DEFINITION OF DECLINING FOREST HEALTH.—*

3 *In this section, the term ‘declining forest health’ means a*
4 *forest that is experiencing—*

5 “(1) *substantially increased tree mortality due to*
6 *insect or disease infestation; or*

7 “(2) *dieback due to infestation or defoliation by*
8 *insects or disease.*

9 “(b) *DESIGNATION OF TREATMENT AREAS.—*

10 “(1) *INITIAL AREAS.—Not later than 60 days*
11 *after the date of enactment of the Agriculture Reform,*
12 *Food, and Jobs Act of 2013, the Secretary shall, if re-*
13 *quested by the Governor of the State, designate as*
14 *part of an insect and disease treatment program 1 or*
15 *more subwatersheds (sixth-level hydrologic units, ac-*
16 *cording to the System of Hydrologic Unit Codes of the*
17 *United States Geological Survey) in at least 1 na-*
18 *tional forest in each State that is experiencing an in-*
19 *sect or disease epidemic.*

20 “(2) *ADDITIONAL AREAS.—After the end of the*
21 *60-day period described in paragraph (1), the Sec-*
22 *retary may designate additional subwatersheds under*
23 *this section as needed to address insect or disease*
24 *threats.*

25 “(c) *REQUIREMENTS.—To be designated a subwater-*
26 *shed under subsection (b), the subwatershed shall be—*

1 “(1) *experiencing declining forest health, based*
2 *on annual forest health surveys conducted by the Sec-*
3 *retary;*

4 “(2) *at risk of experiencing substantially in-*
5 *creased tree mortality over the next 15 years due to*
6 *insect or disease infestation, based on the most recent*
7 *National Insect and Disease Risk Map published by*
8 *the Forest Service; or*

9 “(3) *in an area in which the risk of hazard trees*
10 *poses an imminent risk to public infrastructure,*
11 *health, or safety.*

12 “(d) *TREATMENT OF AREAS.—*

13 “(1) *IN GENERAL.—The Secretary may carry out*
14 *priority projects on Federal land in the subwatersheds*
15 *designated under subsection (b) to reduce the risk or*
16 *extent of, or increase the resilience to, insect or dis-*
17 *ease infestation in the subwatersheds.*

18 “(2) *AUTHORITY.—Any project under paragraph*
19 *(1) for which a public notice to initiate scoping is*
20 *issued on or before September 30, 2018, may be car-*
21 *ried out in accordance with subsections (b), (c), and*
22 *(d) of section 102, and sections 104, 105, and 106.*

23 “(3) *EFFECT.—Projects carried out under this*
24 *subsection shall be considered authorized hazardous*

1 *fuel reduction projects for purposes of the authorities*
 2 *described in paragraph (2).*

3 “(4) *REPORT.*—Not later than September 30,
 4 2018, the Secretary shall issue a report on actions
 5 taken to carry out this subsection, including—

6 “(A) *an evaluation of the progress towards*
 7 *project goals; and*

8 “(B) *recommendations for modifications to*
 9 *the projects and management treatments.*

10 “(e) *TREE RETENTION.*—The Secretary shall carry out
 11 *projects under subsection (d) in a manner that maximizes*
 12 *the retention of old-growth and large trees, as appropriate*
 13 *for the forest type, to the extent that the trees promote stands*
 14 *that are resilient to insects and disease.*

15 “(f) *AUTHORIZATION OF APPROPRIATIONS.*—There is
 16 *authorized to be appropriated to carry out this section*
 17 *\$200,000,000 for each of fiscal years 2014 through 2018.”.*

18 **SEC. 8204. STEWARDSHIP END RESULT CONTRACTING**
 19 **PROJECTS.**

20 (a) *IN GENERAL.*—Title VI of the Healthy Forests Res-
 21 *toration Act of 2003 (16 U.S.C. 6591) (as amended by sec-*
 22 *tion 8203) is amended by adding at the end the following:*

23 **“SEC. 603. STEWARDSHIP END RESULT CONTRACTING**
 24 **PROJECTS.**

25 “(a) *DEFINITIONS.*—In this section:

1 “(1) *CHIEF*.—The term ‘Chief’ means the Chief
2 of the Forest Service.

3 “(2) *DIRECTOR*.—The term ‘Director’ means the
4 Director of the Bureau of Land Management.

5 “(b) *PROJECTS*.—The Chief and the Director, via
6 agreement or contract as appropriate, may enter into stew-
7 ardship contracting projects with private persons or other
8 public or private entities to perform services to achieve land
9 management goals for the national forests and the public
10 lands that meet local and rural community needs.

11 “(c) *LAND MANAGEMENT GOALS*.—The land manage-
12 ment goals of a project under subsection (b) may include—

13 “(1) road and trail maintenance or obliteration
14 to restore or maintain water quality;

15 “(2) soil productivity, habitat for wildlife and
16 fisheries, or other resource values;

17 “(3) setting of prescribed fires to improve the
18 composition, structure, condition, and health of
19 stands or to improve wildlife habitat;

20 “(4) removing vegetation or other activities to
21 promote healthy forest stands, reduce fire hazards, or
22 achieve other land management objectives;

23 “(5) watershed restoration and maintenance;

24 “(6) restoration and maintenance of wildlife and
25 fish; or

1 “(7) *control of noxious and exotic weeds and re-*
2 *establishing native plant species.*

3 “(d) *AGREEMENTS OR CONTRACTS.—*

4 “(1) *PROCUREMENT PROCEDURE.—A source for*
5 *performance of an agreement or contract under sub-*
6 *section (b) shall be selected on a best-value basis, in-*
7 *cluding consideration of source under other public*
8 *and private agreements or contracts.*

9 “(2) *CONTRACT FOR SALE OF PROPERTY.—A*
10 *contract entered into under this section may, at the*
11 *discretion of the Secretary of Agriculture, be consid-*
12 *ered a contract for the sale of property under such*
13 *terms as the Secretary may prescribe without regard*
14 *to any other provision of law.*

15 “(3) *TERM.—*

16 “(A) *IN GENERAL.—Except as provided in*
17 *subparagraph (B), the Chief and the Director*
18 *may enter into a contract under subsection (b)*
19 *in accordance with section 3903 of title 41,*
20 *United States Code.*

21 “(B) *MAXIMUM.—The period of the contract*
22 *under subsection (b) may exceed 5 years but may*
23 *not exceed 10 years.*

24 “(4) *OFFSETS.—*

1 “(A) *IN GENERAL.*—*The Chief and the Di-*
2 *rector may apply the value of timber or other*
3 *forest products removed as an offset against the*
4 *cost of services received under the agreement or*
5 *contract described in subsection (b).*

6 “(B) *METHODS OF APPRAISAL.*—*The value*
7 *of timber or other forest products used as an off-*
8 *set under subparagraph (A)—*

9 “(i) *shall be determined using appro-*
10 *priate methods of appraisal commensurate*
11 *with the quantity of products to be removed;*
12 *and*

13 “(ii) *may—*

14 “(I) *be determined using a unit of*
15 *measure appropriate to the contracts;*
16 *and*

17 “(II) *may include valuing prod-*
18 *ucts on a per-acre basis.*

19 “(5) *RELATION TO OTHER LAWS.*—*Notwith-*
20 *standing subsections (d) and (g) of section 14 of the*
21 *National Forest Management Act of 1976 (16 U.S.C.*
22 *472a), the Chief may enter into an agreement or con-*
23 *tract under subsection (b).*

24 “(6) *CONTRACTING OFFICER.*—*Notwithstanding*
25 *any other provision of law, the Secretary or the Sec-*

1 *retary of the Interior may determine the appropriate*
2 *contracting officer to enter into and administer an*
3 *agreement or contract under subsection (b).*

4 “(e) *RECEIPTS.*—

5 “(1) *IN GENERAL.*—*The Chief and the Director*
6 *may collect monies from an agreement or contract*
7 *under subsection (b) if the collection is a secondary*
8 *objective of negotiating the contract that will best*
9 *achieve the purposes of this section.*

10 “(2) *USE.*—*Monies from an agreement or con-*
11 *tract under subsection (b)—*

12 “(A) *may be retained by the Chief and the*
13 *Director; and*

14 “(B) *shall be available for expenditure with-*
15 *out further appropriation at the project site from*
16 *which the monies are collected or at another*
17 *project site.*

18 “(3) *RELATION TO OTHER LAWS.*—

19 “(A) *IN GENERAL.*—*Notwithstanding any*
20 *other provision of law, the value of services re-*
21 *ceived by the Chief or the Director under a stew-*
22 *ardship contract project conducted under this*
23 *section, and any payments made or resources*
24 *provided by the contractor, Chief, or Director*

1 *shall not be considered monies received from the*
2 *National Forest System or the public lands.*

3 “(B) *KNUTSON-VANDERBERG ACT.*—*The Act*
4 *of June 9, 1930 (commonly known as the*
5 *‘Knutson-Vanderberg Act’)* (16 U.S.C. 576 *et*
6 *seq.) shall not apply to any agreement or con-*
7 *tract under subsection (b).*

8 “(f) *COSTS OF REMOVAL.*—*Notwithstanding the fact*
9 *that a contractor did not harvest the timber, the Chief may*
10 *collect deposits from a contractor covering the costs of re-*
11 *moval of timber or other forest products under—*

12 “(1) *the Act of August 11, 1916 (16 U.S.C. 490);*
13 *and*

14 “(2) *the Act of June 30, 1914 (16 U.S.C. 498).*

15 “(g) *PERFORMANCE AND PAYMENT GUARANTEES.*—

16 “(1) *IN GENERAL.*—*The Chief and the Director*
17 *may require performance and payment bonds under*
18 *sections 28.103–2 and 28.103–3 of the Federal Acqui-*
19 *sition Regulation, in an amount that the contracting*
20 *officer considers sufficient to protect the investment in*
21 *receipts by the Federal Government generated by the*
22 *contractor from the estimated value of the forest prod-*
23 *ucts to be removed under a contract under subsection*
24 *(b).*

1 “(2) *EXCESS OFFSET VALUE.*—*If the offset value*
2 *of the forest products exceeds the value of the resource*
3 *improvement treatments, the Chief and the Director*
4 *may—*

5 “(A) *collect any residual receipts under the*
6 *Act of June 9, 1930 (commonly known as the*
7 *‘Knutson-Vanderberg Act’) (16 U.S.C. 576 et*
8 *seq.); and*

9 “(B) *apply the excess to other authorized*
10 *stewardship projects.*

11 “(h) *MONITORING AND EVALUATION.*—

12 “(1) *IN GENERAL.*—*The Chief and the Director*
13 *shall establish a multiparty monitoring and evalua-*
14 *tion process that accesses the stewardship contracting*
15 *projects conducted under this section.*

16 “(2) *PARTICIPANTS.*—*Other than the Chief and*
17 *Director, participants in the process described in*
18 *paragraph (1) may include—*

19 “(A) *any cooperating governmental agen-*
20 *cies, including tribal governments; and*

21 “(B) *any other interested groups or individ-*
22 *uals.*

23 “(i) *REPORTING.*—*Not later than 1 year after the date*
24 *of enactment of this section, and annually thereafter, the*
25 *Chief and the Director shall report to the Committee on Ag-*

1 *riculture, Nutrition, and Forestry of the Senate and the*
 2 *Committee on Agriculture of the House of Representatives*
 3 *on—*

4 “(1) *the status of development, execution, and*
 5 *administration of agreements or contracts under sub-*
 6 *section (b);*

7 “(2) *the specific accomplishments that have re-*
 8 *sulted; and*

9 “(3) *the role of local communities in the develop-*
 10 *ment of agreements or contract plans.”.*

11 **(b) CONFORMING AMENDMENT.**—*Section 347 of the*
 12 *Department of the Interior and Related Agencies Appro-*
 13 *priations Act, 1999 (16 U.S.C. 2104 note; Public Law 105-*
 14 *277) is repealed.*

15 **SEC. 8205. HEALTHY FORESTS RESERVE PROGRAM.**

16 **(a) DEFINITION OF ACREAGE OWNED BY INDIAN**
 17 **TRIBES.**—*Section 502(e)(3) of the Healthy Forests Restora-*
 18 *tion Act (16 U.S.C. 6572(e)(3)) is amended—*

19 (1) *in subparagraph (C), by striking “subpara-*
 20 *graphs (A) and (B)” and inserting “clauses (i) and*
 21 *(ii)”;*

22 (2) *by redesignating subparagraphs (A) through*
 23 *(C) as clauses (i) through (iii), respectively, and in-*
 24 *denting appropriately; and*

1 (3) by striking “In the case of” and inserting the
2 following:

3 “(A) *DEFINITION OF ACREAGE OWNED BY*
4 *INDIAN TRIBES.*—*In this paragraph, the term*
5 *‘acreage owned by Indian tribes’ includes—*

6 “(i) *land that is held in trust by the*
7 *United States for Indian tribes or indi-*
8 *vidual Indians;*

9 “(ii) *land, the title to which is held by*
10 *Indian tribes or individual Indians subject*
11 *to Federal restrictions against alienation or*
12 *encumbrance;*

13 “(iii) *land that is subject to rights of*
14 *use, occupancy, and benefit of certain In-*
15 *Indian tribes;*

16 “(iv) *land that is held in fee title by*
17 *an Indian tribe; or*

18 “(v) *land that is owned by a native*
19 *corporation formed under section 17 of the*
20 *Act of June 18, 1934 (commonly known as*
21 *the ‘Indian Reorganization Act’) (25 U.S.C.*
22 *477) or section 8 of the Alaska Native*
23 *Claims Settlement Act (43 U.S.C. 1607); or*

24 “(vi) *a combination of 1 or more types*
25 *of land described in clauses (i) through (v).*

1 “(B) *ENROLLMENT OF ACREAGE.*—*In the*
2 *case of*”.

3 (b) *CHANGE IN FUNDING SOURCE FOR HEALTHY FOR-*
4 *ESTS RESERVE PROGRAM.*—*Section 508 of the Healthy*
5 *Forests Restoration Act of 2003 (16 U.S.C. 6578) is amend-*
6 *ed—*

7 (1) *in subsection (a), by striking “IN GENERAL”*
8 *and inserting “FISCAL YEARS 2009 THROUGH 2013”;*

9 (2) *by redesignating subsection (b) as subsection*
10 *(d); and*

11 (3) *by inserting after subsection (a) the fol-*
12 *lowing:*

13 “(b) *FISCAL YEARS 2014 THROUGH 2018.*—*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 2014 through 2018.*

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 **Subtitle D—Miscellaneous**
4 **Provisions**

5 **SEC. 8301. MCINTIRE-STENNIS COOPERATIVE FORESTRY**
6 **ACT.**

7 (a) 1890 WAIVERS.—Section 4 of Public Law 87–788
8 (commonly known as the “McIntire-Stennis Cooperative
9 Forestry Act”) (16 U.S.C. 582a–3) is amended by inserting
10 “The matching funds requirement shall not be applicable
11 to eligible 1890 Institutions (as defined in section 2 of the
12 Agricultural Research, Extension, and Education Reform
13 Act of 1998 (7 U.S.C. 7601)) if the allocation is below
14 \$200,000.” before “The Secretary is authorized” in the sec-
15 ond sentence.

16 (b) PARTICIPATION.—Section 8 of Public Law 87–788
17 (commonly known as the “McIntire-Stennis Cooperative
18 Forestry Act”) (16 U.S.C. 582a–7) is amended by inserting
19 “the Federated States of Micronesia, American Samoa, the
20 Northern Mariana Islands, the District of Columbia,” be-
21 fore “and Guam”.

22 (c) EFFECTIVE DATE.—The amendments made by this
23 section take effect on October 1, 2013.

1 **SEC. 8302. REVISION OF STRATEGIC PLAN FOR FOREST IN-**
2 **VENTORY AND ANALYSIS.**

3 (a) *REVISION REQUIRED.*—Not later than 180 days
4 after the date of enactment of this Act, the Secretary of Ag-
5 riculture shall revise the strategic plan for forest inventory
6 and analysis initially prepared pursuant to section 3(e) of
7 the Forest and Rangeland Renewable Resources Research
8 Act of 1978 (16 U.S.C. 1642(e)) to address the requirements
9 imposed by subsection (b).

10 (b) *ELEMENTS OF REVISED STRATEGIC PLAN.*—In re-
11 vising the strategic plan, the Secretary of Agriculture shall
12 describe in detail the organization, procedures, and funding
13 needed to achieve each of the following:

14 (1) *Complete the transition to a fully annualized*
15 *forest inventory program and include inventory and*
16 *analysis of interior Alaska.*

17 (2) *Implement an annualized inventory of trees*
18 *in urban settings, including the status and trends of*
19 *trees and forests, and assessments of their ecosystem*
20 *services, values, health, and risk to pests and diseases.*

21 (3) *Report information on renewable biomass*
22 *supplies and carbon stocks at the local, State, re-*
23 *gional, and national level, including by ownership*
24 *type.*

25 (4) *Engage State foresters and other users of in-*
26 *formation from the forest inventory and analysis in*

1 *reevaluating the list of core data variables collected on*
2 *forest inventory and analysis plots with an emphasis*
3 *on demonstrated need.*

4 (5) *Improve the timeliness of the timber product*
5 *output program and accessibility of the annualized*
6 *information on that database.*

7 (6) *Foster greater cooperation among the forest*
8 *inventory and analysis program, research station*
9 *leaders, and State foresters and other users of infor-*
10 *mation from the forest inventory and analysis.*

11 (7) *Availability of and access to non-Federal re-*
12 *sources to improve information analysis and informa-*
13 *tion management.*

14 (8) *Collaborate with the Natural Resources Con-*
15 *servaion Service, National Aeronautics and Space*
16 *Administration, National Oceanic and Atmospheric*
17 *Administration, and United States Geological Survey*
18 *to integrate remote sensing, spatial analysis tech-*
19 *niques, and other new technologies in the forest inven-*
20 *tory and analysis program.*

21 (9) *Understand and report on changes in land*
22 *cover and use.*

23 (10) *Expand existing programs to promote sus-*
24 *tainable forest stewardship through increased under-*
25 *standing, in partnership with other Federal agencies,*

1 of the over 10 million family forest owners, their de-
2 mographics, and the barriers to forest stewardship.

3 (11) *Implement procedures to improve the statis-*
4 *tical precision of estimates at the sub-State level.*

5 (c) *SUBMISSION OF REVISED STRATEGIC PLAN.*—*The*
6 *Secretary of Agriculture shall submit the revised strategic*
7 *plan to the Committee on Agriculture of the House of Rep-*
8 *resentatives and the Committee on Agriculture, Nutrition,*
9 *and Forestry of the Senate.*

10 **SEC. 8303. REIMBURSEMENT OF FIRE FUNDS.**

11 (a) *DEFINITION OF STATE.*—*In this section, the term*
12 *“State” means—*

13 (1) *a State; and*

14 (2) *the Commonwealth of Puerto Rico.*

15 (b) *IN GENERAL.*—*If a State seeks reimbursement for*
16 *amounts expended for resources and services provided to an-*
17 *other State for the management and suppression of a wild-*
18 *fire, the Secretary of Agriculture, subject to subsections (c)*
19 *and (d)—*

20 (1) *may accept the reimbursement amounts from*
21 *the other State; and*

22 (2) *shall pay those amounts to the State seeking*
23 *reimbursement.*

24 (c) *MUTUAL ASSISTANCE AGREEMENT.*—*As a condi-*
25 *tion of seeking and providing reimbursement under sub-*

1 *section (b), the State seeking reimbursement and the State*
 2 *providing reimbursement must each have a mutual assist-*
 3 *ance agreement with the Forest Service or another Federal*
 4 *agency for providing and receiving wildfire management*
 5 *and suppression resources and services.*

6 *(d) TERMS AND CONDITIONS.—The Secretary of Agri-*
 7 *culture may prescribe the terms and conditions determined*
 8 *to be necessary to carry out subsection (b).*

9 *(e) EFFECT ON PRIOR REIMBURSEMENTS.—Any ac-*
 10 *ceptance of funds or reimbursements made by the Secretary*
 11 *of Agriculture before the date of enactment of this Act that*
 12 *otherwise would have been authorized under this section*
 13 *shall be considered to have been made in accordance with*
 14 *this section.*

15 **TITLE IX—ENERGY**

16 **SEC. 9001. DEFINITIONS.**

17 *Section 9001 of the Farm Security and Rural Invest-*
 18 *ment Act of 2002 (7 U.S.C. 8101) is amended—*

19 *(1) by redesignating paragraphs (9) through (12)*
 20 *and (13) and (14) as paragraphs (10) through (13)*
 21 *and (15) and (16) respectively;*

22 *(2) by inserting after paragraph (8) the fol-*
 23 *lowing:*

24 *“(9) FOREST PRODUCT.—The term ‘forest prod-*
 25 *uct’ means a product made from materials derived*

1 *from the practice of forestry or the management of*
2 *growing timber, including—*

3 *“(A) pulp, paper, paperboard, pellets, lum-*
4 *ber, and wood products; and*

5 *“(B) any recycled products derived from*
6 *forest materials.”; and*

7 *(3) by inserting after paragraph (13) (as redes-*
8 *ignated by paragraph (1)) the following:*

9 *“(14) RENEWABLE CHEMICAL.—The term ‘re-*
10 *newable chemical’ means a monomer, polymer, plas-*
11 *tic, formulated product, or chemical substance pro-*
12 *duced from renewable biomass.”.*

13 **SEC. 9002. BIOBASED MARKETS PROGRAM.**

14 *(a) IN GENERAL.—Section 9002 of the Farm Security*
15 *and Rural Investment Act of 2002 (7 U.S.C. 8102) is*
16 *amended—*

17 *(1) in subsection (a)—*

18 *(A) in paragraph (2)(A)(i)—*

19 *(i) in subclause (I), by striking “and”*
20 *at the end;*

21 *(ii) in subclause (II)(bb), by striking*
22 *the period at the end and inserting “; and”;*
23 *and*

24 *(iii) by adding at the end the fol-*
25 *lowing:*

1 “(III) establish a targeted
2 biobased-only procurement requirement
3 under which the procuring agency
4 shall issue a certain number of
5 biobased-only contracts when the pro-
6 curing agency is purchasing products,
7 or purchasing services that include the
8 use of products, that are included in a
9 biobased product category designated
10 by the Secretary.”; and

11 (B) in paragraph (3)—

12 (i) in subparagraph (B)—

13 (I) in clause (v), by inserting “as
14 determined to be necessary by the Sec-
15 retary based on the availability of
16 data,” before “provide information”;

17 (II) by redesignating clauses (v)
18 and (vi) as clauses (vii) and (viii), re-
19 spectively; and

20 (III) by inserting after clause (iv)
21 the following:

22 “(v) require reporting of quantities
23 and types of biobased products purchased by
24 procuring agencies;

1 “(vi) focus on products that meet the
2 biobased content requirements, including
3 forest products, that apply an innovative
4 approach to growing, harvesting, sourcing,
5 procuring, processing, manufacturing, or
6 application of biobased products regardless
7 of the date of entry of the products into the
8 marketplace;” and

9 (ii) by adding at the end the following:

10 “(F) *REQUIRED DESIGNATIONS*.—Not later
11 than 1 year after the date of enactment of this
12 subparagraph, the Secretary shall begin to des-
13 ignate intermediate ingredients or feedstocks and
14 assembled and finished biobased products in the
15 guidelines issued under this paragraph.”;

16 (2) in subsection (b)—

17 (A) in paragraph (3)—

18 (i) by striking “The Secretary” and
19 inserting the following:

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

21 (ii) by adding at the end the following:

22 “(B) *AUDITING AND COMPLIANCE*.—The
23 Secretary may carry out such auditing and com-
24 pliance activities as the Secretary determines to

1 *be necessary to ensure compliance with subpara-*
2 *graph (A).”; and*

3 *(B) by adding at the end the following:*

4 “(4) *ASSEMBLED AND FINISHED PRODUCTS.—*
5 *Not later than 1 year after the date of enactment of*
6 *this paragraph, the Secretary shall begin issuing cri-*
7 *teria for determining which assembled and finished*
8 *products may qualify to receive the label under para-*
9 *graph (1).”;*

10 *(3) by redesignating subsections (d), (e), (f), (g),*
11 *and (h) as subsections (e), (f), (g), (i), and (j), respec-*
12 *tively;*

13 *(4) by inserting after subsection (c) the fol-*
14 *lowing:*

15 “(d) *OUTREACH, EDUCATION, AND PROMOTION.—*

16 *“(1) IN GENERAL.—The Secretary may engage*
17 *in outreach, educational, and promotional activities*
18 *intended to increase knowledge, awareness, and bene-*
19 *fits of biobased products.*

20 “(2) *AUTHORIZED ACTIVITIES.—In carrying out*
21 *this subsection, the Secretary may—*

22 *“(A) conduct consumer education and out-*
23 *reach (including consumer and awareness sur-*
24 *veys);*

1 “(B) conduct outreach to and support for
2 State and local governments interested in imple-
3 menting biobased purchasing programs;

4 “(C) partner with industry and nonprofit
5 groups to produce educational and outreach ma-
6 terials and conduct educational and outreach
7 events;

8 “(D) sponsor special conferences and events
9 to bring together buyers and sellers of biobased
10 products; and

11 “(E) support pilot and demonstration
12 projects.”;

13 (5) in subsection (h) (as redesignated by para-
14 graph (3))—

15 (A) in paragraph (2)—

16 (i) in the matter preceding subpara-
17 graph (A) by striking “The report” and in-
18 serting “Each report under paragraph (1)”;

19 (ii) in subparagraph (A), by striking
20 “and” at the end;

21 (iii) in subparagraph (B)(ii), by strik-
22 ing the period at the end and inserting a
23 semicolon; and

24 (iv) by adding at the end the following:

1 “(C) the progress made by other Federal
2 agencies in compliance with the biobased pro-
3 curement requirements, including the quantity of
4 purchases made; and

5 “(D) the status of outreach, educational,
6 and promotional activities carried out by the
7 Secretary under subsection (d), including the at-
8 tainment of specific milestones and overall re-
9 sults.”; and

10 (B) by adding at the end the following:

11 “(3) *ECONOMIC IMPACT STUDY AND REPORT.*—

12 “(A) *IN GENERAL.*—The Secretary shall
13 conduct a study to assess the economic impact of
14 the biobased products industry, including—

15 “(i) the quantity of biobased products
16 sold;

17 “(ii) the value of the biobased products;

18 “(iii) the quantity of jobs created;

19 “(iv) the quantity of petroleum dis-
20 placed;

21 “(v) other environmental benefits; and

22 “(vi) areas in which the use or manu-
23 facturing of biobased products could be more
24 effectively used, including identifying any
25 technical and economic obstacles and recom-

1 *mending how those obstacles can be over-*
2 *come.*

3 *“(B) REPORT.—Not later than 180 days*
4 *after the date of enactment of this subparagraph,*
5 *the Secretary shall submit to Congress a report*
6 *describing the results of the study conducted*
7 *under subparagraph (A).”.*

8 *(6) by inserting after subsection (g) (as redesign-*
9 *ated by paragraph (3)) the following:*

10 *“(h) FOREST PRODUCTS LABORATORY COORDINA-*
11 *TION.—In determining whether products are eligible for the*
12 *‘USDA Certified Biobased Product’ label, the Secretary*
13 *(acting through the Forest Products Laboratory) shall pro-*
14 *vide appropriate technical and other assistance to the pro-*
15 *gram and applicants for forest products.”; and*

16 *(7) in subsection (j) (as redesignated by para-*
17 *graph (3))—*

18 *(A) in the heading of paragraph (1), by in-*
19 *serting “FOR FISCAL YEARS 2008 THROUGH 2012”*
20 *after “FUNDING”;*

21 *(B) in the heading of paragraph (2), by in-*
22 *serting “FOR FISCAL YEARS 2009 THROUGH 2013”*
23 *after “FUNDING”; and*

24 *(C) by adding at the end the following:*

1 (B) in subsection (a), in the matter pre-
2 ceding paragraph (1), by inserting “renewable
3 chemicals, and biobased product manufacturing”
4 after “advanced biofuels,”;

5 (C) in subsection (b)—

6 (i) by redesignating paragraphs (1)
7 and (2) as paragraphs (2) and (3), respec-
8 tively; and

9 (ii) by inserting before paragraph (2)
10 (as so redesignated) the following:

11 “(1) *BIOBASED PRODUCT MANUFACTURING.*—*The*
12 *term ‘biobased product manufacturing’ means devel-*
13 *opment, construction, and retrofitting of techno-*
14 *logically new commercial-scale processing and manu-*
15 *facturing equipment and required facilities that will*
16 *be used to convert renewable chemicals and other*
17 *biobased outputs of biorefineries into end-user prod-*
18 *ucts on a commercial scale.’; and*

19 (D) in subsection (c)—

20 (i) in paragraph (1), by striking
21 “and” at the end;

22 (ii) in paragraph (2), by striking the
23 period at the end and inserting “; and”;
24 and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(3) grants and loan guarantees to fund the de-
4 velopment and construction of renewable chemical
5 and biobased product manufacturing facilities.”.

6 (2) *EFFECTIVE DATE.*—The amendments made
7 by paragraph (1) shall take effect on October 1, 2013.

8 (b) *FUNDING.*—Section 9003(h) of the Farm Security
9 and Rural Investment Act of 2002 (7 U.S.C. 8103(h)) is
10 amended—

11 (1) by striking paragraph (1) and inserting the
12 following:

13 “(1) *MANDATORY FUNDING.*—

14 “(A) *IN GENERAL.*—Subject to subpara-
15 graph (B), of the funds of the Commodity Credit
16 Corporation, the Secretary shall use for the cost
17 of loan guarantees under this section, to remain
18 available until expended—

19 “(i) \$100,000,000 for fiscal year 2014;

20 and

21 “(ii) \$58,000,000 for each of fiscal
22 years 2015 and 2016.

23 “(B) *BIOBASED PRODUCT MANUFAC-*
24 *TURING.*—Of the total amount of funds made
25 available for fiscal years 2014 and 2015 under

1 *subparagraph (A), the Secretary use for the cost*
2 *of loan guarantees under this section not more*
3 *than \$25,000,000 to promote biobased product*
4 *manufacturing.”; and*
5 *(2) in paragraph (2), by striking “2013” and in-*
6 *serting “2018”.*

7 **SEC. 9004. BIOENERGY PROGRAM FOR ADVANCED**
8 **BIOFUELS.**

9 *Section 9005(g) of the Farm Security and Rural In-*
10 *vestment Act of 2002 (7 U.S.C. 8105(g)) is amended—*

11 *(1) in the heading of paragraph (1), by inserting*
12 *“FOR FISCAL YEARS 2009 THROUGH 2012” after*
13 *“FUNDING”;*

14 *(2) in the heading of paragraph (2), by inserting*
15 *“FOR FISCAL YEARS 2009 THROUGH 2013” after*
16 *“FUNDING”;*

17 *(3) by redesignating paragraph (3) as para-*
18 *graph (4); and*

19 *(4) by inserting after paragraph (2) the fol-*
20 *lowing:*

21 *“(3) FISCAL YEARS 2014 THROUGH 2018.—There*
22 *is authorized to be appropriated to carry out this sec-*
23 *tion \$20,000,000 for each of fiscal years 2014 through*
24 *2018.”.*

1 **SEC. 9005. BIODIESEL FUEL EDUCATION PROGRAM.**

2 *Section 9006(d) of the Farm Security and Rural In-*
3 *vestment Act of 2002 (7 U.S.C. 8106(d)) is amended—*

4 *(1) in paragraph (1)—*

5 *(A) in the heading, by striking “FISCAL*
6 *YEARS 2009 THROUGH 2012” and inserting “MAN-*
7 *DATORY FUNDING”; and*

8 *(B) by striking “2012” and inserting*
9 *“2018”; and*

10 *(2) in paragraph (2), by striking “fiscal year*
11 *2013” and inserting “each of fiscal years 2014*
12 *through 2018”.*

13 **SEC. 9006. RURAL ENERGY FOR AMERICA PROGRAM.**

14 *(a) PROGRAM ADJUSTMENTS.—*

15 *(1) IN GENERAL.—Section 9007 of the Farm Se-*
16 *curity and Rural Investment Act of 2002 (7 U.S.C.*
17 *8107) is amended—*

18 *(A) in subsection (b)(2)—*

19 *(i) in subparagraph (C), by striking*
20 *“and” at the end;*

21 *(ii) by redesignating subparagraph (D)*
22 *as subparagraph (E); and*

23 *(iii) by inserting after subparagraph*
24 *(C) the following:*

1 “(D) a council (as defined in section 1528
2 of the Agriculture and Food Act of 1981 (16
3 U.S.C. 3451)); and”;

4 (B) in subsection (c)—

5 (i) in paragraph (1)(A), by inserting
6 “, such as for agricultural and associated
7 residential purposes” after “electricity”;

8 (ii) by striking paragraph (3);

9 (iii) by redesignating paragraph (4) as
10 paragraph (3);

11 (iv) in paragraph (3) (as so redesign-
12 ated), by striking subparagraph (A) and
13 inserting the following:

14 “(A) GRANTS.—The amount of a grant
15 under this subsection shall not exceed the lesser
16 of—

17 “(i) \$500,000; and

18 “(ii) 25 percent of the cost of the activ-
19 ity carried out using funds from the
20 grant.”; and

21 (v) by adding at the end the following:

22 “(4) TIERED APPLICATION PROCESS.—

23 “(A) IN GENERAL.—In providing loan
24 guarantees and grants under this subsection, the
25 Secretary shall use a 3-tiered application process

1 that reflects the size of proposed projects in ac-
2 cordance with this paragraph.

3 “(B) *TIER 1.*—The Secretary shall establish
4 a separate application process for projects for
5 which the cost of the activity funded under this
6 subsection is not more than \$80,000.

7 “(C) *TIER 2.*—The Secretary shall establish
8 a separate application process for projects for
9 which the cost of the activity funded under this
10 subsection is greater than \$80,000 but less than
11 \$200,000.

12 “(D) *TIER 3.*—The Secretary shall establish
13 a separate application process for projects for
14 which the cost of the activity funded under this
15 subsection is equal to or greater than \$200,000.

16 “(E) *APPLICATION PROCESS.*—The Sec-
17 retary shall establish an application, evaluation,
18 and oversight process that is the most simplified
19 for tier I projects and more comprehensive for
20 each subsequent tier.”.

21 (2) *EFFECTIVE DATE.*—The amendments made
22 by paragraph (1) shall take effect on October 1, 2013.

23 (b) *FUNDING.*—Section 9007(g) of the Farm Security
24 and Rural Investment Act of 2002 (7 U.S.C. 8107(g)) is
25 amended—

1 (1) *in the heading of paragraph (1), by inserting*
2 “FOR FISCAL YEARS 2009 THROUGH 2012” *after*
3 “FUNDING”;

4 (2) *in the heading of paragraph (2), by inserting*
5 “FOR FISCAL YEARS 2009 THROUGH 2012” *after*
6 “FUNDING”;

7 (3) *in the heading of paragraph (3), by inserting*
8 “FOR FISCAL YEARS 2009 THROUGH 2013” *after*
9 “FUNDING”; *and*

10 (4) *by adding at the end the following:*

11 “(4) FISCAL YEARS 2014 THROUGH 2018.—*There*
12 *is authorized to be appropriated to carry out this sec-*
13 *tion \$20,000,000 for each of fiscal years 2014 through*
14 *2018.*”

15 “(5) MANDATORY FUNDING FOR FISCAL YEARS
16 2014 THROUGH 2018.—*Of the funds of the Commodity*
17 *Credit Corporation, the Secretary shall use to carry*
18 *out this section \$68,200,000 for each of fiscal years*
19 *2014 through 2018.*”

20 **SEC. 9007. BIOMASS RESEARCH AND DEVELOPMENT.**

21 *Section 9008(h) of the Farm Security and Rural In-*
22 *vestment Act of 2002 (7 U.S.C. 8108(h)) is amended—*

23 (1) *in the heading of paragraph (1), by inserting*
24 “FOR FISCAL YEARS 2009 THROUGH 2012” *after*
25 “FUNDING”;

1 (2) *in the heading of paragraph (2), by inserting*
2 “*FOR FISCAL YEARS 2009 THROUGH 2013*” *after*
3 “*FUNDING*”; *and*

4 (3) *by adding at the end the following:*

5 “(3) *FISCAL YEARS 2014 THROUGH 2018.—There*
6 *is authorized to be appropriated to carry out this sec-*
7 *tion \$30,000,000 for each of fiscal years 2014 through*
8 *2018.*

9 “(4) *MANDATORY FUNDING FOR FISCAL YEARS*
10 *2014 THROUGH 2018.—Of the funds of the Commodity*
11 *Credit Corporation, the Secretary shall use to carry*
12 *out this section \$26,000,000 for each of fiscal years*
13 *2014 through 2018.”.*

14 **SEC. 9008. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**
15 **ENERGY PRODUCERS.**

16 *Section 9010(b) of the Farm Security and Rural In-*
17 *vestment Act of 2002 (7 U.S.C. 8110(b)) is amended—*

18 (1) *in paragraph (1)(A), by striking “2013” and*
19 *inserting “2018”; and*

20 (2) *in paragraph (2)(A), by striking “2013” and*
21 *inserting “2018”.*

22 **SEC. 9009. BIOMASS CROP ASSISTANCE PROGRAM.**

23 *Section 9011 of the Farm Security and Rural Invest-*
24 *ment Act of 2002 (7 U.S.C. 8111) is amended to read as*
25 *follows:*

1 **“SEC. 9011. BIOMASS CROP ASSISTANCE PROGRAM.**

2 “(a) *DEFINITIONS.*—*In this section:*

3 “(1) *BCAP.*—*The term ‘BCAP’ means the Bio-*
4 *mass Crop Assistance Program established under this*
5 *section.*

6 “(2) *BCAP PROJECT AREA.*—*The term ‘BCAP*
7 *project area’ means an area that—*

8 “(A) *has specified boundaries that are sub-*
9 *mitted to the Secretary by the project sponsor*
10 *and subsequently approved by the Secretary;*

11 “(B) *includes producers with contract acre-*
12 *age that will supply a portion of the renewable*
13 *biomass needed by a biomass conversion facility;*
14 *and*

15 “(C) *is physically located within an eco-*
16 *nomically practicable distance from the biomass*
17 *conversion facility.*

18 “(3) *CONTRACT ACREAGE.*—*The term ‘contract*
19 *acreage’ means eligible land that is covered by a*
20 *BCAP contract entered into with the Secretary.*

21 “(4) *ELIGIBLE CROP.*—

22 “(A) *IN GENERAL.*—*The term ‘eligible crop’*
23 *means a crop of renewable biomass.*

24 “(B) *EXCLUSIONS.*—*The term ‘eligible crop’*
25 *does not include—*

1 “(i) any crop that is eligible to receive
2 payments under title I of the Food, Con-
3 servation, and Energy Act of 2008 (7
4 U.S.C. 8702 et seq.) or an amendment made
5 by that title; or

6 “(ii) any plant that is invasive or nox-
7 ious or species or varieties of plants that
8 credible risk assessment tools or other cred-
9 ible sources determine are potentially
10 invasive, as determined by the Secretary in
11 consultation with other appropriate Federal
12 or State departments and agencies.

13 “(5) *ELIGIBLE LAND.*—

14 “(A) *IN GENERAL.*—The term ‘eligible land’
15 includes—

16 “(i) agricultural and nonindustrial
17 private forest lands (as defined in section
18 5(c) of the Cooperative Forestry Assistance
19 Act of 1978 (16 U.S.C. 2103a(c))); and

20 “(ii) land enrolled in the conservation
21 reserve program established under sub-
22 chapter B of chapter I of subtitle D of title
23 XII of the Food Security Act of 1985 (16
24 U.S.C. 3831 et seq.) or the Agricultural
25 Conservation Easement Program established

1 under subtitle H of title XII of that Act
2 under a contract that will expire at the end
3 of the current fiscal year.

4 “(B) *EXCLUSIONS.*—The term ‘eligible land’
5 does not include—

6 “(i) *Federal- or State-owned land;*

7 “(ii) *land that is native sod, as of the*
8 *date of enactment of the Food, Conservation,*
9 *and Energy Act of 2008 (7 U.S.C. 8701 et*
10 *seq.);*

11 “(iii) *land enrolled in the conservation*
12 *reserve program established under sub-*
13 *chapter B of chapter 1 of subtitle D of title*
14 *XII of the Food Security Act of 1985 (16*
15 *U.S.C. 3831 et seq.), other than land de-*
16 *scribed in subparagraph (A)(ii); or*

17 “(iv) *land enrolled in the Agricultural*
18 *Conservation Easement Program established*
19 *under subtitle H of title XII of that Act,*
20 *other than land described in subparagraph*
21 *(A)(ii).*

22 “(6) *ELIGIBLE MATERIAL.*—

23 “(A) *IN GENERAL.*—The term ‘eligible mate-
24 *rial’ means renewable biomass harvested directly*
25 *from the land, including crop residue from any*

1 *crop that is eligible to receive payments under*
2 *title I of the Agriculture Reform, Food, and Jobs*
3 *Act of 2013 or an amendment made by that title.*

4 “(B) *INCLUSIONS.*—*The term ‘eligible mate-*
5 *rial’ shall only include—*

6 “(i) *eligible material that is collected*
7 *or harvested by the eligible material*
8 *owner—*

9 “(I) *directly from—*

10 “(aa) *National Forest Sys-*
11 *tem;*

12 “(bb) *Bureau of Land Man-*
13 *agement land;*

14 “(cc) *non-Federal land; or*

15 “(dd) *land owned by an in-*
16 *dividual Indian or Indian tribe*
17 *that is held in trust by the United*
18 *States for the benefit of the indi-*
19 *vidual Indian or Indian tribe or*
20 *subject to a restriction against*
21 *alienation imposed by the United*
22 *States;*

23 “(II) *in a manner that is con-*
24 *sistent with—*

25 “(aa) *a conservation plan;*

1 “(bb) a forest stewardship
2 plan; or

3 “(cc) a plan that the Sec-
4 retary determines is equivalent to
5 a plan described in item (aa) or
6 (bb) and consistent with Executive
7 Order 13112 (42 U.S.C. 4321
8 note; relating to invasive species);

9 “(ii) if woody eligible material, woody
10 eligible material that is produced on land
11 other than contract acreage that—

12 “(I) is a byproduct of a preventa-
13 tive treatment that is removed to re-
14 duce hazardous fuel or to reduce or
15 contain disease or insect infestation;
16 and

17 “(II) if harvested from Federal
18 land, is harvested in accordance with
19 section 102(e) of the Healthy Forests
20 Restoration Act of 2003 (16 U.S.C.
21 6512(e)); and

22 “(iii) eligible material that is delivered
23 to a qualified biomass conversion facility to
24 be used for heat, power, biobased products,
25 research, or advanced biofuels.

1 “(C) *EXCLUSIONS.*—The term ‘eligible ma-
2 terial’ does not include—

3 “(i) material that is whole grain from
4 any crop that is eligible to receive payments
5 under title I of the Agriculture Reform,
6 Food, and Jobs Act of 2013 or an amend-
7 ment made by that title, including—

8 “(I) barley, corn, grain sorghum,
9 oats, rice, or wheat;

10 “(II) honey;

11 “(III) mohair;

12 “(IV) oilseeds, including canola,
13 crambe, flaxseed, mustard seed,
14 rapeseed, safflower seed, soybeans, ses-
15 ame seed, and sunflower seed;

16 “(V) peanuts;

17 “(VI) pulse;

18 “(VII) chickpeas, lentils, and dry
19 peas;

20 “(VIII) dairy products;

21 “(IX) sugar; and

22 “(X) wool and cotton boll fiber;

23 “(ii) animal waste and byproducts, in-
24 cluding fat, oil, grease, and manure;

25 “(iii) food waste and yard waste;

1 “(iv) algae;

2 “(v) woody eligible material that—

3 “(I) is removed outside contract
4 acreage; and

5 “(II) is not a byproduct of a pre-
6 ventative treatment to reduce haz-
7 ardous fuel or to reduce or contain dis-
8 ease or insect infestation;

9 “(vi) any woody eligible material col-
10 lected or harvested outside contract acreage
11 that would otherwise be used for existing
12 market products; or

13 “(vii) bagasse.

14 “(7) *PRODUCER*.—The term ‘producer’ means an
15 owner or operator of contract acreage that is phys-
16 ically located within a BCAP project area.

17 “(8) *PROJECT SPONSOR*.—The term ‘project
18 sponsor’ means—

19 “(A) a group of producers; or

20 “(B) a biomass conversion facility.

21 “(9) *SOCIALLY DISADVANTAGED FARMER OR*
22 *RANCHER*.—The term ‘socially disadvantaged farmer
23 or rancher’ has the meaning given the term in section
24 2501(e) of the Food, Agriculture, Conservation, and
25 Trade Act of 1990 (7 U.S.C. 2279(e)).

1 “(b) *ESTABLISHMENT AND PURPOSE.*—*The Secretary*
2 *shall establish and administer a Biomass Crop Assistance*
3 *Program to—*

4 “(1) *support the establishment and production of*
5 *eligible crops for conversion to bioenergy in selected*
6 *BCAP project areas; and*

7 “(2) *assist agricultural and forest land owners*
8 *and operators with the collection, harvest, storage,*
9 *and transportation of eligible material for use in a*
10 *biomass conversion facility.*

11 “(c) *BCAP PROJECT AREA.*—

12 “(1) *IN GENERAL.*—*The Secretary shall provide*
13 *financial assistance to a producer of an eligible crop*
14 *in a BCAP project area.*

15 “(2) *SELECTION OF PROJECT AREAS.*—

16 “(A) *IN GENERAL.*—*To be considered for se-*
17 *lection as a BCAP project area, a project sponsor*
18 *shall submit to the Secretary a proposal that, at*
19 *a minimum, includes—*

20 “(i) *a description of the eligible land*
21 *and eligible crops of each producer that will*
22 *participate in the proposed BCAP project*
23 *area;*

24 “(ii) *a letter of commitment from a*
25 *biomass conversion facility that the facility*

1 *will use the eligible crops intended to be*
2 *produced in the proposed BCAP project*
3 *area;*

4 *“(iii) evidence that the biomass conver-*
5 *sion facility has sufficient equity available,*
6 *as determined by the Secretary, if the bio-*
7 *mass conversion facility is not operational*
8 *at the time the proposal is submitted to the*
9 *Secretary; and*

10 *“(iv) any other information about the*
11 *biomass conversion facility or proposed bio-*
12 *mass conversion facility that the Secretary*
13 *determines necessary for the Secretary to be*
14 *reasonably assured that the plant will be in*
15 *operation by the date on which the eligible*
16 *crops are ready for harvest.*

17 *“(B) BCAP PROJECT AREA SELECTION CRI-*
18 *TERIA.—In selecting BCAP project areas, the*
19 *Secretary shall consider—*

20 *“(i) the volume of the eligible crops*
21 *proposed to be produced in the proposed*
22 *BCAP project area and the probability that*
23 *those crops will be used for the purposes of*
24 *the BCAP;*

1 “(ii) the volume of renewable biomass
2 projected to be available from sources other
3 than the eligible crops grown on contract
4 acres;

5 “(iii) the anticipated economic impact
6 in the proposed BCAP project area;

7 “(iv) the opportunity for producers
8 and local investors to participate in the
9 ownership of the biomass conversion facility
10 in the proposed BCAP project area;

11 “(v) the participation rate by—

12 “(I) beginning farmers or ranch-
13 ers (as defined in accordance with sec-
14 tion 343(a) of the Consolidated Farm
15 and Rural Development Act (7 U.S.C.
16 1991(a))); or

17 “(II) socially disadvantaged farm-
18 ers or ranchers;

19 “(vi) the impact on soil, water, and re-
20 lated resources;

21 “(vii) the variety in biomass produc-
22 tion approaches within a project area, in-
23 cluding (as appropriate)—

24 “(I) agronomic conditions;

1 “(II) harvest and postharvest
2 practices; and

3 “(III) monoculture and
4 polyculture crop mixes;

5 “(viii) the range of eligible crops
6 among project areas; and

7 “(ix) any additional information that
8 the Secretary determines to be necessary.

9 “(3) CONTRACT.—

10 “(A) IN GENERAL.—On approval of a
11 BCAP project area by the Secretary, each pro-
12 ducer in the BCAP project area shall enter into
13 a contract directly with the Secretary.

14 “(B) MINIMUM TERMS.—At a minimum, a
15 contract under this subsection shall include
16 terms that cover—

17 “(i) an agreement to make available to
18 the Secretary, or to an institution of higher
19 education or other entity designated by the
20 Secretary, such information as the Sec-
21 retary considers to be appropriate to pro-
22 mote the production of eligible crops and the
23 development of biomass conversion tech-
24 nology;

1 “(ii) compliance with the highly erod-
2 ible land conservation requirements of sub-
3 title B of title XII of the Food Security Act
4 of 1985 (16 U.S.C. 3811 et seq.) and the
5 wetland conservation requirements of sub-
6 title C of title XII of that Act (16 U.S.C.
7 3821 et seq.);

8 “(iii) the implementation of (as deter-
9 mined by the Secretary)—

10 “(I) a conservation plan;

11 “(II) a forest stewardship plan; or

12 “(III) a plan that is equivalent to
13 a conservation or forest stewardship
14 plan; and

15 “(iv) any additional requirements that
16 Secretary determines to be necessary.

17 “(C) DURATION.—A contract under this
18 subsection shall have a term of not more than—

19 “(i) 5 years for annual and perennial
20 crops; or

21 “(ii) 15 years for woody biomass.

22 “(4) RELATIONSHIP TO OTHER PROGRAMS.—In
23 carrying out this subsection, the Secretary shall pro-
24 vide for the preservation of cropland base and yield

1 *history applicable to the land enrolled in a BCAP*
2 *contract.*

3 “(5) *PAYMENTS.*—

4 “(A) *IN GENERAL.*—*The Secretary shall*
5 *make establishment and annual payments di-*
6 *rectly to producers to support the establishment*
7 *and production of eligible crops on contract acre-*
8 *age.*

9 “(B) *AMOUNT OF ESTABLISHMENT PAY-*
10 *MENTS.*—

11 “(i) *IN GENERAL.*—*Subject to clause*
12 *(ii), the amount of an establishment pay-*
13 *ment under this subsection shall be not*
14 *more than 50 percent of the costs of estab-*
15 *lishing an eligible perennial crop covered by*
16 *the contract but not to exceed \$500 per acre,*
17 *including—*

18 “(I) *the cost of seeds and stock for*
19 *perennials;*

20 “(II) *the cost of planting the pe-*
21 *rennial crop, as determined by the Sec-*
22 *retary; and*

23 “(III) *in the case of nonindustrial*
24 *private forestland, the costs of site*
25 *preparation and tree planting.*

1 “(ii) *SOCIALLY DISADVANTAGED FARM-*
2 *ERS OR RANCHERS.*—*In the case of socially*
3 *disadvantaged farmers or ranchers, the costs*
4 *of establishment may not exceed \$750 per*
5 *acre.*

6 “(C) *AMOUNT OF ANNUAL PAYMENTS.*—

7 “(i) *IN GENERAL.*—*Subject to clause*
8 *(ii), the amount of an annual payment*
9 *under this subsection shall be determined by*
10 *the Secretary.*

11 “(ii) *REDUCTION.*—*The Secretary shall*
12 *reduce an annual payment by an amount*
13 *determined to be appropriate by the Sec-*
14 *retary, if—*

15 “(I) *an eligible crop is used for*
16 *purposes other than the production of*
17 *energy at the biomass conversion facil-*
18 *ity;*

19 “(II) *an eligible crop is delivered*
20 *to the biomass conversion facility;*

21 “(III) *the producer receives a*
22 *payment under subsection (d);*

23 “(IV) *the producer violates a term*
24 *of the contract; or*

1 “(V) *the Secretary determines a*
2 *reduction is necessary to carry out this*
3 *section.*

4 “(D) *EXCLUSION.—The Secretary shall not*
5 *make any BCAP payments on land for which*
6 *payments are received under the conservation re-*
7 *serve program established under subchapter B of*
8 *chapter 1 of subtitle D of title XII of the Food*
9 *Security Act of 1985 (16 U.S.C. 3831 et seq.) or*
10 *the agricultural conservation easement program*
11 *established under subtitle H of title XII of that*
12 *Act.*

13 “(d) *ASSISTANCE WITH COLLECTION, HARVEST,*
14 *STORAGE, AND TRANSPORTATION.—*

15 “(1) *IN GENERAL.—The Secretary shall make a*
16 *payment for the delivery of eligible material to a bio-*
17 *mass conversion facility to—*

18 “(A) *a producer of an eligible crop that is*
19 *produced on BCAP contract acreage; or*

20 “(B) *a person with the right to collect or*
21 *harvest eligible material, regardless of whether*
22 *the eligible material is produced on contract*
23 *acreage.*

24 “(2) *PAYMENTS.—*

1 “(A) *COSTS COVERED.*—A payment under
2 this subsection shall be in an amount described
3 in subparagraph (B) for—

4 “(i) collection;

5 “(ii) harvest;

6 “(iii) storage; and

7 “(iv) transportation to a biomass con-
8 version facility.

9 “(B) *AMOUNT.*—Subject to paragraph (3),
10 the Secretary may provide matching payments
11 at a rate of up to \$1 for each \$1 per ton pro-
12 vided by the biomass conversion facility, in an
13 amount not to exceed \$20 per dry ton for a pe-
14 riod of 4 years.

15 “(3) *LIMITATION ON ASSISTANCE FOR BCAP CON-*
16 *TRACT ACREAGE.*—As a condition of the receipt of an
17 annual payment under subsection (c), a producer re-
18 ceiving a payment under this subsection for collection,
19 harvest, storage, or transportation of an eligible crop
20 produced on BCAP acreage shall agree to a reduction
21 in the annual payment.

22 “(e) *REPORT.*—Not later than 4 years after the date
23 of enactment of the Agriculture Reform, Food, and Jobs Act
24 of 2013, the Secretary shall submit to the Committee on
25 Agriculture of the House of Representatives and the Com-

1 *mittee on Agriculture, Nutrition, and Forestry of the Senate*
2 *a report on the dissemination by the Secretary of the best*
3 *practice data and information gathered from participants*
4 *receiving assistance under this section.*

5 “(f) *FUNDING.*—

6 “(1) *IN GENERAL.*—*Of the funds of the Com-*
7 *modity Credit Corporation, the Secretary shall use to*
8 *carry out this section \$38,600,000 for each of fiscal*
9 *years 2014 through 2018.*

10 “(2) *COLLECTION, HARVEST, STORAGE, AND*
11 *TRANSPORTATION PAYMENTS.*—*Of the amount made*
12 *available under paragraph (1) for each fiscal year,*
13 *the Secretary shall use not less than 10 percent, nor*
14 *more than 50 percent, of the amount to make collec-*
15 *tion, harvest, transportation, and storage payments*
16 *under subsection (d)(2).”.*

17 **SEC. 9010. REPEAL OF FOREST BIOMASS FOR ENERGY.**

18 *Section 9012 of the Farm Security and Rural Invest-*
19 *ment Act of 2002 (7 U.S.C. 8112) is repealed.*

20 **SEC. 9011. COMMUNITY WOOD ENERGY PROGRAM.**

21 (a) *DEFINITION OF BIOMASS CONSUMER COOPERA-*
22 *TIVE.*—*Section 9013(a) of the Farm Security and Rural*
23 *Investment Act of 2002 (7 U.S.C. 8113(a)) is amended—*

24 (1) *by redesignating paragraphs (1) and (2) as*
25 *paragraphs (2) and (3), respectively; and*

1 (2) *by inserting before paragraph (2) (as so re-*
2 *designated) the following:*

3 “(1) *BIOMASS CONSUMER COOPERATIVE.*—*The*
4 *term ‘biomass consumer cooperative’ means a con-*
5 *sumer membership organization the purpose of which*
6 *is to provide members with services or discounts relat-*
7 *ing to the purchase of biomass heating products or*
8 *biomass heating systems.’”.*

9 (b) *GRANT PROGRAM.*—*Section 9013(b)(1) of the*
10 *Farm Security and Rural Investment Act of 2002 (7 U.S.C.*
11 *8113(b)(1)) is amended—*

12 (1) *in subparagraph (A), by striking “and” after*
13 *the semicolon at the end;*

14 (2) *in subparagraph (B), by striking the period*
15 *at the end and inserting “; and”; and*

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

17 “(C) *grants of up to \$50,000 to biomass*
18 *consumer cooperatives for the purpose of estab-*
19 *lishing or expanding biomass consumer coopera-*
20 *tives that will provide consumers with services or*
21 *discounts relating to—*

22 “(i) *the purchase of biomass heating*
23 *systems;*

1 “(ii) biomass heating products, includ-
2 ing wood chips, wood pellets, and advanced
3 biofuels; or

4 “(iii) the delivery and storage of bio-
5 mass of heating products.”.

6 (c) *MATCHING FUNDS.*—Section 9013(d) of the Farm
7 *Security and Rural Investment Act of 2002* (7 U.S.C.
8 8113(d)) is amended—

9 (1) by striking “A State or local government that
10 receives a grant under subsection (b)” and inserting
11 the following:

12 “(1) *STATE AND LOCAL GOVERNMENTS.*—A State
13 or local government that receives a grant under sub-
14 paragraph (A) or (B) of subsection (b)(1)”;

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

16 “(2) *BIOMASS CONSUMER COOPERATIVES.*—A
17 biomass consumer cooperative that receives a grant
18 under subsection (b)(1)(C) shall contribute an amount
19 of non-Federal funds (which may include State, local,
20 and nonprofit funds and membership dues) toward
21 the establishment or expansion of a biomass consumer
22 cooperative that is at least equal to 50 percent of the
23 amount of Federal funds received for that purpose.”.

24 (d) *AUTHORIZATION OF APPROPRIATIONS.*—Section
25 9013(e) of the *Farm Security and Rural Investment Act*

1 of 2002 (7 U.S.C. 8113(e)) is amended by striking “2013”
2 and inserting “2018”.

3 **SEC. 9012. REPEAL OF RENEWABLE FERTILIZER STUDY.**

4 Section 9003 of the Food, Conservation, and Energy
5 Act of 2008 (Public Law 110–246; 122 Stat. 2096) is re-
6 pealed.

7 **TITLE X—HORTICULTURE**

8 **SEC. 10001. SPECIALTY CROPS MARKET NEWS ALLOCATION.**

9 Section 10107(b) of the Food, Conservation, and En-
10 ergy Act of 2008 (7 U.S.C. 1622b(b)) is amended by striking
11 “2012” and inserting “2018”.

12 **SEC. 10002. REPEAL OF GRANT PROGRAM TO IMPROVE**
13 **MOVEMENT OF SPECIALTY CROPS.**

14 Section 10403 of the Food, Conservation, and Energy
15 Act of 2008 (7 U.S.C. 1622c) is repealed.

16 **SEC. 10003. FARMERS MARKET AND LOCAL FOOD PRO-**
17 **MOTION PROGRAM.**

18 Section 6 of the Farmer-to-Consumer Direct Marketing
19 Act of 1976 (7 U.S.C. 3005) is amended—

20 (1) in the section heading, by adding “AND
21 LOCAL FOOD” after “MARKET”;

22 (2) in subsection (a)—

23 (A) by inserting “and Local Food” after
24 “Market”;

1 (B) by striking “farmers’ markets and to
2 promote”; and

3 (C) by inserting “and local food capacity
4 development” before the period at the end;

5 (3) in subsection (b), by striking paragraph (1)
6 and inserting the following:

7 “(1) *IN GENERAL.*—The purposes of the Program
8 are to increase domestic consumption of and access to
9 locally and regionally produced agricultural products
10 by developing, improving, expanding, and providing
11 outreach, training, and technical assistance to, or as-
12 sisting in the development, improvement and expan-
13 sion of—

14 “(A) domestic farmers’ markets, roadside
15 stands, community-supported agriculture pro-
16 grams, agritourism activities, and other direct
17 producer-to-consumer market opportunities; and

18 “(B) local and regional food enterprises that
19 are not direct producer-to-consumer markets but
20 process, distribute, aggregate, store, and market
21 locally or regionally produced food products.”;

22 (4) in subsection (c)(1)—

23 (A) by inserting “or other business entity”
24 after “cooperative”; and

1 (B) by inserting “, including a community
2 supported agriculture network or association”
3 after “association”;

4 (5) by redesignating subsection (e) as subsection
5 (f);

6 (6) by inserting after subsection (d) the fol-
7 lowing:

8 “(e) *PRIORITIES*.—In providing grants under the Pro-
9 gram, priority shall be given to applications that include
10 projects that—

11 “(1) benefit underserved communities;

12 “(2) develop market opportunities for small and
13 mid-sized farm and ranch operations; and

14 “(3) include a strategic plan to maximize the use
15 of funds to build capacity for local and regional food
16 systems in a community.”;

17 (7) in subsection (f) (as redesignated by para-
18 graph (5))—

19 (A) in paragraph (1)—

20 (i) in the heading, by striking “*FISCAL*
21 *YEARS 2008 THROUGH 2012*” and inserting
22 “*MANDATORY FUNDING*”;

23 (ii) in subparagraph (B), by striking
24 “and” after the semicolon at the end;

1 (iii) in subparagraph (C), by striking
2 the period at the end and inserting “; and”;
3 and

4 (iv) by adding at the end the following:
5 “(D) \$20,000,000 for each of fiscal years
6 2014 through 2018.”;

7 (B) by striking paragraphs (3) and (5);

8 (C) by inserting after paragraph (2) the fol-
9 lowing:

10 “(3) *AUTHORIZATION OF APPROPRIATIONS.*—*In*
11 *addition to funds made available under paragraph*
12 *(1), there is authorized to be appropriated to carry*
13 *out this section \$20,000,000 for each of fiscal years*
14 *2014 through 2018.”; and*

15 (D) by adding at the end the following:

16 “(5) *USE OF FUNDS.*—

17 “(A) *IN GENERAL.*—*Of the funds made*
18 *available to carry out the Program for each fis-*
19 *cal year, 50 percent shall be used for the pur-*
20 *poses described in subsection (b)(1)(A) and 50*
21 *percent shall be used for the purposes described*
22 *in subsection (b)(1)(B).*

23 “(B) *COST SHARE.*—*To be eligible to receive*
24 *a grant for a project described in subsection*
25 *(b)(1)(B), a recipient shall provide a match in*

1 *the form of cash or in-kind contributions in an*
2 *amount equal to 25 percent of the total cost of*
3 *the project.*

4 “(6) *ADMINISTRATIVE EXPENSES.*—*Not more*
5 *than 10 percent of the total amount made available*
6 *to carry out this section for a fiscal year may be used*
7 *for administrative expenses.*

8 “(7) *LIMITATIONS.*—*An eligible entity may not*
9 *use a grant or other assistance provided under the*
10 *Program for the purchase, construction, or rehabilita-*
11 *tion of a building or structure.”.*

12 **SEC. 10004. STUDY ON LOCAL FOOD PRODUCTION AND PRO-**
13 **GRAM EVALUATION.**

14 (a) *IN GENERAL.*—*The Secretary shall—*

15 (1) *collect data on the production and marketing*
16 *of locally or regionally produced agricultural food*
17 *products;*

18 (2) *facilitate interagency collaboration and data*
19 *sharing on programs related to local and regional*
20 *food systems; and*

21 (3) *monitor the effectiveness of programs de-*
22 *signed to expand or facilitate local food systems.*

23 (b) *REQUIREMENTS.*—*In carrying out this section, the*
24 *Secretary shall, at a minimum—*

1 (1) *collect and distribute comprehensive report-*
2 *ing of prices of locally or regionally produced agricul-*
3 *tural food products;*

4 (2) *conduct surveys and analysis and publish re-*
5 *ports relating to the production, handling, distribu-*
6 *tion, retail sales, and trend studies (including con-*
7 *sumer purchasing patterns) of or on locally or region-*
8 *ally produced agricultural food products;*

9 (3) *evaluate the effectiveness of existing programs*
10 *in growing local and regional food systems, includ-*
11 *ing—*

12 (A) *the impact of local food systems on job*
13 *creation and economic development;*

14 (B) *the level of participation in the Farm-*
15 *ers' Market and Local Food Promotion Program*
16 *established under section 6 of the Farmer-to-Con-*
17 *sumer Direct Marketing Act of 1976 (7 U.S.C.*
18 *3005), including the percentage of projects fund-*
19 *ed in comparison to applicants and the types of*
20 *eligible entities receiving funds;*

21 (C) *the ability for participants to leverage*
22 *private capital and a synopsis of the places from*
23 *which non-Federal funds are derived; and*

1 (D) any additional resources required to
2 aid in the development or expansion of local and
3 regional food systems;

4 (4) expand the Agricultural Resource Manage-
5 ment Survey to include questions on locally or region-
6 ally produced agricultural food products; and

7 (5) seek to establish or expand private-public
8 partnerships to facilitate, to the maximum extent
9 practicable, the collection of data on locally or region-
10 ally produced agricultural food products, including
11 the development of a nationally coordinated and re-
12 gionally balanced evaluation of the redevelopment of
13 locally or regionally produced food systems.

14 (c) *REPORT.*—Not later than 1 year after the date of
15 enactment of this Act and annually thereafter, the Secretary
16 shall submit to the Committee on Agriculture of the House
17 of Representatives and the Committee on Agriculture, Nu-
18 trition, and Forestry of the Senate a report describing the
19 progress that has been made in implementing this section
20 and identifying any additional needs related to developing
21 local and regional food systems.

22 **SEC. 10005. ORGANIC AGRICULTURE.**

23 (a) *ORGANIC PRODUCTION AND MARKET DATA INITIA-*
24 *TIVES.*—Section 7407 of the Farm Security and Rural In-
25 vestment Act of 2002 (7 U.S.C. 5925c) is amended—

1 (1) *in subsection (c)—*

2 (A) *in the matter preceding paragraph (1),*
3 *by inserting “and annually thereafter” after*
4 *“this subsection”;*

5 (B) *in paragraph (1), by striking “and” at*
6 *the end;*

7 (C) *by redesignating paragraph (2) as*
8 *paragraph (3); and*

9 (D) *by inserting after paragraph (1) the fol-*
10 *lowing:*

11 “(2) *describes how data collection agencies (such*
12 *as the Agricultural Marketing Service and the Na-*
13 *tional Agricultural Statistics Service) are coordi-*
14 *nating with data user agencies (such as the Risk*
15 *Management Agency) to ensure that data collected*
16 *under this section can be used by data user agencies,*
17 *including by the Risk Management Agency to offer*
18 *price elections for all organic crops; and”;* and

19 (2) *in subsection (d)—*

20 (A) *by striking paragraph (3);*

21 (B) *by redesignating paragraph (2) as*
22 *paragraph (3);*

23 (C) *by inserting after paragraph (1) the fol-*
24 *lowing:*

1 “(2) *MANDATORY FUNDING.*—*In addition to any*
2 *funds available under paragraph (1), of the funds of*
3 *the Commodity Credit Corporation, the Secretary*
4 *shall use to carry out this section \$5,000,000, to re-*
5 *main available until expended.”; and*

6 *(D) in paragraph (3) (as redesignated by*
7 *subparagraph (B))—*

8 *(i) in the heading, by striking “FOR*
9 *FISCAL YEARS 2008 THROUGH 2012”;*

10 *(ii) by striking “paragraph (1)” and*
11 *inserting “paragraphs (1) and (2)”;* and

12 *(iii) by striking “2012” and inserting*
13 *“2018”.*

14 *(b) MODERNIZATION AND TECHNOLOGY UPGRADE FOR*
15 *NATIONAL ORGANIC PROGRAM.*—*Section 2123 of the Or-*
16 *ganic Foods Production Act of 1990 (7 U.S.C. 6522) is*
17 *amended—*

18 *(1) in subsection (b)—*

19 *(A) in paragraph (5), by striking “and” at*
20 *the end;*

21 *(B) by redesignating paragraph (6) as*
22 *paragraph (7); and*

23 *(C) by inserting after paragraph (5) the fol-*
24 *lowing:*

1 “(6) \$15,000,000 for each of fiscal years 2014
2 through 2018; and”;

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

4 “(c) **MODERNIZATION AND TECHNOLOGY UPGRADE**
5 **FOR NATIONAL ORGANIC PROGRAM.**—

6 “(1) **IN GENERAL.**—The Secretary shall mod-
7 ernize database and technology systems of the na-
8 tional organic program.

9 “(2) **FUNDING.**—Of the funds of the Commodity
10 Credit Corporation and in addition to any other
11 funds made available for that purpose, the Secretary
12 shall make available to carry out this subsection
13 \$5,000,000 for fiscal year 2014, to remain available
14 until expended.”.

15 **SEC. 10006. FOOD SAFETY EDUCATION INITIATIVES.**

16 Section 10105(c) of the Food, Conservation, and En-
17 ergy Act of 2008 (7 U.S.C. 7655a(c)) is amended by striking
18 “2012” and inserting “2018”.

19 **SEC. 10007. COORDINATED PLANT MANAGEMENT PROGRAM.**

20 (a) **IN GENERAL.**—Section 420 of the Plant Protection
21 Act (7 U.S.C. 7721) is amended—

22 (1) by striking the section heading and inserting
23 “**COORDINATED PLANT MANAGEMENT PRO-**
24 **GRAM.**”;

1 (2) *by redesignating subsection (e) as subsection*
2 *(f); and*

3 (3) *by inserting after subsection (d) the fol-*
4 *lowing:*

5 “(e) *NATIONAL CLEAN PLANT NETWORK.—*

6 “(1) *IN GENERAL.—The Secretary shall establish*
7 *a program to be known as the ‘National Clean Plant*
8 *Network’ (referred to in this subsection as the ‘Pro-*
9 *gram’).*

10 “(2) *REQUIREMENTS.—Under the Program, the*
11 *Secretary shall establish a network of clean plant cen-*
12 *ters for diagnostic and pathogen elimination serv-*
13 *ices—*

14 “(A) *to produce clean propagative plant*
15 *material; and*

16 “(B) *to maintain blocks of pathogen-tested*
17 *plant material in sites located throughout the*
18 *United States.*

19 “(3) *AVAILABILITY OF CLEAN PLANT SOURCE MA-*
20 *TERIAL.—Clean plant source material produced or*
21 *maintained under the Program may be made avail-*
22 *able to—*

23 “(A) *a State for a certified plant program*
24 *of the State; and*

25 “(B) *private nurseries and producers.*

1 “(4) *CONSULTATION AND COLLABORATION.*—*In*
2 *carrying out the Program, the Secretary shall—*

3 “(A) *consult with—*

4 “(i) *State departments of agriculture;*

5 *and*

6 “(ii) *land-grant colleges and univer-*
7 *sities and NLGCA Institutions (as those*
8 *terms are defined in section 1404 of the Na-*
9 *tional Agricultural Research, Extension,*
10 *and Teaching Policy Act of 1977 (7 U.S.C.*
11 *3103)); and*

12 “(B) *to the extent practicable and with*
13 *input from the appropriate State officials and*
14 *industry representatives, use existing Federal or*
15 *State facilities to serve as clean plant centers.”.*

16 (b) *FUNDING.*—*Subsection (f) of section 420 of the*
17 *Plant Protection Act (7 U.S.C. 7721) (as redesignated by*
18 *subsection (a)(2)) is amended—*

19 (1) *in paragraph (3), by striking “and” at the*
20 *end;*

21 (2) *in paragraph (4), by striking “and each fis-*
22 *cal year thereafter.” and inserting a semicolon; and*

23 (3) *by adding at the end the following:*

24 “(5) *\$60,000,000 for each of fiscal years 2014*
25 *through 2017; and*

1 “(6) \$65,000,000 for fiscal year 2018 and each
2 *fiscal year thereafter.*”.

3 (c) *REPEAL OF EXISTING PROVISION.*—Section 10202
4 of the *Food, Conservation, and Energy Act of 2008* (7
5 U.S.C. 7761) is repealed.

6 (d) *CLARIFICATION OF USE OF FUNDS FOR TECH-*
7 *NICAL ASSISTANCE.*—Section 420 of the *Plant Protection*
8 *Act* (7 U.S.C. 7721) (as amended by subsection (a)) is
9 amended by adding at the end the following:

10 “(g) *RELATIONSHIP TO OTHER LAW.*—The use of
11 *Commodity Credit Corporation funds under this section to*
12 *provide technical assistance shall not be considered an allot-*
13 *ment or fund transfer from the Commodity Credit Corpora-*
14 *tion for purposes of the limit on expenditures for technical*
15 *assistance imposed by section 11 of the Commodity Credit*
16 *Corporation Charter Act* (15 U.S.C. 714i).”.

17 **SEC. 10008. SPECIALTY CROP BLOCK GRANTS.**

18 Section 101 of the *Specialty Crops Competitiveness Act*
19 of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is
20 amended—

21 (1) in subsection (a)—

22 (A) by striking “subsection (j)” and insert-
23 ing “subsection (l)”; and

24 (B) by striking “2012” and inserting
25 “2018”;

1 (2) *by striking subsection (b) and inserting the*
2 *following:*

3 “(b) *GRANTS BASED ON VALUE AND ACREAGE.*—Sub-
4 *ject to subsection (c), in the case of each State with an ap-*
5 *plication for a grant for a fiscal year that is accepted by*
6 *the Secretary of Agriculture under subsection (f), the*
7 *amount of a grant for a fiscal year to a State under this*
8 *section shall bear the same ratio to the total amount made*
9 *available under subsection (l) for that fiscal year as—*

10 “(1) *the average of the most recent available*
11 *value of specialty crop production in the State and*
12 *the acreage of specialty crop production in the State,*
13 *as demonstrated in the most recent Census of Agri-*
14 *culture data; bears to*

15 “(2) *the average of the most recent available*
16 *value of specialty crop production in all States and*
17 *the acreage of specialty crop production in all States,*
18 *as demonstrated in the most recent Census of Agri-*
19 *culture data.”;*

20 (3) *by redesignating subsection (j) as subsection*
21 *(l);*

22 (4) *by inserting after subsection (i) the following:*

23 “(j) *MULTISTATE PROJECTS.*—

24 “(1) *IN GENERAL.*—*Not later than 180 days*
25 *after the date of enactment of the Agriculture Reform,*

1 *Food, and Jobs Act of 2013, the Secretary of Agri-*
2 *culture shall issue guidance for the purpose of making*
3 *grants to multistate projects under this section for*
4 *projects involving—*

5 “(A) *food safety;*

6 “(B) *plant pests and disease;*

7 “(C) *crop-specific projects addressing com-*
8 *mon issues; and*

9 “(D) *any other area that furthers the pur-*
10 *poses of this section, as determined by the Sec-*
11 *retary.*

12 “(2) *FUNDING.—Of the funds provided under*
13 *subsection (l), the Secretary of Agriculture may allo-*
14 *cate for grants under this subsection, to remain avail-*
15 *able until expended—*

16 “(A) *\$1,000,000 for fiscal year 2014;*

17 “(B) *\$2,000,000 for fiscal year 2015;*

18 “(C) *\$3,000,000 for fiscal year 2016;*

19 “(D) *\$4,000,000 for fiscal year 2017; and*

20 “(E) *\$5,000,000 for fiscal year 2018.*

21 “(k) *ADMINISTRATION.—*

22 “(1) *DEPARTMENT.—The Secretary of Agri-*
23 *culture may not use more than 3 percent of the funds*
24 *made available to carry out this section for a fiscal*
25 *year for administrative expenses.*

1 “(2) *STATES.*—*A State receiving a grant under*
2 *this section may not use more than 8 percent of the*
3 *funds received under the grant for a fiscal year for*
4 *administrative expenses.*”; and

5 (5) *in subsection (l) (as redesignated by para-*
6 *graph (3))—*

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

9 (B) *in paragraph (3), by striking the period*
10 *at the end and inserting “; and”; and*

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

12 “(4) *\$70,000,000 for fiscal year 2014 and each*
13 *fiscal year thereafter.*”.

14 **SEC. 10009. RECORDKEEPING, INVESTIGATIONS, AND EN-**
15 **FORCEMENT.**

16 *The Organic Foods Production Act of 1990 is amended*
17 *by inserting after section 2120 (7 U.S.C. 6519) the fol-*
18 *lowing:*

19 **“SEC. 2120A. RECORDKEEPING, INVESTIGATIONS, AND EN-**
20 **FORCEMENT.**

21 “(a) *RECORDKEEPING.*—

22 “(1) *IN GENERAL.*—*Except as otherwise provided*
23 *in this title, all persons, including producers, han-*
24 *dlers, and certifying agents, required to report infor-*
25 *mation to the Secretary under this title shall main-*

1 tain, and make available to the Secretary on the re-
2 quest of the Secretary, all contracts, agreements, re-
3 ceipts, and other records associated with the organic
4 certification program established by the Secretary
5 under this title.

6 “(2) *DURATION OF RECORDKEEPING REQUIRE-*
7 *MENT.*—A record covered by paragraph (1) shall be
8 maintained—

9 “(A) by a person covered by this title, ex-
10 cept for a certifying agent, for a period of 5
11 years beginning on the date of the creation of the
12 record; and

13 “(B) by a certifying agent, for a period of
14 10 years beginning on the date of the creation of
15 the record.

16 “(b) *CONFIDENTIALITY.*—

17 “(1) *IN GENERAL.*—Subject to paragraph (2),
18 and except as provided in section 2107(a)(9) and as
19 otherwise directed by the Secretary or the Attorney
20 General for enforcement purposes, no officer, em-
21 ployee, or agent of the United States shall make avail-
22 able to the public information, statistics, or docu-
23 ments obtained from or made available by any person
24 under this title, other than in a manner that ensures
25 that confidentiality is preserved regarding the iden-

1 *tity of persons, including parties to a contract, and*
2 *proprietary business information.*

3 “(2) *VIOLATORS AND NATURE OF ACTIONS.*—*The*
4 *Secretary may release the name of the violator and*
5 *the nature of the actions triggering an order or rev-*
6 *ocation under subsection (e).*

7 “(c) *INVESTIGATION.*—

8 “(1) *IN GENERAL.*—*The Secretary may take such*
9 *investigative actions as the Secretary considers to be*
10 *necessary to carry out this title—*

11 “(A) *to verify the accuracy of any informa-*
12 *tion reported or made available under this title;*
13 *and*

14 “(B) *to determine, with regard to actions,*
15 *practices, or information required under this*
16 *title, whether a person covered by this title has*
17 *committed, or will commit, a violation of any*
18 *provision of this title, including an order or reg-*
19 *ulation promulgated by the Secretary.*

20 “(2) *INVESTIGATIVE POWERS.*—*The Secretary*
21 *may administer oaths and affirmations, subpoena*
22 *witnesses, compel attendance of witnesses, take evi-*
23 *dence, and require the production of any records re-*
24 *quired to be maintained under subsection (a) or sec-*

1 *tion 2112(d) or 2116(c) that are relevant to the inves-*
2 *tigation.*

3 “(d) *UNLAWFUL ACT.*—*It shall be unlawful and a vio-*
4 *lation of this title for any person covered by this title—*

5 “(1) *to fail or refuse to provide, or delay the*
6 *timely provision of, accurate information required by*
7 *the Secretary under this section;*

8 “(2) *to violate—*

9 “(A) *an order of the Secretary;*

10 “(B) *a revocation of the organic certifi-*
11 *cation of a producer or handler; or*

12 “(C) *a revocation of the accreditation of a*
13 *certifying agent; or*

14 “(3) *to sell, or attempt to sell, a product that is*
15 *represented as being organically produced under this*
16 *title (including an order or regulation promulgated*
17 *under this title) if in fact the product has been pro-*
18 *duced or handled by an operation that is not yet a*
19 *certified organic producer or handler under this title.*

20 “(e) *ENFORCEMENT.*—

21 “(1) *ORDER.*—

22 “(A) *IN GENERAL.*—*The Secretary may*
23 *issue an order to stop the sale of an agricultural*
24 *product that is labeled or otherwise represented*
25 *as being organically produced in cases of sus-*

1 *pected fraudulent or otherwise unlawful acts as*
2 *described in subsection (d) that are willful, non-*
3 *correctable, or the subject of a combined non-*
4 *compliance and adverse action until the product*
5 *can be verified—*

6 *“(i) as meeting the national and State*
7 *standards for organic production and han-*
8 *dling as provided in sections 2105 through*
9 *2114;*

10 *“(ii) as having been produced or han-*
11 *dled without the use of a prohibited sub-*
12 *stance listed under section 2118; and*

13 *“(iii) as being produced and handled*
14 *by a certified organic operation.*

15 *“(B) AFFIRMATIVE DEFENSE TO STOP SALE*
16 *ORDER.—*

17 *“(i) IN GENERAL.—If a producer or*
18 *handler has a valid organic certification*
19 *from the Department of Agriculture, the*
20 *burden shall shift to the Secretary to prove*
21 *fraud or unlawful activity that is willful,*
22 *noncorrectable, or the subject of a combined*
23 *noncompliance and adverse action before a*
24 *stop sale order under subparagraph (A)*
25 *may be implemented.*

1 “(ii) *INFORMATION.*—

2 “(I) *IN GENERAL.*—*The producer*
3 *or handler shall comply with any re-*
4 *quests of the Secretary for documents*
5 *and other information not later than*
6 *30 days after a request is made.*

7 “(II) *NONCOMPLIANCE.*—*If the*
8 *producer or handler fails to comply*
9 *within the period described in sub-*
10 *clause (I), the Secretary may issue a*
11 *stop sale order.*

12 “(C) *APPEAL OF STOP SALE ORDER.*—

13 “(i) *IN GENERAL.*—*If the Secretary*
14 *proves fraud or unlawful activity that is*
15 *willful, noncorrectable, or the subject of a*
16 *combined noncompliance and adverse ac-*
17 *tion, the determination may be appealed*
18 *through an expedited administrative appeal*
19 *process.*

20 “(ii) *DEADLINE.*—*The expedited ap-*
21 *peal process shall be completed not later*
22 *than 30 days after the date of the issuance*
23 *of the stop sale order.*

1 “(iii) *STAY*.—Any stop sale order shall
2 be stayed pending the 30 day-expedited ap-
3 peal under this subparagraph.

4 “(2) *CERTIFICATION OR ACCREDITATION*.—After
5 notice and opportunity for an administrative appeal
6 under section 2121, if a violation described in sub-
7 paragraph (A)(ii) is determined to have occurred and
8 is an unlawful act under subsection (d), the Secretary
9 shall revoke the organic certification of the producer
10 or handler, or the accreditation of the certifying
11 agent.

12 “(3) *VIOLATION OF ORDER OR REVOCATION*.—A
13 person who violates an order to stop the sale of a
14 product as an organically produced product under
15 paragraph (1), or a revocation of certification or ac-
16 creditation under paragraph (2), shall be subject to 1
17 or more of the penalties provided under subsections
18 (a) and (b) of section 2120.

19 “(f) *APPEAL*.—

20 “(1) *IN GENERAL*.—An order under subsection
21 (e)(1), or a revocation of certification or accreditation
22 under subsection (e)(2)(B), shall be final and conclu-
23 sive unless the affected person files an appeal of the
24 order—

1 “(A) first, to the administrative appeals
2 process established under section 2121(a); and

3 “(B) after a final decision of the Secretary,
4 if the affected person so elects, to a United States
5 district court as provided in section 2121(b) not
6 later than 30 days after the date of the deter-
7 mination under subparagraph (A).

8 “(2) STANDARD.—An order under subsection
9 (e)(1)(A), or a revocation of certification or accredita-
10 tion under subsection (e)(2), shall be set aside if the
11 order, or the revocation of certification or accredita-
12 tion, fails to comply with section 706 of title 5,
13 United States Code.

14 “(g) NONCOMPLIANCE.—

15 “(1) IN GENERAL.—If a person covered by this
16 title fails to obey an order, or a revocation of certifi-
17 cation or accreditation, described in subsection (f)(2)
18 after the order or revocation has become final and
19 conclusive or after the appropriate United States dis-
20 trict court has entered a final judgment in favor of
21 the Secretary, the United States may apply to the ap-
22 propriate United States district court for enforcement
23 of the order, or the revocation of certification or ac-
24 creditation.

1 “(2) *ENFORCEMENT.*—*If the court determines*
2 *that the order or revocation was lawfully made and*
3 *duly served and that the person violated the order or*
4 *revocation, the court shall enforce the order or revoca-*
5 *tion.*”

6 “(3) *CIVIL PENALTY.*—*If the court finds that the*
7 *person violated the order or revocation, the person*
8 *shall be subject to a civil penalty of not more than*
9 *\$10,000 for each offense.*”

10 **SEC. 10010. REPORT ON HONEY.**

11 (a) *IN GENERAL.*—*Not later than 180 days after the*
12 *date of enactment of this Act, the Secretary, in consultation*
13 *with affected stakeholders, shall submit to the Commissioner*
14 *of Food and Drugs a report describing how an appropriate*
15 *Federal standard for the identity of honey would promote*
16 *honesty and fair dealing and would be in the interest of*
17 *consumers, the honey industry, and United States agri-*
18 *culture.*

19 (b) *CONTENTS.*—*In preparing the report under sub-*
20 *section (a), the Secretary shall take into consideration the*
21 *March 2006 Standard of Identity citizens petition filed*
22 *with the Food and Drug Administration, including any*
23 *current industry amendments or clarifications necessary to*
24 *update that 2006 petition.*

1 **SEC. 10011. REMOVAL OF AMS INSPECTION AUTHORITY**
2 **OVER APPLES IN BULK BINS.**

3 (a) *DEFINITION OF BULK BIN.*—*In this section, the*
4 *term “bulk bin” means a bin that contains a quantity of*
5 *apples weighing more than 100 pounds.*

6 (b) *PROHIBITION.*—*Notwithstanding any other provi-*
7 *sion of law, the Secretary of Agriculture, acting through*
8 *the Agricultural Marketing Service, shall have no authority*
9 *to inspect apples in bulk bins prior to export to Canada.*

10 **SEC. 10012. ORGANIC PRODUCT PROMOTION ORDERS.**

11 (a) *EXEMPTION OF CERTIFIED ORGANIC PRODUCTS*
12 *FROM PROMOTION ORDER ASSESSMENTS.*—*Section 501 of*
13 *the Federal Agriculture Improvement and Reform Act of*
14 *1996 (7 U.S.C. 7401) is amended by striking subsection (e)*
15 *and inserting the following:*

16 “(e) *EXEMPTION OF CERTIFIED ORGANIC PRODUCTS*
17 *FROM PROMOTION ORDER ASSESSMENTS.*—

18 “(1) *IN GENERAL.*—*Notwithstanding any provi-*
19 *sion of a commodity promotion law, a person that*
20 *produces, handles, markets, or imports organic prod-*
21 *ucts may be exempt from the payment of an assess-*
22 *ment under a commodity promotion law with respect*
23 *to any agricultural commodity that is certified as ‘or-*
24 *ganic’ or ‘100 percent organic’ (as defined in part*
25 *205 of title 7, Code of Federal Regulations (or suc-*
26 *cessor regulations)).*

1 “(2) *SPLIT OPERATIONS.*—*The exemption de-*
2 *scribed in paragraph (1) shall apply to an agricul-*
3 *tural commodity described in that paragraph regard-*
4 *less of whether the agricultural commodity subject to*
5 *the exemption is produced, handled, or marketed by*
6 *a person that also produces, handles, or markets con-*
7 *ventional or nonorganic agricultural products, in-*
8 *cluding conventional or nonorganic agricultural prod-*
9 *ucts of the same agricultural commodity as that for*
10 *which the exemption is claimed.*

11 “(3) *APPROVAL.*—*The Secretary shall approve*
12 *the exemption of a person under this subsection if the*
13 *person maintains a valid organic certificate issued*
14 *under the Organic Foods Production Act of 1990 (7*
15 *U.S.C. 6501 et seq.).*

16 “(4) *TERMINATION OF EFFECTIVENESS.*—*This*
17 *subsection shall be effective until the date on which*
18 *the Secretary issues an organic commodity promotion*
19 *order in accordance with subsection (f).*

20 “(5) *REGULATIONS.*—*The Secretary shall pro-*
21 *mulgate regulations concerning eligibility and com-*
22 *pliance for an exemption under paragraph (1).”.*

23 “(b) *ORGANIC COMMODITY PROMOTION ORDER.*—*Sec-*
24 *tion 501 of the Federal Agriculture Improvement and Re-*

1 *form Act of 1996 (7 U.S.C. 7401) (as amended by subsection*
2 *(a)) is amended by adding at the end the following:*

3 “(f) *ORGANIC COMMODITY PROMOTION ORDER.*—

4 “(1) *DEFINITIONS.*—*In this subsection:*

5 “(A) *CERTIFIED ORGANIC FARM.*—*The term*
6 *‘certified organic farm’ has the meaning given*
7 *the term in section 2103 of the Organic Foods*
8 *Production Act of 1990 (7 U.S.C. 6502).*

9 “(B) *COVERED PERSON.*—*The term ‘covered*
10 *person’ means a producer, handler, marketer, or*
11 *importer of an organic agricultural commodity.*

12 “(C) *DUAL-COVERED AGRICULTURAL COM-*
13 *MODITY.*—*The term ‘dual-covered agricultural*
14 *commodity’ means an agricultural commodity*
15 *that—*

16 “(i) *is produced on a certified organic*
17 *farm; and*

18 “(ii) *is covered under both—*

19 “(I) *an organic commodity pro-*
20 *motion order issued under paragraph*
21 *(2); and*

22 “(II) *any other agricultural com-*
23 *modity promotion order issued under*
24 *this section.*

1 “(2) *AUTHORIZATION.*—*The Secretary may issue*
2 *an organic commodity promotion order under section*
3 *514 that includes any agricultural commodity that—*

4 “(A) *is—*

5 “(i) *produced or handled (as defined in*
6 *section 2103 of the Organic Foods Produc-*
7 *tion Act of 1990 (7 U.S.C. 6502)); and*

8 “(ii) *certified to be sold or labeled as*
9 *‘organic’ or ‘100 percent organic’ (as de-*
10 *defined in part 205 of title 7, Code of Federal*
11 *Regulations (or successor regulations)); or*

12 “(B) *is imported with a valid organic cer-*
13 *tificate (as defined in that part).*

14 “(3) *ELECTION.*—*If the Secretary issues an or-*
15 *ganic commodity promotion order described in para-*
16 *graph (2), a covered person may elect, for applicable*
17 *dual-covered agricultural commodities and in the sole*
18 *discretion of the covered person, whether to be assessed*
19 *under the organic commodity promotion order or an-*
20 *other applicable agricultural commodity promotion*
21 *order.*

22 “(4) *REGULATIONS.*—*The Secretary shall pro-*
23 *mulgate regulations concerning eligibility and com-*
24 *pliance for an exemption under paragraph (1).”.*

1 (c) *DEFINITION OF AGRICULTURAL COMMODITY.*—*Sec-*
 2 *tion 513(1) of the Commodity Promotion, Research, and In-*
 3 *formation Act of 1996 (7 U.S.C. 7412(1)) is amended—*

4 (1) *by redesignating subparagraphs (E) and (F)*
 5 *as subparagraphs (F) and (G), respectively; and*

6 (2) *by inserting after subparagraph (D) the fol-*
 7 *lowing:*

8 “(E) *products, as a class, that are produced*
 9 *on a certified organic farm (as defined in section*
 10 *2103 of the Organic Foods Production Act of*
 11 *1990 (7 U.S.C. 6502)) and that are certified to*
 12 *be sold or labeled as ‘organic’ or ‘100 percent or-*
 13 *ganic’ (as defined in part 205 of title 7, Code of*
 14 *Federal Regulations (or successor regulations));”.*

15 **SEC. 10013. EFFECTIVE DATE.**

16 *This title and the amendments made by this title take*
 17 *effect on October 1, 2013.*

18 **TITLE XI—CROP INSURANCE**

19 **SEC. 11001. SUPPLEMENTAL COVERAGE OPTION.**

20 (a) *AVAILABILITY OF SUPPLEMENTAL COVERAGE OP-*
 21 *TION.*—*Section 508(c) of the Federal Crop Insurance Act*
 22 *(7 U.S.C. 1508(c)) is amended by striking paragraph (3)*
 23 *and inserting the following:*

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

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

5 *or*

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

7 “(B) *an individual yield and loss basis,*
8 *supplemented with coverage based on an area*
9 *yield and loss basis to cover part of the deduct-*
10 *ible under the individual yield and loss policy,*
11 *as authorized in paragraph (4)(C).”.*

12 (b) *LEVEL OF COVERAGE.*—Section 508(c) of the Fed-
13 eral Crop Insurance Act (7 U.S.C. 1508(c)) is amended by
14 striking paragraph (4) and inserting the following:

15 “(4) *LEVEL OF COVERAGE.*—

16 “(A) *DOLLAR DENOMINATION AND PER-*
17 *CENTAGE OF YIELD.*—*Except as provided in sub-*
18 *paragraph (C), the level of coverage—*

19 “(i) *shall be dollar denominated; and*

20 “(ii) *may be purchased at any level*
21 *not to exceed 85 percent of the individual*
22 *yield or 95 percent of the area yield (as de-*
23 *termined by the Corporation).*

24 “(B) *INFORMATION.*—*The Corporation shall*
25 *provide producers with information on cata-*

1 *strophic risk and additional coverage in terms of*
2 *dollar coverage (within the allowable limits of*
3 *coverage provided in this paragraph).*

4 “(C) *SUPPLEMENTAL COVERAGE OPTION.*—

5 “(i) *IN GENERAL.*—*Notwithstanding*
6 *subparagraph (A), in the case of the supple-*
7 *mental coverage option described in para-*
8 *graph (3)(B), the Corporation shall offer*
9 *producers the opportunity to purchase cov-*
10 *erage in combination with an individual*
11 *buy up policy or plan of insurance offered*
12 *under this subtitle that would allow indem-*
13 *nities to be paid to a producer equal to part*
14 *of the deductible under the policy or plan of*
15 *insurance, if sufficient area data is avail-*
16 *able (as determined by the Corporation).*

17 “(ii) *DEDUCTIBLE.*—*Coverage offered*
18 *under this subparagraph shall be subject to*
19 *a deductible in an amount equal to—*

20 “(I) *in the case of a producer who*
21 *participates in the agriculture risk*
22 *coverage program under section*
23 *1108(c) of the Agriculture Reform,*
24 *Food, and Jobs Act of 2013, 22 percent*
25 *of the expected value of the crop of the*

1 *producer covered by the underlying*
2 *policy or plan of insurance, as deter-*
3 *mined by the Corporation; and*

4 *“(II) in the case of all other pro-*
5 *ducers, 10 percent of the expected value*
6 *of the crop of the producer covered by*
7 *the underlying policy or plan of insur-*
8 *ance, as determined by the Corpora-*
9 *tion.*

10 *“(iii) COVERAGE.—Subject to the de-*
11 *ductible imposed by clause (ii), coverage of-*
12 *fered under this subparagraph shall cover*
13 *the first loss incurred by the producer, not*
14 *to exceed the difference between—*

15 *“(I) 100 percent; and*

16 *“(II) the coverage level selected by*
17 *the producer for the underlying policy*
18 *or plan of insurance.*

19 *“(iv) CALCULATION OF PREMIUM.—*
20 *Notwithstanding subsection (d), the pre-*
21 *mium shall—*

22 *“(I) be sufficient to cover antici-*
23 *pated losses and a reasonable reserve;*
24 *and*

1 “(II) include an amount for oper-
2 ating and administrative expenses es-
3 tablished in accordance with subsection
4 (k)(4)(F).”.

5 (c) *PAYMENT OF PORTION OF PREMIUM BY CORPORA-*
6 *TION.*—Section 508(e)(2) of the Federal Crop Insurance Act
7 (7 U.S.C. 1508(e)(2)) is amended by adding at the end the
8 following:

9 “(H) In the case of the supplemental cov-
10 erage option authorized in subsection (c)(4)(C),
11 the amount shall be equal to the sum of—

12 “(i) 65 percent of the additional pre-
13 mium associated with the coverage; and

14 “(ii) the amount determined under
15 subsection (c)(4)(C)(iv)(II) for the coverage
16 to cover operating and administrative ex-
17 penses.”.

18 (d) *CONFORMING AMENDMENT.*—Section 508(k)(4)(F)
19 of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(F))
20 is amended by inserting “or authorized under subsection
21 (c)(4)(C)” after “of this subparagraph”.

22 (e) *EFFECTIVE DATE.*—The Federal Crop Insurance
23 Corporation shall begin to provide additional coverage
24 based on an individual yield and loss basis, supplemented

1 *with coverage based on an area yield and loss basis, not*
2 *later than for the 2014 crop year.*

3 **SEC. 11002. CROP MARGIN COVERAGE OPTION.**

4 *(a) AVAILABILITY OF CROP MARGIN COVERAGE OP-*
5 *TION.—Section 508(c)(3) of the Federal Crop Insurance Act*
6 *(7 U.S.C. 1508(c)) (as amended by section 11001(a)) is*
7 *amended—*

8 *(1) in subparagraph (A)(ii), by striking “or” at*
9 *the end;*

10 *(2) in subparagraph (B), by striking the period*
11 *at the end and inserting “; or”; and*

12 *(3) by adding at the end the following:*

13 *“(C) a margin basis alone or in combina-*
14 *tion with—*

15 *“(i) individual yield and loss coverage;*

16 *or*

17 *“(ii) area yield and loss coverage.”.*

18 **SEC. 11003. PREMIUM AMOUNTS FOR CATASTROPHIC RISK**

19 **PROTECTION.**

20 *Section 508(d)(2) of the Federal Crop Insurance Act*
21 *(7 U.S.C. 1508(d)(2)) is amended by striking subparagraph*
22 *(A) and inserting the following:*

23 *“(A) In the case of catastrophic risk protec-*
24 *tion, the amount of the premium established by*
25 *the Corporation for each crop for which cata-*

1 *strophic risk protection is available shall be re-*
2 *duced by the percentage equal to the difference*
3 *between the average loss ratio for the crop and*
4 *100 percent, plus a reasonable reserve, as deter-*
5 *mined by the Corporation.”.*

6 **SEC. 11004. PERMANENT ENTERPRISE UNIT.**

7 *Section 508(e)(5) of the Federal Crop Insurance Act*
8 *(7 U.S.C. 1508(e)(5)) is amended by striking subparagraph*
9 *(A) and inserting the following:*

10 “(A) *IN GENERAL.*—*The Corporation may*
11 *pay a portion of the premiums for plans or poli-*
12 *cies of insurance for which the insurable unit is*
13 *defined on a whole farm or enterprise unit basis*
14 *that is higher than would otherwise be paid in*
15 *accordance with paragraph (2).”.*

16 **SEC. 11005. ENTERPRISE UNITS FOR IRRIGATED AND NON-**
17 **IRRIGATED CROPS.**

18 *Section 508(e)(5) of the Federal Crop Insurance Act*
19 *(7 U.S.C. 1508(e)(5)) is amended by adding at the end the*
20 *following:*

21 “(D) *NONIRRIGATED CROPS.*—*Beginning*
22 *with the 2014 crop year, the Corporation shall*
23 *make available separate enterprise units for irri-*
24 *gated and nonirrigated acreages of crops in*
25 *counties.”.*

1 **SEC. 11006. DATA COLLECTION.**

2 *Section 508(g)(2) of the Federal Crop Insurance Act*
3 *(7 U.S.C. 1508(g)(2)) is amended by adding at the end the*
4 *following:*

5 *“(E) SOURCES OF YIELD DATA.—To deter-*
6 *mine yields under this paragraph, the Corpora-*
7 *tion—*

8 *“(i) shall use county data collected by*
9 *the Risk Management Agency or the Na-*
10 *tional Agricultural Statistics Service, or*
11 *both; or*

12 *“(ii) if sufficient county data is not*
13 *available, may use other data considered*
14 *appropriate by the Secretary.”.*

15 **SEC. 11007. ADJUSTMENT IN ACTUAL PRODUCTION HIS-**
16 **TORY TO 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—*

19 *(1) in the matter preceding clause (i), by insert-*
20 *ing “for the 2013 crop year or any prior crop year,*
21 *or 65 percent of the applicable transitional yield for*
22 *the 2014 or any subsequent crop year,” after “transi-*
23 *tional yield”; and*

24 *(2) in clause (ii), by striking “60 percent of the*
25 *applicable transitional yield” and inserting “the ap-*

1 *plicable percentage of the transitional yield described*
2 *in this subparagraph”.*

3 **SEC. 11008. SUBMISSION AND REVIEW OF POLICIES.**

4 *Section 508(h)(1) of the Federal Crop Insurance Act*
5 *(7 U.S.C. 1508(h)(1)) is amended—*

6 *(1) by redesignating subparagraphs (A) and (B)*
7 *as clauses (i) and (ii), respectively, and indenting ap-*
8 *propriately;*

9 *(2) by striking “(1) IN GENERAL.—” and insert-*
10 *ing the following:*

11 *“(1) SUBMISSION AND REVIEW OF POLICIES.—*

12 *“(A) SUBMISSIONS.—In addition”; and*

13 *(3) by adding at the end the following:*

14 *“(B) REVIEW.—The Corporation shall re-*
15 *view any policy developed under section 522(c)*
16 *or any pilot program developed under section*
17 *523 and submit the policy or program to the*
18 *Board under this subsection if the Corporation,*
19 *at the sole discretion of the Corporation, finds*
20 *that the policy or program—*

21 *“(i) will likely result in a viable and*
22 *marketable policy consistent with this sub-*
23 *section;*

1 “(ii) would provide crop insurance
2 coverage in a significantly improved form;
3 and

4 “(iii) adequately protects the interests
5 of producers.”.

6 **SEC. 11009. BOARD REVIEW AND APPROVAL.**

7 (a) *REVIEW AND APPROVAL BY THE BOARD.*—Section
8 508(h) of the Federal Crop Insurance Act (7 U.S.C.
9 1508(h)) is amended by striking paragraph (3) and insert-
10 ing the following:

11 “(3) *REVIEW AND APPROVAL BY THE BOARD.*—

12 “(A) *IN GENERAL.*—A policy, plan of insur-
13 ance, or other material submitted to the Board
14 under this subsection shall be reviewed by the
15 Board and shall be approved by the Board for
16 reinsurance and for sale by approved insurance
17 providers to producers at actuarially appro-
18 priate rates and under appropriate terms and
19 conditions if the Board, at the sole discretion of
20 the Board, determines that—

21 “(i) the interests of producers are ade-
22 quately protected;

23 “(ii) the rates of premium and price
24 election methodology are actuarially appro-
25 priate;

1 “(iii) the terms and conditions for the
2 proposed policy or plan of insurance are
3 appropriate and would not unfairly dis-
4 criminate among producers;

5 “(iv) the proposed policy or plan of in-
6 surance will, at the sole discretion of the
7 Board—

8 “(I) likely result in a viable and
9 marketable policy that can reasonably
10 attain levels of participation similar to
11 other like policies or plans of insur-
12 ance;

13 “(II) provide crop insurance cov-
14 erage in a significantly improved form
15 or in a manner that addresses a recog-
16 nized flaw or problem in an existing
17 policy; or

18 “(III) provide a new kind of cov-
19 erage for a commodity that previously
20 had no available crop insurance, or
21 has demonstrated a low level of partici-
22 pation under existing coverage;

23 “(v) the proposed policy or plan of in-
24 surance will, at the sole discretion of the
25 Board, not have a significant adverse im-

1 *pact on the crop insurance delivery system;*
2 *and*

3 “(vi) *the proposed policy or plan of in-*
4 *urance meets such other requirements as*
5 *are determined appropriate by the Board.*

6 “(B) *PRIORITIES.—*

7 “(i) *ESTABLISHMENT.—The Board, at*
8 *the sole discretion of the Board, may—*

9 “(I) *annually establish priorities*
10 *under this subsection that specify types*
11 *of submissions needed to fulfill the*
12 *portfolio of policies or plans of insur-*
13 *ance to be reviewed and approved*
14 *under this subsection; and*

15 “(II) *make the priorities available*
16 *on the website of the Corporation.*

17 “(ii) *PROCESS.—*

18 “(I) *IN GENERAL.—Policies or*
19 *plans of insurance that satisfy the pri-*
20 *orities established by the Board under*
21 *this subsection shall be considered by*
22 *the Board for approval prior to other*
23 *submissions.*

1 “(II) *CONSIDERATIONS.*—*In ap-*
2 *proving policies or plans of insurance,*
3 *the Board shall—*

4 “(aa) *consider providing the*
5 *highest priorities for policies or*
6 *plans of insurance that address*
7 *underserved commodities, includ-*
8 *ing commodities for which there is*
9 *no insurance; and*

10 “(bb) *consider providing the*
11 *highest priorities for existing poli-*
12 *cies for which there is inadequate*
13 *coverage or there exists low levels*
14 *of participation.*

15 “(iii) *OTHER CRITERIA.*—*The Board*
16 *may establish such other criteria as the*
17 *Board determines to meet the needs of pro-*
18 *ducers and the priorities of this subsection,*
19 *consistent with the purposes of this sub-*
20 *title.”.*

21 **SEC. 11010. CONSULTATION.**

22 *Section 508(h)(4) of the Federal Crop Insurance Act*
23 *(7 U.S.C. 1508(h)) is amended by adding at the end the*
24 *following:*

25 “(E) *CONSULTATION.*—

1 “(i) *REQUIREMENT.*—As part of the
2 *feasibility and research associated with the*
3 *development of a policy or other material*
4 *conducted prior to making a submission to*
5 *the Board under this subsection, the sub-*
6 *mitter shall consult with groups rep-*
7 *resenting producers of agricultural commod-*
8 *ities in all major producing areas for the*
9 *commodities to be served or potentially im-*
10 *acted, either directly or indirectly.*

11 “(ii) *SUBMISSION TO THE BOARD.*—
12 *Any submission made to the Board under*
13 *this subsection shall contain a summary*
14 *and analysis of the feasibility and research*
15 *findings from the impacted groups described*
16 *in clause (i), including a summary assess-*
17 *ment of the support for or against develop-*
18 *ment of the policy and an assessment on the*
19 *impact of the proposed policy to the general*
20 *marketing and production of the crop from*
21 *both a regional and national perspective.*

22 “(iii) *EVALUATION BY THE BOARD.*—
23 *In evaluating whether the interests of pro-*
24 *ducers are adequately protected pursuant to*
25 *paragraph (3) with respect to an submis-*

1 *sion made under this subsection, the Board*
 2 *shall review the information provided pur-*
 3 *suant to clause (ii) to determine if the sub-*
 4 *mission will create adverse market distor-*
 5 *tions with respect to the production of com-*
 6 *modities that are the subject of the submis-*
 7 *sion.”.*

8 **SEC. 11011. BUDGET LIMITATIONS ON RENEGOTIATION OF**
 9 **THE STANDARD REINSURANCE AGREEMENT.**

10 *Section 508(k)(8) of the Federal Crop Insurance Act*
 11 *(7 U.S.C. 1508(k)(8)) is amended by adding at the end the*
 12 *following:*

13 *“(F) BUDGET.—*

14 *“(i) IN GENERAL.—The Board shall*
 15 *ensure that any Standard Reinsurance*
 16 *Agreement negotiated under subparagraph*
 17 *(A)(ii), as compared to the previous Stand-*
 18 *ard Reinsurance Agreement—*

19 *“(I) to the maximum extent prac-*
 20 *ticable, shall be budget neutral; and*

21 *“(II) in no event, may signifi-*
 22 *cantly depart from budget neutrality.*

23 *“(ii) USE OF SAVINGS.—To the extent*
 24 *that any budget savings is realized in the*
 25 *renegotiation of a Standard Reinsurance*

1 *Agreement under subparagraph (A)(ii), and*
2 *the savings are determined not to be a sig-*
3 *nificant departure from budget neutrality*
4 *under clause (i), the savings shall be used*
5 *for programs administered or managed by*
6 *the Risk Management Agency.”.*

7 **SEC. 11012. TEST WEIGHT FOR CORN.**

8 *Section 508(m) of the Federal Crop Insurance Act (7*
9 *U.S.C. 1508(m)) is amended by adding at the end the fol-*
10 *lowing:*

11 “(6) *TEST WEIGHT FOR CORN.*—

12 “(A) *IN GENERAL.*—*The Corporation shall*
13 *establish procedures to allow insured producers*
14 *not more than 120 days to settle claims, in ac-*
15 *cordance with procedures established by the Sec-*
16 *retary, involving corn that is determined to have*
17 *low test weight.*

18 “(B) *IMPLEMENTATION.*—*As soon as prac-*
19 *ticable after the date of enactment of this para-*
20 *graph, the Corporation shall implement subpara-*
21 *graph (A) on a regional basis based on market*
22 *conditions and the interests of producers.*

23 “(C) *TERMINATION OF EFFECTIVENESS.*—
24 *The authority provided by this paragraph termi-*
25 *nates effective on the date that is 5 years after*

1 *the date on which subparagraph (A) is imple-*
2 *mented.”.*

3 **SEC. 11013. STACKED INCOME PROTECTION PLAN FOR PRO-**
4 **DUCERS OF UPLAND COTTON.**

5 *(a) AVAILABILITY OF STACKED INCOME PROTECTION*
6 *PLAN.—The Federal Crop Insurance Act is amended by in-*
7 *serting after section 508A (7 U.S.C. 1508a) the following:*

8 **“SEC. 508B. STACKED INCOME PROTECTION PLAN FOR PRO-**
9 **DUCERS OF UPLAND COTTON.**

10 *“(a) AVAILABILITY.—Beginning not later than the*
11 *2014 crop of upland cotton, if practicable, the Corporation*
12 *shall make available to producers of maximum eligible acres*
13 *of upland cotton an additional policy (to be known as the*
14 *‘Stacked Income Protection Plan’), which shall provide cov-*
15 *erage consistent with the Group Risk Income Protection*
16 *Plan (and the associated Harvest Revenue Option Endorse-*
17 *ment) offered by the Corporation for the 2011 crop year.*

18 *“(b) REQUIRED TERMS.—The Corporation may mod-*
19 *ify the Stacked Income Protection Plan on a program-wide*
20 *basis, except that the Stacked Income Protection Plan shall*
21 *comply with the following requirements:*

22 *“(1)(A) Provide coverage for revenue loss of not*
23 *more than 30 percent of expected county revenue,*
24 *specified in increments of 5 percent.*

1 “(B) *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 “(C) *Once the deductible is met, any losses in ex-*
6 *cess of the deductible will be paid up to the coverage*
7 *selected by the producer.*

8 “(2) *Be offered to producers of upland cotton in*
9 *all counties with upland cotton production—*

10 “(A) *at a county-wide level to the fullest ex-*
11 *tent practicable; or*

12 “(B) *in counties that lack sufficient data,*
13 *on the basis of such larger geographical area as*
14 *the Corporation determines to provide sufficient*
15 *data for purposes of providing the coverage.*

16 “(3) *Be purchased in addition to any other indi-*
17 *vidual or area coverage in effect on the producer’s*
18 *acreage or as a stand-alone policy, except that if a*
19 *producer has an individual or area coverage for the*
20 *same acreage, the maximum coverage available under*
21 *the Stacked Income Protection Plan shall not exceed*
22 *the deductible for the individual or area coverage.*

23 “(4) *Establish coverage based on—*

24 “(A) *an expected price that is the expected*
25 *price established under existing Group Risk In-*

1 *come Protection or area wide policy offered by*
2 *the Corporation for the applicable county (or*
3 *area) and crop year; 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)(I) *the average of the applicable*
15 *yield data for the county (or area) for the*
16 *most recent 5 years, excluding the highest*
17 *and lowest observations, from the Risk Man-*
18 *agement Agency or the National Agricul-*
19 *tural Statistics, or both; or*

20 “(II) *if sufficient county data is not*
21 *available, such other data considered appro-*
22 *priate by the Secretary.*

23 “(5) *Use a multiplier factor to establish max-*
24 *imum protection per acre (referred to as a ‘protection*
25 *factor’) of not more than 120 percent.*

1 “(6) *Pay an indemnity based on the amount*
2 *that the expected county revenue exceeds the actual*
3 *county revenue, as applied to the individual coverage*
4 *of the producer. Indemnities under the Stacked In-*
5 *come Protection Plan shall not include or overlap the*
6 *amount of the deductible selected under paragraph*
7 *(1).*

8 “(7) *To the maximum extent practicable, in all*
9 *counties for which data are available, establish sepa-*
10 *rate coverage for irrigated and nonirrigated practices.*

11 “(8) *Notwithstanding section 508(d), include a*
12 *premium that—*

13 “(A) *is sufficient to cover anticipated losses*
14 *and a reasonable reserve; and*

15 “(B) *includes an amount for operating and*
16 *administrative expenses established in accord-*
17 *ance with section 508(k)(4)(F).*

18 “(c) *RELATION TO OTHER COVERAGES.—*

19 “(1) *IN GENERAL.—Except as provided in para-*
20 *graph (2), the Stacked Income Protection Plan is in*
21 *addition to all other coverages available to producers*
22 *of upland cotton.*

23 “(2) *LIMITATION.—Acreage of upland cotton in-*
24 *sured under the Supplemental Coverage Option shall*

1 *not be eligible for the Stacked Income Protection*
2 *Plan.*

3 “(d) *PAYMENT OF PORTION OF PREMIUM BY COR-*
4 *PORATION.—Subject to section 508(e)(4), the amount of pre-*
5 *mium paid by the Corporation for all qualifying coverage*
6 *levels of the Stacked Income Protection Plan shall be—*

7 “(1) *80 percent of the amount of the premium es-*
8 *tablished under subsection (b)(8)(A) for the coverage*
9 *level selected; and*

10 “(2) *the amount determined under subsection*
11 *(b)(8)(B) to cover administrative and operating ex-*
12 *penses.”.*

13 “(b) *CONFORMING AMENDMENT.—Section 508(k)(4)(F)*
14 *of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(F))*
15 *(as amended by section 11001(d)) is amended by inserting*
16 *“or under section 508B” after “subsection (c)(4)(C)”.*

17 **SEC. 11014. PEANUT REVENUE CROP INSURANCE.**

18 *The Federal Crop Insurance Act is amended by insert-*
19 *ing after section 508B (as added by section 11013(a)) the*
20 *following:*

21 **“SEC. 508C. PEANUT REVENUE CROP INSURANCE.**

22 “(a) *IN GENERAL.—Effective beginning with the 2014*
23 *crop year, the Risk Management Agency and the Corpora-*
24 *tion shall make available to producers of peanuts a revenue*
25 *crop insurance program for peanuts.*

1 “(b) *EFFECTIVE PRICE.*—

2 “(1) *IN GENERAL.*—Subject to paragraph (2), for
3 purposes of the policies and plans of insurance offered
4 under subsections (a) and (b) of section 508, the effec-
5 tive price for peanuts shall be equal to the Rotterdam
6 price index for peanuts, as adjusted to reflect the
7 farmer stock price of peanuts in the United States.

8 “(2) *ADJUSTMENTS.*—

9 “(A) *IN GENERAL.*—The effective price for
10 peanuts established under paragraph (1) may be
11 adjusted by the Risk Management Agency and
12 the Corporation to correct distortions.

13 “(B) *ADMINISTRATION.*—If an adjustment
14 is made under subparagraph (A), the Risk Man-
15 agement Agency and the Corporation shall—

16 “(i) make the adjustment in an open
17 and transparent manner; and

18 “(ii) submit to the Committee on Agri-
19 culture of the House of Representatives and
20 the Committee on Agriculture, Nutrition,
21 and Forestry of the Senate a report that de-
22 scribes the reasons for the adjustment.”.

23 **SEC. 11015. AUTHORITY TO CORRECT ERRORS.**

24 Section 515(c) of the Federal Crop Insurance Act (7
25 U.S.C. 1515(c)) is amended—

1 (1) *in the first sentence, by striking “The Sec-*
2 *retary” and inserting the following:*

3 “*(1) IN GENERAL.—The Secretary*”;

4 (2) *in the second sentence, by striking “Begin-*
5 *ning with” and inserting the following:*

6 “*(2) FREQUENCY.—Beginning with*”; and

7 (3) *by adding at the end the following:*

8 “*(3) CORRECTIONS.—*

9 “*(A) IN GENERAL.—The Corporation shall*
10 *establish procedures that allow an agent and ap-*
11 *proved insurance provider within a reasonable*
12 *amount of time following the applicable sales*
13 *closing date to correct information regarding the*
14 *entity name, social security number, tax identi-*
15 *fication number, or such other eligibility infor-*
16 *mation as determined by the Corporation that is*
17 *provided by a producer for the purpose of obtain-*
18 *ing coverage under any policy or plan of insur-*
19 *ance made available under this subtitle to ensure*
20 *that the eligibility information is consistent with*
21 *the information reported by the producer to the*
22 *Farm Service Agency.*

23 “*(B) LIMITATION.—In accordance with the*
24 *procedures of the Corporation, procedures under*
25 *subparagraph (A) may include any subsequent*

1 *correction to the eligibility information described*
2 *in that subparagraph made by the Farm Service*
3 *Agency if the corrections do not allow the pro-*
4 *ducer—*

5 “(i) *to obtain a disproportionate ben-*
6 *efit under the crop insurance program or*
7 *any related program of the Department of*
8 *Agriculture;*

9 “(ii) *to avoid ineligibility require-*
10 *ments for insurance; or*

11 “(iii) *to avoid an obligation or re-*
12 *quirement under any Federal or State*
13 *law.”.*

14 **SEC. 11016. IMPLEMENTATION.**

15 *Section 515 of the Federal Crop Insurance Act (7*
16 *U.S.C. 1515) is amended—*

17 (1) *in subsection (j), by striking paragraph (1)*
18 *and inserting the following:*

19 “(1) **SYSTEMS MAINTENANCE AND UPGRADES.—**

20 “(A) **IN GENERAL.—***The Secretary shall*
21 *maintain and upgrade the information manage-*
22 *ment systems of the Corporation used in the ad-*
23 *ministration and enforcement of this subtitle.*

24 “(B) **REQUIREMENT.—**

1 “(i) *IN GENERAL.*—*In maintaining*
2 *and upgrading the systems, the Secretary*
3 *shall ensure that new hardware and soft-*
4 *ware are compatible with the hardware and*
5 *software used by other agencies of the De-*
6 *partment to maximize data sharing and*
7 *promote the purposes of this section.*

8 “(ii) *ACREAGE REPORT STREAMLINING*
9 *INITIATIVE PROJECT.*—*As soon as prac-*
10 *ticable, the Secretary shall develop and im-*
11 *plement an acreage report streamlining ini-*
12 *tiative project to allow producers to report*
13 *acreage and other information directly to*
14 *the Department.”; and*

15 (2) *in subsection (k), by striking paragraph (1)*
16 *and inserting the following:*

17 “(1) *INFORMATION TECHNOLOGY.*—

18 “(A) *IN GENERAL.*—*For purposes of sub-*
19 *section (j)(1), the Corporation may use, from*
20 *amounts made available from the insurance fund*
21 *established under section 516(c), not more*
22 *than—*

23 “(i)(I) *for fiscal year 2014,*
24 *\$25,000,000; and*

1 “(II) for each of fiscal years 2015
2 through 2018, \$10,000,000; or

3 “(ii) if the Acreage Crop Reporting
4 Streamlining Initiative (ACRSI) project is
5 substantially completed by September 30,
6 2013, not more than \$15,000,000 for each of
7 fiscal years 2015 through 2018.

8 “(B) NOTIFICATION.—Not later than July
9 1, 2013, the Secretary shall notify the Committee
10 on Agriculture of the House of Representatives
11 and the Committee on Agriculture, Nutrition,
12 and Forestry of the Senate on the status of the
13 substantial completion of the Acreage Crop Re-
14 porting Streamlining Initiative (ACRSI)
15 project.”.

16 **SEC. 11017. CROP INSURANCE FRAUD.**

17 Section 516(b)(2) of the Federal Crop Insurance Act
18 (7 U.S.C. 1516(b)(2)) is amended by adding at the end the
19 following:

20 “(C) *REVIEWS, COMPLIANCE, AND PROGRAM*
21 *INTEGRITY.*—For each of the 2014 and subse-
22 quent reinsurance years, the Corporation may
23 use the insurance fund established under sub-
24 section (c), but not to exceed \$5,000,000 for each
25 fiscal year, to pay the following:

1 “(i) *Costs to reimburse expenses in-*
2 *curred for the review of policies, plans of in-*
3 *surance, and related materials and to assist*
4 *the Corporation in maintaining program*
5 *integrity.*

6 “(ii) *In addition to other available*
7 *funds, costs incurred by the Risk Manage-*
8 *ment Agency for compliance operations as-*
9 *sociated with activities authorized under*
10 *this title.”.*

11 **SEC. 11018. APPROVAL OF COSTS FOR RESEARCH AND DE-**
12 **VELOPMENT.**

13 *Section 522(b)(2) of the Federal Crop Insurance Act*
14 *(7 U.S.C. 1522(b)(2)) is amended by striking subparagraph*
15 *(E) and inserting the following:*

16 “(E) *APPROVAL.—*

17 “(i) *IN GENERAL.—The Board may*
18 *approve up to 50 percent of the projected*
19 *total research and development costs to be*
20 *paid in advance to an applicant, in accord-*
21 *ance with the procedures developed by the*
22 *Board for the making of the payments, if,*
23 *after consideration of the reviewer reports*
24 *described in subparagraph (D) and such*

1 *other information as the Board determines*
2 *appropriate, the Board determines that—*

3 *“(I) the concept, in good faith,*
4 *will likely result in a viable and mar-*
5 *ketable policy consistent with section*
6 *508(h);*

7 *“(II) at the sole discretion of the*
8 *Board, the concept, if developed into a*
9 *policy and approved by the Board,*
10 *would provide crop insurance cov-*
11 *erage—*

12 *“(aa) in a significantly im-*
13 *proved form or that addresses a*
14 *unique need of agricultural pro-*
15 *ducers;*

16 *“(bb) to a crop or region not*
17 *traditionally served by the Fed-*
18 *eral crop insurance program; or*

19 *“(cc) in a form that address-*
20 *es a recognized flaw or problem in*
21 *the program;*

22 *“(III) the applicant agrees to pro-*
23 *vide such reports as the Corporation*
24 *determines are necessary to monitor*
25 *the development effort;*

1 “(IV) the proposed budget and
2 timetable are reasonable, as determined
3 by the Board; and

4 “(V) the concept proposal meets
5 any other requirements that the Board
6 determines appropriate.

7 “(ii) *WAIVER.*—The Board may waive
8 the 50-percent limitation and, upon request
9 of the submitter after the submitter has
10 begun research and development activities,
11 the Board may approve an additional 25
12 percent advance payment to the submitter
13 for research and development costs, if, at the
14 sole discretion of the Board, the Board de-
15 termines that—

16 “(I) the intended policy or plan of
17 insurance developed by the submitter
18 will provide coverage for a region or
19 crop that is underserved by the Federal
20 crop insurance program, including
21 specialty crops;

22 “(II) the submitter is making sat-
23 isfactory progress towards developing a
24 viable and marketable policy or plan of

1 *insurance consistent with section*
2 *508(h); and*

3 “*(III) the submitter does not have*
4 *sufficient financial resources to com-*
5 *plete the development of the submission*
6 *into a viable and marketable policy or*
7 *plan of insurance consistent with sec-*
8 *tion 508(h).”.*

9 **SEC. 11019. WHOLE FARM RISK MANAGEMENT INSURANCE.**

10 *Section 522(c) of the Federal Crop Insurance Act (7*
11 *U.S.C. 1522(c)) is amended by adding at the end the fol-*
12 *lowing:*

13 “*(18) WHOLE FARM DIVERSIFIED RISK MANAGE-*
14 *MENT INSURANCE PLAN.—*

15 “*(A) IN GENERAL.—The Corporation shall*
16 *conduct activities or enter into contracts to carry*
17 *out research and development to develop a whole*
18 *farm risk management insurance plan, with a*
19 *liability limitation of \$1,500,000, that allows a*
20 *diversified crop or livestock producer the option*
21 *to qualify for an indemnity if actual gross farm*
22 *revenue is below 85 percent of the average gross*
23 *farm revenue or the expected gross farm revenue*
24 *that can reasonably be expected of the producer,*
25 *as determined by the Corporation.*

1 “(B) *ELIGIBLE PRODUCERS.*—*The Corpora-*
2 *tion shall permit producers (including direct-to-*
3 *consumer marketers, and producers servicing*
4 *local and regional and farm identity-preserved*
5 *markets) who produce multiple agricultural com-*
6 *modities, including specialty crops, industrial*
7 *crops, livestock, and aquaculture products, to*
8 *participate in the plan in lieu of any other plan*
9 *under this subtitle.*

10 “(C) *DIVERSIFICATION.*—*The Corporation*
11 *may provide diversification-based additional*
12 *coverage payment rates, premium discounts, or*
13 *other enhanced benefits in recognition of the risk*
14 *management benefits of crop and livestock diver-*
15 *sification strategies for producers that grow mul-*
16 *tiple crops or that may have income from the*
17 *production of livestock that uses a crop grown on*
18 *the farm.*

19 “(D) *MARKET READINESS.*—*The Corpora-*
20 *tion may include coverage for the value of any*
21 *packing, packaging, or any other similar on-*
22 *farm activity the Corporation determines to be*
23 *the minimum required in order to remove the*
24 *commodity from the field.*

1 “(E) *REPORT.*—Not later than 2 years after
2 the date of enactment of this paragraph, the Cor-
3 poration shall submit to the Committee on Agri-
4 culture of the House of Representatives and the
5 Committee on Agriculture, Nutrition, and For-
6 estry of the Senate a report that describes the re-
7 sults and feasibility of the research and develop-
8 ment conducted under this paragraph, including
9 an analysis of potential adverse market distor-
10 tions.”.

11 **SEC. 11020. STUDY OF FOOD SAFETY INSURANCE.**

12 Section 522(c) of the Federal Crop Insurance Act (7
13 U.S.C. 1522(c)) (as amended by section 11018) is amended
14 by adding at the end the following:

15 “(19) *STUDY OF FOOD SAFETY INSURANCE.*—

16 “(A) *IN GENERAL.*—The Corporation shall
17 offer to enter into a contract with 1 or more
18 qualified entities to conduct a study to determine
19 whether offering policies that provide coverage
20 for specialty crops from food safety and contami-
21 nation issues would benefit agricultural pro-
22 ducers.

23 “(B) *SUBJECT.*—The study described in
24 subparagraph (A) shall evaluate policies and
25 plans of insurance coverage that provide protec-

1 *tion for production or revenue impacted by food*
2 *safety concerns including, at a minimum, gov-*
3 *ernment, retail, or national consumer group an-*
4 *nouncements of a health advisory, removal, or*
5 *recall related to a contamination concern.*

6 “(C) *REPORT.—Not later than 1 year after*
7 *the date of enactment of this paragraph, the Cor-*
8 *poration shall submit to the Committee on Agri-*
9 *culture of the House of Representatives and the*
10 *Committee on Agriculture, Nutrition, and For-*
11 *estry of the Senate a report that describes the re-*
12 *sults of the study conducted under subparagraph*
13 *(A).”.*

14 **SEC. 11021. CROP INSURANCE FOR LIVESTOCK.**

15 *Section 522(c) of the Federal Crop Insurance Act (as*
16 *amended by section 11019) is amended by adding at the*
17 *end the following:*

18 “(20) *STUDY ON SWINE CATASTROPHIC DISEASE*
19 *PROGRAM.—*

20 “(A) *IN GENERAL.—The Corporation shall*
21 *contract with a qualified person to conduct a*
22 *study to determine the feasibility of insuring*
23 *swine producers for a catastrophic event.*

24 “(B) *REPORT.—Not later than 1 year after*
25 *the date of the enactment of this paragraph, the*

1 *Corporation shall submit to the Committee on*
2 *Agriculture of the House of Representatives and*
3 *the Committee on Agriculture, Nutrition, and*
4 *Forestry of the Senate a report that describes the*
5 *results of the study conducted under subpara-*
6 *graph (A).”.*

7 **SEC. 11022. MARGIN COVERAGE FOR CATFISH.**

8 *Section 522(c) of the Federal Crop Insurance Act (as*
9 *amended by section 11020) is amended by adding at the*
10 *end the following:*

11 “(21) *MARGIN COVERAGE FOR CATFISH.*—

12 “(A) *IN GENERAL.*—*The Corporation shall*
13 *offer to enter into a contract with a qualified en-*
14 *tity to conduct research and development regard-*
15 *ing a policy to insure producers against reduc-*
16 *tion in the margin between the market value of*
17 *catfish and selected costs incurred in the produc-*
18 *tion of catfish.*

19 “(B) *ELIGIBILITY.*—*Eligibility for the pol-*
20 *icy described in subparagraph (A) shall be lim-*
21 *ited to freshwater species of catfish that are*
22 *propagated and reared in controlled or selected*
23 *environments.*

24 “(C) *IMPLEMENTATION.*—*The Board shall*
25 *review the policy described in subparagraph (B)*

1 under subsection 508(h) and approve the policy
2 if the Board finds that the policy—

3 “(i) will likely result in a viable and
4 marketable policy consistent with this sub-
5 section;

6 “(ii) would provide crop insurance
7 coverage in a significantly improved form;

8 “(iii) adequately protects the interests
9 of producers; and

10 “(iv) the proposed policy meets other
11 requirements of this subtitle determined ap-
12 propriate by the Board.”.

13 **SEC. 11023. POULTRY BUSINESS DISRUPTION INSURANCE**
14 **POLICY.**

15 Section 522(c) of the Federal Crop Insurance Act (7
16 U.S.C. 1522(c)) (as amended by section 11021) is amended
17 by adding at the end the following:

18 “(22) **POULTRY BUSINESS DISRUPTION INSUR-**
19 **ANCE POLICY AND CATASTROPHIC DISEASE PRO-**
20 **GRAM.**—

21 “(A) **DEFINITION OF POULTRY.**—*In this*
22 *paragraph, the term ‘poultry’ has the meaning*
23 *given the term in section 2(a) of the Packers and*
24 *Stockyards Act, 1921 (7 U.S.C. 182(a)).*

1 “(B) *AUTHORITY.*—*The Corporation shall*
2 *offer to enter into 1 or more contracts with*
3 *qualified entities to carry out—*

4 “(i) *a study to determine the feasi-*
5 *bility of insuring commercial poultry pro-*
6 *duction against business disruptions caused*
7 *by integrator bankruptcy; and*

8 “(ii) *a study to determine the feasi-*
9 *bility of insuring poultry producers for a*
10 *catastrophic event.*

11 “(C) *BUSINESS DISRUPTION STUDY.*—*The*
12 *study described in subparagraph (B)(i) shall—*

13 “(i) *evaluate the market place for busi-*
14 *ness disruption insurance that is available*
15 *to poultry producers;*

16 “(ii) *assess the feasibility of a policy to*
17 *allow producers to ensure against a portion*
18 *of losses from loss under contract due to*
19 *business disruption from integrator bank-*
20 *ruptcy; and*

21 “(iii) *analyze the costs to the Federal*
22 *Government of a Federal business disrup-*
23 *tion insurance program for poultry pro-*
24 *ducers.*

1 “(D) *REPORTS.*—Not later than 1 year
2 after the date of 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—

8 “(i) the study carried out under sub-
9 paragraph (B)(i); and

10 “(ii) the study carried out under sub-
11 paragraph (B)(ii).”.

12 **SEC. 11024. STUDY OF CROP INSURANCE FOR SEAFOOD**
13 **HARVESTERS.**

14 Section 522(c) of the Federal Crop Insurance Act (7
15 U.S.C. 1522(c)) (as amended by section 11022) is amended
16 by adding at the end the following:

17 “(23) *FEASIBILITY STUDY TO ASSIST SEAFOOD*
18 *HARVESTERS.*—

19 “(A) *IN GENERAL.*—The Corporation shall
20 offer to enter into a contract with a qualified en-
21 tity to conduct a feasibility study to determine
22 the best method of insuring seafood harvesters,
23 including such data collection and analysis as is
24 necessary to conduct the study.

1 “(B) *REPORT.*—Not later than 1 year after
2 the date of enactment of this subsection, the Cor-
3 poration shall submit to the Committee on Agri-
4 culture of the House of Representatives and the
5 Committee on Agriculture, Nutrition, and For-
6 estry of the Senate a report describing the results
7 of the study.”.

8 **SEC. 11025. BIOMASS AND SWEET SORGHUM ENERGY CROP**
9 **INSURANCE POLICIES.**

10 Section 522(c) of the Federal Crop Insurance Act of
11 1938 (7 U.S.C. 1522(c)) (as amended by section 11023) is
12 amended by adding at the end the following:

13 “(24) *BIOMASS AND SWEET SORGHUM ENERGY*
14 *CROP INSURANCE POLICIES.*—

15 “(A) *AUTHORITY.*—The Corporation shall
16 offer to enter into 1 or more contracts with
17 qualified entities to carry out research and devel-
18 opment regarding—

19 “(i) a policy to insure biomass sor-
20 ghum that is grown expressly for the pur-
21 pose of producing a feedstock for renewable
22 biofuel, renewable electricity, or biobased
23 products; and

1 “(i) a policy to insure sweet sorghum
2 that is grown for a purpose described in
3 clause (i).

4 “(B) *RESEARCH AND DEVELOPMENT.*—*Re-*
5 *search and development with respect to each of*
6 *the policies described in subparagraph (A) shall*
7 *evaluate the effectiveness of risk management*
8 *tools for the production of biomass sorghum or*
9 *sweet sorghum, including policies and plans of*
10 *insurance that—*

11 “(i) are based on market prices and
12 yields;

13 “(ii) to the extent that insufficient
14 data exist to develop a policy based on mar-
15 ket prices and yields, are based on the use
16 of weather indices, including, at a min-
17 imum, excessive or inadequate rainfall, to
18 protect the interests of crop producers; and

19 “(iii) provide protection for production
20 or revenue losses, or both.”.

21 **SEC. 11026. ALFALFA CROP INSURANCE POLICY.**

22 Section 522(c) of the Federal Crop Insurance Act (7
23 U.S.C. 1522(c)) (as amended by section 11024) is amended
24 by adding at the end the following:

25 “(25) *ALFALFA CROP INSURANCE POLICY.*—

1 “(A) *IN GENERAL.*—*The Corporation shall*
2 *offer to enter into 1 or more contracts with*
3 *qualified entities to carry out research and devel-*
4 *opment regarding a policy to insure alfalfa.*

5 “(B) *REPORT.*—*Not later than 1 year after*
6 *the date of enactment of this paragraph, the Cor-*
7 *poration shall submit to the Committee on Agri-*
8 *culture of the House of Representatives and the*
9 *Committee on Agriculture, Nutrition, and For-*
10 *estry of the Senate a report that describes the re-*
11 *sults of the study conducted under subparagraph*
12 *(A).”.*

13 **SEC. 11027. CROP INSURANCE FOR ORGANIC CROPS.**

14 (a) *IN GENERAL.*—*Section 508(c)(6) of the Federal*
15 *Crop Insurance Act (7 U.S.C. 1508(c)(6)) is amended by*
16 *adding at the end the following:*

17 “(D) *ORGANIC CROPS.*—

18 “(i) *IN GENERAL.*—*As soon as possible,*
19 *but not later than the 2015 reinsurance*
20 *year, the Corporation shall offer producers*
21 *of organic crops price elections for all or-*
22 *ganic crops produced in compliance with*
23 *standards issued by the Department of Ag-*
24 *riculture under the national organic pro-*
25 *gram established under the Organic Foods*

1 *Production Act of 1990 (7 U.S.C. 6501 et*
2 *seq.) that reflect the actual retail or whole-*
3 *sale prices, as appropriate, received by pro-*
4 *ducers for organic crops, as determined by*
5 *the Secretary using all relevant sources of*
6 *information.*

7 “(i) *ANNUAL REPORT.*—*The Corpora-*
8 *tion shall submit to the Committee on Agri-*
9 *culture of the House of Representatives and*
10 *the Committee on Agriculture, Nutrition,*
11 *and Forestry of the Senate an annual re-*
12 *port on progress made in developing and*
13 *improving Federal crop insurance for or-*
14 *ganic crops, including—*

15 “(I) *the numbers and varieties of*
16 *organic crops insured;*

17 “(II) *the progress of implementing*
18 *the price elections required under this*
19 *subparagraph, including the rate at*
20 *which additional price elections are*
21 *adopted for organic crops;*

22 “(III) *the development of new in-*
23 *surance approaches relevant to organic*
24 *producers; and*

1 “(IV) any recommendations the
2 Corporation considers appropriate to
3 improve Federal crop insurance cov-
4 erage for organic crops.”.

5 (b) *CONFORMING AMENDMENT.*—Section 522(c) of the
6 *Federal Crop Insurance Act (7 U.S.C. 1522(c)) (as amend-*
7 *ed by section 11024) is amended—*

8 (1) *by striking paragraph (10); and*

9 (2) *by redesignating paragraphs (11) through*
10 *(24) as paragraphs (10) through (23), respectively.*

11 **SEC. 11028. RESEARCH AND DEVELOPMENT.**

12 (a) *IN GENERAL.*—Section 522(c) of the *Federal Crop*
13 *Insurance Act (7 U.S.C. 1522(c)) is amended—*

14 (1) *in the subsection heading, by striking “Con-*
15 *tracting”;*

16 (2) *in paragraph (1), in the matter preceding*
17 *subparagraph (A), by striking “may enter into con-*
18 *tracts to carry out research and development to” and*
19 *inserting “may conduct activities or enter into con-*
20 *tracts to carry out research and development to main-*
21 *tain or improve existing policies or develop new poli-*
22 *cies to”;*

23 (3) *in paragraph (2)—*

1 (A) in subparagraph (A), by inserting “con-
2 duct research and development or” after “The
3 Corporation may”; and

4 (B) by striking subparagraph (B) and in-
5 serting the following:

6 “(B) CONSULTATION.—Before conducting
7 research and development or entering into a con-
8 tract under subparagraph (A), the Corporation
9 shall follow the consultation requirements de-
10 scribed in section 508(h)(4)(E).”;

11 (4) in paragraph (5), by inserting “after expert
12 review in accordance with section 505(e) and proce-
13 dures of the Board” after “approved by the Board”;
14 and

15 (5) in paragraph (6), by striking “a pasture,
16 range, and forage program” and inserting “policies
17 that increase participation by producers of under-
18 served agricultural commodities, including sweet sor-
19 ghum, sorghum for biomass, specialty crops, sugar-
20 cane, and dedicated energy crops”.

21 (b) FUNDING.—Section 522(e) of the Federal Crop In-
22 surance Act (7 U.S.C. 1522(e)) is amended—

23 (1) in paragraph (2)—

1 (A) by striking “(A) *AUTHORITY.—*” and
2 inserting “(A) *CONDUCTING AND CONTRACTING*
3 *FOR RESEARCH AND DEVELOPMENT.—*”;

4 (B) in subparagraph (A), by inserting “con-
5 duct research and development and” after “the
6 Corporation may use to”; and

7 (C) in subparagraph (B), by inserting “con-
8 duct research and development and” after “for
9 the fiscal year to”;

10 (2) in paragraph (3), in the matter preceding
11 subparagraph (A), by striking “to provide either re-
12 imbursement payments or contract payments”; and

13 (3) by striking paragraph (4).

14 **SEC. 11029. PILOT PROGRAMS.**

15 Section 523(a) of the Federal Crop Insurance Act (7
16 *U.S.C. 1523(a)*) is amended—

17 (1) in paragraph (1), by inserting “, at the sole
18 discretion of the Corporation,” after “may”; and

19 (2) by striking paragraph (5).

20 **SEC. 11030. INDEX-BASED WEATHER INSURANCE PILOT**
21 **PROGRAM.**

22 Section 523(a)(2) of the Federal Crop Insurance Act
23 (*7 U.S.C. 1523(a)(2)*) is amended—

24 (1) by striking “Under” inserting the following:

25 “(A) *IN GENERAL.—Under*”; and

1 (2) *by adding at the end the following:*

2 “(B) *INDEX-BASED WEATHER INSURANCE*
3 *PILOT PROGRAM.—*

4 “(i) *IN GENERAL.—Notwithstanding*
5 *subparagraph (A), the Corporation, at the*
6 *sole discretion of the Corporation, may con-*
7 *duct a pilot program to provide financial*
8 *assistance for producers of underserved*
9 *crops and livestock (including specialty*
10 *crops) to purchase an index-based weather*
11 *insurance product from a private insurance*
12 *company, subject to the requirements of this*
13 *subparagraph.*

14 “(ii) *PAYMENT OF PREMIUM.—*

15 “(I) *IN GENERAL.—Subject to*
16 *subclause (II) and clause (v), the Cor-*
17 *poration may pay a portion of the pre-*
18 *mium for producers who purchase*
19 *index-based weather insurance protec-*
20 *tion from a private insurance com-*
21 *pany for a crop and policy that is not*
22 *reinsured under this subtitle, as deter-*
23 *mined by the Corporation.*

24 “(II) *CONDITION.—The premium*
25 *assistance under subclause (I) shall not*

1 *exceed 60 percent of the estimated pre-*
2 *mium amount, based on expected*
3 *losses, representative operating ex-*
4 *penses, and representative profit mar-*
5 *gins, as determined by the Corpora-*
6 *tion.*

7 “(iii) *ELIGIBLE PROVIDERS.*—*Before*
8 *providing premium assistance to producers*
9 *to purchase index-based weather insurance*
10 *from a private insurance company pursu-*
11 *ant to this subparagraph, the Corporation*
12 *shall verify that the company has adequate*
13 *experience—*

14 “(I) *to develop and manage the*
15 *index-based weather insurance prod-*
16 *ucts, including adequate resources, ex-*
17 *perience, and assets or sufficient rein-*
18 *surance to meet the obligations of the*
19 *company under this subparagraph;*
20 *and*

21 “(II) *to support and deliver the*
22 *index-based weather insurance prod-*
23 *ucts.*

24 “(iv) *PROCEDURES.*—*The Corporation*
25 *shall develop and publish procedures to ad-*

1 *minister the pilot program under this sub-*
2 *paragraph that—*

3 *“(I) require each applicable pri-*
4 *ivate insurance company to report*
5 *claim and sales data, and any other*
6 *data the Corporation determines to be*
7 *appropriate, to allow the Corporation*
8 *to evaluate product pricing and per-*
9 *formance;*

10 *“(II) allow the private insurance*
11 *companies exclusive rights over the pri-*
12 *vate insurance offered under this sub-*
13 *paragraph, including rating of poli-*
14 *cies, protection of intellectual property*
15 *rights on the product or policy, and as-*
16 *sociated rating methodology, for the pe-*
17 *riod during which the companies are*
18 *eligible under clause (iii); and*

19 *“(III) contain such other require-*
20 *ments as the Corporation determines to*
21 *be necessary to ensure that—*

22 *“(aa) the interests of pro-*
23 *ducers are protected; and*

24 *“(bb) the program operates*
25 *in an actuarially sound manner.*

1 “(v) *FUNDING.*—Of the funds of the
2 *Corporation, the Corporation shall use to*
3 *carry out this subparagraph \$10,000,000*
4 *for each of fiscal years 2014 through 2018,*
5 *to remain available until expended.”.*

6 **SEC. 11031. ENHANCING PRODUCER SELF-HELP THROUGH**
7 **FARM FINANCIAL BENCHMARKING.**

8 (a) *DEFINITION.*—Section 502(b) of the Federal Crop
9 *Insurance Act (7 U.S.C. 1502(b)) is amended—*

10 (1) *by redesignating paragraphs (6) through (9)*
11 *as paragraphs (7) through (10), respectively; and*

12 (2) *by inserting after paragraph (5) the fol-*
13 *lowing:*

14 “(6) *FARM FINANCIAL BENCHMARKING.*—The
15 *term ‘farm financial benchmarking’ means—*

16 “(A) *the process of comparing the perform-*
17 *ance of an agricultural enterprise against the*
18 *performance of other similar enterprises, through*
19 *the use of comparable and reliable data, in order*
20 *to identify business management strengths, weak-*
21 *nesses, and steps necessary to improve manage-*
22 *ment performance and business profitability;*
23 *and*

24 “(B) *benchmarking of the type conducted by*
25 *farm management and producer associations*

1 *consistent with the activities described in or*
2 *funded pursuant to section 1672D of the Food,*
3 *Agriculture, Conservation, and Trade Act of*
4 *1990 (7 U.S.C. 5925f).”.*

5 ***(b) PARTNERSHIPS FOR RISK MANAGEMENT FOR PRO-***
6 ***DUCERS OF SPECIALTY CROPS AND UNDERSERVED AGRI-***
7 ***CULTURAL COMMODITIES.—Section 522(d)(3)(F) of the***
8 ***Federal Crop Insurance Act (7 U.S.C. 1522(d)(3)(F)) is***
9 ***amended by inserting “farm financial benchmarking,” after***
10 ***“management,”.***

11 ***(c) CROP INSURANCE EDUCATION AND RISK MANAGE-***
12 ***MENT ASSISTANCE.—Section 524(a) of the Federal Crop In-***
13 ***surance Act (7 U.S.C. 1524(a)) is amended—***

14 ***(1) in paragraph (3)(A), by inserting “farm fi-***
15 ***nancial benchmarking,” after “risk reduction,”; and***

16 ***(2) in paragraph (4), in the matter preceding***
17 ***subparagraph (A), by inserting “(including farm fi-***
18 ***nancial benchmarking)” after “management strate-***
19 ***gies”.***

20 **SEC. 11032. BEGINNING FARMER AND RANCHER PROVI-**
21 **SIONS.**

22 ***(a) DEFINITION.—Section 502(b) of the Federal Crop***
23 ***Insurance Act (7 U.S.C. 1502(b)) (as amended by section***
24 ***11029(a)) is amended—***

1 (1) by redesignating paragraphs (3) through (10)
2 as paragraphs (4) through (11), respectively; and

3 (2) by inserting after paragraph (2) the fol-
4 lowing:

5 “(3) *BEGINNING FARMER OR RANCHER.*—The
6 term ‘beginning farmer or rancher’ means a farmer
7 or rancher who has not actively operated and man-
8 aged a farm or ranch with a bona fide insurable in-
9 terest in a crop or livestock as an owner-operator,
10 landlord, tenant, or sharecropper for more than 5
11 crop years, as determined by the Secretary.”

12 (b) *PREMIUM ADJUSTMENTS.*—Section 508 of the Fed-
13 eral Crop Insurance Act (7 U.S.C. 1508) is amended—

14 (1) in subsection (b)(5)(E), by inserting “and be-
15 ginning farmers or ranchers” after “limited resource
16 farmers”;

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

19 “(8) *PREMIUM FOR BEGINNING FARMERS OR*
20 *RANCHERS.*—Notwithstanding any other provision of
21 this subsection regarding payment of a portion of pre-
22 miums, a beginning farmer or rancher shall receive
23 premium assistance that is 10 percentage points
24 greater than premium assistance that would otherwise
25 be available under paragraphs (2) (except for sub-

1 *paragraph (A) of that paragraph), (5), (6), and (7)*
2 *for the applicable policy, plan of insurance, and cov-*
3 *erage level selected by the beginning farmer or ranch-*
4 *er.”; and*

5 *(3) in subsection (g)—*

6 *(A) in paragraph (2)(B)—*

7 *(i) in clause (i), by striking “or” at*
8 *the end;*

9 *(ii) in clause (ii)(III), by striking the*
10 *period at the end and inserting “; or”; and*

11 *(iii) by adding at the end the fol-*
12 *lowing:*

13 *“(iii) if the producer is a beginning*
14 *farmer or rancher who was previously in-*
15 *volved in a farming or ranching operation,*
16 *including involvement in the decision-*
17 *making or physical involvement in the pro-*
18 *duction of the crop or livestock on the farm,*
19 *for any acreage obtained by the beginning*
20 *farmer or rancher, a yield that is the higher*
21 *of—*

22 *“(I) the actual production history*
23 *of the previous producer of the crop or*
24 *livestock on the acreage determined*
25 *under subparagraph (A); or*

1 “(II) a yield of the producer, as
2 determined in clause (i).”; and

3 (B) in paragraph (4)(B)(ii) (as amended by
4 section 11007)—

5 (i) by inserting “(I)” after “(ii)”;

6 (ii) by striking the period at the end
7 and inserting “; or”; and

8 (iii) by adding at the end the fol-
9 lowing:

10 “(II) in the case of beginning
11 farmers or ranchers, replace each
12 excluded yield with a yield equal
13 to 80 percent of the applicable
14 transitional yield.”.

15 **SEC. 11033. LIMITATION ON PREMIUM SUBSIDY BASED ON**
16 **AVERAGE ADJUSTED GROSS INCOME.**

17 Section 508(e) of the Federal Crop Insurance Act (7
18 U.S.C. 1508(e)) (as amended by section 11030(b)) is
19 amended by adding at the end the following:

20 “(9) **LIMITATION ON PREMIUM SUBSIDY BASED**
21 **ON AVERAGE ADJUSTED GROSS INCOME.**—

22 “(A) **DEFINITION OF AVERAGE ADJUSTED**
23 **GROSS INCOME.**—In this paragraph, the term
24 ‘average adjusted gross income’ has the meaning

1 *given the term in section 1001D(a) of the Food*
2 *Security Act of 1985 (7 U.S.C. 1308–3a(a)).*

3 “(B) *LIMITATION.*—*Notwithstanding any*
4 *other provision of this subtitle and beginning*
5 *with the 2014 reinsurance year, in the case of*
6 *any producer that is a person or legal entity*
7 *that has an average adjusted gross income in ex-*
8 *cess of \$750,000 based on the most recent data*
9 *available from the Farm Service Agency as of the*
10 *beginning of the reinsurance year, the total*
11 *amount of premium subsidy provided with re-*
12 *spect to additional coverage under subsection (c),*
13 *section 508B, or section 508C issued on behalf of*
14 *the producer for a reinsurance year shall be 15*
15 *percentage points less than the premium subsidy*
16 *provided in accordance with this subsection that*
17 *would otherwise be available for the applicable*
18 *policy, plan of insurance, and coverage level se-*
19 *lected by the producer.*

20 “(C) *APPLICATION.*—

21 “(i) *STUDY.*—*Not later than 1 year*
22 *after the date of enactment of this Act, the*
23 *Secretary, in consultation with the Govern-*
24 *ment Accountability Office, shall carry out*

1 *a study to determine the effects of the limi-*
2 *tation described in subparagraph (B) on—*

3 *“(I) the overall operations of the*
4 *Federal crop insurance program;*

5 *“(II) the number of producers*
6 *participating in the Federal crop in-*
7 *surance program;*

8 *“(III) the level of coverage pur-*
9 *chased by participating producers;*

10 *“(IV) the amount of premiums*
11 *paid by participating producers and*
12 *the Federal Government;*

13 *“(V) any potential liability for*
14 *participating producers, approved in-*
15 *surance providers, and the Federal*
16 *Government;*

17 *“(VI) different crops or growing*
18 *regions;*

19 *“(VII) program rating structures;*

20 *“(VIII) creation of schemes or de-*
21 *vices to evade the impact of the limita-*
22 *tion; and*

23 *“(IX) administrative and oper-*
24 *ating expenses paid to approved insur-*
25 *ance providers and underwriting gains*

1 *and loss for the Federal government*
2 *and approved insurance providers.*

3 “(ii) *EFFECTIVENESS.*—*The limitation*
4 *described in subparagraph (B) shall not*
5 *take effect unless the Secretary determines,*
6 *through the study described in clause (i),*
7 *that the limitation would not—*

8 “(I) *significantly increase the pre-*
9 *mium amount paid by producers with*
10 *an average adjusted gross income of*
11 *less than \$750,000;*

12 “(II) *result in a decline in the*
13 *crop insurance coverage available to*
14 *producers; and*

15 “(III) *increase the total cost of the*
16 *Federal crop insurance program.”.*

17 **SEC. 11034. AGRICULTURAL MANAGEMENT ASSISTANCE,**
18 **RISK MANAGEMENT EDUCATION, AND OR-**
19 **GANIC CERTIFICATION COST SHARE ASSIST-**
20 **ANCE.**

21 *Section 524 of the Federal Crop Insurance Act (7*
22 *U.S.C. 1524) is amended by striking subsection (b) and in-*
23 *serting the following:*

1 “(b) *AGRICULTURAL MANAGEMENT ASSISTANCE, RISK*
2 *MANAGEMENT EDUCATION, AND ORGANIC CERTIFICATION*
3 *COST SHARE ASSISTANCE.*—

4 “(1) *AUTHORITY FOR PROVISION OF ASSIST-*
5 *ANCE.*—*The Secretary shall provide assistance under*
6 *this section as follows:*

7 “(A) *Provision of organic certification cost*
8 *share assistance pursuant to section 10606 of the*
9 *Farm Security and Rural Investment Act of*
10 *2002 (7 U.S.C. 6523).*

11 “(B) *Activities to support risk management*
12 *education and community outreach partnerships*
13 *pursuant to section 522(d), including—*

14 “(i) *entering into futures or hedging;*

15 “(ii) *entering into agricultural trade*
16 *options as a hedging transaction to reduce*
17 *production, price, or revenue risk; or*

18 “(iii) *conducting any other activity re-*
19 *lating to an activity described in clause (i)*
20 *or (ii), including farm financial*
21 *benchmarking, as determined by the Sec-*
22 *retary.*

23 “(C) *Provision of agricultural management*
24 *assistance grants to producers in States in which*
25 *there has been traditionally, and continues to be,*

1 *a low level of Federal crop insurance participa-*
2 *tion and availability, and producers underserved*
3 *by the Federal crop insurance program, as deter-*
4 *mined by the Secretary, for the purposes of—*

5 *“(i) constructing or improving—*

6 *“(I) watershed management struc-*
7 *tures; or*

8 *“(II) irrigation structures;*

9 *“(ii) planting trees to form windbreaks*
10 *or to improve water quality; and*

11 *“(iii) mitigating financial risk through*
12 *production or marketing diversification or*
13 *resource conservation practices, including—*

14 *“(I) soil erosion control;*

15 *“(II) integrated pest management;*

16 *“(III) organic farming; or*

17 *“(IV) to develop and implement a*
18 *plan to create marketing opportunities*
19 *for the producer, including through*
20 *value-added processing.*

21 *“(2) PAYMENT LIMITATION.—The total amount*
22 *of payments made to a person (as defined in section*
23 *1001(a)(5) of the Food Security Act (7 U.S.C.*
24 *1308(a)(5))) (as in existence before the amendment*
25 *made by section 1603(b) of the Food, Conservation,*

1 *and Energy Act of 2008 (Public Law 110–246; 122*
2 *Stat. 1730)) under paragraph (1) for any year may*
3 *not exceed \$50,000.*

4 “(3) *FUNDING.*—

5 “(A) *IN GENERAL.*—*The Secretary shall*
6 *carry out this subsection through the Commodity*
7 *Credit Corporation.*

8 “(B) *FUNDING.*—*For each of fiscal years*
9 *2014 through 2018, the Commodity Credit Cor-*
10 *poration shall make available to carry out this*
11 *subsection \$23,000,000.*

12 “(C) *DISTRIBUTION OF FUNDS.*—*Of the*
13 *amount made available to carry out this sub-*
14 *section for a fiscal year, the Commodity Credit*
15 *Corporation shall use not less than—*

16 “(i) *50 percent to carry out paragraph*
17 *(1)(A);*

18 “(ii) *26 percent to carry out para-*
19 *graph (1)(B); and*

20 “(iii) *24 percent to carry out para-*
21 *graph (1)(C).”.*

22 **SEC. 11035. CROP PRODUCTION ON NATIVE SOD.**

23 (a) *FEDERAL CROP INSURANCE.*—*Section 508(o) of*
24 *the Federal Crop Insurance Act (7 U.S.C. 1508(o)) is*
25 *amended—*

1 (1) in paragraph (1)(B), by inserting “, or the
2 producer cannot substantiate that the ground has ever
3 been tilled,” after “tilled”;

4 (2) in paragraph (2)(A), by striking “for benefits
5 under—” and all that follows through the period at
6 the end and inserting “for—

7 “(i) a portion of crop insurance pre-
8 mium subsidies under this subtitle in ac-
9 cordance with paragraph (3);

10 “(ii) benefits under section 196 of the
11 Federal Agriculture Improvement and Re-
12 form Act of 1996 (7 U.S.C. 7333); and

13 “(iii) payments described in section
14 1001(b) of the Food Security Act of 1985 (7
15 U.S.C. 1308(b)).”; and

16 (3) by striking paragraph (3) and inserting the
17 following:

18 “(3) ADMINISTRATION.—

19 “(A) IN GENERAL.—During the first 4 crop
20 years of planting on native sod acreage by a pro-
21 ducer described in paragraph (2)—

22 “(i) paragraph (2) shall apply to 65
23 percent of the applicable transitional yield;
24 and

1 “(ii) the crop insurance premium sub-
2 sidy provided for the producer under this
3 subtitle shall be 50 percentage points less
4 than the premium subsidy that would other-
5 wise apply.

6 “(B) YIELD SUBSTITUTION.—During the
7 period native sod acreage is covered by this sub-
8 section, a producer may not substitute yields for
9 the native sod acreage.”.

10 (b) NONINSURED CROP DISASTER ASSISTANCE.—Sec-
11 tion 196(a)(4) of the Federal Agriculture Improvement and
12 Reform Act of 1996 (7 U.S.C. 7333(a)(4)) is amended—

13 (1) in subparagraph (A)(ii), by inserting “, or
14 the producer cannot substantiate that the ground has
15 ever been tilled,” after “tilled”;

16 (2) in subparagraph (B)(i), by striking “for ben-
17 efits under—” and all that follows through the period
18 at the end and inserting “for—

19 “(I) benefits under this section;

20 “(II) a portion of crop insurance
21 premium subsidies under the Federal
22 Crop Insurance Act (7 U.S.C. 1501 et
23 seq.) in accordance with subparagraph
24 (C); and

1 “(III) payments described in sec-
2 tion 1001(b) of the Food Security Act
3 of 1985 (7 U.S.C. 1308(b)).”; and

4 (3) by striking subparagraph (C) and inserting
5 the following:

6 “(C) ADMINISTRATION.—

7 “(i) IN GENERAL.—During the first 4
8 crop years of planting on native sod acreage
9 by a producer described in subparagraph
10 (B)—

11 “(I) subparagraph (B) shall apply
12 to 65 percent of the applicable transi-
13 tional yield; and

14 “(II) the crop insurance premium
15 subsidy provided for the producer
16 under the Federal Crop Insurance Act
17 (7 U.S.C. 1501 et seq.) shall be 50 per-
18 centage points less than the premium
19 subsidy that would otherwise apply.

20 “(ii) YIELD SUBSTITUTION.—During
21 the period native sod acreage is covered by
22 this paragraph, a producer may not sub-
23 stitute yields for the native sod acreage.”.

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 county and State, and the change in cropland
8 acreage from the preceding year in each county and
9 State, beginning with calendar year 2000 and includ-
10 ing that information for the most recent year for
11 which that information is available.

12 (2) *ANNUAL UPDATES.*—Not later than January
13 1, 2014, and each January 1 thereafter through Janu-
14 ary 1, 2018, the Secretary of Agriculture shall submit
15 to the Committee on Agriculture of the House of Rep-
16 resentatives and the Committee on Agriculture, Nutri-
17 tion, and Forestry of the Senate a report that de-
18 scribes—

19 (A) the cropland acreage in each county
20 and State as of the date of submission of the re-
21 port;

22 (B) the change in cropland acreage from the
23 preceding year in each county and State; and

24 (C) the number of acres of native sod that
25 have been converted to cropland or to any other

1 *use in the preceding year in each county and*
2 *State.*

3 **SEC. 11036. TECHNICAL AMENDMENTS.**

4 *Section 508(b) of the Federal Crop Insurance Act (7*
5 *U.S.C. 1508(b)) is amended—*

6 (1) *by striking paragraph (7); and*

7 (2) *by redesignating paragraphs (8) through (11)*
8 *as paragraphs (7) through (10), respectively.*

9 **SEC. 11037. GREATER ACCESSIBILITY FOR CROP INSUR-**
10 **ANCE.**

11 (a) *FINDINGS.—Congress finds that—*

12 (1) *due to changes in commodity and other agri-*
13 *cultural programs made by the Agriculture Reform,*
14 *Food, and Jobs Act of 2013, it is more important*
15 *than ever that agricultural producers be able to fully*
16 *understand the terms of plans and policies of crop in-*
17 *surance offered under the Federal Crop Insurance Act*
18 *(7 U.S.C. 1501 et seq.); and*

19 (2) *proposed reductions by the Secretary in the*
20 *number of State and local offices of the Farm Service*
21 *Agency will reduce the services available to assist ag-*
22 *ricultural producers in understanding crop insurance.*

23 (b) **REQUIREMENT FOR USE OF PLAIN LANGUAGE.—**

24 (1) **IN GENERAL.—***In issuing regulations and*
25 *guidance relating to plans and policies of crop insur-*

1 *ance, the Risk Management Agency and the Federal*
2 *Crop Insurance Corporation shall, to the greatest ex-*
3 *tent practicable, use plain language, as required*
4 *under Executive Orders 12866 (5 U.S.C. 601 note; re-*
5 *lating to regulatory planning and review) and 12988*
6 *(28 U.S.C. 519 note; relating to civil justice reform).*

7 (2) *REPORT.*—*Not later than 180 days after the*
8 *date of enactment of this Act, the Secretary shall sub-*
9 *mit to the Committee on Agriculture of the House of*
10 *Representatives and the Committee on Agriculture,*
11 *Nutrition, and Forestry of the Senate a report de-*
12 *scribing the efforts of the Secretary to accelerate com-*
13 *pliance with the Executive orders described in para-*
14 *graph (1).*

15 (c) *WEBSITE.*—

16 (1) *IN GENERAL.*—*Not later than 1 year after*
17 *the date of enactment of this Act, the Secretary, in*
18 *consultation with the approved insurance providers*
19 *(as defined in section 502(b) of the Federal Crop In-*
20 *surance Act (7 U.S.C. 1502(b)), shall improve the ex-*
21 *isting Internet website through which agricultural*
22 *producers in any State may identify crop insurance*
23 *options in that State.*

24 (2) *REQUIREMENTS.*—*The website described in*
25 *paragraph (1) shall—*

1 (A) *provide answers in an easily accessible*
2 *format to frequently asked questions; and*

3 (B) *include published materials of the De-*
4 *partment of Agriculture that relate to plans and*
5 *policies of crop insurance offered under that Act.*

6 (d) *ADMINISTRATION.—Nothing in this section author-*
7 *izes the Risk Management Agency to sell a crop insurance*
8 *policy or plan of insurance.*

9 **SEC. 11038. GAO CROP INSURANCE FRAUD REPORT.**

10 *Section 515(d) of the Federal Crop Insurance Act (7*
11 *U.S.C. 1515(d)) is amended by adding at the end the fol-*
12 *lowing:*

13 “(6) *GAO CROP INSURANCE FRAUD REPORT.—As*
14 *soon as practicable after the date of enactment of this*
15 *paragraph, the Comptroller General of the United*
16 *States shall conduct, and submit to Congress a report*
17 *describing the results of, a study regarding fraudulent*
18 *claims filed, and benefits provided, under this sub-*
19 *title.”.*

1 **TITLE XII—MISCELLANEOUS**
 2 **Subtitle A—Socially Disadvantaged**
 3 **Producers and Limited Resource**
 4 **Producers**

5 **SEC. 12001. OUTREACH AND ASSISTANCE FOR SOCIALLY**
 6 **DISADVANTAGED FARMERS AND RANCHERS**
 7 **AND VETERAN FARMERS AND RANCHERS.**

8 (a) *OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-*
 9 *ADVANTAGED FARMERS AND RANCHERS AND VETERAN*
 10 *FARMERS AND RANCHERS.—Section 2501 of the Food, Ag-*
 11 *riculture, Conservation, and Trade Act of 1990 (7 U.S.C.*
 12 *2279) is amended—*

13 (1) *in the section heading, by inserting “AND*
 14 **VETERAN FARMERS AND RANCHERS”** *after*
 15 **“RANCHERS”**;

16 (2) *in subsection (a)—*

17 (A) *in paragraph (2)(B)(i), by inserting*
 18 *“and veteran farmers or ranchers” after “ranch-*
 19 *ers”*; *and*

20 (B) *in paragraph (4)—*

21 (i) *in subparagraph (A)—*

22 (I) *in the heading, by striking*
 23 *“FISCAL YEARS 2009 THROUGH 2012”*
 24 *and inserting “MANDATORY FUNDING”*;

1 (II) in clause (i), by striking
2 “and” at the end;

3 (III) in clause (ii), by striking the
4 period at the end and inserting “;
5 and”; and

6 (IV) by adding at the end the fol-
7 lowing:

8 “(iii) \$10,000,000 for each of fiscal
9 years 2014 through 2018.”; and

10 (ii) by striking subparagraph (B) and
11 inserting the following:

12 “(B) AUTHORIZATION OF APPROPRIA-
13 TIONS.—There is authorized to be appropriated
14 to carry out this section \$20,000,000 for each of
15 fiscal years 2014 through 2018.”;

16 (3) in subsection (b)(2), by inserting “or veteran
17 farmers and ranchers” after “socially disadvantaged
18 farmers and ranchers”; and

19 (4) in subsection (c)—

20 (A) in paragraph (1)(A), by inserting “vet-
21 eran farmers or ranchers and” before “members”;
22 and

23 (B) in paragraph (2)(A), by inserting “vet-
24 eran farmers or ranchers and” before “members”.

1 (b) *DEFINITION OF VETERAN FARMER OR RANCH-*
2 *ER.*—Section 2501(e) of the Food, Agriculture, Conserva-
3 tion, and Trade Act of 1990 (7 U.S.C. 2279(e)) is amended
4 by adding at the end the following:

5 “(7) *VETERAN FARMER OR RANCHER.*—The term
6 ‘veteran farmer or rancher’ means a farmer or ranch-
7 er who served in the active military, naval, or air
8 service, and who was discharged or released from the
9 service under conditions other than dishonorable.”.

10 **SEC. 12002. SOCIALLY DISADVANTAGED FARMERS AND**
11 **RANCHERS POLICY RESEARCH CENTER.**

12 Section 2501 of the Food, Agriculture, Conservation,
13 and Trade Act of 1990 (7 U.S.C. 2279) is amended by add-
14 ing at the end the following:

15 “(i) *SOCIALLY DISADVANTAGED FARMERS AND*
16 *RANCHERS POLICY RESEARCH CENTER.*—The Secretary
17 shall award a grant, through a competitive grant program,
18 to an eligible 1890 Institution (as defined in section 2 of
19 the Agricultural Research, Extension, and Education Re-
20 form Act of 1998 (7 U.S.C. 7601)) to establish a policy re-
21 search center, to be known as the ‘Socially Disadvantaged
22 Farmers and Ranchers Policy Research Center’, for the pur-
23 pose of developing policy recommendations for the protec-
24 tion and promotion of the interests of socially disadvan-
25 taged farmers and ranchers.”.

1 **SEC. 12003. OFFICE OF ADVOCACY AND OUTREACH.**

2 *Section 226B(f)(3) of the Department of Agriculture*
 3 *Reorganization Act of 1994 (7 U.S.C. 6934(f)(3)) is amend-*
 4 *ed to read as follows:*

5 “(3) *AUTHORIZATION OF APPROPRIATIONS.—*

6 *There are authorized to be appropriated to carry out*
 7 *this subsection—*

8 “(A) *such sums as are necessary for each of*
 9 *fiscal years 2009 through 2013; and*

10 “(B) *\$2,000,000 for each of fiscal years*
 11 *2014 through 2018.”*

12 ***Subtitle B—Livestock***

13 **SEC. 12101. WILDLIFE RESERVOIR ZONOTIC DISEASE INI-**
 14 **TIATIVE.**

15 *Title IV of the Agricultural Research, Extension, and*
 16 *Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is*
 17 *amended by adding at the end the following:*

18 **“SEC. 413. WILDLIFE RESERVOIR ZONOTIC DISEASE INI-**
 19 **TIATIVE.**

20 “(a) *DEFINITION OF COVERED DISEASE.—In this sec-*
 21 *tion, the term ‘covered disease’ means a zoonotic disease af-*
 22 *fecting domestic livestock that is transmitted primarily*
 23 *from wildlife.*

24 “(b) *ESTABLISHMENT.—There is established within*
 25 *the Department a wildlife reservoir zoonotic disease initia-*
 26 *tive to provide assistance through Coordinated Agricultural*

1 *Project grants for research and development of surveillance*
2 *methods, vaccines, vaccination delivery systems, or diag-*
3 *nostic tests for covered diseases.*

4 “(c) *COVERED DISEASE.*—

5 “(1) *IN GENERAL.*—*To be eligible for a grant*
6 *under this section, an eligible entity shall conduct re-*
7 *search and development of surveillance methods, vac-*
8 *cines, vaccination delivery systems, or diagnostic tests*
9 *for covered diseases in—*

10 “(A) *a wildlife reservoir in the United*
11 *States; or*

12 “(B) *domestic livestock or wildlife pre-*
13 *senting a potential concern to public health.*

14 “(2) *PRIORITY.*—*In making grants under this*
15 *section, the Secretary shall give priority to grants*
16 *that address—*

17 “(A) *Brucella abortus (Bovine Brucellosis);*

18 “(B) *Mycobacterium bovis (Bovine Tuber-*
19 *culosis); or*

20 “(C) *other zoonotic disease in livestock that*
21 *is covered by a high-priority research and exten-*
22 *sion initiative conducted under section 1672 of*
23 *the Food, Agriculture, Conservation, and Trade*
24 *Act of 1990 (7 U.S.C. 5925).*

1 “(d) *ELIGIBLE ENTITIES.*—*The Secretary shall carry*
2 *out the initiative established under subsection (b) through*
3 *public scientific research consortia that may consist of*
4 *members from—*

5 “(1) *Federal agencies;*

6 “(2) *National Laboratories;*

7 “(3) *institutions of higher education;*

8 “(4) *research institutions and organizations; or*

9 “(5) *State agricultural experiment stations.*

10 “(e) *RESEARCH PROJECTS.*—*In carrying out this sec-*
11 *tion, the Secretary shall award grants on a competitive*
12 *basis.*

13 “(f) *ADMINISTRATION.*—

14 “(1) *IN GENERAL.*—*In the case of grants award-*
15 *ed under this section, the Secretary shall—*

16 “(A) *seek and accept proposals for grants;*

17 “(B) *determine the relevance and merit of*
18 *proposals through a system of peer and merit re-*
19 *view in accordance with section 103;*

20 “(C) *award grants on the basis of merit,*
21 *quality, and relevance; and*

22 “(D) *manage the initiative established*
23 *under subsection (b) using a Coordinated Agri-*
24 *cultural Project format.*

1 “(2) *TERM.*—*The term of a grant under this sec-*
2 *tion may not exceed 10 years.*

3 “(3) *MATCHING FUNDS REQUIRED.*—*The Sec-*
4 *retary shall require the recipient of a grant under*
5 *this section to provide funds or in-kind support from*
6 *non-Federal sources in an amount that is not less*
7 *than 25 percent of the amount provided by the Fed-*
8 *eral Government.*

9 “(4) *OTHER CONDITIONS.*—*The Secretary may*
10 *set such other conditions on the award of a grant*
11 *under this section as the Secretary determines to be*
12 *appropriate.*

13 “(g) *BUILDINGS AND FACILITIES.*—*Funds made avail-*
14 *able under this section shall not be used for—*

15 “(1) *the construction of a new building or facil-*
16 *ity; or*

17 “(2) *the acquisition, expansion, remodeling, or*
18 *alteration of an existing building or facility (includ-*
19 *ing site grading and improvement and architect fees).*

20 “(h) *AUTHORIZATION OF APPROPRIATIONS.*—

21 “(1) *IN GENERAL.*—*There is authorized to be ap-*
22 *propriated to carry out this section \$7,000,000 for*
23 *each of fiscal years 2014 through 2018.*

24 “(2) *ALLOCATION.*—*Of the amount made avail-*
25 *able for a fiscal year under paragraph (1), the Sec-*

1 *retary shall use not less than 30 percent of the*
2 *amount for the fiscal year to carry out activities*
3 *under each of subparagraphs (A) and (B) of sub-*
4 *section (c)(2).”.*

5 **SEC. 12102. TRICHINAE CERTIFICATION PROGRAM.**

6 *(a) ALTERNATIVE CERTIFICATION PROCESS.—*

7 *(1) IN GENERAL.—The Secretary shall amend*
8 *the regulation issued under section 11010(a)(2) of the*
9 *Food, Conservation, and Energy Act of 2008 (7*
10 *U.S.C. 8304(a)(2)) to implement the voluntary*
11 *trichinae certification program established under sec-*
12 *tion 11010(a)(1) of that Act, to include a requirement*
13 *to establish an alternative trichinae certification*
14 *process based on surveillance or other methods con-*
15 *sistent with international standards for categorizing*
16 *compartments as having negligible risk for trichinae.*

17 *(2) FINAL REGULATIONS.—Not later than 1 year*
18 *after the date on which the international standards*
19 *described in paragraph (1) are adopted, the Secretary*
20 *shall finalize the rule amended under paragraph (1).*

21 *(b) REAUTHORIZATION.—Section 10405(d)(1) of the*
22 *Animal Health Protection Act (7 U.S.C. 8304(d)(1)) is*
23 *amended in subparagraphs (A) and (B) by striking “2012”*
24 *each place it appears and inserting “2018”.*

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 “2018”.*

5 **SEC. 12104. SHEEP PRODUCTION AND MARKETING GRANT**
6 **PROGRAM.**

7 *(a) IN GENERAL.—Subtitle A of the Agricultural Mar-*
8 *keting Act of 1946 (7 U.S.C. 1621 et seq.) is amended by*
9 *adding at the end the following:*

10 **“SEC. 209. SHEEP PRODUCTION AND MARKETING GRANT**
11 **PROGRAM.**

12 *“(a) ESTABLISHMENT.—The Secretary, acting through*
13 *the Administrator of the Agricultural Marketing Service*
14 *(referred to in this section as the ‘Secretary’) shall establish*
15 *a competitive grant program for the purposes of improving*
16 *the United States sheep industry.*

17 *“(b) PURPOSE.—The purpose of the grant program*
18 *shall be to strengthen and enhance the production and mar-*
19 *keting of sheep and sheep products, including improvement*
20 *of—*

21 *“(1) infrastructure;*

22 *“(2) business;*

23 *“(3) resource development; and*

24 *“(4) innovative approaches to solve long-term*
25 *needs.*

1 “(c) *ELIGIBILITY.*—*The Secretary shall make grants*
2 *under this section to 1 or more national entities the mission*
3 *of which is consistent with the purpose of the grant pro-*
4 *gram.*”

5 “(d) *FUNDING.*—*Of the funds of the Commodity Credit*
6 *Corporation, the Secretary shall use to carry out this sec-*
7 *tion \$1,500,000 for fiscal year 2014, to remain available*
8 *until expended.*”.

9 (b) *CONFORMING AMENDMENT.*—*Section 374 of the*
10 *Consolidated Farm and Rural Development Act (7 U.S.C.*
11 *2008j) (as in existence on the day before the date of enact-*
12 *ment of this Act) is—*

13 (1) *amended in subsection (e)—*

14 (A) *in paragraph (3)(D), by striking “3*
15 *percent” and inserting “10 percent”; and*

16 (B) *by striking paragraph (6); and*

17 (2) *redesignated as section 210 of the Agricul-*
18 *tural Marketing Act of 1946; and*

19 (3) *moved so as to appear at the end of subtitle*
20 *A of that Act (as amended by subsection (a)).*

21 **SEC. 12105. FERAL SWINE ERADICATION PILOT PROGRAM.**

22 (a) *IN GENERAL.*—*To eradicate or control the threat*
23 *feral swine pose to the domestic swine population, the entire*
24 *livestock industry, and the destruction of crops and natural*
25 *plant communities and native habitats, the Secretary of Ag-*

1 *riculture may establish a feral swine eradication pilot pro-*
2 *gram.*

3 (b) *PILOT.*—*Subject to the availability of appropri-*
4 *ations under this section, the Secretary may provide finan-*
5 *cial assistance for the cost of carrying out a pilot pro-*
6 *gram—*

7 (1) *to study and assess the nature and extent of*
8 *damage to the pilot area caused by feral swine;*

9 (2) *to develop methods to eradicate or control*
10 *feral swine in the pilot area; and*

11 (3) *to develop methods to restore damage caused*
12 *by feral swine.*

13 (c) *COORDINATION.*—*The Secretary shall ensure that*
14 *the Natural Resource Conservation Service and the Animal*
15 *and Plant Health Inspection Service coordinate to carry*
16 *out the pilot program.*

17 (d) *COST SHARING.*—

18 (1) *FEDERAL SHARE.*—*The Federal share of the*
19 *costs of the pilot program under this section may not*
20 *exceed 75 percent of the total costs of carrying out the*
21 *pilot program.*

22 (2) *IN-KIND CONTRIBUTIONS.*—*The non-Federal*
23 *share of the costs of the pilot program may be pro-*
24 *vided in the form of in-kind contributions of mate-*
25 *rials or services.*

1 (e) *LIMITATION ON ADMINISTRATIVE EXPENSES.*—Not
2 more than 10 percent of financial assistance provided by
3 the Secretary under this section may be used for adminis-
4 trative expenses.

5 (f) *AUTHORIZATION OF APPROPRIATIONS.*—There is
6 authorized to be appropriated to carry out this section
7 \$2,000,000 for each of fiscal years 2014 through 2018.

8 **SEC. 12106. NATIONAL ANIMAL HEALTH LABORATORY NET-**
9 **WORK.**

10 *Subtitle E of title X of the Farm Security and Rural*
11 *Investment Act of 2002 (7 U.S.C. 8301 et seq.) is amended*
12 *by inserting after section 10409 the following:*

13 **“SEC. 10409A. NATIONAL ANIMAL HEALTH LABORATORY**
14 **NETWORK.**

15 “(a) *DEFINITION OF ELIGIBLE LABORATORY.*—In this
16 section, the term ‘eligible laboratory’ means a diagnostic
17 laboratory that meets specific criteria developed by the Sec-
18 retary, in consultation with State animal health officials,
19 State veterinary diagnostic laboratories, and veterinary di-
20 agnostic laboratories at institutions of higher education.

21 “(b) *CONTRACTS.*—The Secretary, in consultation with
22 State veterinarians, shall offer to enter into contracts,
23 grants, cooperative agreements, or other legal instruments
24 with eligible laboratories—

1 “(1) to enhance the capability of the Secretary to
2 respond in a timely manner to emerging or existing
3 bioterrorist threats to animal health; and

4 “(2) to provide the capacity and capability for
5 standardized—

6 “(A) test procedures, reference materials,
7 and equipment;

8 “(B) laboratory biosafety and biosecurity
9 levels;

10 “(C) quality management system require-
11 ments;

12 “(D) interconnected electronic reporting and
13 transmission of data; and

14 “(E) evaluation for emergency prepared-
15 ness; and

16 “(3) to coordinate the development, implementa-
17 tion, and enhancement of national veterinary diag-
18 nostic laboratory capabilities, with special emphasis
19 on surveillance planning and vulnerability analysis,
20 technology development and validation, training, and
21 outreach.

22 “(c) *PRIORITY.*—To the extent practicable and to the
23 extent capacity and specialized expertise may be necessary,
24 the Secretary shall give priority to eligible laboratories at

1 *existing Federal facilities, State facilities, and facilities at*
2 *institutions of higher education.*

3 “(d) *AUTHORIZATION OF APPROPRIATIONS.—There is*
4 *authorized to be appropriated to carry out this section*
5 *\$15,000,000 for each of fiscal years 2014 through 2018.”.*

6 **SEC. 12107. NATIONAL POULTRY IMPROVEMENT PLAN**
7 **(NPIP).**

8 (a) *SURVEILLANCE PROGRAM.—The Secretary shall*
9 *ensure that the Department of Agriculture continues to ad-*
10 *minister the avian influenza surveillance program in com-*
11 *mercial poultry through the National Poultry Improvement*
12 *Program.*

13 (b) *STANDARDS.—The Secretary shall ensure that the*
14 *program described in subsection (a) meets any relevant*
15 *standards established by the World Organization for Ani-*
16 *mal Health.*

17 ***Subtitle C—Other Miscellaneous***
18 ***Provisions***

19 **SEC. 12201. MILITARY VETERANS AGRICULTURAL LIAISON.**

20 *Subtitle A of the Department of Agriculture Reorga-*
21 *nization Act of 1994 is amended by inserting after section*
22 *218 (7 U.S.C. 6918) the following:*

1 **“SEC. 219. MILITARY VETERANS AGRICULTURAL LIAISON.**

2 “(a) *AUTHORIZATION.*—*The Secretary shall establish*
3 *in the Department the position of Military Veterans Agri-*
4 *cultural Liaison.*

5 “(b) *DUTIES.*—*The Military Veterans Agricultural Li-*
6 *aision shall—*

7 “(1) *provide information to returning veterans*
8 *about, and connect returning veterans with, beginning*
9 *farmer training and agricultural vocational and re-*
10 *habilitation programs appropriate to the needs and*
11 *interests of returning veterans, including assisting*
12 *veterans in using Federal veterans educational bene-*
13 *fits for purposes relating to beginning a farming or*
14 *ranching career;*

15 “(2) *provide information to veterans concerning*
16 *the availability of and eligibility requirements for*
17 *participation in agricultural programs, with par-*
18 *ticular emphasis on beginning farmer and rancher*
19 *programs;*

20 “(3) *servng as a resource for assisting veteran*
21 *farmers and ranchers, and potential farmers and*
22 *ranchers, in applying for participation in agricul-*
23 *tural programs; and*

24 “(4) *advocating on behalf of veterans in inter-*
25 *actions with employees of the Department.*

1 “(c) *CONTRACTS AND COOPERATIVE AGREEMENTS.*—
 2 *For purposes of carrying out the duties under subsection*
 3 *(b), the Military Veterans Agricultural Liaison may enter*
 4 *into contracts or cooperative agreements with the research*
 5 *centers of the Agricultural Research Service, institutions of*
 6 *higher education, or nonprofit organizations for—*

7 “(1) *the conduct of regional research on the prof-*
 8 *itability of small farms;*

9 “(2) *the development of educational materials;*

10 “(3) *the conduct of workshops, courses, and cer-*
 11 *tified vocational training;*

12 “(4) *the conduct of mentoring activities; or*

13 “(5) *the provision of internship opportunities.*”.

14 **SEC. 12202. INFORMATION GATHERING.**

15 *Section 1619(b)(3) of the Food, Conservation, and En-*
 16 *ergy Act of 2008 (7 U.S.C. 8791) is amended by adding*
 17 *at the end the following:*

18 “(B) *COOPERATION WITH STATE AND LOCAL*
 19 *GOVERNMENTS.*—

20 “(i) *IN GENERAL.*—*Subject to clause*
 21 *(ii), in the case of a State agency, political*
 22 *subdivision, or local governmental agency*
 23 *that is charged with implementing an agri-*
 24 *culture or conservation program under*
 25 *State law, on request of the State agency,*

1 *political subdivision, or local governmental*
2 *agency, the information described in para-*
3 *graph (2) shall be disclosed to the State*
4 *agency, political subdivision, or local gov-*
5 *ernmental agency if the Secretary deter-*
6 *mines that the State agency, political sub-*
7 *division, or local governmental agency dem-*
8 *onstrates that the disclosure is required for*
9 *implementing the State program.*

10 “(i) *RESTRICTION.—Any information*
11 *disclosed to a State agency, political sub-*
12 *division, or local governmental agency*
13 *under clause (i) shall be—*

14 “(I) *used solely by the State agen-*
15 *cy, political subdivision, or local gov-*
16 *ernmental agency; and*

17 “(II) *exempt from disclosure to*
18 *the public, including under any State*
19 *law that allows a citizen to petition a*
20 *State agency for that information.”.*

1 **SEC. 12203. GRANTS TO IMPROVE SUPPLY, STABILITY, SAFE-**
2 **TY, AND TRAINING OF AGRICULTURAL LABOR**
3 **FORCE.**

4 *Section 14204(d) of the Food, Conservation, and En-*
5 *ergy Act of 2008 (7 U.S.C. 2008q-1(d)) is amended to read*
6 *as follows:*

7 “(d) *AUTHORIZATION OF APPROPRIATIONS.*—*There*
8 *are authorized to be appropriated to carry out this sec-*
9 *tion—*

10 *“(1) such sums as are necessary for each of fiscal*
11 *years 2008 through 2013; and*

12 *“(2) \$10,000,000 for each of fiscal years 2014*
13 *through 2018.”.*

14 **SEC. 12204. NONINSURED CROP ASSISTANCE PROGRAM.**

15 (a) *IN GENERAL.*—*Section 196 of the Federal Agri-*
16 *culture Improvement and Reform Act of 1996 (7 U.S.C.*
17 *7333) is amended—*

18 (1) *in subsection (a)—*

19 (A) *by striking paragraph (1) and inserting*
20 *the following:*

21 “(1) *IN GENERAL.*—

22 “(A) *COVERAGES.*—*In the case of an eligi-*
23 *ble crop described in paragraph (2), the Sec-*
24 *retary of Agriculture shall operate a noninsured*
25 *crop disaster assistance program to provide cov-*

1 erages based on individual yields (other than for
2 value-loss crops) equivalent to—

3 “(i) catastrophic risk protection avail-
4 able under section 508(b) of the Federal
5 Crop Insurance Act (7 U.S.C. 1508(b)); or

6 “(ii) additional coverage available
7 under subsections (c) and (h) of section 508
8 of that Act (7 U.S.C. 1508) that does not
9 exceed 65 percent.

10 “(B) ADMINISTRATION.—The Secretary
11 shall carry out this section through the Farm
12 Service Agency (referred to in this section as the
13 ‘Agency’).”; and

14 (B) in paragraph (2)—

15 (i) in subparagraph (A)—

16 (I) in the matter before clause (i),
17 by striking “(except livestock)” and in-
18 serting “(except livestock and crops
19 and grasses used for grazing)”;

20 (II) in clause (i), by striking
21 “and” after the semicolon at the end;

22 (III) by redesignating clause (ii)
23 as clause (iii); and

24 (IV) by inserting after clause (i)
25 the following:

1 “(i) for which additional
2 coverage under subsections (c) and
3 (h) of section 508 of that Act (7
4 U.S.C. 1508) is not available;
5 and”;

6 (ii) in subparagraph (B)—

7 (I) by inserting “(except ferns)”
8 after “floricultural”;

9 (II) by inserting “(except ferns)”
10 after “ornamental nursery”; and

11 (III) by striking “(including or-
12 namental fish)” and inserting “(in-
13 cluding ornamental fish, but excluding
14 tropical fish)”;

15 (2) in subsection (d), by striking “The Sec-
16 retary” and inserting “Subject to subsection (l), the
17 Secretary”;

18 (3) in subsection (k)(1)—

19 (A) in subparagraph (A), by striking
20 “\$250” and inserting “\$260”; and

21 (B) in subparagraph (B)—

22 (i) by striking “\$750” and inserting
23 “\$780”; and

24 (ii) by striking “\$1,875” and inserting
25 “\$1,950”; and

1 (4) *by adding at the end the following:*

2 “(l) *PAYMENT EQUIVALENT TO ADDITIONAL COV-*
3 *ERAGE.—*

4 “(1) *IN GENERAL.—The Secretary shall make*
5 *available to a producer eligible for noninsured assist-*
6 *ance under this section a payment equivalent to an*
7 *indemnity for additional coverage under subsections*
8 *(c) and (h) of section 508 of the Federal Crop Insur-*
9 *ance Act (7 U.S.C. 1508) that does not exceed 65 per-*
10 *cent, computed by multiplying—*

11 “(A) *the quantity that is less than 50 to 65*
12 *percent of the established yield for the crop, as*
13 *determined by the Secretary, specified in incre-*
14 *ments of 5 percent;*

15 “(B) *100 percent of the average market*
16 *price for the crop, as determined by the Sec-*
17 *retary; and*

18 “(C) *a payment rate for the type of crop, as*
19 *determined by the Secretary, that reflects—*

20 “(i) *in the case of a crop that is pro-*
21 *duced with a significant and variable har-*
22 *vesting expense, the decreasing cost incurred*
23 *in the production cycle for the crop that is,*
24 *as applicable—*

25 “(I) *harvested;*

1 “(II) planted but not harvested; or

2 “(III) prevented from being plant-
3 ed because of drought, flood, or other
4 natural disaster, as determined by the
5 Secretary; or

6 “(ii) in the case of a crop that is pro-
7 duced without a significant and variable
8 harvesting expense, such rate as shall be de-
9 termined by the Secretary.

10 “(2) PREMIUM.—To be eligible to receive a pay-
11 ment under this subsection, a producer shall pay—

12 “(A) the service fee required by subsection
13 (k); and

14 “(B) a premium for the applicable crop
15 year that is equal to—

16 “(i) the product obtained by multi-
17 plying—

18 “(I) the number of acres devoted
19 to the eligible crop;

20 “(II) the yield, as determined by
21 the Secretary under subsection (e);

22 “(III) the coverage level elected by
23 the producer;

24 “(IV) the average market price, as
25 determined by the Secretary; and

1 “(i) 5.25-percent premium fee.

2 “(3) *LIMITED RESOURCE, BEGINNING, AND SO-*
3 *CIALY DISADVANTAGED FARMERS.*—*The additional*
4 *coverage made available under this subsection shall be*
5 *available to limited resource, beginning, and socially*
6 *disadvantaged producers, as determined by the Sec-*
7 *retary, in exchange for a premium that is 50 percent*
8 *of the premium determined for a producer under*
9 *paragraph (2).*

10 “(4) *ADDITIONAL AVAILABILITY.*—

11 “(A) *IN GENERAL.*—*As soon as practicable*
12 *after October 1, 2013, the Secretary shall make*
13 *assistance available to producers of an otherwise*
14 *eligible crop described in subsection (a)(2) that*
15 *suffered losses—*

16 “(i) *to a 2012 annual fruit crop grown*
17 *on a bush or tree; and*

18 “(ii) *in a county covered by a declara-*
19 *tion by the Secretary of a natural disaster*
20 *for production losses due to a freeze or frost.*

21 “(B) *ASSISTANCE.*—*The Secretary shall*
22 *make assistance available under subparagraph*
23 *(A) in an amount equivalent to assistance avail-*
24 *able under paragraph (1), less any fees not pre-*
25 *viously paid under paragraph (2).”.*

1 (b) *TERMINATION DATE.*—

2 (1) *IN GENERAL.*—*Effective October 1, 2018, sub-*
3 *section (a) and the amendments made by subsection*
4 *(a) (other than the amendments made by clauses*
5 *(i)(I) and (ii) of subsection (a)(1)(B)) are repealed.*

6 (2) *ADMINISTRATION.*—*Effective October 1, 2018,*
7 *section 196 of the Federal Agriculture Improvement*
8 *and Reform Act of 1996 (7 U.S.C. 7333) shall be ap-*
9 *plied and administered as if subsection (a) and the*
10 *amendments made by subsection (a) (other than the*
11 *amendments made by clauses (i)(I) and (ii) of sub-*
12 *section (a)(1)(B)) had not been enacted.*

13 **SEC. 12205. BIOENERGY COVERAGE IN NONINSURED CROP**
14 **ASSISTANCE PROGRAM.**

15 *Section 196(a)(2)(B) of the Federal Agriculture Im-*
16 *provement and Reform Act of 1996 (7 U.S.C.*
17 *7333(a)(2)(B)) is amended by inserting “(including those*
18 *grown expressly for the purpose of producing a feedstock*
19 *for renewable biofuel, renewable electricity, or biobased*
20 *products)” after “industrial crops”.*

21 **SEC. 12206. REGIONAL ECONOMIC AND INFRASTRUCTURE**
22 **DEVELOPMENT.**

23 *Section 15751 of title 40, United States Code, is*
24 *amended—*

1 (1) *in subsection (a), by striking “2012” and in-*
2 *serting “2018”; and*

3 (2) *in subsection (b)—*

4 (A) *by striking “Not more than” and insert-*
5 *ing the following:*

6 “*(1) IN GENERAL.—Except as provided in para-*
7 *graph (2), not more than*”; and

8 (B) *by adding at the end the following:*

9 “*(2) LIMITED FUNDING.—In a case in which less*
10 *than \$10,000,000 is made available to a Commission*
11 *for a fiscal year under this section, paragraph (1)*
12 *shall not apply.*”.

13 **SEC. 12207. OFFICE OF TRIBAL RELATIONS.**

14 *Title III of the Department of Agriculture Reorganiza-*
15 *tion Act of 1994 is amended by adding after section 308*
16 *(7 U.S.C. 3125a note; Public Law 103–354) the following:*

17 **“SEC. 309. OFFICE OF TRIBAL RELATIONS.**

18 “*The Secretary shall establish in the Office of the Sec-*
19 *retary an Office of Tribal Relations.*”.

20 **SEC. 12208. ACER ACCESS AND DEVELOPMENT PROGRAM.**

21 (a) **GRANTS AUTHORIZED; AUTHORIZED ACTIVI-**
22 **TIES.**—*The Secretary of Agriculture may make grants to*
23 *States and tribal governments to support their efforts to*
24 *promote the domestic maple syrup industry through the fol-*
25 *lowing activities:*

1 (1) *Promotion of research and education related*
2 *to maple syrup production.*

3 (2) *Promotion of natural resource sustainability*
4 *in the maple syrup industry.*

5 (3) *Market promotion for maple syrup and*
6 *maple-sap products.*

7 (4) *Encouragement of owners and operators of*
8 *privately held land containing species of tree in the*
9 *genus Acer—*

10 (A) *to initiate or expand maple-sugaring*
11 *activities on the land; or*

12 (B) *to voluntarily make the land available,*
13 *including by lease or other means, for access by*
14 *the public for maple-sugaring activities.*

15 (b) *APPLICATIONS.—In submitting an application for*
16 *a grant under this section, a State or tribal government*
17 *shall include—*

18 (1) *a description of the activities to be supported*
19 *using the grant funds;*

20 (2) *a description of the benefits that the State or*
21 *tribal government intends to achieve as a result of en-*
22 *gaging in such activities; and*

23 (3) *an estimate of the increase in maple-sug-*
24 *aring activities or maple syrup production that the*

1 *State or tribal government anticipates will occur as*
2 *a result of engaging in such activities.*

3 *(c) RELATIONSHIP TO OTHER LAWS.—Nothing in this*
4 *section preempts a State or tribal government law, includ-*
5 *ing any State or tribal government liability law.*

6 *(d) DEFINITION OF MAPLE SUGARING.—In this sec-*
7 *tion, the term “maple-sugaring” means the collection of sap*
8 *from any species of tree in the genus Acer for the purpose*
9 *of boiling to produce food.*

10 *(e) REGULATIONS.—The Secretary of Agriculture shall*
11 *promulgate such regulations as are necessary to carry out*
12 *this section.*

13 *(f) AUTHORIZATION OF APPROPRIATIONS.—There is*
14 *authorized to be appropriated to carry out this section*
15 *\$20,000,000 for each of fiscal years 2014 and 2015.*

16 **SEC. 12209. PROHIBITION ON ATTENDING AN ANIMAL**
17 **FIGHT OR CAUSING A MINOR TO ATTEND AN**
18 **ANIMAL FIGHT; ENFORCEMENT OF ANIMAL**
19 **FIGHTING PROVISIONS.**

20 *(a) PROHIBITION ON ATTENDING AN ANIMAL FIGHT*
21 *OR CAUSING A MINOR TO ATTEND AN ANIMAL FIGHT.—*
22 *Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is*
23 *amended—*

24 *(1) in subsection (a)—*

1 (A) *in the heading, by striking “SPON-*
2 *SORING OR EXHIBITING AN ANIMAL IN” and in-*
3 *serting “SPONSORING OR EXHIBITING AN ANI-*
4 *MAL IN, ATTENDING, OR CAUSING A MINOR TO*
5 *ATTEND”;*

6 (B) *in paragraph (1)—*

7 (i) *in the heading, by striking “IN*
8 *GENERAL” and inserting “SPONSORING OR*
9 *EXHIBITING”;* and

10 (ii) *by striking “paragraph (2)” and*
11 *inserting “paragraph (3)”;*

12 (C) *by redesignating paragraph (2) as*
13 *paragraph (3); and*

14 (D) *by inserting after paragraph (1) the fol-*
15 *lowing:*

16 “(2) *ATTENDING OR CAUSING A MINOR TO AT-*
17 *TEND.—It shall be unlawful for any person to—*

18 “(A) *knowingly attend an animal fighting*
19 *venture; or*

20 “(B) *knowingly cause a minor to attend an*
21 *animal fighting venture.”;* and

22 (2) *in subsection (g), by adding at the end the*
23 *following:*

24 “(5) *the term ‘minor’ means a person under the*
25 *age of 18 years old.”.*

1 (b) *ENFORCEMENT OF ANIMAL FIGHTING PROHIBI-*
 2 *TIONS.*—Section 49 of title 18, United States Code, is
 3 *amended—*

4 (1) *by striking “Whoever” and inserting “(a) IN*
 5 *GENERAL.—Whoever”;*

6 (2) *in subsection (a), as designated by para-*
 7 *graph (1) of this section, by striking “subsection (a),”*
 8 *and inserting “subsection (a)(1),”; and*

9 (3) *by adding at the end the following:*

10 “(b) *ATTENDING AN ANIMAL FIGHTING VENTURE.*—
 11 *Whoever violates subsection (a)(2)(A) of section 26 of the*
 12 *Animal Welfare Act (7 U.S.C. 2156) shall be fined under*
 13 *this title, imprisoned for not more than 1 year, or both,*
 14 *for each violation.*

15 “(c) *CAUSING A MINOR T O ATTEND AN ANIMAL*
 16 *FIGHTING VENTURE.*—*Whoever violates subsection*
 17 *(a)(2)(B) of section 26 (7 U.S.C. 2156) of the Animal Wel-*
 18 *fare Act shall be fined under this title, imprisoned for not*
 19 *more than 3 years, or both, for each violation.”.*

20 **SEC. 12210. PIMA COTTON TRUST FUND.**

21 (a) *ESTABLISHMENT OF TRUST FUND.*—*There is es-*
 22 *tablished in the Treasury of the United States a trust fund*
 23 *to be known as the “Pima Cotton Trust Fund”, consisting*
 24 *of such amounts as may be transferred to the Pima Cotton*

1 *Trust Fund pursuant to the authorization of appropri-*
2 *tions under subsection (e).*

3 **(b) DISTRIBUTION OF FUNDS.**—*From amounts in the*
4 *Pima Cotton Trust Fund, the Secretary may make pay-*
5 *ments annually beginning in fiscal year 2014 as follows:*

6 **(1)** *To nationally recognized associations estab-*
7 *lished for the promotion of pima cotton for use in tex-*
8 *tile and apparel goods.*

9 **(2)** *To yarn spinners of pima cotton that*
10 *produce ring spun cotton yarns in the United States,*
11 *to be allocated to each spinner in an amount that*
12 *bears the same ratio as—*

13 **(A)** *the spinner's production of ring spun*
14 *cotton yarns, measuring less than 83.33 decitex*
15 *(exceeding 120 metric number) from pima cotton*
16 *in single and plied form during the period Janu-*
17 *ary 1, 1998, through December 31, 2003 (as evi-*
18 *denced by an affidavit provided by the spinner*
19 *that meets the requirements of subsection (c))*
20 *bears to—*

21 **(B)** *the production of the yarns described in*
22 *subparagraph (A) during the period January 1,*
23 *1998, through December 31, 2003, for all spin-*
24 *ners who qualify under this paragraph.*

1 (3) *To manufacturers who cut and sew cotton*
2 *shirts in the United States who certify that they used*
3 *imported cotton fabric during the period January 1,*
4 *1998, through July 1, 2003, to be allocated to each*
5 *such manufacturer in an amount that bears the same*
6 *ratio as—*

7 (A) *the dollar value (excluding duty, ship-*
8 *ping, and related costs) of imported woven cotton*
9 *shirting fabric of 80s or higher count and 2-ply*
10 *in warp purchased by the manufacturer during*
11 *calendar year 2002 (as evidenced by an affidavit*
12 *provided by the manufacturer that meets the re-*
13 *quirements of subsection (d)) used in the manu-*
14 *facturing of men’s and boys’ cotton shirts, bears*
15 *to—*

16 (B) *the dollar value (excluding duty, ship-*
17 *ping, and related costs) of the fabric described in*
18 *subparagraph (A) purchased during calendar*
19 *year 2002 by all manufacturers who qualify*
20 *under this paragraph.*

21 (c) *AFFIDAVIT OF YARN SPINNERS.—The affidavit re-*
22 *quired by subsection (c)(2)(A) is a notarized affidavit pro-*
23 *vided annually by an officer of a producer of ring spun*
24 *yarns that affirms—*

1 (1) *that the producer used pima cotton during*
2 *the year in which the affidavit is filed and during the*
3 *period January 1, 2002, through December 31, 2002,*
4 *to produce ring spun cotton yarns in the United*
5 *States, measuring less than 83.33 decitex (exceeding*
6 *120 metric number), in single and plied form during*
7 *2002;*

8 (2) *the quantity, measured in pounds, of ring*
9 *spun cotton yarns, measuring less than 83.33 decitex*
10 *(exceeding 120 metric number), in single and plied*
11 *form during calendar year 2002; and*

12 (3) *that the producer maintains supporting doc-*
13 *umentation showing the quantity of such yarns pro-*
14 *duced, and evidencing the yarns as ring spun cotton*
15 *yarns, measuring less than 83.33 decitex (exceeding*
16 *120 metric number), in single and plied form during*
17 *calendar year 2002.*

18 (d) *AFFIDAVIT OF SHIRTING MANUFACTURERS.—The*
19 *affidavit required by subsection (c)(3)(A) is a notarized af-*
20 *fidavit provided annually by an officer of a manufacturer*
21 *of men’s and boys’ shirts that affirms—*

22 (1) *that the manufacturer used imported cotton*
23 *fabric during the year in which the affidavit is filed*
24 *and during the period January 1, 1998, through July*

1 1, 2003, to cut and sew men’s and boys’ woven cotton
2 shirts in the United States;

3 (2) the dollar value of imported woven cotton
4 shirting fabric of 80s or higher count and 2-ply in
5 warp purchased by the manufacturer during calendar
6 year 2002;

7 (3) that the manufacturer maintains invoices
8 along with other supporting documentation (such as
9 price lists and other technical descriptions of the fab-
10 ric qualities) showing the dollar value of such fabric
11 purchased, the date of purchase, and evidencing the
12 fabric as woven cotton fabric of 80s or higher count
13 and 2-ply in warp; and

14 (4) that the fabric was suitable for use in the
15 manufacturing of men’s and boys’ cotton shirts.

16 (e) *AUTHORIZATION OF APPROPRIATIONS.*—There are
17 authorized to be appropriated such sums as are necessary
18 to carry out this section for each of fiscal years 2014
19 through 2019.

20 **SEC. 12211. AGRICULTURE WOOL APPAREL MANUFACTUR-**
21 **ERS TRUST FUND.**

22 (a) *ESTABLISHMENT OF TRUST FUND.*—There is es-
23 tablished in the Treasury of the United States a trust fund
24 to be known as the “Agriculture Wool Apparel Manufactur-
25 ers Trust Fund” (in this section referred to as the “Wool

1 *Trust Fund*”), consisting of such amounts as may be trans-
2 ferred to the Wool Trust Fund pursuant to the authoriza-
3 tion of appropriations under subsection (e).

4 (b) *DISTRIBUTION OF FUNDS.*—From amounts in the
5 Wool Trust Fund, the Secretary of Agriculture may make
6 payments annually beginning in fiscal year 2014 for cal-
7 endar years 2010 through 2019 as follows:

8 (1) To eligible manufactures under paragraph
9 (3) of section 4002(c) of the Wool Suit and Textile
10 Trade Extension Act of 2004 (Public Law 108–429;
11 118 Stat. 2600), as amended by section 1633(c) of the
12 Miscellaneous Trade and Technical Corrections Act of
13 2006 (Public Law 109–280; 120 Stat. 1166) and sec-
14 tion 325(b) of the Tax Extenders and Alternative
15 Minimum Tax Relief Act of 2008 (division C of Pub-
16 lic Law 110–343; 122 Stat. 3875), who filed an affi-
17 davit with U.S. Customs and Border Protection not
18 later than April 15 of the year of the payment, so
19 that the amount of such payments, when added to
20 any other payments made to eligible manufacturers
21 under that paragraph in calendar years 2010 through
22 2019, equal the total amount of payments authorized
23 to be provided to eligible manufacturers under that
24 paragraph, or the provisions of this section, in such
25 calendar years.

1 (2) *To eligible manufacturers under paragraph*
2 *(6) of such section 4002(c), so that the amount of such*
3 *payments, when added to any other payments made*
4 *to eligible manufacturers under that paragraph in*
5 *calendar years 2010 through 2019, equal the total*
6 *amount of payments authorized to be provided to eli-*
7 *gible manufacturers under that paragraph, or the*
8 *provisions of this section, in such calendar years.*

9 (c) *PAYMENT OF AMOUNTS.—The Secretary of Agri-*
10 *culture shall make payments to eligible manufacturers de-*
11 *scribed in paragraphs (1) and (2) of subsection (b)—*

12 (1) *for calendar years 2010 through 2013, not*
13 *later than 30 days after the transfer of amounts from*
14 *the general fund of the Treasury to the Wool Trust*
15 *Fund under this section; and*

16 (2) *for calendar years 2014 through 2019, not*
17 *later than April 15 of the year of the payment.*

18 (d) *RELATIONSHIP TO OTHER LAW.—The payments*
19 *authorized under this section shall be made through the end*
20 *of fiscal year 2019 notwithstanding any lapse of authority*
21 *under any other provision of law to transfer funds to—*

22 (1) *the Wool Apparel Manufacturers Trust Fund*
23 *established by section 4002(c) of the Wool Suit and*
24 *Textile Trade Extension Act of 2004 (Public Law*
25 *108–429; 118 Stat. 2600), as amended by section*

1 1633(c) of the *Miscellaneous Trade and Technical*
2 *Corrections Act of 2006* (Public Law 109–280; 120
3 Stat. 1166) and section 325(b) of the *Tax Extenders*
4 *and Alternative Minimum Tax Relief Act of 2008* (di-
5 vision C of Public Law 110–343; 122 Stat. 3875); or

6 (2) the *Wool Research, Development, and Pro-*
7 *motion Trust Fund* established by 506 of the *Trade*
8 *and Development Act of 2000* (7 U.S.C. 7101 note).

9 (e) *AUTHORIZATION OF APPROPRIATIONS.*—There are
10 *authorized to be appropriated such sums as are necessary*
11 *to carry out this section for each of fiscal years 2014*
12 *through 2019.*

13 **SEC. 12212. CITRUS DISEASE RESEARCH AND DEVELOP-**
14 **MENT TRUST FUND.**

15 (a) *ESTABLISHMENT OF TRUST FUND.*—There is es-
16 *tablished in the Treasury of the United States a trust fund*
17 *to be known as the “Citrus Disease Research and Develop-*
18 *ment Trust Fund” (in this section referred to as the “Citrus*
19 *Trust Fund”), consisting of such amounts as may be trans-*
20 *ferred to the Citrus Trust Fund pursuant to the authoriza-*
21 *tion of appropriations under subsection (f).*

22 (b) *DISTRIBUTION OF FUNDS.*—From amounts in the
23 *Citrus Trust Fund, the Secretary may make payments an-*
24 *nually beginning in fiscal year 2014 to the following:*

1 (1) *Entities engaged in scientific research con-*
2 *cerning diseases and pests, both domestic and*
3 *invasive, afflicting the citrus industry.*

4 (2) *Entities engaged in dissemination and com-*
5 *mercialization of relevant information, techniques, or*
6 *technologies, or in research projects intended to solve*
7 *problems caused by citrus production diseases and*
8 *invasive pests.*

9 (3) *The Citrus Disease Research and Develop-*
10 *ment Trust Fund Advisory Board, if established*
11 *under subsection (c).*

12 (c) *CITRUS ADVISORY BOARD.—*

13 (1) *IN GENERAL.—From amounts in the Citrus*
14 *Trust Fund, and with the advice and recommenda-*
15 *tions of citrus producers and other entities with an*
16 *interest in the citrus industry, the Secretary may es-*
17 *tablish a Citrus Disease Research and Development*
18 *Trust Fund Advisory Board (in this subsection re-*
19 *ferred to as the “Citrus Advisory Board”).*

20 (2) *MEMBERSHIP.—The Citrus Advisory Board,*
21 *if established under paragraph (1), shall consist of 9*
22 *members, who shall be appointed by the Secretary as*
23 *follows:*

24 (A) *Five members who are domestic pro-*
25 *ducers of citrus in Florida.*

1 (B) *Three members who are domestic pro-*
2 *ducers of citrus in Arizona or California.*

3 (C) *One member who is a domestic producer*
4 *of citrus in Texas.*

5 (3) *REGULATIONS.—The Secretary may pre-*
6 *scribe such rules and regulations as are necessary to*
7 *carry out this subsection, including rules establishing*
8 *procedures for disqualification from service on the*
9 *Citrus Advisory Board, appointment terms for mem-*
10 *bers of the Citrus Advisory Board, compensation for*
11 *those members, and powers and responsibilities of the*
12 *Citrus Advisory Board.*

13 (4) *LIMITATION ON EXPENDITURES.—The Sec-*
14 *retary shall ensure that not more than 5 percent of*
15 *total expenditures from the Citrus Trust Fund in any*
16 *year are used for the operations of the Citrus Advi-*
17 *sory Board.*

18 (d) *SECRETARIAL DISCRETION OF FUND ALLOCA-*
19 *TION.—Subject to subsection (e), in distributing amounts*
20 *under subsection (b), the Secretary shall give strong def-*
21 *erence to providing funding for research projects exploring*
22 *the proximity of citrus producers to the effects of diseases*
23 *such as huanglongbing and the quickly evolving nature of*
24 *scientific understanding of the effect of the diseases on citrus*
25 *production.*

1 (e) *OTHER FUNDING.*—*The Secretary should take into*
2 *account other public and private citrus-related research and*
3 *development projects and funding.*

4 (f) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
5 *authorized to be appropriated such sums as are necessary*
6 *to carry out this section for each of fiscal years 2014*
7 *through 2019.*

Attest:

Secretary.

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AMENDMENT