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REPT.113–92
Part 1

FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT OF 2013

R E P O R T

OF THE

COMMITTEE ON AGRICULTURE

TOGETHER WITH

DISSENTING VIEWS

[TO ACCOMPANY H.R. 1947]

MAY 29, 2013.—Ordered to be printed

FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT OF 2013

113TH CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPT. 113–92 Part 1

FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT OF 2013

MAY 29, 2013.—Ordered to be printed

Mr. LUCAS, from the Committee on Agriculture, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 1947]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 1947) 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, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Agriculture Reform and Risk Management Act of 2013".

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

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

TITLE I—COMMODITIES

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. Farm risk management election.
Sec. 1108. Producer agreements.
Sec. 1109. Period of effectiveness.

Subtitle B—Marketing Loans

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.

81–238

Sec. 1204. Repayment of loans.
Sec. 1205. Loan deficiency payments.
Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 1207. Special marketing loan provisions for upland cotton.
Sec. 1208. Special competitive provisions for extra long staple cotton.
Sec. 1209. Availability of recourse loans for high moisture feed grains and seed cotton.
Sec. 1210. Adjustments of loans.

Subtitle C—Sugar

Sec. 1301. Sugar program.

Subtitle D—Dairy

PART I—DAIRY PRODUCER MARGIN PROTECTION AND DAIRY MARKET STABILIZATION PROGRAMS

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

SUBPART A—DAIRY PRODUCER MARGIN PROTECTION PROGRAM

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

SUBPART B—DAIRY MARKET STABILIZATION PROGRAM

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

SUBPART C—COMMODITY CREDIT CORPORATION

Sec. 1451. Use of Commodity Credit Corporation.

SUBPART D—INITIATION AND DURATION

Sec. 1461. Rulemaking.
Sec. 1462. Duration.

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

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

PART III—EFFECTIVE DATE

Sec. 1491. Effective date.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

Sec. 1501. Supplemental agricultural disaster assistance.

Subtitle F—Administration

Sec. 1601. Administration generally.
Sec. 1602. Suspension of permanent price support authority.
Sec. 1603. Payment limitations.
Sec. 1604. Adjusted gross income limitation.
Sec. 1605. Geographically disadvantaged farmers and ranchers.
Sec. 1606. Personal liability of producers for deficiencies.
Sec. 1607. Prevention of deceased individuals receiving payments under farm commodity programs.
Sec. 1608. Technical corrections.
Sec. 1609. Assignment of payments.
Sec. 1610. Tracking of benefits.
Sec. 1611. Signature authority.
Sec. 1612. Implementation.
Sec. 1613. Protection of producer information.

TITLE II—CONSERVATION

Subtitle A—Conservation Reserve Program

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

Subtitle B—Conservation Stewardship Program

Sec. 2101. Conservation stewardship program.

Subtitle C—Environmental Quality Incentives Program

Sec. 2201. Purposes.
Sec. 2202. Establishment and administration.
Sec. 2203. Evaluation of applications.
Sec. 2204. Duties of producers.
Sec. 2205. Limitation on payments.
Sec. 2206. Conservation innovation grants and payments.
Sec. 2207. 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.
Sec. 2505. Small watershed rehabilitation program.
Sec. 2506. Agricultural management assistance program.

Subtitle G—Funding and Administration

Sec. 2601. Funding.
Sec. 2602. Technical assistance.
Sec. 2603. Reservation of funds to provide assistance to certain farmers or ranchers for conservation access.
Sec. 2604. Annual report on program enrollments and assistance.
Sec. 2605. Review of conservation practice standards.
Sec. 2606. Administrative requirements applicable to all conservation programs.
Sec. 2607. Standards for State technical committees.
Sec. 2608. Rulemaking authority.

Subtitle H—Repeal of Superseded Program Authorities and Transitional Provisions; Technical Amendments

Sec. 2701. Comprehensive conservation enhancement program.
Sec. 2702. Emergency forestry conservation reserve program.
Sec. 2703. Wetlands reserve program.
Sec. 2704. Farmland protection program and farm viability program.
Sec. 2705. Grassland reserve program.
Sec. 2706. Agricultural water enhancement program.
Sec. 2707. Wildlife habitat incentive program.
Sec. 2708. Great Lakes basin program.
Sec. 2709. Chesapeake Bay watershed program.
Sec. 2710. Cooperative conservation partnership initiative.
Sec. 2711. Environmental easement program.
Sec. 2712. Technical amendments.

TITLE III—TRADE

Subtitle A—Food for Peace Act

Sec. 3001. General authority.
Sec. 3002. Support for organizations through which assistance is provided.
Sec. 3003. Food aid quality.
Sec. 3004. Minimum levels of assistance.
Sec. 3005. Food Aid Consultative Group.
Sec. 3006. Oversight, monitoring, and evaluation.
Sec. 3007. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
Sec. 3008. General provisions.
Sec. 3009. Prepositioning of agricultural commodities.
Sec. 3010. Annual report regarding food aid programs and activities.
Sec. 3011. Deadline for agreements to finance sales or to provide other assistance.
Sec. 3012. Authorization of appropriations.
Sec. 3013. Micronutrient fortification programs.
Sec. 3014. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program.

Subtitle B—Agricultural Trade Act of 1978

Sec. 3101. Funding for export credit guarantee program.
Sec. 3102. Funding for market access program.
Sec. 3103. Foreign market development cooperator program.

Subtitle C—Other Agricultural Trade Laws

Sec. 3201. Food for Progress Act of 1985.
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. Under Secretary of Agriculture for Foreign Agricultural Services.

TITLE IV—NUTRITION

Subtitle A—Supplemental Nutrition Assistance Program

Sec. 4001. Preventing payment of cash to recipients of supplemental nutrition assistance benefits for the return of empty bottles and cans used to contain food purchased with benefits provided under the program.

Sec. 4002. Retailers.
Sec. 4003. Enhancing services to elderly and disabled supplemental nutrition assistance program participants.
Sec. 4004. Food distribution program on Indian reservations.
Sec. 4005. Updating program eligibility.
Sec. 4006. Exclusion of medical marijuana from excess medical expense deduction.
Sec. 4007. Standard utility allowances based on the receipt of energy assistance payments.
Sec. 4008. Eligibility disqualifications.
Sec. 4009. Ending supplemental nutrition assistance program benefits for lottery or gambling winners.
Sec. 4010. Improving security of food assistance.
Sec. 4011. Demonstration projects on acceptance of benefits of mobile transactions.
Sec. 4012. Use of benefits for purchase of community-supported agriculture share.
Sec. 4013. Restaurant meals program.
Sec. 4014. Mandating State immigration verification.
Sec. 4015. Data exchange standardization for improved interoperability.
Sec. 4016. Pilot projects to improve Federal-State cooperation in identifying and reducing fraud in the supplemental nutrition assistance program.
Sec. 4017. Prohibiting government-sponsored recruitment activities.
Sec. 4018. Repeal of bonus program.
Sec. 4019. Funding of employment and training programs.
Sec. 4020. Monitoring employment and training programs.
Sec. 4021. Cooperation with program research and evaluation.
Sec. 4022. Pilot projects to reduce dependency and increase work effort in the supplemental nutrition assistance program.
Sec. 4023. Authorization of appropriations.
Sec. 4024. Limitation on use of block grant to Puerto Rico.
Sec. 4025. Assistance for community food projects.
Sec. 4026. Emergency food assistance.
Sec. 4027. Nutrition education.
Sec. 4028. Retailer trafficking.
Sec. 4029. Technical and conforming amendments.
Sec. 4030. Tolerance level for excluding small errors.
Sec. 4031. Commonwealth of the Northern Mariana Islands pilot program.
Sec. 4032. Annual State report on verification of SNAP participation.

Subtitle B—Commodity Distribution Programs

Sec. 4101. Commodity distribution program.
Sec. 4102. Commodity supplemental food program.
Sec. 4103. Distribution of surplus commodities to special nutrition projects.
Sec. 4104. Processing of commodities.

Subtitle C—Miscellaneous

Sec. 4201. Farmers' market nutrition program.
Sec. 4202. Nutrition information and awareness pilot program.
Sec. 4203. Fresh fruit and vegetable program.
Sec. 4204. Additional authority for purchase of fresh fruits, vegetables, and other specialty food crops.
Sec. 4205. Encouraging locally and regionally grown and raised food.
Sec. 4206. Review of public health benefits of white potatoes.
Sec. 4207. Healthy Food Financing Initiative.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 5001. Eligibility for farm ownership loans.
Sec. 5002. Conservation loan and loan guarantee program.
Sec. 5003. Down payment loan program.
Sec. 5004. Elimination of mineral rights appraisal requirement.

Subtitle B—Operating Loans

Sec. 5101. Eligibility for farm operating loans.
Sec. 5102. Elimination of rural residency requirement for operating loans to youth.
Sec. 5103. Authority to waive personal liability for youth loans due to circumstances beyond borrower control.
Sec. 5104. Microloans.

Subtitle C—Emergency Loans

Sec. 5201. Eligibility for emergency loans.

Subtitle D—Administrative Provisions

Sec. 5301. Beginning farmer and rancher individual development accounts pilot program.
Sec. 5302. Eligible beginning farmers and ranchers.
Sec. 5303. Loan authorization levels.
Sec. 5304. Priority for participation loans.
Sec. 5305. Loan fund set-asides.
Sec. 5306. Conforming amendment to borrower training provision, relating to eligibility changes.

Subtitle E—State Agricultural Mediation Programs

Sec. 5401. State agricultural mediation programs.

Subtitle F—Loans to Purchasers of Highly Fractionated Land

Sec. 5501. Loans to purchasers of highly fractionated land.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Consolidated Farm and Rural Development Act

Sec. 6001. Water, waste disposal, and wastewater facility grants.
Sec. 6002. Rural business opportunity grants.
Sec. 6003. Elimination of reservation of community facilities grant program funds.

Sec. 6004. Utilization of loan guarantees for community facilities.
Sec. 6005. Rural water and wastewater circuit rider program.
Sec. 6006. Tribal college and university essential community facilities.
Sec. 6007. Essential community facilities technical assistance and training.
Sec. 6008. Emergency and imminent community water assistance grant program.
Sec. 6009. Household water well systems.
Sec. 6010. Rural business and industry loan program.
Sec. 6011. Rural cooperative development grants.
Sec. 6012. Locally or regionally produced agricultural food products.
Sec. 6013. Intermediary relending program.
Sec. 6014. Rural college coordinated strategy.
Sec. 6015. Rural water and waste disposal infrastructure.
Sec. 6016. Simplified applications.
Sec. 6017. Grants for NOAA weather radio transmitters.
Sec. 6018. Rural microentrepreneur assistance program.
Sec. 6019. Delta Regional Authority.
Sec. 6020. Northern Great Plains Regional Authority.
Sec. 6021. Rural business investment program.

Subtitle B—Rural Electrification Act of 1936

Sec. 6101. Relending for certain purposes.
Sec. 6102. Fees for certain loan guarantees.
Sec. 6103. Guarantees for bonds and notes issued for electrification or telephone purposes.
Sec. 6104. Expansion of 911 access.
Sec. 6105. Access to broadband telecommunications services in rural areas.

Subtitle C—Miscellaneous

Sec. 6201. Distance learning and telemedicine.
Sec. 6202. Value-added agricultural market development program grants.
Sec. 6203. Agriculture innovation center demonstration program.
Sec. 6204. Program metrics.
Sec. 6205. Study of rural transportation issues.
Sec. 6206. Certain Federal actions not to be considered major.

TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

Sec. 7101. Option to be included as non-land-grant college of agriculture.
Sec. 7102. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 7103. Specialty crop committee.
Sec. 7104. Veterinary services grant program.
Sec. 7105. Grants and fellowships for food and agriculture sciences education.
Sec. 7106. Policy research centers.
Sec. 7107. Repeal of human nutrition intervention and health promotion research program.
Sec. 7108. Repeal of pilot research program to combine medical and agricultural research.
Sec. 7109. Nutrition education program.
Sec. 7110. Continuing animal health and disease research programs.
Sec. 7111. Repeal of appropriations for research on national or regional problems.
Sec. 7112. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 7113. Grants to upgrade agriculture and food science facilities and equipment at insular area land-grant institutions.
Sec. 7114. Repeal of national research and training virtual centers.
Sec. 7115. Hispanic-serving institutions.
Sec. 7116. Competitive Grants Program for Hispanic Agricultural Workers and Youth.
Sec. 7117. Competitive grants for international agricultural science and education programs.
Sec. 7118. Repeal of research equipment grants.
Sec. 7119. University research.
Sec. 7120. Extension service.
Sec. 7121. Auditing, reporting, bookkeeping, and administrative requirements.
Sec. 7122. Supplemental and alternative crops.
Sec. 7123. Capacity building grants for NLGCA institutions.
Sec. 7124. Aquaculture assistance programs.
Sec. 7125. Rangeland research programs.
Sec. 7126. Special authorization for biosecurity planning and response.
Sec. 7127. Distance education and resident instruction grants program for insular area institutions of higher education.
Sec. 7128. Matching funds requirement.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

Sec. 7201. Best utilization of biological applications.
Sec. 7202. Integrated management systems.
Sec. 7203. Sustainable agriculture technology development and transfer program.
Sec. 7204. National training program.
Sec. 7205. National Genetics Resources Program.
Sec. 7206. Repeal of National Agricultural Weather Information System.
Sec. 7207. Repeal of rural electronic commerce extension program.
Sec. 7208. Repeal of agricultural genome initiative.
Sec. 7209. High-priority research and extension initiatives.
Sec. 7210. Repeal of nutrient management research and extension initiative.
Sec. 7211. Organic agriculture research and extension initiative.
Sec. 7212. Repeal of agricultural bioenergy feedstock and energy efficiency research and extension initiative.
Sec. 7213. Farm business management.
Sec. 7214. Centers of excellence.
Sec. 7215. Repeal of red meat safety research center.
Sec. 7216. Assistive technology program for farmers with disabilities.
Sec. 7217. National rural information center clearinghouse.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

Sec. 7301. Relevance and merit of agricultural research, extension, and education funded by the Department.

Sec. 7302. Integrated research, education, and extension competitive grants program.
Sec. 7303. Repeal of coordinated program of research, extension, and education to improve viability of small and medium size dairy, livestock, and poultry operations.
Sec. 7304. Fusarium Graminearum grants.
Sec. 7305. Repeal of Bovine Johne's disease control program.
Sec. 7306. Grants for youth organizations.
Sec. 7307. Specialty crop research initiative.
Sec. 7308. Food animal residue avoidance database program.
Sec. 7309. Repeal of national swine research center.
Sec. 7310. Office of pest management policy.
Sec. 7311. Repeal of studies of agricultural research, extension, and education.

Subtitle D—Other Laws

Sec. 7401. Critical Agricultural Materials Act.
Sec. 7402. Equity in Educational Land-grant Status Act of 1994.
Sec. 7403. Research Facilities Act.
Sec. 7404. Repeal of carbon cycle research.
Sec. 7405. Competitive, Special, and Facilities Research Grant Act.
Sec. 7406. Renewable Resources Extension Act of 1978.
Sec. 7407. National Aquaculture Act of 1980.
Sec. 7408. Repeal of use of remote sensing data.
Sec. 7409. Repeal of reports under Farm Security and Rural Investment Act of 2002.
Sec. 7410. Beginning farmer and rancher development program.
Sec. 7411. Inclusion of Northern Mariana Islands as a State under McIntire-Stennis Cooperative Forestry Act.

Subtitle E—Food, Conservation, and Energy Act of 2008

PART 1—AGRICULTURAL SECURITY

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.
Sec. 7504. Agricultural biosecurity grant program.

PART 2—MISCELLANEOUS

Sec. 7511. Enhanced use lease authority pilot program.
Sec. 7512. Grazinglands research laboratory.
Sec. 7513. Budget submission and funding.
Sec. 7514. Repeal of research and education grants for the study of antibiotic-resistant bacteria.
Sec. 7515. Repeal of farm and ranch stress assistance network.
Sec. 7516. Repeal of seed distribution.
Sec. 7517. Natural products research program.
Sec. 7518. Sun grant program.
Sec. 7519. Repeal of study and report on food deserts.
Sec. 7520. Repeal of agricultural and rural transportation research and education.

Subtitle F—Miscellaneous Provisions

Sec. 7601. Agreements with nonprofit organizations for National Arboretum.
Sec. 7602. Cotton Disease Research Report.
Sec. 7603. Acceptance of facility for Agricultural Research Service.
Sec. 7604. Miscellaneous technical corrections.

TITLE VIII—FORESTRY

Subtitle A—Repeal of Certain Forestry Programs

Sec. 8001. Forest land enhancement program.
Sec. 8002. Watershed forestry assistance program.
Sec. 8003. Expired cooperative national forest products marketing program.
Sec. 8004. Hispanic-serving institution agricultural land national resources leadership program.
Sec. 8005. Tribal watershed forestry assistance program.
Sec. 8006. Separate Forest Service decisionmaking and appeals process.

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

Sec. 8101. State-wide assessment and strategies for forest resources.
Sec. 8102. Forest Legacy Program.
Sec. 8103. Community forest and open space conservation program.

Subtitle C—Reauthorization of Other Forestry-Related Laws

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

Subtitle D—National Forest Critical Area Response

Sec. 8301. Definitions.
Sec. 8302. Designation of critical areas.
Sec. 8303. Application of expedited procedures and activities of the Healthy Forests Restoration Act of 2003 to critical areas.
Sec. 8304. Good neighbor authority.

Subtitle E—Miscellaneous Provisions

Sec. 8401. Revision of strategic plan for forest inventory and analysis.
Sec. 8402. Forest Service participation in ACES Program.
Sec. 8403. Green science and technology transfer research under Forest and Rangeland Renewable Resources Research Act of 1978.
Sec. 8404. Extension of stewardship contracts authority regarding use of designation by prescription to all thinning sales under National Forest Management Act of 1976.

Sec. 8405. Reimbursement of fire funds expended by a State for management and suppression of certain wildfires.
Sec. 8406. Ability of National Forest System lands to meet needs of local wood producing facilities for raw materials.
Sec. 8407. Report on the National Forest System roads.

TITLE IX—ENERGY

Sec. 9001. Definition of renewable energy system.
Sec. 9002. Biobased markets program.
Sec. 9003. Biorefinery Assistance.
Sec. 9004. Repowering assistance program.
Sec. 9005. Bioenergy Program for Advanced Biofuels.
Sec. 9006. Biodiesel Fuel Education Program.
Sec. 9007. Rural Energy for America Program.
Sec. 9008. Biomass Research and Development.
Sec. 9009. Feedstock Flexibility Program for Bioenergy Producers.
Sec. 9010. Biomass Crop Assistance Program.
Sec. 9011. Community wood energy program.
Sec. 9012. Repeal of biofuels infrastructure study.
Sec. 9013. Repeal of renewable fertilizer study.

TITLE X—HORTICULTURE

Sec. 10001. Specialty crops market news allocation.
Sec. 10002. Repeal of grant program to improve movement of specialty crops.
Sec. 10003. Farmers market and local food promotion program.
Sec. 10004. Organic agriculture.
Sec. 10005. Investigations and enforcement of the Organic Foods Production Act of 1990.
Sec. 10006. Food safety education initiatives.
Sec. 10007. Specialty crop block grants.
Sec. 10008. Report on honey.
Sec. 10009. Bulk shipments of apples to Canada.
Sec. 10010. Inclusion of olive oil in import controls under the Agricultural Adjustment Act.
Sec. 10011. Consolidation of plant pest and disease management and disaster prevention programs.
Sec. 10012. Modification, cancellation, or suspension on basis of a biological opinion.
Sec. 10013. Use and discharges of authorized pesticides.
Sec. 10014. Seed not pesticide or device for purposes of importation.
Sec. 10015. Stay of regulations related to Christmas Tree Promotion, Research, and Information Order.
Sec. 10016. Study on proposed order pertaining to sulfuryl fluoride.
Sec. 10017. Study on local and regional food production and program evaluation.

TITLE XI—CROP INSURANCE

Sec. 11001. Information sharing.
Sec. 11002. Publication of information on violations of prohibition on premium adjustments.
Sec. 11003. Supplemental coverage option.
Sec. 11004. Premium amounts for catastrophic risk protection.
Sec. 11005. Repeal of performance-based discount.
Sec. 11006. Permanent enterprise unit subsidy.
Sec. 11007. Enterprise units for irrigated and nonirrigated crops.
Sec. 11008. Data collection.
Sec. 11009. Adjustment in actual production history to establish insurable yields.
Sec. 11010. Submission and review of policies.
Sec. 11011. Equitable relief for specialty crop policies.
Sec. 11012. Budget limitations on renegotiation of the standard reinsurance agreement.
Sec. 11013. Crop production on native sod.
Sec. 11014. Coverage levels by practice.
Sec. 11015. Beginning farmer and rancher provisions.
Sec. 11016. Stacked income protection plan for producers of upland cotton.
Sec. 11017. Peanut revenue crop insurance.
Sec. 11018. Authority to correct errors.
Sec. 11019. Implementation.
Sec. 11020. Research and development priorities.
Sec. 11021. Additional research and development contracting requirements.
Sec. 11022. Program compliance partnerships.
Sec. 11023. Pilot programs.
Sec. 11024. Technical amendments.

TITLE XII—MISCELLANEOUS

Subtitle A—Livestock

Sec. 12101. National Sheep Industry Improvement Center.
Sec. 12102. Repeal of certain regulations under the Packers and Stockyards Act, 1921.
Sec. 12103. Trichinae certification program.
Sec. 12104. National Aquatic Animal Health Plan.
Sec. 12105. Country of origin labeling.
Sec. 12106. National animal health laboratory network.
Sec. 12107. Repeal of duplicative catfish inspection program.
Sec. 12108. National Poultry Improvement Program.
Sec. 12109. Report on bovine tuberculosis in Texas.

Subtitle B—Socially Disadvantaged Producers and Limited Resource Producers

Sec. 12201. Outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.
Sec. 12202. Office of Advocacy and Outreach.
Sec. 12203. Socially Disadvantaged Farmers and Ranchers Policy Research Center.

Subtitle C—Other Miscellaneous Provisions

Sec. 12302. Grants to improve supply, stability, safety, and training of agricultural labor force.
Sec. 12303. Program benefit eligibility status for participants in high plains water study.

Sec. 12304. Office of Tribal Relations.
Sec. 12305. Military Veterans Agricultural Liaison.
Sec. 12306. Prohibition on keeping GSA leased cars overnight.
Sec. 12307. Noninsured crop assistance program.
Sec. 12308. Ensuring high standards for agency use of scientific information.
Sec. 12309. Evaluation required for purposes of prohibition on closure or relocation of county offices for the Farm Service Agency.
Sec. 12310. Acer access and development program.
Sec. 12311. Regulatory review by the Secretary of Agriculture.
Sec. 12312. Agricultural commodity definition.
Sec. 12313. Prohibition on attending an animal fighting venture or causing a minor to attend an animal fighting venture.
Sec. 12314. Prohibition against interference by State and local governments with production or manufacture of items in other States.
Sec. 12315. Increased protection for agricultural interests in the Missouri River Basin.
Sec. 12316. Increased protection for agricultural interests in the Black Dirt region.

SEC. 2. DEFINITION OF SECRETARY OF AGRICULTURE.

In this Act, the term "Secretary" means the Secretary of Agriculture.

TITLE I—COMMODITIES

Subtitle A—Repeals and Reforms

SEC. 1101. REPEAL OF DIRECT PAYMENTS.

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

(b) CONTINUED APPLICATION FOR 2013 CROP YEAR.—Sections 1103 and 1303 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8713, 8753), as in effect on the day before the date of enactment of this Act, shall continue to apply through the 2013 crop year with respect to all covered commodities (as defined in section 1001 of that Act (7 U.S.C. 8702)) and peanuts on a farm.

(c) CONTINUED APPLICATION FOR 2014 AND 2015 CROP YEARS.—Subject to this subtitle, the amendments made by sections 1603 and 1604 of this Act, and sections 1607 and 1611 of this Act, section 1103 of the Food, Conservation and Energy Act of 2008 (7 U.S.C. 8713), as in effect on the day before the date of enactment of this Act, shall continue to apply through the 2014 and 2015 crop years with respect to upland cotton only (as defined in section 1001 of that Act (7 U.S.C. 8702)), except that, in applying such section 1103, the term "payment acres" means the following:

(1) For crop year 2014, 70 percent of the base acres of upland cotton on a farm on which direct payments are made.

(2) For crop year 2015, 60 percent of the base acres of upland cotton on a farm on which direct payments are made.

SEC. 1102. REPEAL OF COUNTER-CYCLICAL PAYMENTS.

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

(b) CONTINUED APPLICATION FOR 2013 CROP YEAR.—Sections 1104 and 1304 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8714, 8754), as in effect on the day before the date of enactment of this Act, shall continue to apply through the 2013 crop year with respect to all covered commodities (as defined in section 1001 of that Act (7 U.S.C. 8702)) and peanuts on a farm.

SEC. 1103. REPEAL OF AVERAGE CROP REVENUE ELECTION PROGRAM.

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

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

SEC. 1104. DEFINITIONS.

In this subtitle and subtitle B:

(1) ACTUAL COUNTY REVENUE.—The term "actual county revenue", with respect to a covered commodity for a crop year, means the amount determined by the Secretary under section 1107(c)(4) to determine whether revenue loss coverage payments are required to be provided for that crop year.

(2) BASE ACRES.—The term "base acres", with respect to a covered commodity and cotton on a farm, means the number of acres established under section 1101 and 1302 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C.

7911, 7952) or section 1101 and 1302 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711, 8752), as in effect on September 30, 2013, subject to any adjustment under section 1105 of this Act. For purposes of making payments under subsections (b) and (c) of section 1107, base acres are reduced by the payment acres calculated in 1101(c).

(3) COUNTY REVENUE LOSS COVERAGE TRIGGER.—The term "county revenue loss coverage trigger", with respect to a covered commodity for a crop year, means the amount determined by the Secretary under section 1107(c)(5) to determine whether revenue loss coverage payments are required to be provided for that crop year.

(4) COVERED COMMODITY.—The term "covered commodity" means wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds, and peanuts.

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

(6) EXTRA LONG STAPLE COTTON.—The term "extra long staple cotton" means cotton that—

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

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

(7) FARM BASE ACRES.—The term "farm base acres" means the sum of the base acreage for all covered commodities and cotton on a farm in effect as of September 30, 2013, and subject to any adjustment under section 1105.

(8) MEDIUM GRAIN RICE.—The term "medium grain rice" includes short grain rice.

(9) MIDSEASON PRICE.—The term "midseason price" means the applicable national average market price received by producers for the first 5 months of the applicable marketing year, as determined by the Secretary.

(10) OTHER OILSEED.—The term "other oilseed" means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or any oilseed designated by the Secretary.

(11) PAYMENT ACRES.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) through (D), the term "payment acres", with respect to the provision of price loss coverage payments and revenue loss coverage payments, means—

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

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

(B) MAXIMUM.—The total quantity of payment acres determined under subparagraph (A) shall not exceed the farm base acres.

(C) REDUCTION.—If the sum of all payment acres for a farm exceeds the limits established under subparagraph (B), the Secretary shall reduce the payment acres applicable to each crop proportionately.

(D) EXCLUSION.—The term "payment acres" does not include any crop subsequently planted during the same crop year on the same land for which the first crop is eligible for payments under this subtitle, unless the crop was approved for double cropping in the county, as determined by the Secretary.

(12) PAYMENT YIELD.—The term "payment yield" means the yield established for counter-cyclical payments under section 1102 or 1302 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7912, 7952), section 1102 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8712), as in effect on September 30, 2013, or under section 1106 of this Act, for a farm for a covered commodity.

(13) PRICE LOSS COVERAGE.—The term "price loss coverage" means coverage provided under section 1107(b).

(14) PRODUCER.—

(A) IN GENERAL.—The term "producer" means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and

is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

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

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

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

(15) PULSE CROP.—The term "pulse crop" means dry peas, lentils, small chickpeas, and large chickpeas.

(16) REFERENCE PRICE.—The term "reference price", with respect to a covered commodity for a crop year, means the following:

(A) Wheat, $5.50 per bushel.

(B) Corn, $3.70 per bushel.

(C) Grain sorghum, $3.95 per bushel.

(D) Barley, $4.95 per bushel.

(E) Oats, $2.40 per bushel.

(F) Long grain rice, $14.00 per hundredweight.

(G) Medium grain rice, $14.00 per hundredweight.

(H) Soybeans, $8.40 per bushel.

(I) Other oilseeds, $20.15 per hundredweight.

(J) Peanuts $535.00 per ton.

(K) Dry peas, $11.00 per hundredweight.

(L) Lentils, $19.97 per hundredweight.

(M) Small chickpeas, $19.04 per hundredweight.

(N) Large chickpeas, $21.54 per hundredweight.

(17) REVENUE LOSS COVERAGE.—The term "revenue loss coverage" means coverage provided under section 1107(c).

(18) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(19) STATE.—The term "State" means—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico; and

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

(20) TEMPERATE JAPONICA RICE.—The term "temperate japonica rice" means rice that is grown in high altitudes or temperate regions of high latitudes with cooler climate conditions, in the Western United States, as determined by the Secretary.

(21) TRANSITIONAL YIELD.—The term "transitional yield" has the meaning given the term in section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)).

(22) UNITED STATES.—The term "United States", when used in a geographical sense, means all of the States.

(23) UNITED STATES PREMIUM FACTOR.—The term "United States Premium Factor" means the percentage by which the difference in the United States loan schedule premiums for Strict Middling (SM) 1⅛-inch upland cotton and for Middling (M) 1³⁄₃₂-inch upland cotton exceeds the difference in the applicable premiums for comparable international qualities.

SEC. 1105. BASE ACRES.

(a) ADJUSTMENT OF BASE ACRES.—

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

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

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(C) The producer has eligible oilseed acreage as the result of the Secretary designating additional oilseeds, which shall be determined in the same manner as eligible oilseed acreage under section 1101(a)(1)(D) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711(a)(1)(D)).

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

(b) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for a farm, together with the acreage described in paragraph (2) exceeds the actual cropland acreage of the farm, the Secretary shall reduce the base acres for 1 or more covered commodities or cotton for the farm so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

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

(B) Any other acreage on the farm enrolled in a Federal conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(C) If the Secretary designates additional oilseeds, any eligible oilseed acreage, which shall be determined in the same manner as eligible oilseed acreage under subsection (a)(1)(C).

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

(4) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

(c) REDUCTION IN BASE ACRES.—

(1) REDUCTION AT OPTION OF OWNER.—

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

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

(2) REQUIRED ACTION BY SECRETARY.—

(A) IN GENERAL.—The Secretary shall proportionately reduce base acres on a farm for covered commodities and cotton for land that has been subdivided and developed for multiple residential units or other nonfarming uses if the size of the tracts and the density of the subdivision is such that the land is unlikely to return to the previous agricultural use, unless the producers on the farm demonstrate that the land—

(i) remains devoted to commercial agricultural production; or

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

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

SEC. 1106. PAYMENT YIELDS.

(a) ESTABLISHMENT AND PURPOSE.—For the purpose of making payments under this subtitle, the Secretary shall provide for the establishment of a yield for each farm for any designated oilseed for which a payment yield was not established under section 1102 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8712) in accordance with this section.

(b) PAYMENT YIELDS FOR DESIGNATED OILSEEDS.—

(1) DETERMINATION OF AVERAGE YIELD.—In the case of designated oilseeds, the Secretary shall determine the average yield per planted acre for the designated oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the designated oilseed was zero.

(2) ADJUSTMENT FOR PAYMENT YIELD.—

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

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

(ii) The ratio resulting from dividing the national average yield for the designated oilseed for the 1981 through 1985 crops by the national average yield for the designated oilseed for the 1998 through 2001 crops.

(B) NO NATIONAL AVERAGE YIELD INFORMATION AVAILABLE.—To the extent that national average yield information for a designated oilseed is not available, the Secretary shall use such information as the Secretary determines to be fair and equitable to establish a national average yield under this section.

(3) USE OF COUNTY AVERAGE YIELD.—If the yield per planted acre for a crop of a designated oilseed for a farm for any of the 1998 through 2001 crop years was less than 75 percent of the county yield for that designated oilseed, the Secretary shall assign a yield for that crop year equal to 75 percent of the county yield for the purpose of determining the average under paragraph (1).

(4) NO HISTORIC YIELD DATA AVAILABLE.—In the case of establishing yields for designated oilseeds, if historic yield data is not available, the Secretary shall use the ratio for dry peas calculated under paragraph (2)(A)(ii) in determining the yields for designated oilseeds, as determined to be fair and equitable by the Secretary.

(c) EFFECT OF LACK OF PAYMENT YIELD.—

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

(2) USE OF SIMILARLY SITUATED FARMS.—To establish an appropriate payment yield for a covered commodity on a farm as required by paragraph (1), the Secretary shall take into consideration the farm program payment yields applicable to that covered commodity for similarly situated farms. The use of such data in an appeal, by the Secretary or by the producer, shall not be subject to any other provision of law.

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

(1) ELECTION TO UPDATE.—At the sole discretion of the owner of a farm, the owner of a farm shall have a 1-time opportunity to update the payment yields on a covered commodity-by-covered commodity basis that would otherwise be used in calculating any price loss coverage payment for covered commodities on the farm.

(2) TIME FOR ELECTION.—The election under paragraph (1) shall be made at a time and manner to be in effect for the 2014 crop year as determined by the Secretary.

(3) METHOD OF UPDATING YIELDS.—If the owner of a farm elects to update yields under this subsection, the payment yield for a covered commodity on the farm, for the purpose of calculating price loss coverage payments only, shall be equal to 90 percent of the average of the yield per planted acre for the crop of the covered commodity on the farm for the 2008 through 2012 crop years, as determined by the Secretary, excluding any crop year in which the acreage planted to the crop of the covered commodity was zero.

(4) USE OF COUNTY AVERAGE YIELD.—If the yield per planted acre for a crop of the covered commodity for a farm for any of the 2008 through 2012 crop years was less than 75 percent of the average of the 2008 through 2012 county yield for that commodity, the Secretary shall assign a yield for that crop year equal to 75 percent of the average of the 2008 through 2012 county yield for the purposes of determining the average yield under paragraph (3).

(5) EFFECT OF LACK OF PAYMENT YIELD.—

(A) ESTABLISHMENT BY SECRETARY.—For purposes of this subsection, if no payment yield is otherwise established for a covered commodity on a farm, the Secretary shall establish an appropriate updated payment yield for the covered commodity on the farm under subparagraph (B).

(B) USE OF SIMILARLY SITUATED FARMS.—To establish an appropriate payment yield for a covered commodity on a farm as required by subparagraph (A), the Secretary shall take into consideration the farm program payment yields applicable to that covered commodity for similarly situated farms. The use of such data in an appeal, by the Secretary or by the producer, shall not be subject to any other provision of law.

SEC. 1107. FARM RISK MANAGEMENT ELECTION.

(a) IN GENERAL.—

(1) PAYMENTS REQUIRED.—Except as provided in paragraph (2), if the Secretary determines that payments are required under subsection (b)(1) or (c)(2) for a covered commodity, the Secretary shall make payments for that covered commodity available under such subsection to producers on a farm pursuant to the terms and conditions of this section.

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

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

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

(b) PRICE LOSS COVERAGE.—

(1) PAYMENTS.—For each of the 2014 through 2018 crop years, the Secretary shall make price loss coverage payments to producers on a farm for a covered commodity if the Secretary determines that—

(A) the effective price for the covered commodity for the crop year; is less than

(B) the reference price for the covered commodity for the crop year.

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

(A) the midseason price; or

(B) the national average loan rate for a marketing assistance loan for the covered commodity in effect for crop years 2014 through 2018 under subtitle B.

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

(A) the reference price for the covered commodity; and

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

(4) PAYMENT AMOUNT.—If price loss coverage payments are required to be provided under this subsection for any of the 2014 through 2018 crop years for a covered commodity, the amount of the price loss coverage payment to be paid to the producers on a farm for the crop year shall be equal to the product obtained by multiplying—

(A) the payment rate for the covered commodity under paragraph (3);

(B) the payment yield for the covered commodity; and

(C) the payment acres for the covered commodity.

(5) TIME FOR PAYMENTS.—If the Secretary determines under this subsection that price loss coverage payments are required to be provided for the covered commodity, the payments shall be made beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity.

(6) SPECIAL RULE FOR BARLEY.—In determining the effective price for barley in paragraph (2), the Secretary shall use the all-barley price.

(7) SPECIAL RULE FOR TEMPERATE JAPONICA RICE.—The Secretary shall provide a reference price with respect to temperate japonica rice in an amount equal to 115 percent of the amount established in subparagraphs (F) and (G) of section 1104(16) in order to reflect price premiums.

(c) REVENUE LOSS COVERAGE.—

(1) AVAILABLE AS AN ALTERNATIVE.—As an alternative to receiving price loss coverage payments under subsection (b) for a covered commodity, all of the owners of the farm may make a one-time, irrevocable election on a covered commodity-by-covered commodity basis to receive revenue loss coverage payments for each covered commodity in accordance with this subsection. If any of the owners of the farm make different elections on the same covered commodity on the farm, all of the owners of the farm shall be deemed to have not made the election available under this paragraph.

(2) PAYMENTS.—In the case of owners of a farm that make the election described in paragraph (1) for a covered commodity, the Secretary shall make revenue loss coverage payments available under this subsection for each of the 2014 through 2018 crop years if the Secretary determines that—

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

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

(3) TIME FOR PAYMENTS.—If the Secretary determines under this subsection that revenue loss coverage payments are required to be provided for the covered commodity, payments shall be made beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity.

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

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

(B) the higher of—

(i) the midseason price; or

(ii) the national average loan rate for a marketing assistance loan for the covered commodity in effect for crop years 2014 through 2018 under subtitle B.

(5) COUNTY REVENUE LOSS COVERAGE TRIGGER.—

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

(B) BENCHMARK COUNTY REVENUE.—

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

(I) subject to clause (ii), the average historical county yield as determined by the Secretary for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields; and

(II) subject to clause (iii), the average national marketing year average price for the most recent 5 crop years, excluding each of the crop years with the highest and lowest prices.

(ii) YIELD CONDITIONS.—If the historical county yield in clause (i)(I) for any of the 5 most recent crop years, as determined by the Secretary, is less than 70 percent of the transitional yield, as determined by the Secretary, the amounts used for any of those years in clause (i)(I) shall be 70 percent of the transitional yield.

(iii) REFERENCE PRICE.—If the national marketing year average price in clause (i)(II) for any of the 5 most recent crop years is lower than the reference price for the covered commodity, the Secretary shall use the reference price for any of those years for the amounts in clause (i)(II).

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

(A) the difference between—

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

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

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

(7) PAYMENT AMOUNT.—If revenue loss coverage payments under this subsection are required to be provided for any of the 2014 through 2018 crop years of a covered commodity, the amount of the revenue loss coverage payment to be provided to the producers on a farm for the crop year shall be equal to the product obtained by multiplying—

(A) the payment rate under paragraph (6); and

(B) the payment acres of the covered commodity on the farm.

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

(A) shall ensure that producers on a farm do not reconstitute the farm of the producers to void or change the election made under paragraph (1);

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

(C) to the maximum extent practicable, shall calculate a separate county revenue loss coverage trigger for irrigated and nonirrigated covered commodities and a separate actual county revenue for irrigated and nonirrigated covered commodities;

(D) shall assign a benchmark county yield for each planted acre for the crop year for the covered commodity on the basis of the yield history of representative farms in the State, region, or crop reporting district, as determined by the Secretary, if—

(i) the Secretary cannot establish the benchmark county yield for each planted acre for a crop year for a covered commodity in the county in accordance with paragraph (5); or

(ii) the yield determined under paragraph (5) is an unrepresentative average yield for the county (as determined by the Secretary); and

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

(d) ANNUAL REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutri-

tion, and Forestry of the Senate a report annually containing an evaluation of the impact of price loss coverage and revenue loss coverage—

(1) on the planting, production, price, and export of covered commodities; and

(2) on the cost of each commodity program.

SEC. 1108. PRODUCER AGREEMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive payments under this subtitle with respect to the farm, the producers shall agree, during the crop year for which the payments are made and in exchange for the payments—

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

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

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

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

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

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

(1) TERMINATION.—

(A) IN GENERAL.—Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm for which payments under this subtitle are provided shall result in the termination of the payments, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

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

(2) EXCEPTION.—If a producer entitled to a payment under this subtitle dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment in accordance with rules issued by the Secretary.

(c) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers on a farm to submit to the Secretary annual acreage reports with respect to all cropland on the farm.

(d) TENANTS AND SHARECROPPERS.—In carrying out this subtitle, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(e) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this subtitle among the producers on a farm on a fair and equitable basis.

SEC. 1109. PERIOD OF EFFECTIVENESS.

This subtitle shall be effective beginning with the 2014 crop year of each covered commodity through the 2018 crop year.

Subtitle B—Marketing Loans

SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR LOAN COMMODITIES.

(a) DEFINITION OF LOAN COMMODITY.—In this subtitle, the term "loan commodity" means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, long grain rice, medium grain rice, peanuts, soybeans, other oilseeds, graded wool, nongraded wool, mohair, honey, dry peas, lentils, small chickpeas, and large chickpeas.

(b) NONRECOURSE LOANS AVAILABLE.—

(1) IN GENERAL.—For each of the 2014 through 2018 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm.

(2) TERMS AND CONDITIONS.—The marketing assistance loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 1202 for the loan commodity.

(c) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (b) for any quantity of a loan commodity produced on the farm.

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (b), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) SPECIAL RULES FOR PEANUTS.—

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

(2) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this section, and loan deficiency payments under section 1205, may be obtained at the option of the producers on a farm through—

(A) a designated marketing association or marketing cooperative of producers that is approved by the Secretary; or

(B) the Farm Service Agency.

(3) STORAGE OF LOAN PEANUTS.—As a condition on the approval by the Secretary of an individual or entity to provide storage for peanuts for which a marketing assistance loan is made under this section, the individual or entity shall agree—

(A) to provide the storage on a nondiscriminatory basis; and

(B) to comply with such additional requirements as the Secretary considers appropriate to accomplish the purposes of this section and promote fairness in the administration of the benefits of this section.

(4) STORAGE, HANDLING, AND ASSOCIATED COSTS.—

(A) IN GENERAL.—To ensure proper storage of peanuts for which a loan is made under this section, the Secretary shall pay handling and other associated costs (other than storage costs) incurred at the time at which the peanuts are placed under loan, as determined by the Secretary.

(B) REDEMPTION AND FORFEITURE.—The Secretary shall—

(i) require the repayment of handling and other associated costs paid under subparagraph (A) for all peanuts pledged as collateral for a loan that is redeemed under this section; and

(ii) pay storage, handling, and other associated costs for all peanuts pledged as collateral that are forfeited under this section.

(5) MARKETING.—A marketing association or cooperative may market peanuts for which a loan is made under this section in any manner that conforms to consumer needs, including the separation of peanuts by type and quality.

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

SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) IN GENERAL.—For purposes of each of the 2014 through 2018 crop years, the loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:

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

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

(3) In the case of grain sorghum, $1.95 per bushel.

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

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

(6) In the case of base quality of upland cotton, for the 2014 and each subsequent crop year, the simple average of the adjusted prevailing world price for the 2 immediately preceding marketing years, as determined by the Secretary and announced October 1 preceding the next domestic plantings, but in no case less than $0.47 per pound or more than $0.52 per pound.

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

(8) In the case of long grain rice, $6.50 per hundredweight.

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

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

(11) In the case of other oilseeds, $10.09 per hundredweight for each of the following kinds of oilseeds:

(A) Sunflower seed.

(B) Rapeseed.

(C) Canola.

(D) Safflower.

(E) Flaxseed.
(F) Mustard seed.
(G) Crambe.
(H) Sesame seed.
(I) Other oilseeds designated by the Secretary.

(12) In the case of dry peas, $5.40 per hundredweight.
(13) In the case of lentils, $11.28 per hundredweight.
(14) In the case of small chickpeas, $7.43 per hundredweight.
(15) In the case of large chickpeas, $11.28 per hundredweight.
(16) In the case of graded wool, $1.15 per pound.
(17) In the case of nongraded wool, $0.40 per pound.
(18) In the case of mohair, $4.20 per pound.
(19) In the case of honey, $0.69 per pound.
(20) In the case of peanuts, $355 per ton.

(b) SINGLE COUNTY LOAN RATE FOR OTHER OILSEEDS.—The Secretary shall establish a single loan rate in each county for each kind of other oilseeds described in subsection (a)(11).

SEC. 1203. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each loan commodity, a marketing assistance loan under section 1201 shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

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

SEC. 1204. REPAYMENT OF LOANS.

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

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283));

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

(A) is calculated based on average market prices for the loan commodity during the preceding 30-day period; and

(B) will minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries; or

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

(A) minimize potential loan forfeitures;

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

(C) minimize the cost incurred by the Federal Government in storing the commodity;

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally; and

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

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

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(2) the prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section.

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 1207, the Secretary shall prescribe by regulation—

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

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

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON, LONG GRAIN RICE, AND MEDIUM GRAIN RICE.—

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

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

(A) shall be adjusted to United States quality and location, with the adjustment to include—

(i) a reduction equal to any United States Premium Factor for upland cotton of a quality higher than Middling (M) 1 3/32-inch; and

(ii) the average costs to market the commodity, including average transportation costs, as determined by the Secretary; and

(B) may be further adjusted, during the period beginning on the date of enactment of this Act and ending on July 31, 2019, if the Secretary determines the adjustment is necessary—

(i) to minimize potential loan forfeitures;

(ii) to minimize the accumulation of stocks of upland cotton by the Federal Government;

(iii) to ensure that upland cotton produced in the United States can be marketed freely and competitively, both domestically and internationally; and

(iv) to ensure an appropriate transition between current-crop and forward-crop price quotations, except that the Secretary may use forward-crop price quotations prior to July 31 of a marketing year only if—

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

(II) the forward-crop price quotation is the lowest such quotation available.

(3) GUIDELINES FOR ADDITIONAL ADJUSTMENTS.—In making adjustments under this subsection, the Secretary shall establish a mechanism for determining and announcing the adjustments in order to avoid undue disruption in the United States market.

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

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(2) the repayment rate established for oil sunflower seed.

(g) PAYMENT OF COTTON STORAGE COSTS.—Effective for each of the 2014 through 2018 crop years, the Secretary shall make cotton storage payments available in the same manner, and at the same rates as the Secretary provided storage payments for the 2006 crop of cotton, except that the rates shall be reduced by 10 percent.

(h) REPAYMENT RATE FOR PEANUTS.—The Secretary shall permit producers on a farm to repay a marketing assistance loan for peanuts under section 1201 at a rate that is the lesser of—

(1) the loan rate established for peanuts under section 1202(a)(20), plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

(C) minimize the cost incurred by the Federal Government in storing peanuts; and

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

(i) AUTHORITY TO TEMPORARILY ADJUST REPAYMENT RATES.—

(1) ADJUSTMENT AUTHORITY.—In the event of a severe disruption to marketing, transportation, or related infrastructure, the Secretary may modify the repayment rate otherwise applicable under this section for marketing assistance loans under section 1201 for a loan commodity.

(2) DURATION.—Any adjustment made under paragraph (1) in the repayment rate for marketing assistance loans for a loan commodity shall be in effect on a short-term and temporary basis, as determined by the Secretary.

SEC. 1205. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan under section 1201 with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for loan deficiency payments under this section.

(2) UNSHORN PELTS, HAY, AND SILAGE.—

(A) MARKETING ASSISTANCE LOANS.—Subject to subparagraph (B), nongraded wool in the form of unshorn pelts and hay and silage derived from a loan commodity are not eligible for a marketing assistance loan under section 1201.

(B) LOAN DEFICIENCY PAYMENT.—Effective for the 2014 through 2018 crop years, the Secretary may make loan deficiency payments available under this section to producers on a farm that produce unshorn pelts or hay and silage derived from a loan commodity.

(b) COMPUTATION.—A loan deficiency payment for a loan commodity or commodity referred to in subsection (a)(2) shall be equal to the product obtained by multiplying—

(1) the payment rate determined under subsection (c) for the commodity; by

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

(c) PAYMENT RATE.—

(1) IN GENERAL.—In the case of a loan commodity, the payment rate shall be the amount by which—

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

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

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

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

(B) the rate at which a marketing assistance loan for ungraded wool may be repaid under section 1204.

(3) HAY AND SILAGE.—In the case of hay or silage derived from a loan commodity, the payment rate shall be the amount by which—

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

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

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

(e) EFFECTIVE DATE FOR PAYMENT RATE DETERMINATION.—The Secretary shall determine the amount of the loan deficiency payment to be made under this section to the producers on a farm with respect to a quantity of a loan commodity or commodity referred to in subsection (a)(2) using the payment rate in effect under subsection (c) as of the date the producers request the payment.

SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—

(1) IN GENERAL.—Effective for the 2014 through 2018 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 1205 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(2) GRAZING OF TRITICALE ACREAGE.—Effective for the 2014 through 2018 crop years, with respect to a producer on a farm that uses acreage planted to triticale for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of triticale on that acreage.

(b) PAYMENT AMOUNT.—

(1) IN GENERAL.—The amount of a payment made under this section to a producer on a farm described in subsection (a)(1) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(ii)(I) the payment yield in effect for the calculation of price loss coverage under subtitle A with respect to that loan commodity on the farm; or

(II) in the case of a farm without a payment yield for that loan commodity, an appropriate yield established by the Secretary in a manner consistent with section 1106(c) of this Act.

(2) GRAZING OF TRITICALE ACREAGE.—The amount of a payment made under this section to a producer on a farm described in subsection (a)(2) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect for wheat, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of triticale; and

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

(II) in the case of a farm without a payment yield for wheat, an appropriate yield established by the Secretary in a manner consistent with section 1106(c) of this Act.

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

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

(2) AVAILABILITY.—

(A) IN GENERAL.—The Secretary shall establish an availability period for the payments authorized by this section.

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

(d) PROHIBITION ON CROP INSURANCE INDEMNITY OR NONINSURED CROP ASSISTANCE.—A 2014 through 2018 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under a policy or plan of insurance authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) SPECIAL IMPORT QUOTA.—

(1) DEFINITION OF SPECIAL IMPORT QUOTA.—In this subsection, the term "special import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(2) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on August 1, 2014, and ending on July 31, 2019, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered to a definable and significant international market, as determined by the Secretary, exceeds the prevailing world market price, there shall immediately be in effect a special import quota.

(3) QUANTITY.—The quota shall be equal to the consumption during a 1-week period of cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which official data of the Department of Agriculture are available or, in the absence of sufficient data, as estimated by the Secretary.

(4) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (2) and entered into the United States not later than 180 days after that date.

(5) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (2), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (b).

(6) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

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

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

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

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 10 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.

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

(1) DEFINITIONS.—In this subsection:

(A) DEMAND.—The term "demand" means—

(i) the average seasonally adjusted annual rate of domestic mill consumption of cotton during the most recent 3 months for which official data of the Department of Agriculture are available or, in the absence of sufficient data, as estimated by the Secretary; and

(ii) the larger of—

(I) average exports of upland cotton during the preceding 6 marketing years; or

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

(B) LIMITED GLOBAL IMPORT QUOTA.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(C) SUPPLY.—The term "supply" means, using the latest official data of the Department of Agriculture—

(i) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(ii) production of the current crop; and

(iii) imports to the latest date available during the marketing year.

(2) PROGRAM.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of the quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which official data of the Department of Agriculture are available or, in the absence of sufficient data, as estimated by the Secretary.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

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

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

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

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(3) NO OVERLAP.—Notwithstanding paragraph (2), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (a).

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

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall, on a monthly basis, make economic adjustment assistance available to domestic users of upland cotton in the form of payments for all documented use of that upland cotton during the previous monthly period regardless of the origin of the upland cotton.

(2) VALUE OF ASSISTANCE.—Effective beginning on August 1, 2013, the value of the assistance provided under paragraph (1) shall be 3 cents per pound.

(3) ALLOWABLE PURPOSES.—Economic adjustment assistance under this subsection shall be made available only to domestic users of upland cotton that certify that the assistance shall be used only to acquire, construct, install, modernize, develop, convert, or expand land, plant, buildings, equipment, facilities, or machinery.

(4) REVIEW OR AUDIT.—The Secretary may conduct such review or audit of the records of a domestic user under this subsection as the Secretary determines necessary to carry out this subsection.

(5) IMPROPER USE OF ASSISTANCE.—If the Secretary determines, after a review or audit of the records of the domestic user, that economic adjustment assistance under this subsection was not used for the purposes specified in paragraph (3), the domestic user shall be—

(A) liable for the repayment of the assistance to the Secretary, plus interest, as determined by the Secretary; and

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

SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

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

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

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

(3) to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

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

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

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

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

(d) PAYMENT AMOUNT.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive 4-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive 4-week period.

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

(a) HIGH MOISTURE FEED GRAINS.—

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

(2) RECOURSE LOANS AVAILABLE.—For each of the 2014 through 2018 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm that—

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

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that the producers on the farm were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(3) ELIGIBILITY OF ACQUIRED FEED GRAINS.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the farm of the producer; by

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

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2014 through 2018 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

SEC. 1210. ADJUSTMENTS OF LOANS.

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

(b) MANNER OF ADJUSTMENT.—The adjustments under subsection (a) shall, to the maximum extent practicable, be made in such a manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined in accordance with this subtitle and subtitle C.

(c) ADJUSTMENT ON COUNTY BASIS.—

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

(2) PROHIBITION.—Adjustments under this subsection shall not result in an increase in the national average loan rate for any year.

(d) ADJUSTMENT IN LOAN RATE FOR COTTON.—

(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan rate for cotton for differences in quality factors.

(2) TYPES OF ADJUSTMENTS.—Loan rate adjustments under paragraph (1) may include—

(A) the use of non-spot market price data, in addition to spot market price data, that would enhance the accuracy of the price information used in determining quality adjustments under this subsection;

(B) adjustments in the premiums or discounts associated with upland cotton with a staple length of 33 or above due to micronaire with the goal of eliminating any unnecessary artificial splits in the calculations of the premiums or discounts; and

(C) such other adjustments as the Secretary determines appropriate, after consultations conducted in accordance with paragraph (3).

(3) CONSULTATION WITH PRIVATE SECTOR.—

(A) PRIOR TO REVISION.—In making adjustments to the loan rate for cotton (including any review of the adjustments) as provided in this subsection, the Secretary shall consult with representatives of the United States cotton industry.

(B) INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultations under this subsection.

(4) REVIEW OF ADJUSTMENTS.—The Secretary may review the operation of the upland cotton quality adjustments implemented pursuant to this subsection and may make further adjustments to the administration of the loan program for upland cotton, by revoking or revising any adjustment taken under paragraph (2).

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

Subtitle C—Sugar

SEC. 1301. SUGAR PROGRAM.

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

(1) SUGARCANE.—Section 156(a)(5) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(a)(5)) is amended by striking "the 2012 crop year" and inserting "each of the 2012 through 2018 crop years".

(2) SUGAR BEETS.—Section 156(b)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(b)(2)) is amended by striking "2012" and inserting "2018".

(3) EFFECTIVE PERIOD.—Section 156(i) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(i)) is amended by striking "2012" and inserting "2018".

(b) FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.—

(1) SUGAR ESTIMATES.—Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by striking "2012" and inserting "2018".

(2) EFFECTIVE PERIOD.—Section 359l(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ll(a)) is amended by striking "2012" and inserting "2018".

Subtitle D—Dairy

PART I—DAIRY PRODUCER MARGIN PROTECTION AND DAIRY MARKET STABILIZATION PROGRAMS

SEC. 1401. DEFINITIONS.

In this part:

(1) ACTUAL DAIRY PRODUCER MARGIN.—The term "actual dairy producer margin" means the difference between the all-milk price and the average feed cost, as calculated under section 1402.

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

(3) ANNUAL PRODUCTION HISTORY.—The term "annual production history" means the production history determined for a participating dairy producer under section 1413(b) whenever the dairy producer purchases supplemental margin protection.

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

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

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

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

(5) BASIC PRODUCTION HISTORY.—The term "basic production history" means the production history determined for a participating dairy producer under section 1413(a) for provision of basic margin protection.

(6) CONSECUTIVE TWO-MONTH PERIOD.—The term "consecutive two-month period" refers to the two-month period consisting of the months of January and February, March and April, May and June, July and August, September and October, or November and December, respectively.

(7) DAIRY PRODUCER.—

(A) IN GENERAL.—Subject to subparagraph (B), the term "dairy producer" means an individual or entity that directly or indirectly (as determined by the Secretary)—

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

(ii) makes contributions (including land, labor, management, equipment, or capital) to the dairy operation of the individual or entity that are at least commensurate with the share of the individual or entity of the proceeds of the operation.

(B) ADDITIONAL OWNERSHIP STRUCTURES.—The Secretary shall determine additional ownership structures to be covered by the definition of dairy producer.

(8) HANDLER.—

(A) IN GENERAL.—The term "handler" means the initial individual or entity making payment to a dairy producer for milk produced in the United States and marketed for commercial use.

(B) PRODUCER-HANDLER.—The term includes a "producer-handler" when the producer satisfies the definition in subparagraph (A).

(9) MARGIN PROTECTION PROGRAM.—The term "margin protection program" means the dairy producer margin protection program required by subpart A.

(10) PARTICIPATING DAIRY PRODUCER.—The term "participating dairy producer" means a dairy producer that—

(A) signs up under section 1412 to participate in the margin protection program under subpart A; and

(B) as a result, also participates in the stabilization program under subpart B.

(11) STABILIZATION PROGRAM.—The term "stabilization program" means the dairy market stabilization program required by subpart B for all participating dairy producers.

(12) STABILIZATION PROGRAM BASE.—The term "stabilization program base", with respect to a participating dairy producer, means the stabilization program base calculated for the producer under section 1431(b).

(13) UNITED STATES.—The term "United States", in a geographical sense, means the 50 States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and any other territory or possession of the United States.

SEC. 1402. CALCULATION OF AVERAGE FEED COST AND ACTUAL DAIRY PRODUCER MARGINS.

(a) CALCULATION OF AVERAGE FEED COST.—The Secretary shall calculate the national average feed cost for each month using the following data:

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

(2) The price of soybean meal for a month shall be the central Illinois price for soybean meal, as reported in the Market News-Monthly Soybean Meal Price Report by the Secretary.

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

(b) CALCULATION OF ACTUAL DAIRY PRODUCER MARGINS.—

(1) MARGIN PROTECTION PROGRAM.—For use in the margin protection program under subpart A, the Secretary shall calculate the actual dairy producer margin for each consecutive two-month period by subtracting—

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

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

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

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

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

(3) TIME FOR CALCULATIONS.—The calculations required by paragraphs (1) and (2) shall be made as soon as practicable each month using the full month

price of the applicable reference month, but in no case shall the calculation be made later than the last business day of the month.

Subpart A—Dairy Producer Margin Protection Program

SEC. 1411. ESTABLISHMENT OF DAIRY PRODUCER MARGIN PROTECTION PROGRAM.

The Secretary shall establish and administer a dairy producer margin protection program for the purpose of protecting dairy producer income by paying participating dairy producers—

(1) basic margin protection payments when actual dairy producer margins are less than the threshold levels for such payments; and

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

SEC. 1412. PARTICIPATION OF DAIRY PRODUCERS IN MARGIN PROTECTION PROGRAM.

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

(1) basic margin protection payments under section 1414; and

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

(b) SIGN-UP PROCESS.—

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

(2) TREATMENT OF MULTI-PRODUCER OPERATIONS.—If a dairy operation consists of more than one dairy producer, all of the dairy producers of the operation shall be treated as a single dairy producer for purposes of—

(A) registration to receive basic margin protection and purchase supplemental margin protection;

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

(C) participation in the stabilization program under subpart B.

(3) TREATMENT OF PRODUCERS WITH MULTIPLE DAIRY OPERATIONS.—If a dairy producer operates two or more dairy operations, each dairy operation of the producer shall require a separate registration to receive basic margin protection and purchase supplemental margin protection. Only those dairy operations so registered shall be subject to the stabilization program.

(c) TIME FOR SIGN UP.—

(1) EXISTING DAIRY PRODUCERS.—During the one-year period beginning on the date of the initiation of the sign-up period for the margin protection program, a dairy producer that is actively engaged in a dairy operation as of such date may sign up with the Secretary—

(A) to receive basic margin protection; and

(B) if the producer elects, to purchase supplemental margin protection.

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

(A) to receive basic margin protection; and

(B) if the producer elects, to purchase supplemental margin protection.

(d) RETROACTIVITY PROVISION.—

(1) NOTICE OF AVAILABILITY OF RETROACTIVE PROTECTION.—Not later than 30 days after the effective date of this subtitle, the Secretary shall publish a notice in the Federal Register to inform dairy producers of the availability of retroactive basic margin protection and retroactive supplemental margin protection, subject to the condition that interested producers must file a notice of intent (in such form and manner as the Secretary specifies in the Federal Register notice)—

(A) to participate in the margin protection program and receive basic margin protection; and

(B) at the election of the producer under paragraph (3), to also obtain supplemental margin protection.

(2) RETROACTIVE BASIC MARGIN PROTECTION.—

(A) AVAILABILITY.—If a dairy producer files a notice of intent under paragraph (1) to participate in the margin protection program before the initi-

ation of the sign-up period for the margin protection program and subsequently signs up for the margin protection program, the producer shall receive basic margin protection retroactive to the effective date of this subtitle.

(B) DURATION.—Retroactive basic margin protection under this paragraph for a dairy producer shall apply from the effective date of this subtitle until the date on which the producer signs up for the margin protection program.

(3) RETROACTIVE SUPPLEMENTAL MARGIN PROTECTION.—

(A) AVAILABILITY.—Subject to subparagraphs (B) and (C), if a dairy producer files a notice of intent under paragraph (1) to participate in the margin protection program and obtain supplemental margin protection and subsequently signs up for the margin protection program, the producer shall receive supplemental margin protection, in addition to the basic margin protection under paragraph (2), retroactive to the effective date of this subtitle.

(B) DEADLINE FOR SUBMISSION.—A notice of intent to obtain retroactive supplemental margin protection must be filed with the Secretary no later than the earlier of the following:

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

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

(C) ELECTION OF COVERAGE LEVEL AND PERCENTAGE OF COVERAGE.—To be sufficient to obtain retroactive supplemental margin protection, the notice of intent to participate filed by a dairy producer must specify—

(i) a selected coverage level that is higher, in any increment of $0.50, than the payment threshold for basic margin protection specified in section 1414(b), but not to exceed $6.00; and

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

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

(i) October 1, 2013.

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

(4) NOTICE OF INTENT AND OBLIGATION TO PARTICIPATE IN MARGIN PROTECTION PROGRAM.—In no way does filing a notice of intent under this subsection obligate a dairy producer to sign up for the margin protection program once the program rules are final, but if a producer does file a notice of intent and subsequently signs up for the margin protection program, that dairy producer is obligated to pay fees and premiums for any retroactive basic margin protection or retroactive supplemental margin protection selected in the notice of intent.

(e) ADMINISTRATIVE FEE.—

(1) ADMINISTRATIVE FEE REQUIRED.—A dairy producer shall pay an administrative fee under this subsection to sign up to participate in the margin protection program. The participating dairy producer shall pay the administrative fee annually thereafter to continue to participate in the margin protection program.

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

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

(3) DEPOSIT OF FEES.—All administrative fees collected under this subsection shall be credited to the fund or account used to cover the costs incurred to administer the margin protection program and the stabilization program and shall be available to the Secretary, without further appropriation and until expended, for use or transfer as provided in paragraph (4).

(4) USE OF FEES.—The Secretary shall use administrative fees collected under this subsection—

(A) to cover administrative costs of the margin protection program and stabilization program; and

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

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

(1) receiving basic margin protection;

(2) purchasing supplemental margin protection; or

(3) avoiding participation in the stabilization program.

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

SEC. 1413. PRODUCTION HISTORY OF PARTICIPATING DAIRY PRODUCERS.

(a) PRODUCTION HISTORY FOR BASIC MARGIN PROTECTION.—

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

(2) CALCULATION.—Except as provided in paragraph (3), the basic production history of a participating dairy producer for basic margin protection is equal to the highest annual milk marketings of the dairy producer during any one of the three calendar years immediately preceding the calendar year in which the dairy producer first signed up to participate in the margin protection program.

(3) ELECTION BY NEW PRODUCERS.—If a participating dairy producer has been in operation for less than a year, the dairy producer shall elect one of the following methods for the Secretary to determine the basic production history of the dairy producer:

(A) The volume of the actual milk marketings for the months the dairy producer has been in operation extrapolated to a yearly amount.

(B) An estimate of the actual milk marketings of the dairy producer based on the herd size of the producer relative to the national rolling herd average data published by the Secretary.

(4) NO CHANGE IN PRODUCTION HISTORY FOR BASIC MARGIN PROTECTION.—Once the basic production history of a participating dairy producer is determined under paragraph (2) or (3), the basic production history shall not be subsequently changed for purposes of determining the amount of any basic margin protection payments for the dairy producer made under section 1414.

(b) ANNUAL PRODUCTION HISTORY FOR SUPPLEMENTAL MARGIN PROTECTION.—

(1) DETERMINATION REQUIRED.—For purposes of providing supplemental margin protection for a participating dairy producer that purchases supplemental margin protection for a year under section 1415, the Secretary shall determine the annual production history of the dairy operation of the dairy producer under paragraph (2).

(2) CALCULATION.—The annual production history of a participating dairy producer for a year is equal to the actual milk marketings of the dairy producer during the preceding calendar year.

(3) NEW PRODUCERS.—Subsection (a)(3) shall apply with respect to determining the annual production history of a participating dairy producer that has been in operation for less than a year.

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

(1) the basic production history of the dairy operation of the dairy producer under subsection (a); and

(2) the production history of the dairy operation of the dairy producer whenever the producer purchases supplemental margin protection under section 1415.

(d) TRANSFER OF PRODUCTION HISTORIES.—

(1) TRANSFER BY SALE OR LEASE.—In promulgating the rules to initiate the margin protection program, the Secretary shall specify the conditions under which and the manner by which the production history of a dairy operation may be transferred by sale or lease.

(2) COVERAGE LEVEL.—

(A) BASIC MARGIN PROTECTION.—A purchaser or lessee to whom the Secretary transfers a basic production history under this subsection shall not obtain a different level of basic margin protection than the basic margin

protection coverage held by the seller or lessor from whom the transfer was obtained.

(B) SUPPLEMENTAL MARGIN PROTECTION.—A purchaser or lessee to whom the Secretary transfers an annual production history under this subsection shall not obtain a different level of supplemental margin protection coverage than the supplemental margin protection coverage in effect for the seller or lessor from whom the transfer was obtained for the calendar year in which the transfer was made.

(e) MOVEMENT AND TRANSFER OF PRODUCTION HISTORY.—

(1) MOVEMENT AND TRANSFER AUTHORIZED.—Subject to paragraph (2), if a dairy producer moves from one location to another location, the dairy producer may maintain the basic production history and annual production history associated with the operation.

(2) NOTIFICATION REQUIREMENT.—A dairy producer shall notify the Secretary of any move of a dairy operation under paragraph (1).

(3) SUBSEQUENT OCCUPATION OF VACATED LOCATION.—A party subsequently occupying a dairy operation location vacated as described in paragraph (1) shall have no interest in the basic production history or annual production history previously associated with the operation at such location.

SEC. 1414. BASIC MARGIN PROTECTION.

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

(b) PAYMENT THRESHOLD.—Participating dairy producers shall receive a basic margin protection payment whenever the average actual dairy producer margin for a consecutive two-month period is less than $4.00 per hundredweight of milk.

(c) BASIC MARGIN PROTECTION PAYMENT.—

(1) PAYMENT REQUIRED.—The Secretary shall make a basic margin protection payment to each participating dairy producer whenever such a payment is required by subsection (b).

(2) AMOUNT OF PAYMENT.—The basic margin protection payment for the dairy operation of a participating dairy producer for a consecutive two-month period shall be determined as follows:

(A) The Secretary shall calculate the difference between the average actual dairy producer margin for the consecutive two-month period and $4.00, except that, if the difference is more than $4.00, the Secretary shall use $4.00.

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

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

(ii) The actual amount of milk marketed by the dairy operation of the dairy producer during the consecutive two-month period.

SEC. 1415. SUPPLEMENTAL MARGIN PROTECTION.

(a) ELECTION OF SUPPLEMENTAL MARGIN PROTECTION.—Supplemental margin protection is available only on an annual basis. A participating dairy producer may annually purchase supplemental margin protection to protect, during the calendar year for which purchased, a higher level of the income of a participating dairy producer than the income level guaranteed by basic margin protection under section 1414.

(b) SELECTION OF PAYMENT THRESHOLD.—A participating dairy producer purchasing supplemental margin protection for a year shall elect a coverage level that is higher, in any increment of $0.50, than the payment threshold for basic margin protection specified in section 1414(b), but not to exceed $8.00.

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

(d) PRODUCER PREMIUMS FOR SUPPLEMENTAL MARGIN PROTECTION.—

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

(A) the percentage selected by the dairy producer under subsection (c);

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

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

(2) PREMIUM PER HUNDREDWEIGHT FOR FIRST 4 MILLION POUNDS OF PRODUCTION.—For the first 4,000,000 pounds of milk marketings included in the annual production history of a participating dairy producer, the premium per hundred-

weight corresponding to each coverage level specified in the following table is as follows:

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

(3) PREMIUM PER HUNDREDWEIGHT FOR PRODUCTION IN EXCESS OF 4 MILLION POUNDS.—For milk marketings in excess of 4,000,000 pounds included in the annual production history of a participating dairy producer, the premium per hundredweight corresponding to each coverage level is as follows:

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

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

(e) PRODUCER'S PREMIUM OBLIGATIONS.—

(1) PRO-RATION OF PREMIUM FOR NEW PRODUCERS.—A dairy producer described in section 1412(c)(2) that purchases supplemental margin protection for a calendar year after the start of the calendar year shall pay a pro-rated premium for that calendar year based on the portion of the calendar year for which the producer purchases the coverage.

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

(f) SUPPLEMENTAL PAYMENT THRESHOLD.—A participating dairy producer with supplemental margin protection shall receive a supplemental margin protection payment whenever the average actual dairy producer margin for a consecutive two-month period is less than the coverage level threshold selected by the dairy producer under subsection (b).

(g) SUPPLEMENTAL MARGIN PROTECTION PAYMENTS.—

(1) IN GENERAL.—The supplemental margin protection payment for a participating dairy producer is in addition to the basic margin protection payment.

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

(A) The Secretary shall calculate the difference between the coverage level threshold selected by the dairy producer under subsection (b) and the greater of—

(i) the average actual dairy producer margin for the consecutive two-month period; or

(ii) $4.00.

(B) The amount determined under subparagraph (A) shall be multiplied by the percentage selected by the participating dairy producer under subsection (c) and by the lesser of the following:

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

(ii) The actual amount of milk marketed by the dairy operation of the dairy producer during the consecutive two-month period.

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

(a) LOSS OF BENEFITS.—A participating dairy producer that fails to pay the required administrative fee under section 1412 or is in arrears on premium payments for supplemental margin protection under section 1415—

(1) remains legally obligated to pay the administrative fee or premiums, as the case may be; and

(2) may not receive basic margin protection payments or supplemental margin protection payments until the fees or premiums are fully paid.

(b) ENFORCEMENT.—The Secretary may take such action as necessary to collect administrative fees and premium payments for supplemental margin protection.

Subpart B—Dairy Market Stabilization Program

SEC. 1431. ESTABLISHMENT OF DAIRY MARKET STABILIZATION PROGRAM.

(a) PROGRAM REQUIRED; PURPOSE.—The Secretary shall establish and administer a dairy market stabilization program applicable to participating dairy producers for the purpose of assisting in balancing the supply of milk with demand when dairy producers are experiencing low or negative operating margins.

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

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

(2) CHANGE IN CALCULATION METHOD.—A participating dairy producer may change the stabilization program base calculation method to be used for a calendar year by notifying the Secretary of the change not later than a date determined by the Secretary.

(3) CALCULATION METHODS.—A participating dairy producer may elect either of the following methods for calculation of the stabilization program base for the producer:

(A) The volume of the average monthly milk marketings of the dairy producer for the three months immediately preceding the announcement by the Secretary that the stabilization program will become effective.

(B) The volume of the monthly milk marketings of the dairy producer for the same month in the preceding year as the month for which the Secretary has announced the stabilization program will become effective.

SEC. 1432. THRESHOLD FOR IMPLEMENTATION AND REDUCTION IN DAIRY PRODUCER PAYMENTS.

(a) WHEN STABILIZATION PROGRAM REQUIRED.—Except as provided in subsection (b), the Secretary shall announce that the stabilization program is in effect and order reduced payments for any participating dairy producer that exceeds the applicable percentage of the producer's stabilization program base whenever—

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

(2) the actual dairy producer margin has been $4.00 or less per hundredweight of milk for the immediately preceding month.

(b) EXCEPTION.—The Secretary shall not make the announcement under subsection (a) to implement the stabilization program or order reduced payments if any of the conditions described in section 1436(b) have been met during the two months immediately preceding the month in which the announcement under subsection (a) would otherwise be made by the Secretary in the absence of this exception.

(c) EFFECTIVE DATE FOR IMPLEMENTATION OF PAYMENT REDUCTIONS.—Reductions in dairy producer payments shall commence beginning on the first day of the month immediately following the date of the announcement by the Secretary under subsection (a).

SEC. 1433. PRODUCER MILK MARKETING INFORMATION.

(a) COLLECTION OF MILK MARKETING DATA.—The Secretary shall establish, by regulation, a process to collect from participating dairy producers and handlers such

information that the Secretary considers necessary for each month during which the stabilization program is in effect.

(b) REDUCE REGULATORY BURDEN.—When implementing the process under subsection (a), the Secretary shall minimize the regulatory burden on dairy producers and handlers.

SEC. 1434. CALCULATION AND COLLECTION OF REDUCED DAIRY PRODUCER PAYMENTS.

(a) REDUCED PRODUCER PAYMENTS REQUIRED.—During any month in which payment reductions are in effect under the stabilization program, each handler shall reduce payments to each participating dairy producer from whom the handler receives milk.

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

(1) REDUCTION REQUIREMENT 1.—Unless the reduction required by paragraph (2) or (3) applies, when the actual dairy producer margin has been $6.00 or less per hundredweight of milk for two consecutive months, the handler shall make payments to a participating dairy producer for a month based on the greater of the following:

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

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

(2) REDUCTION REQUIREMENT 2.—Unless the reduction required by paragraph (3) applies, when the actual dairy producer margin has been $5.00 or less per hundredweight of milk for two consecutive months, the handler shall make payments to a participating dairy producer for a month based on the greater of the following:

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

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

(3) REDUCTION REQUIREMENT 3.—When the actual dairy producer margin has been $4.00 or less for any one month, the handler shall make payments to a participating dairy producer for a month based on the greater of the following:

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

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

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

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

SEC. 1435. REMITTING MONIES TO THE SECRETARY AND USE OF MONIES.

(a) REMITTING MONIES.—As soon as practicable after the end of each month during which payment reductions are in effect under the stabilization program, each handler shall remit to the Secretary an amount equal to the amount by which payments to participating dairy producers are reduced by the handler under section 1434.

(b) DEPOSIT OF MONIES.—All monies received under subsection (a) shall be available to the Secretary, without further appropriation and until expended, for use or transfer as provided in subsection (c).

(c) USE OF MONIES.—

(1) AVAILABILITY FOR CERTAIN COMMODITY DONATIONS.—Within three months of the receipt of monies under subsection (a), the Secretary shall obligate the monies for the purpose of—

(A) purchasing dairy products for donation to food banks and other programs that the Secretary determines appropriate; and

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

(2) NO DUPLICATION OF EFFORT.—The Secretary shall ensure that expenditures under paragraph (1) are compatible with, and do not duplicate, programs supported by the dairy research and promotion activities conducted under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).

(3) ACCOUNTING.—The Secretary shall keep an accurate account of all monies obligated under paragraph (1).

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

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

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

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

SEC. 1436. SUSPENSION OF REDUCED PAYMENT REQUIREMENT.

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

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

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

(b) INITIAL SUSPENSION THRESHOLDS.—The Secretary shall announce that the stabilization program shall be suspended whenever the Secretary determines that—

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

(2) the dairy producer margin is equal to or less than $6.00 (but greater than $5.00) for two consecutive months, and during the same two consecutive months—

(A) the price in the United States for cheddar cheese is equal to or greater than the world price of cheddar cheese; or

(B) the price in the United States for nonfat dry milk is equal to or greater than the world price of skim milk powder;

(3) the dairy producer margin is equal to or less than $5.00 (but greater than $4.00) for two consecutive months, and during the same two consecutive months—

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

(B) the price in the United States for nonfat dry milk is more than 5 percent above the world price of skim milk powder; or

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

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

(B) the price in the United States for nonfat dry milk is more than 7 percent above the world price of skim milk powder.

(c) ENHANCED SUSPENSION THRESHOLDS.—If the stabilization program is not suspended pursuant to subsection (b) for six consecutive months or more, the stabilization program shall be suspended whenever the Secretary determines that—

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

(2) the dairy producer margin is equal to or less than $6.00 (but greater than $5.00) for two consecutive months, and during the same two consecutive months—

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

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

(3) the dairy producer margin is equal to or less than $5.00 (but greater than $4.00) for two consecutive months, and during the same two consecutive months—

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

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

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

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

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

(d) IMPLEMENTATION BY HANDLERS.—Effective on the day after the date of the announcement by the Secretary under subsection (b) or (c) of the suspension of the stabilization program, the handler shall cease reducing payments to participating dairy producers under the stabilization program.

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

(1) two months have passed, beginning on the first day of the month immediately following the announcement by the Secretary; and

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

SEC. 1437. ENFORCEMENT.

(a) UNLAWFUL ACT.—It shall be unlawful and a violation of the this subpart for any person subject to the stabilization program to willfully fail or refuse to provide, or delay the timely reporting of, accurate information and remittance of funds to the Secretary in accordance with this subpart.

(b) ORDER.—After providing notice and opportunity for a hearing to an affected person, the Secretary may issue an order against any person to cease and desist from continuing any violation of this subpart.

(c) APPEAL.—An order of the Secretary under subsection (b) shall be final and conclusive unless an affected person files an appeal of the order of the Secretary in United States district court not later than 30 days after the date of the issuance of the order. A finding of the Secretary in the order shall be set aside only if the finding is not supported by substantial evidence.

(d) NONCOMPLIANCE WITH ORDER.—If a person subject to this subpart fails to obey an order issued under subsection (b) after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, the United States may apply to the appropriate United States district court for enforcement of the order. If the court determines that the order was lawfully made and duly served and that the person violated the order, the court shall enforce the order.

SEC. 1438. AUDIT REQUIREMENTS.

(a) AUDITS OF PRODUCER AND HANDLER COMPLIANCE.—

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

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

(b) SUBMISSION OF RESULTS.—The Secretary shall submit the results of any audit conducted under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate and include such recommendations as the Secretary considers appropriate regarding the stabilization program.

Subpart C—Commodity Credit Corporation

SEC. 1451. USE OF COMMODITY CREDIT CORPORATION.

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

Subpart D—Initiation and Duration

SEC. 1461. RULEMAKING.

(a) PROCEDURE.—The promulgation of regulations for the initiation of the margin protection program and the stabilization program, and for administration of such programs, shall be made without regard to—

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

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

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

(b) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out subsection (a), the Secretary shall use the authority provided under section 808 of title 5, United States Code.

(c) INCLUSION OF ADDITIONAL ORDER.—Section 143(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7253(a)(2)) is amended by

adding at the end the following new sentence: "Subsection (b)(2) does not apply to the authority of the Secretary under this subsection.".

SEC. 1462. DURATION.

The margin protection program and the stabilization program shall end on December 31, 2018.

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

SEC. 1481. REPEAL OF DAIRY PRODUCT PRICE SUPPORT AND MILK INCOME LOSS CONTRACT PROGRAMS.

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

(b) REPEAL OF MILK INCOME LOSS CONTRACT PROGRAM.—Section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) is repealed.

SEC. 1482. REPEAL OF DAIRY EXPORT INCENTIVE PROGRAM.

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

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

(1) by striking subparagraph (D); and

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

SEC. 1483. EXTENSION OF DAIRY FORWARD PRICING PROGRAM.

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

(1) in paragraph (1), by striking "2012" and inserting "2018"; and

(2) in paragraph (2), by striking "2015" and inserting "2021".

SEC. 1484. EXTENSION OF DAIRY INDEMNITY PROGRAM.

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

SEC. 1485. EXTENSION OF DAIRY PROMOTION AND RESEARCH PROGRAM.

Section 113(e)(2) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by striking "2012" and inserting "2018".

SEC. 1486. REPEAL OF FEDERAL MILK MARKETING ORDER REVIEW COMMISSION.

Section 1509 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1726) is repealed.

PART III—EFFECTIVE DATE

SEC. 1491. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall take effect on October 1, 2013.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

SEC. 1501. SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE PRODUCER ON A FARM.—

(A) IN GENERAL.—The term "eligible producer on a farm" means an individual or entity described in subparagraph (B) that, as determined by the Secretary, assumes the production and market risks associated with the agricultural production of crops or livestock.

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

(i) a citizen of the United States;

(ii) a resident alien;

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

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

(2) FARM-RAISED FISH.—The term "farm-raised fish" means any aquatic species that is propagated and reared in a controlled environment.

(3) LIVESTOCK.—The term "livestock" includes—

(A) cattle (including dairy cattle);

(B) bison;

(C) poultry;

(D) sheep;

(E) swine;

(F) horses; and

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

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(b) LIVESTOCK INDEMNITY PAYMENTS.—

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

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

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

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

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

(c) LIVESTOCK FORAGE DISASTER PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) COVERED LIVESTOCK.—

(i) IN GENERAL.—Except as provided in clause (ii), the term "covered livestock" means livestock of an eligible livestock producer that, during the 60 days prior to the beginning date of a qualifying drought or fire condition, as determined by the Secretary, the eligible livestock producer—

(I) owned;

(II) leased;

(III) purchased;

(IV) entered into a contract to purchase;

(V) is a contract grower; or

(VI) sold or otherwise disposed of due to qualifying drought conditions during—

(aa) the current production year; or

(bb) subject to paragraph (3)(B)(ii), 1 or both of the 2 production years immediately preceding the current production year.

(ii) EXCLUSION.—The term "covered livestock" does not include livestock that were or would have been in a feedlot, on the beginning date of the qualifying drought or fire condition, as a part of the normal business operation of the eligible livestock producer, as determined by the Secretary.

(B) DROUGHT MONITOR.—The term "drought monitor" means a system for classifying drought severity according to a range of abnormally dry to exceptional drought, as defined by the Secretary.

(C) ELIGIBLE LIVESTOCK PRODUCER.—

(i) IN GENERAL.—The term "eligible livestock producer" means an eligible producer on a farm that—

(I) is an owner, cash or share lessee, or contract grower of covered livestock that provides the pastureland or grazing land, including cash-leased pastureland or grazing land, for the livestock;

(II) provides the pastureland or grazing land for covered livestock, including cash-leased pastureland or grazing land that is physically located in a county affected by drought;

(III) certifies grazing loss; and

(IV) meets all other eligibility requirements established under this subsection.

(ii) EXCLUSION.—The term "eligible livestock producer" does not include an owner, cash or share lessee, or contract grower of livestock that rents or leases pastureland or grazing land owned by another person on a rate-of-gain basis.

(D) NORMAL CARRYING CAPACITY.—The term "normal carrying capacity", with respect to each type of grazing land or pastureland in a county, means the normal carrying capacity, as determined under paragraph (3)(D)(i), that would be expected from the grazing land or pastureland for livestock during the normal grazing period, in the absence of a drought or fire that diminishes the production of the grazing land or pastureland.

(E) NORMAL GRAZING PERIOD.—The term "normal grazing period", with respect to a county, means the normal grazing period during the calendar year for the county, as determined under paragraph (3)(D)(i).

(2) PROGRAM.—For each of the fiscal years 2012 through 2018, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to provide compensation for losses to eligible livestock producers due to grazing losses for covered livestock due to—

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

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

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

(A) ELIGIBLE LOSSES.—

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

(I) is native or improved pastureland with permanent vegetative cover; or

(II) is planted to a crop planted specifically for the purpose of providing grazing for covered livestock.

(ii) EXCLUSIONS.—An eligible livestock producer may not receive assistance under this subsection for grazing losses that occur on land used for haying or grazing under the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

(B) MONTHLY PAYMENT RATE.—

(i) IN GENERAL.—Except as provided in clause (ii), the payment rate for assistance under this paragraph for 1 month shall, in the case of drought, be equal to 60 percent of the lesser of—

(I) the monthly feed cost for all covered livestock owned or leased by the eligible livestock producer, as determined under subparagraph (C); or

(II) the monthly feed cost calculated by using the normal carrying capacity of the eligible grazing land of the eligible livestock producer.

(ii) PARTIAL COMPENSATION.—In the case of an eligible livestock producer that sold or otherwise disposed of covered livestock due to drought conditions in 1 or both of the 2 production years immediately preceding the current production year, as determined by the Secretary, the payment rate shall be 80 percent of the payment rate otherwise calculated in accordance with clause (i).

(C) MONTHLY FEED COST.—

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

(I) 30 days;

(II) a payment quantity that is equal to the feed grain equivalent, as determined under clause (ii); and

(III) a payment rate that is equal to the corn price per pound, as determined under clause (iii).

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

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

(II) in the case of any other type of weight of livestock, an amount determined by the Secretary that represents the average number of pounds of corn per day necessary to feed the livestock.

(iii) CORN PRICE PER POUND.—For purposes of clause (i)(III), the corn price per pound shall equal the quotient obtained by dividing—

(I) the higher of—

(aa) the national average corn price per bushel for the 12-month period immediately preceding March 1 of the year for which the disaster assistance is calculated; or

(bb) the national average corn price per bushel for the 24-month period immediately preceding that March 1; by

(II) 56.

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

(i) FSA COUNTY COMMITTEE DETERMINATIONS.—

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

(II) CHANGES.—No change to the normal carrying capacity or normal grazing period established for a county under subclause (I) shall be made unless the change is requested by the appropriate State and county Farm Service Agency committees.

(ii) DROUGHT INTENSITY.—

(I) D2.—An eligible livestock producer that owns or leases grazing land or pastureland that is physically located in a county that is rated by the U.S. Drought Monitor as having a D2 (severe drought) intensity in any area of the county for at least 8 consecutive weeks during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph in an amount equal to 1 monthly payment using the monthly payment rate determined under subparagraph (B).

(II) D3.—An eligible livestock producer that owns or leases grazing land or pastureland that is physically located in a county that is rated by the U.S. Drought Monitor as having at least a D3 (extreme drought) intensity in any area of the county at any time during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph—

(aa) in an amount equal to 3 monthly payments using the monthly payment rate determined under subparagraph (B);

(bb) if the county is rated as having a D3 (extreme drought) intensity in any area of the county for at least 4 weeks during the normal grazing period for the county, or is rated as having a D4 (exceptional drought) intensity in any area of the county at any time during the normal grazing period, in an amount equal to 4 monthly payments using the monthly payment rate determined under subparagraph (B); or

(cc) if the county is rated as having a D4 (exceptional drought) intensity in any area of the county for at least 4 weeks during the normal grazing period, in an amount equal to 5 monthly payments using the monthly rate determined under subparagraph (B).

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

(A) IN GENERAL.—An eligible livestock producer may receive assistance under this paragraph only if—

(i) the grazing losses occur on rangeland that is managed by a Federal agency; and

(ii) the eligible livestock producer is prohibited by the Federal agency from grazing the normal permitted livestock on the managed rangeland due to a fire.

(B) PAYMENT RATE.—The payment rate for assistance under this paragraph shall be equal to 50 percent of the monthly feed cost for the total number of livestock covered by the Federal lease of the eligible livestock producer, as determined under paragraph (3)(C).

(C) PAYMENT DURATION.—

(i) IN GENERAL.—Subject to clause (ii), an eligible livestock producer shall be eligible to receive assistance under this paragraph for the period—

(I) beginning on the date on which the Federal agency excludes the eligible livestock producer from using the managed rangeland for grazing; and

(II) ending on the last day of the Federal lease of the eligible livestock producer.

(ii) LIMITATION.—An eligible livestock producer may only receive assistance under this paragraph for losses that occur on not more than 180 days per year.

(5) NO DUPLICATIVE PAYMENTS.—An eligible livestock producer may elect to receive assistance for grazing or pasture feed losses due to drought conditions under paragraph (3) or fire under paragraph (4), but not both for the same loss, as determined by the Secretary.

(d) EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEY BEES, AND FARM-RAISED FISH.—

(1) IN GENERAL.—For each of the fiscal years 2012 through 2018, the Secretary shall use not more than $20,000,000 of the funds of the Commodity Credit Corporation to provide emergency relief to eligible producers of livestock, honey bees, and farm-raised fish to aid in the reduction of losses due to disease (including cattle tick fever), adverse weather, or other conditions, such as blizzards and wildfires, as determined by the Secretary, that are not covered under subsection (b) or (c).

(2) USE OF FUNDS.—Funds made available under this subsection shall be used to reduce losses caused by feed or water shortages, disease, or other factors as determined by the Secretary.

(3) AVAILABILITY OF FUNDS.—Any funds made available under this subsection shall remain available until expended.

(e) TREE ASSISTANCE PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) ELIGIBLE ORCHARDIST.—The term "eligible orchardist" means a person that produces annual crops from trees for commercial purposes.

(B) NATURAL DISASTER.—The term "natural disaster" means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, lightning, or other occurrence, as determined by the Secretary.

(C) NURSERY TREE GROWER.—The term "nursery tree grower" means a person who produces nursery, ornamental, fruit, nut, or Christmas trees for commercial sale, as determined by the Secretary.

(D) TREE.—The term "tree" includes a tree, bush, and vine.

(2) ELIGIBILITY.—

(A) LOSS.—Subject to subparagraph (B), for each of the fiscal years 2012 through 2018, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to provide assistance—

(i) under paragraph (3) to eligible orchardists and nursery tree growers that planted trees for commercial purposes but lost the trees as a result of a natural disaster, as determined by the Secretary; and

(ii) under paragraph (3)(B) to eligible orchardists and nursery tree growers that have a production history for commercial purposes on planted or existing trees but lost the trees as a result of a natural disaster, as determined by the Secretary.

(B) LIMITATION.—An eligible orchardist or nursery tree grower shall qualify for assistance under subparagraph (A) only if the tree mortality of the eligible orchardist or nursery tree grower, as a result of damaging weather or related condition, exceeds 15 percent (adjusted for normal mortality).

(3) ASSISTANCE.—Subject to paragraph (4), the assistance provided by the Secretary to eligible orchardists and nursery tree growers for losses described in paragraph (2) shall consist of—

(A)(i) reimbursement of 65 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(ii) at the option of the Secretary, sufficient seedlings to reestablish a stand; and

(B) reimbursement of 50 percent of the cost of pruning, removal, and other costs incurred by an eligible orchardist or nursery tree grower to salvage existing trees or, in the case of tree mortality, to prepare the land to replant trees as a result of damage or tree mortality due to a natural disaster, as determined by the Secretary, in excess of 15 percent damage or mortality (adjusted for normal tree damage and mortality).

(4) LIMITATIONS ON ASSISTANCE.—

(A) DEFINITIONS OF LEGAL ENTITY AND PERSON.—In this paragraph, the terms "legal entity" and "person" have the meaning given those terms in section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)).

(B) AMOUNT.—The total amount of payments received, directly or indirectly, by a person or legal entity (excluding a joint venture or general partnership) under this subsection may not exceed $125,000 for any crop year, or an equivalent value in tree seedlings.

(C) ACRES.—The total quantity of acres planted to trees or tree seedlings for which a person or legal entity shall be entitled to receive payments under this subsection may not exceed 500 acres.

(f) PAYMENT LIMITATIONS.—

(1) DEFINITIONS OF LEGAL ENTITY AND PERSON.—In this subsection, the terms "legal entity" and "person" have the meaning given those terms in section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)).

(2) AMOUNT.—The total amount of disaster assistance payments received, directly or indirectly, by a person or legal entity (excluding a joint venture or general partnership) under this section (excluding payments received under subsection (e)) may not exceed $125,000 for any crop year.

(3) DIRECT ATTRIBUTION.—Subsections (e) and (f) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) or any successor provisions relating to direct attribution shall apply with respect to assistance provided under this section.

Subtitle F—Administration

SEC. 1601. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary of Agriculture shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this title.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, not later than 90 days after the date of enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this title and the amendments made by this title.

(2) PROCEDURE.—The promulgation of the regulations and administration of this title and the amendments made by this title and sections 11003 and 11016 of this Act shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act"); and

(C) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking.

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

(d) ADJUSTMENT AUTHORITY RELATED TO TRADE AGREEMENTS COMPLIANCE.—

(1) REQUIRED DETERMINATION; ADJUSTMENT.—If the Secretary determines that expenditures under this title that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)) will exceed the allowable levels for any applicable reporting period, the Secretary shall, to the maximum extent practicable, make adjustments in the amount of the expenditures during that period to ensure that the expenditures do not exceed the allowable levels.

(2) CONGRESSIONAL NOTIFICATION.—Before making any adjustment under paragraph (1), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the determination made under that paragraph and the extent of the adjustment to be made.

SEC. 1602. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2014 through 2018 crops of covered commodities (as defined in section 1104), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2018:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326 et seq.).

(2) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(3) Subtitle D of title III (7 U.S.C. 1379a et seq.).

(4) Title IV (7 U.S.C. 1401 et seq.).

(b) AGRICULTURAL ACT OF 1949.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 2013 through 2018 crops of covered commodities (as defined in section 1104), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act and through December 31, 2018:

(1) Section 101 (7 U.S.C. 1441).
(2) Section 103(a) (7 U.S.C. 1444(a)).
(3) Section 105 (7 U.S.C. 1444b).
(4) Section 107 (7 U.S.C. 1445a).
(5) Section 110 (7 U.S.C. 1445e).
(6) Section 112 (7 U.S.C. 1445g).
(7) Section 115 (7 U.S.C. 1445k).
(8) Section 201 (7 U.S.C. 1446).
(9) Title III (7 U.S.C. 1447 et seq.).
(10) Title IV (7 U.S.C. 1421 et seq.), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431).
(11) Title V (7 U.S.C. 1461 et seq.).
(12) Title VI (7 U.S.C. 1471 et seq.).

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330, 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 2014 through 2018.

SEC. 1603. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking subsections (b) and (c) and inserting the following:

"(b) LIMITATION ON PAYMENTS FOR COVERED COMMODITIES (OTHER THAN PEANUTS).—

"(1) IN GENERAL.—The total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year under section 1101(c) of the Federal Agriculture Reform and Risk Management Act of 2013 and subsections (b) and (c) of section 1107 of such Act (other than peanuts) may not exceed $125,000.

"(2) ADDITIONAL LIMITATION ON PAYMENTS RELATED TO UPLAND COTTON.—The total amount of direct payments received, directly or indirectly, by a person or legal entity (except a joint venture or a general partnership) for each of the 2014 and 2015 crop years under section 1101(c) of the Federal Agriculture Reform and Risk Management Act of 2013 may not exceed $40,000.

"(c) LIMITATION ON PAYMENTS FOR PEANUTS.—The total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year under subtitle A of title I of the Federal Agriculture Reform and Risk Management Act of 2013 for peanuts may not exceed $125,000.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1001(f) of the Food Security Act of 1985 (7 U.S.C. 1308(f)) is amended by striking "or title XII" each place it appears in paragraphs (5)(A) and (6)(A) and inserting ", title I of the Federal Agriculture Reform and Risk Management Act of 2013, or title XII".

(2) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended by inserting "title I of the Federal Agriculture Reform and Risk Management Act of 2013," after "2008,".

(c) APPLICATION.—The amendments made by this section shall apply beginning with the 2014 crop year.

SEC. 1604. ADJUSTED GROSS INCOME LIMITATION.

(a) LIMITATIONS AND COVERED BENEFITS.—Section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is amended—

(1) in the subsection heading, by striking "LIMITATIONS" and inserting "LIMITATIONS ON COMMODITY AND CONSERVATION PROGRAMS";

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

"(1) LIMITATION.—Notwithstanding any other provision of law, a person or legal entity shall not be eligible to receive any benefit described in paragraph (2) during a crop, fiscal, or program year, as appropriate, if the average adjusted gross income of the person or legal entity exceeds $950,000.

"(2) COVERED BENEFITS.—Paragraph (1) applies with respect to a payment or benefit under subtitle A, B, or E of title I, or title II of the Federal Agriculture Reform and Risk Management Act of 2013, title II of the Farm Security and Rural Investment Act of 2002, title II of the Food, Conservation, and Energy

Act of 2008, title XII of the Food Security Act of 1985, section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)), or section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).".

(b) ELIMINATION OF UNUSED DEFINITIONS.—Paragraph (1) of section 1001D(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(a)) is amended to read as follows:

"(1) AVERAGE ADJUSTED GROSS INCOME.—In this section, the term 'average adjusted gross income', with respect to a person or legal entity, means the average of the adjusted gross income or comparable measure of the person or legal entity over the 3 taxable years preceding the most immediately preceding complete taxable year, as determined by the Secretary.".

(c) INCOME DETERMINATION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(d) CONFORMING AMENDMENTS.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a) is amended—

(1) in subsection (a)(2)—

(A) by striking "subparagraph (A) or (B) of"; and

(B) by striking ", the average adjusted gross farm income, and the average adjusted gross nonfarm income";

(2) in subsection (a)(3), by striking ", average adjusted gross farm income, and average adjusted gross nonfarm income" both places it appears;

(3) in subsection (c) (as redesignated by subsection (c)(2) of this section)—

(A) in paragraph (1), by striking ", average adjusted gross farm income, and average adjusted gross nonfarm income" both places it appears; and

(B) in paragraph (2), by striking "paragraphs (1)(C) and (2)(B) of subsection (b)" and inserting "subsection (b)(2)"; and

(4) in subsection (d) (as redesignated by subsection (c)(2) of this section)—

(A) by striking "paragraphs (1)(C) and (2)(B) of subsection (b)" and inserting "subsection (b)(2)"; and

(B) by striking ", average adjusted gross farm income, or average adjusted gross nonfarm income".

(e) EFFECTIVE PERIOD.—Subsection (e) of section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a), as redesignated by subsection (c)(2) of this section, is amended by striking "2009 through 2012" and inserting "2014 through 2018".

(f) LIMITATION ON APPLICABILITY.—Section 1001(d) of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by inserting before the period at the end the following: "or title I of the Federal Agriculture Reform and Risk Management Act of 2013".

(g) TRANSITION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a), as in effect on the day before the date of the enactment of this Act, shall apply with respect to the 2013 crop, fiscal, or program year, as appropriate, for each program described in paragraphs (1)(C) and (2)(B) of subsection (b) of that section (as so in effect on that day).

SEC. 1605. GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 1621(d) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8792(d)) is amended by striking "2012" and inserting "2018".

SEC. 1606. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking "and title I of the Food, Conservation, and Energy Act of 2008" each place it appears and inserting "title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.), and title I of the Federal Agriculture Reform and Risk Management Act of 2013".

SEC. 1607. PREVENTION OF DECEASED INDIVIDUALS RECEIVING PAYMENTS UNDER FARM COMMODITY PROGRAMS.

(a) RECONCILIATION.—At least twice each year, the Secretary shall reconcile social security numbers of all individuals who receive payments under this title, whether directly or indirectly, with the Commissioner of Social Security to determined if the individuals are alive.

(b) PRECLUSION.—The Secretary shall preclude the issuance of payments to, and on behalf of, deceased individuals that were not eligible for payments.

SEC. 1608. TECHNICAL CORRECTIONS.

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

(b) ERRONEOUS CROSS REFERENCE.—

(1) AMENDMENT.—Section 1603(g) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1739) is amended in paragraphs (2) through (6) and the amendments made by those paragraphs by striking "1703(a)" each place it appears and inserting "1603(a)".

(2) EFFECTIVE DATE.—This subsection and the amendments made by this subsection take effect as if included in the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1651).

(c) CONTINUED APPLICABILITY OF APPROPRIATIONS GENERAL PROVISION.—Section 767 of division A of Public Law 108–7 (7 U.S.C. 7911 note; 117 Stat. 48) is amended—

(1) in subsection (a)—

(A) by striking "sections 1101 and 1102 of Public Law 107–171" and inserting "subtitle A of title I of the Federal Agriculture Reform and Risk Management Act of 2013"; and

(B) by striking "such section 1102" and inserting "such subtitle"; and

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

"(b) This section, as amended by section 1608(c) of the Federal Agriculture Reform and Risk Management Act of 2013, shall take effect beginning with the 2014 crop year.".

SEC. 1609. ASSIGNMENT OF PAYMENTS.

(a) IN GENERAL.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under this title.

(b) NOTICE.—The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 1610. TRACKING OF BENEFITS.

As soon as practicable after the date of enactment of this Act, the Secretary may track the benefits provided, directly or indirectly, to individuals and entities under titles I and II and the amendments made by those titles.

SEC. 1611. SIGNATURE AUTHORITY.

(a) IN GENERAL.—In carrying out this title and title II and amendments made by those titles, if the Secretary approves a document, the Secretary shall not subsequently determine the document is inadequate or invalid because of the lack of authority of any person signing the document on behalf of the applicant or any other individual, entity, general partnership, or joint venture, or the documents relied upon were determined inadequate or invalid, unless the person signing the program document knowingly and willfully falsified the evidence of signature authority or a signature.

(b) AFFIRMATION.—

(1) IN GENERAL.—Nothing in this section prohibits the Secretary from asking a proper party to affirm any document that otherwise would be considered approved under subsection (a).

(2) NO RETROACTIVE EFFECT.—A denial of benefits based on a lack of affirmation under paragraph (1) shall not be retroactive with respect to third-party producers who were not the subject of the erroneous representation of authority, if the third-party producers—

(A) relied on the prior approval by the Secretary of the documents in good faith; and

(B) substantively complied with all program requirements.

SEC. 1612. IMPLEMENTATION.

(a) STREAMLINING.—In implementing this title, the Secretary shall, to the maximum extent practicable—

(1) seek to reduce administrative burdens and costs to producers by streamlining and reducing paperwork, forms, and other administrative requirements;

(2) improve coordination, information sharing, and administrative work with the Risk Management Agency and the Natural Resources Conservation Service; and

(3) take advantage of new technologies to enhance efficiency and effectiveness of program delivery to producers.

(b) MAINTENANCE OF BASE ACRES AND PAYMENT YIELDS.—

(1) IN GENERAL.—The Secretary shall maintain through September 30, 2018, for each covered commodity and upland cotton, base acres and payment yields on a farm established under—

(A)(i) in the case of covered commodities and upland cotton, sections 1101 and 1102 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911, 7912); and

(ii) in the case of peanuts, section 1302 of that Act (7 U.S.C. 7952); and

(B)(i) in the case of covered commodities and upland cotton, sections 1101 and 1102 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711, 8712); and

(ii) in the case of peanuts, section 1302 of that Act (7 U.S.C. 8752).

(2) SPECIAL RULE FOR LONG GRAIN AND MEDIUM GRAIN RICE.—

(A) IN GENERAL.—The Secretary shall maintain separate base acres for long grain rice and medium grain rice.

(B) LIMITATION.—In carrying out this paragraph, the Secretary shall use the same total base acres and payment yields established with respect to rice under sections 1108 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8718), as in effect on the day before the date of enactment of this Act, subject to any adjustment under section 1105.

(c) IMPLEMENTATION.—The Secretary shall make available to the Farm Service Agency to carry out this title $100,000,000.

SEC. 1613. PROTECTION OF PRODUCER INFORMATION.

(a) PROHIBITION OF PUBLIC DISCLOSURE OF PROTECTED INFORMATION.—Except as provided in subsection (b), the Secretary, any officer or employee of the Department of Agriculture, any contractor or cooperator of the Department, and any officer or employee of another Federal agency shall not disclose—

(1) information submitted by a producer or owner of agricultural land to the Federal Government pursuant to title I or II of this Act; or

(2) other information provided by a producer or owner of agricultural land concerning the agricultural operation, farming or conservation practices, or the land itself in order to participate in programs of the Department of Agriculture or other Federal agencies.

(b) EXCEPTIONS.—Information described in subsection (a) may be disclosed if—

(1) the information is required to be made publicly available under any other provision of Federal law;

(2) the producer or owner of agricultural land who provided the information has lawfully publicly disclosed the information;

(3) the producer or owner of agricultural land who provided the information consents to the disclosure; or

(4) the information is disclosed to the Attorney General, to the extent necessary, to ensure compliance and law enforcement.

(c) NOTICE OF DISCLOSURE.—Any disclosure of information pursuant to an exception provided in subsection (b) shall be reported to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate within 24 hours after the disclosure.

(d) PRODUCER DEFINED.—In this section, the term "producer" has the meaning given that term in section 1104(14) of this Act.

TITLE II—CONSERVATION

Subtitle A—Conservation Reserve Program

SEC. 2001. EXTENSION AND ENROLLMENT REQUIREMENTS OF CONSERVATION RESERVE PROGRAM.

(a) EXTENSION.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended by striking "2012" and inserting "2018".

(b) ELIGIBLE LAND.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (1)(B), by striking "the date of enactment of the Food, Conservation, and Energy Act of 2008" and inserting "the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2013";

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

(3) by inserting before paragraph (4) the following new paragraph:

"(3) grasslands that—

"(A) contain forbs or shrubland (including improved rangeland and pastureland) for which grazing is the predominant use;

"(B) are located in an area historically dominated by grasslands; and

"(C) could provide habitat for animal and plant populations of significant ecological value if the land is retained in its current use or restored to a natural condition;";

(4) in paragraph (4)(C), by striking "filterstrips devoted to trees or shrubs" and inserting "filterstrips or riparian buffers devoted to trees, shrubs, or grasses"; and

(5) by striking paragraph (5) and inserting the following new paragraph:

"(5) the portion of land in a field not enrolled in the conservation reserve in a case in which—

"(A) more than 50 percent of the land in the field is enrolled as a buffer or filterstrip, or more than 75 percent of the land in the field is enrolled as a conservation practice other than as a buffer or filterstrip; and

"(B) the remainder of the field is—

"(i) infeasible to farm; and

"(ii) enrolled at regular rental rates.".

(c) PLANTING STATUS OF CERTAIN LAND.—Section 1231(c) of the Food Security Act of 1985 (16 U.S.C. 3831(c)) is amended by striking "if" and all that follows through the period at the end and inserting "if, during the crop year, the land was devoted to a conserving use.".

(d) ENROLLMENT.—Subsection (d) of section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended to read as follows:

"(d) ENROLLMENT.—

"(1) MAXIMUM ACREAGE ENROLLED.—The Secretary may maintain in the conservation reserve at any one time during—

"(A) fiscal year 2014, no more than 27,500,000 acres;

"(B) fiscal year 2015, no more than 26,000,000 acres;

"(C) fiscal year 2016, no more than 25,000,000 acres;

"(D) fiscal year 2017, no more than 24,000,000 acres; and

"(E) fiscal year 2018, no more than 24,000,000 acres.

"(2) GRASSLANDS.—

"(A) LIMITATION.—For purposes of applying the limitations in paragraph (1), no more than 2,000,000 acres of the land described in subsection (b)(3) may be enrolled in the program at any one time during the 2014 through 2018 fiscal years.

"(B) PRIORITY.—In enrolling acres under subparagraph (A), the Secretary may give priority to land with expiring conservation reserve program contracts.

"(C) METHOD OF ENROLLMENT.—In enrolling acres under subparagraph (A), the Secretary shall make the program available to owners or operators of eligible land on a continuous enrollment basis with one or more ranking periods.".

(e) DURATION OF CONTRACT.—Section 1231(e) of the Food Security Act of 1985 (16 U.S.C. 3831(e)) is amended by striking paragraphs (2) and (3) and inserting the following new paragraph:

"(2) SPECIAL RULE FOR CERTAIN LAND.—In the case of land devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors under a contract entered into under this subchapter, the owner or operator of the land may, within the limitations prescribed under paragraph (1), specify the duration of the contract.".

(f) CONSERVATION PRIORITY AREAS.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended—

(1) in paragraph (1), by striking "watershed areas of the Chesapeake Bay Region, the Great Lakes Region, the Long Island Sound Region, and other";

(2) in paragraph (2), by striking "WATERSHEDS.—Watersheds" and inserting "AREAS.—Areas"; and

(3) in paragraph (3), by striking "a watershed's designation—" and all that follows through the period at the end and inserting "an area's designation if the Secretary finds that the area no longer contains actual and significant adverse water quality or habitat impacts related to agricultural production activities.".

SEC. 2002. FARMABLE WETLAND PROGRAM.

(a) EXTENSION.—Section 1231B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3831b(a)(1)) is amended—

(1) by striking "2012" and inserting "2018"; and

(2) by striking "a program" and inserting "a farmable wetland program".

(b) ELIGIBLE ACREAGE.—Section 1231B(b)(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3831b(b)(1)(B)) is amended by striking "flow from a row crop agriculture drainage system" and inserting "surface and subsurface flow from row crop agricultural production".

(c) ACREAGE LIMITATION.—Section 1231B(c)(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3831b(c)(1)(B)) is amended by striking "1,000,000" and inserting "750,000".

(d) CLERICAL AMENDMENT.—The heading of section 1231B of the Food Security Act of 1985 (16 U.S.C. 3831b) is amended to read as follows: "**FARMABLE WETLAND PROGRAM**".

SEC. 2003. DUTIES OF OWNERS AND OPERATORS.

(a) LIMITATION ON HARVESTING, GRAZING, OR COMMERCIAL USE OF FORAGE.—Section 1232(a)(8) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(8)) is amended by striking "except that" and all that follows through the semicolon at the end of the paragraph and inserting "except as provided in subsection (b) or (c) of section 1233;".

(b) CONSERVATION PLAN REQUIREMENTS.—Subsection (b) of section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended to read as follows:

"(b) CONSERVATION PLANS.—The plan referred to in subsection (a)(1) shall set forth—

"(1) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and

"(2) the commercial use, if any, to be permitted on the land during the term.".

(c) RENTAL PAYMENT REDUCTION.—Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by striking subsection (d).

SEC. 2004. DUTIES OF THE SECRETARY.

Section 1233 of the Food Security Act of 1985 (16 U.S.C. 3833) is amended to read as follows:

"SEC. 1233. DUTIES OF THE SECRETARY.

"(a) COST-SHARE AND RENTAL PAYMENTS.—In return for a contract entered into by an owner or operator under the conservation reserve program, the Secretary shall—

"(1) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest; and

"(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in an amount necessary to compensate for—

"(A) the conversion of highly erodible cropland or other eligible lands normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use;

"(B) the retirement of any base history that the owner or operator agrees to retire permanently; and

"(C) the development and management of grasslands for multiple natural resource conservation benefits, including to soil, water, air, and wildlife.

"(b) SPECIFIED ACTIVITIES PERMITTED.—The Secretary shall permit certain activities or commercial uses of land that is subject to a contract under the conservation reserve program in a manner that is consistent with a plan approved by the Secretary, as follows:

"(1) Harvesting, grazing, or other commercial use of the forage in response to a drought or other emergency created by a natural disaster, without any reduction in the rental rate.

"(2) Consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during nesting seasons for birds in the area), and in exchange for a reduction of not less than 25 percent in the annual rental rate for the acres covered by the authorized activity—

"(A) managed harvesting and other commercial use (including the managed harvesting of biomass), except that in permitting managed harvesting, the Secretary, in coordination with the State technical committee—

"(i) shall develop appropriate vegetation management requirements; and

"(ii) shall identify periods during which managed harvesting may be conducted, such that the frequency is not more than once every three years;

"(B) routine grazing or prescribed grazing for the control of invasive species, except that in permitting such routine grazing or prescribed grazing, the Secretary, in coordination with the State technical committee—

"(i) shall develop appropriate vegetation management requirements and stocking rates for the land that are suitable for continued routine grazing; and

"(ii) shall identify the periods during which routine grazing may be conducted, such that the frequency is not more than once every two years, taking into consideration regional differences such as—

"(I) climate, soil type, and natural resources;

"(II) the number of years that should be required between routine grazing activities; and

"(III) how often during a year in which routine grazing is permitted that routine grazing should be allowed to occur; and

"(C) the installation of wind turbines and associated access, except that in permitting the installation of wind turbines, the Secretary shall determine the number and location of wind turbines that may be installed, taking into account—

"(i) the location, size, and other physical characteristics of the land;

"(ii) the extent to which the land contains wildlife and wildlife habitat; and

"(iii) the purposes of the conservation reserve program under this subchapter.

"(3) The intermittent and seasonal use of vegetative buffer practices incidental to agricultural production on lands adjacent to the buffer such that the permitted use does not destroy the permanent vegetative cover.

"(c) AUTHORIZED ACTIVITIES ON GRASSLANDS.—For eligible land described in section 1231(b)(3), the Secretary shall permit the following activities:

"(1) Common grazing practices, including maintenance and necessary cultural practices, on the land in a manner that is consistent with maintaining the viability of grassland, forb, and shrub species appropriate to that locality.

"(2) Haying, mowing, or harvesting for seed production, subject to appropriate restrictions during the nesting season for critical bird species in the area.

"(3) Fire presuppression, fire-related rehabilitation, and construction of fire breaks.

"(4) Grazing-related activities, such as fencing and livestock watering.

"(d) RESOURCE CONSERVING USE.—

"(1) IN GENERAL.—Beginning on the date that is 1 year before the date of termination of a contract under the program, the Secretary shall allow an owner or operator to make conservation and land improvements that facilitate maintaining protection of enrolled land after expiration of the contract.

"(2) CONSERVATION PLAN.—The Secretary shall require an owner or operator carrying out the activities described in paragraph (1) to develop and implement a conservation plan.

"(3) RE-ENROLLMENT PROHIBITED.—Land improved under paragraph (1) may not be re-enrolled in the conservation reserve program for 5 years after the date of termination of the contract.".

SEC. 2005. PAYMENTS.

(a) TREES, WINDBREAKS, SHELTERBELTS, AND WILDLIFE CORRIDORS.—Section 1234(b)(3)(A) of the Food Security Act of 1985 (16 U.S.C. 3834(b)(3)(A)) is amended—

(1) in clause (i), by inserting "and" after the semicolon;

(2) by striking clause (ii); and

(3) by redesignating clause (iii) as clause (ii).

(b) ANNUAL RENTAL PAYMENTS.—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is amended—

(1) in paragraph (1), by inserting "or other eligible lands" after "highly erodible cropland" both places it appears; and

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) METHODS OF DETERMINATION.—

"(A) IN GENERAL.—The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subchapter may be determined through—

"(i) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or

"(ii) such other means as the Secretary determines are appropriate.

"(B) GRASSLANDS.—In the case of eligible land described in section 1231(b)(3), the Secretary shall make annual payments in an amount that is not more than 75 percent of the grazing value of the land covered by the contract.".

(c) PAYMENT SCHEDULE.—Subsection (d) of section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended to read as follows:

"(d) PAYMENT SCHEDULE.—

"(1) IN GENERAL.—Except as otherwise provided in this section, payments under this subchapter shall be made in cash in such amount and on such time schedule as is agreed on and specified in the contract.

"(2) ADVANCE PAYMENT.—Payments under this subchapter may be made in advance of determination of performance.".

(d) PAYMENT LIMITATION.—Section 1234(f) of the Food Security Act of 1985 (16 U.S.C. 3834(f)) is amended—

(1) in paragraph (1), by striking ", including rental payments made in the form of in-kind commodities,";

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (2).

SEC. 2006. CONTRACT REQUIREMENTS.

(a) EARLY TERMINATION BY OWNER OR OPERATOR.—Section 1235(e) of the Food Security Act of 1985 (16 U.S.C. 3835(e)) is amended—

(1) in paragraph (1)(A)—

(A) by striking "The Secretary" and inserting "During fiscal year 2014, the Secretary"; and

(B) by striking "before January 1, 1995,";

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) Land devoted to hardwood trees.

"(D) Wildlife habitat, duck nesting habitat, pollinator habitat, upland bird habitat buffer, wildlife food plots, State acres for wildlife enhancement, shallow water areas for wildlife, and rare and declining habitat.

"(E) Farmable wetland and restored wetland.

"(F) Land that contains diversions, erosion control structures, flood control structures, contour grass strips, living snow fences, salinity reducing vegetation, cross wind trap strips, and sediment retention structures.

"(G) Land located within a federally-designated wellhead protection area.

"(H) Land that is covered by an easement under the conservation reserve program.

"(I) Land located within an average width, according to the applicable Natural Resources Conservation Service field office technical guide, of a perennial stream or permanent water body."; and

(3) in paragraph (3), by striking "60 days after the date on which the owner or operator submits the notice required under paragraph (1)(C)" and inserting "upon approval by the Secretary".

(b) TRANSITION OPTION FOR CERTAIN FARMERS OR RANCHERS.—Section 1235(f) of the Food Security Act of 1985 (16 U.S.C. 3835(f)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking "DUTIES" and all that follows through "a beginning farmer" and inserting "TRANSITION TO COVERED FARMER OR RANCHER.—In the case of a contract modification approved in order to facilitate the transfer of land subject to a contract from a retired farmer or rancher to a beginning farmer";

(B) in subparagraph (A)(i), by inserting ", including preparing to plant an agricultural crop" after "improvements";

(C) in subparagraph (D), by striking "the farmer or rancher" and inserting "the covered farmer or rancher"; and

(D) in subparagraph (E), by striking "section 1001A(b)(3)(B)" and inserting "section 1001"; and

(2) in paragraph (2), by striking "requirement of section 1231(h)(4)(B)" and inserting "option pursuant to section 1234(c)(2)(A)(ii)".

(c) FINAL YEAR CONTRACT.—Section 1235 of the Food Security Act of 1985 (16 U.S.C. 3835) is amended by adding at the end the following new subsections:

"(g) FINAL YEAR OF CONTRACT.—The Secretary shall not consider an owner or operator to be in violation of a term or condition of the conservation reserve contract if—

"(1) during the year prior to expiration of the contract, the land is enrolled in the conservation stewardship program; and

"(2) the activity required under the conservation stewardship program pursuant to such enrollment is consistent with this subchapter.

"(h) LAND ENROLLED IN AGRICULTURAL CONSERVATION EASEMENT PROGRAM.—The Secretary may terminate or modify a contract entered into under this subchapter if eligible land that is subject to such contract is transferred into the agricultural conservation easement program under subtitle H.".

SEC. 2007. CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.

Section 1235A of the Food Security Act of 1985 (16 U.S.C. 3835a) is repealed.

SEC. 2008. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this subtitle shall take effect on October 1, 2013, except the amendment made by section 2001(d), which shall take effect on the date of the enactment of this Act.

(b) EFFECT ON EXISTING CONTRACTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this subtitle shall not affect the validity or terms of any contract entered into

by the Secretary of Agriculture under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) UPDATING OF EXISTING CONTRACTS.—The Secretary shall permit an owner or operator of land subject to a contract entered into under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) before October 1, 2013, to update the contract to reflect the activities and uses of land under contract permitted under the terms and conditions of section 1233(b) of that Act (as amended by section 2004), as determined appropriate by the Secretary.

Subtitle B—Conservation Stewardship Program

SEC. 2101. CONSERVATION STEWARDSHIP PROGRAM.

(a) REVISION OF CURRENT PROGRAM.—Subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) is amended to read as follows:

"Subchapter B—Conservation Stewardship Program

"SEC. 1238D. DEFINITIONS.

"In this subchapter:

"(1) AGRICULTURAL OPERATION.—The term 'agricultural operation' means all eligible land, whether or not contiguous, that is—

"(A) under the effective control of a producer at the time the producer enters into a contract under the program; and

"(B) operated with equipment, labor, management, and production or cultivation practices that are substantially separate from other agricultural operations, as determined by the Secretary.

"(2) CONSERVATION ACTIVITIES.—

"(A) IN GENERAL.—The term 'conservation activities' means conservation systems, practices, or management measures.

"(B) INCLUSIONS.—The term 'conservation activities' includes—

"(i) structural measures, vegetative measures, and land management measures, including agriculture drainage management systems, as determined by the Secretary; and

"(ii) planning needed to address a priority resource concern.

"(3) CONSERVATION STEWARDSHIP PLAN.—The term 'conservation stewardship plan' means a plan that—

"(A) identifies and inventories priority resource concerns;

"(B) establishes benchmark data and conservation objectives;

"(C) describes conservation activities to be implemented, managed, or improved; and

"(D) includes a schedule and evaluation plan for the planning, installation, and management of the new and existing conservation activities.

"(4) ELIGIBLE LAND.—

"(A) IN GENERAL.—The term 'eligible land' means—

"(i) private or tribal land on which agricultural commodities, livestock, or forest-related products are produced; and

"(ii) lands associated with the land described in clause (i) on which priority resource concerns could be addressed through a contract under the program.

"(B) INCLUSIONS.—The term 'eligible land' includes—

"(i) cropland;

"(ii) grassland;

"(iii) rangeland;

"(iv) pasture land;

"(v) nonindustrial private forest land; and

"(vi) other agricultural areas (including cropped woodland, marshes, and agricultural land used or capable of being used for the production of livestock), as determined by the Secretary.

"(5) PRIORITY RESOURCE CONCERN.—The term 'priority resource concern' means a natural resource concern or problem, as determined by the Secretary, that—

"(A) is identified at the national, State, or local level as a priority for a particular area of a State;

"(B) represents a significant concern in a State or region; and

"(C) is likely to be addressed successfully through the implementation of conservation activities under this program.

"(6) PROGRAM.—The term 'program' means the conservation stewardship program established by this subchapter.

"(7) STEWARDSHIP THRESHOLD.—The term 'stewardship threshold' means the level of management required, as determined by the Secretary, to conserve and improve the quality and condition of a natural resource.

"SEC. 1238E. CONSERVATION STEWARDSHIP PROGRAM.

"(a) ESTABLISHMENT AND PURPOSE.—During each of fiscal years 2014 through 2018, the Secretary shall carry out a conservation stewardship program to encourage producers to address priority resource concerns in a comprehensive manner—

"(1) by undertaking additional conservation activities; and

"(2) by improving, maintaining, and managing existing conservation activities.

"(b) EXCLUSIONS.—

"(1) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.—Subject to paragraph (2), the following land (even if covered by the definition of eligible land) is not eligible for enrollment in the program:

"(A) Land enrolled in the conservation reserve program, unless—

"(i) the conservation reserve contract will expire at the end of the fiscal year in which the land is to be enrolled in the program; and

"(ii) conservation reserve program payments for land enrolled in the program cease before the first program payment is made to the applicant under this subchapter.

"(B) Land enrolled in a wetland easement through the agricultural conservation easement program.

"(C) Land enrolled in the conservation security program.

"(2) CONVERSION TO CROPLAND.—Eligible land used for crop production after October 1, 2013, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date shall not be the basis for any payment under the program, unless the land does not meet the requirement because—

"(A) the land had previously been enrolled in the conservation reserve program;

"(B) the land has been maintained using long-term crop rotation practices, as determined by the Secretary; or

"(C) the land is incidental land needed for efficient operation of the farm or ranch, as determined by the Secretary.

"SEC. 1238F. STEWARDSHIP CONTRACTS.

"(a) SUBMISSION OF CONTRACT OFFERS.—To be eligible to participate in the conservation stewardship program, a producer shall submit to the Secretary a contract offer for the agricultural operation that—

"(1) demonstrates to the satisfaction of the Secretary that the producer, at the time of the contract offer, meets or exceeds the stewardship threshold for at least 2 priority resource concerns; and

"(2) would, at a minimum, meet or exceed the stewardship threshold for at least 1 additional priority resource concern by the end of the stewardship contract by—

"(A) installing and adopting additional conservation activities; and

"(B) improving, maintaining, and managing existing conservation activities across the entire agricultural operation in a manner that increases or extends the conservation benefits in place at the time the contract offer is accepted by the Secretary.

"(b) EVALUATION OF CONTRACT OFFERS.—

"(1) RANKING OF APPLICATIONS.—In evaluating contract offers submitted under subsection (a), the Secretary shall rank applications based on—

"(A) the level of conservation treatment on all applicable priority resource concerns at the time of application;

"(B) the degree to which the proposed conservation activities effectively increase conservation performance;

"(C) the number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract;

"(D) the extent to which other priority resource concerns will be addressed to meet or exceed the stewardship threshold by the end of the contract period;

"(E) the extent to which the actual and anticipated conservation benefits from the contract are provided at the least cost relative to other similarly beneficial contract offers; and

"(F) the extent to which priority resource concerns will be addressed when transitioning from the conservation reserve program to agricultural production.

"(2) PROHIBITION.—The Secretary may not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be eligible to receive.

"(3) ADDITIONAL CRITERIA.—The Secretary may develop and use such additional criteria that the Secretary determines are necessary to ensure that national, State, and local priority resource concerns are effectively addressed.

"(c) ENTERING INTO CONTRACTS.—After a determination that a producer is eligible for the program under subsection (a), and a determination that the contract offer ranks sufficiently high under the evaluation criteria under subsection (b), the Secretary shall enter into a conservation stewardship contract with the producer to enroll the eligible land to be covered by the contract.

"(d) CONTRACT PROVISIONS.—

"(1) TERM.—A conservation stewardship contract shall be for a term of 5 years.

"(2) REQUIRED PROVISIONS.—The conservation stewardship contract of a producer shall—

"(A) state the amount of the payment the Secretary agrees to make to the producer for each year of the conservation stewardship contract under section 1238G(d);

"(B) require the producer—

"(i) to implement a conservation stewardship plan that describes the program purposes to be achieved through 1 or more conservation activities;

"(ii) to maintain and supply information as required by the Secretary to determine compliance with the conservation stewardship plan and any other requirements of the program; and

"(iii) not to conduct any activities on the agricultural operation that would tend to defeat the purposes of the program;

"(C) permit all economic uses of the eligible land that—

"(i) maintain the agricultural nature of the land; and

"(ii) are consistent with the conservation purposes of the conservation stewardship contract;

"(D) include a provision to ensure that a producer shall not be considered in violation of the contract for failure to comply with the contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary;

"(E) include provisions requiring that upon the violation of a term or condition of the contract at any time the producer has control of the land—

"(i) if the Secretary determines that the violation warrants termination of the contract—

"(I) the producer shall forfeit all rights to receive payments under the contract; and

"(II) the producer shall refund all or a portion of the payments received by the producer under the contract, including any interest on the payments, as determined by the Secretary; or

"(ii) if the Secretary determines that the violation does not warrant termination of the contract, the producer shall refund or accept adjustments to the payments provided to the producer, as the Secretary determines to be appropriate;

"(F) include provisions in accordance with paragraphs (3) and (4) of this section; and

"(G) include any additional provisions the Secretary determines are necessary to carry out the program.

"(3) CHANGE OF INTEREST IN LAND SUBJECT TO A CONTRACT.—

"(A) IN GENERAL.—At the time of application, a producer shall have control of the eligible land to be enrolled in the program. Except as provided in subparagraph (B), a change in the interest of a producer in eligible land covered by a contract under the program shall result in the termination of the contract with regard to that land.

"(B) TRANSFER OF DUTIES AND RIGHTS.—Subparagraph (A) shall not apply if—

"(i) within a reasonable period of time (as determined by the Secretary) after the date of the change in the interest in eligible land covered by a contract under the program, the transferee of the land provides written notice to the Secretary that all duties and rights under

the contract have been transferred to, and assumed by, the transferee for the portion of the land transferred;

"(ii) the transferee meets the eligibility requirements of the program; and

"(iii) the Secretary approves the transfer of all duties and rights under the contract.

"(4) MODIFICATION AND TERMINATION OF CONTRACTS.—

"(A) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract with a producer if—

"(i) the producer agrees to the modification or termination; and

"(ii) the Secretary determines that the modification or termination is in the public interest.

"(B) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract if the Secretary determines that the producer violated the contract.

"(5) REPAYMENT.—If a contract is terminated, the Secretary may, consistent with the purposes of the program—

"(A) allow the producer to retain payments already received under the contract; or

"(B) require repayment, in whole or in part, of payments received and assess liquidated damages.

"(e) CONTRACT RENEWAL.—At the end of the initial 5-year contract period, the Secretary may allow the producer to renew the contract for 1 additional 5-year period if the producer—

"(1) demonstrates compliance with the terms of the initial contract;

"(2) agrees to adopt and continue to integrate conservation activities across the entire agricultural operation, as determined by the Secretary; and

"(3) agrees, by the end of the contract period—

"(A) to meet the stewardship threshold of at least two additional priority resource concerns on the agricultural operation; or

"(B) to exceed the stewardship threshold of two existing priority resource concerns that are specified by the Secretary in the initial contract.

"SEC. 1238G. DUTIES OF THE SECRETARY.

"(a) IN GENERAL.—To achieve the conservation goals of a contract under the conservation stewardship program, the Secretary shall—

"(1) make the program available to eligible producers on a continuous enrollment basis with 1 or more ranking periods, one of which shall occur in the first quarter of each fiscal year;

"(2) identify not less than 5 priority resource concerns in a particular watershed or other appropriate region or area within a State; and

"(3) establish a science-based stewardship threshold for each priority resource concern identified under paragraph (2).

"(b) ALLOCATION TO STATES.—The Secretary shall allocate acres to States for enrollment, based—

"(1) primarily on each State's proportion of eligible land to the total acreage of eligible land in all States; and

"(2) also on consideration of—

"(A) the extent and magnitude of the conservation needs associated with agricultural production in each State;

"(B) the degree to which implementation of the program in the State is, or will be, effective in helping producers address those needs; and

"(C) other considerations to achieve equitable geographic distribution of funds, as determined by the Secretary.

"(c) ACREAGE ENROLLMENT LIMITATION.—During the period beginning on October 1, 2013, and ending on September 30, 2021, the Secretary shall, to the maximum extent practicable—

"(1) enroll in the program an additional 8,695,000 acres for each fiscal year; and

"(2) manage the program to achieve a national average rate of $18 per acre, which shall include the costs of all financial assistance, technical assistance, and any other expenses associated with enrollment or participation in the program.

"(d) CONSERVATION STEWARDSHIP PAYMENTS.—

"(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide annual payments under the program to compensate the producer for—

"(A) installing and adopting additional conservation activities; and

"(B) improving, maintaining, and managing conservation activities in place at the agricultural operation of the producer at the time the contract offer is accepted by the Secretary.

"(2) PAYMENT AMOUNT.—The amount of the conservation stewardship annual payment shall be determined by the Secretary and based, to the maximum extent practicable, on the following factors:

"(A) Costs incurred by the producer associated with planning, design, materials, installation, labor, management, maintenance, or training.

"(B) Income forgone by the producer.

"(C) Expected conservation benefits.

"(D) The extent to which priority resource concerns will be addressed through the installation and adoption of conservation activities on the agricultural operation.

"(E) The level of stewardship in place at the time of application and maintained over the term of the contract.

"(F) The degree to which the conservation activities will be integrated across the entire agricultural operation for all applicable priority resource concerns over the term of the contract.

"(G) Such other factors as determined appropriate by the Secretary.

"(3) EXCLUSIONS.—A payment to a producer under this subsection shall not be provided for—

"(A) the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or

"(B) conservation activities for which there is no cost incurred or income forgone to the producer.

"(4) DELIVERY OF PAYMENTS.—In making payments under this subsection, the Secretary shall, to the extent practicable—

"(A) prorate conservation performance over the term of the contract so as to accommodate, to the extent practicable, producers earning equal annual payments in each fiscal year; and

"(B) make payments as soon as practicable after October 1 of each fiscal year for activities carried out in the previous fiscal year.

"(e) SUPPLEMENTAL PAYMENTS FOR RESOURCE-CONSERVING CROP ROTATIONS.—

"(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide additional payments to producers that, in participating in the program, agree to adopt or improve resource-conserving crop rotations to achieve beneficial crop rotations as appropriate for the eligible land of the producers.

"(2) BENEFICIAL CROP ROTATIONS.—The Secretary shall determine whether a resource-conserving crop rotation is a beneficial crop rotation eligible for additional payments under paragraph (1) based on whether the resource-conserving crop rotation is designed to provide natural resource conservation and production benefits.

"(3) ELIGIBILITY.—To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain beneficial resource-conserving crop rotations for the term of the contract.

"(4) RESOURCE-CONSERVING CROP ROTATION.—In this subsection, the term 'resource-conserving crop rotation' means a crop rotation that—

"(A) includes at least 1 resource conserving crop (as defined by the Secretary);

"(B) reduces erosion;

"(C) improves soil fertility and tilth;

"(D) interrupts pest cycles; and

"(E) in applicable areas, reduces depletion of soil moisture or otherwise reduces the need for irrigation.

"(f) PAYMENT LIMITATIONS.—A person or legal entity may not receive, directly or indirectly, payments under the program that, in the aggregate, exceed $200,000 under all contracts entered into during fiscal years 2014 through 2018, excluding funding arrangements with Indian tribes, regardless of the number of contracts entered into under the program by the person or legal entity.

"(g) SPECIALTY CROP AND ORGANIC PRODUCERS.—The Secretary shall ensure that outreach and technical assistance are available, and program specifications are appropriate to enable specialty crop and organic producers to participate in the program.

"(h) COORDINATION WITH ORGANIC CERTIFICATION.—The Secretary shall establish a transparent means by which producers may initiate organic certification under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) while participating in a contract under the program.

"(i) REGULATIONS.—The Secretary shall promulgate regulations that—

"(1) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (f); and

"(2) otherwise enable the Secretary to carry out the program.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

(c) EFFECT ON EXISTING CONTRACTS.—

(1) IN GENERAL.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) CONSERVATION STEWARDSHIP PROGRAM.—Funds made available under section 1241(a)(4) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(4)) (as amended by section 2601(a) of this title) may be used to administer and make payments to program participants that enrolled into contracts during any of fiscal years 2009 through 2013.

Subtitle C—Environmental Quality Incentives Program

SEC. 2201. PURPOSES.

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

(1) in paragraph (3)—

(A) in subparagraph (A), by striking "and" at the end;

(B) by redesignating subparagraph (B) as subparagraph (C) and, in such subparagraph, by inserting "and" after the semicolon; and

(C) by inserting after subparagraph (A) the following new subparagraph: "(B) developing and improving wildlife habitat; and";

(2) in paragraph (4), by striking "; and" and inserting a period; and

(3) by striking paragraph (5).

SEC. 2202. ESTABLISHMENT AND ADMINISTRATION.

Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa–2) is amended—

(1) in subsection (a), by striking "2014" and inserting "2018";

(2) in subsection (b), by striking paragraph (2) and inserting the following new paragraph:

"(2) TERM.—A contract under the program shall have a term that does not exceed 10 years.";

(3) in subsection (d)(4)—

(A) in subparagraph (A), in the matter preceding clause (i), by inserting ", veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))),'' before "or a beginning farmer or rancher"; and

(B) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) ADVANCE PAYMENTS.—

"(i) IN GENERAL.—Not more than 50 percent of the amount determined under subparagraph (A) may be provided in advance for the purpose of purchasing materials or contracting.

"(ii) RETURN OF FUNDS.—If funds provided in advance are not expended during the 90-day period beginning on the date of receipt of the funds, the funds shall be returned within a reasonable time frame, as determined by the Secretary.";

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

"(f) ALLOCATION OF FUNDING.—

"(1) LIVESTOCK.—For each of fiscal years 2014 through 2018, at least 60 percent of the funds made available for payments under the program shall be targeted at practices relating to livestock production.

"(2) WILDLIFE HABITAT.—For each of fiscal years 2014 through 2018, 5 percent of the funds made available for payments under the program shall be targeted at practices benefitting wildlife habitat.";

(5) in subsection (g)—

(A) in the subsection heading, by striking "FEDERALLY RECOGNIZED NATIVE AMERICAN INDIAN TRIBES AND ALASKA NATIVE CORPORATIONS" and inserting "INDIAN TRIBES";

(B) by striking "federally recognized Native American Indian Tribes and Alaska Native Corporations (including their affiliated membership organizations)" and inserting "Indian tribes"; and

(C) by striking "or Native Corporation"; and

(6) by adding at the end the following:

"(j) WILDLIFE HABITAT INCENTIVE PRACTICE.—The Secretary shall provide payments to producers under the program for practices, including recurring practices for the term of the contract, that support the restoration, development, protection, and improvement of wildlife habitat on eligible land, including—

"(1) upland wildlife habitat;

"(2) wetland wildlife habitat;

"(3) habitat for threatened and endangered species;

"(4) fish habitat;

"(5) habitat on pivot corners and other irregular areas of a field; and

"(6) other types of wildlife habitat, as determined appropriate by the Secretary.".

SEC. 2203. EVALUATION OF APPLICATIONS.

Section 1240C(b) of the Food Security Act of 1985 (16 U.S.C. 3839aa–3(b)) is amended—

(1) in paragraph (1), by striking "environmental" and inserting "conservation"; and

(2) in paragraph (3), by striking "purpose of the environmental quality incentives program specified in section 1240(1)" and inserting "purposes of the program".

SEC. 2204. DUTIES OF PRODUCERS.

Section 1240D(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa–4(2)) is amended by striking "farm, ranch, or forest" and inserting "enrolled".

SEC. 2205. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended to read as follows:

"SEC. 1240G. LIMITATION ON PAYMENTS.

"A person or legal entity may not receive, directly or indirectly, cost share or incentive payments under this chapter that, in aggregate, exceed $450,000 for all contracts entered into under this chapter by the person or legal entity during the period of fiscal years 2014 through 2018, regardless of the number of contracts entered into under this chapter by the person or legal entity.".

SEC. 2206. CONSERVATION INNOVATION GRANTS AND PAYMENTS.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended—

(1) in subsection (a)(2)—

(A) in subparagraph (C), by striking "; and" and inserting a semicolon;

(B) in subparagraph (D), by striking the period and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

"(E) facilitate on-farm conservation research and demonstration activities; and

"(F) facilitate pilot testing of new technologies or innovative conservation practices."; and

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

"(b) REPORTING.—Not later than December 31, 2014, and every two years thereafter, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report on the status of projects funded under this section, including—

"(1) funding awarded;

"(2) project results; and

"(3) incorporation of project findings, such as new technology and innovative approaches, into the conservation efforts implemented by the Secretary.".

SEC. 2207. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this subtitle shall take effect on October 1, 2013.

(b) EFFECT ON EXISTING CONTRACTS.—The amendments made by this subtitle shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) before October 1, 2013, or any payments required to be made in connection with the contract.

Subtitle D—Agricultural Conservation Easement Program

SEC. 2301. AGRICULTURAL CONSERVATION EASEMENT PROGRAM.

(a) ESTABLISHMENT.—Title XII of the Food Security Act of 1985 is amended by adding at the end the following new subtitle:

"Subtitle H—Agricultural Conservation Easement Program

"SEC. 1265. ESTABLISHMENT AND PURPOSES.

"(a) ESTABLISHMENT.—The Secretary shall establish an agricultural conservation easement program for the conservation of eligible land and natural resources through easements or other interests in land.

"(b) PURPOSES.—The purposes of the program are to—

"(1) combine the purposes and coordinate the functions of the wetlands reserve program established under section 1237, the grassland reserve program established under section 1238N, and the farmland protection program established under section 1238I, as such sections were in effect on September 30, 2013;

"(2) restore, protect, and enhance wetlands on eligible land;

"(3) protect the agricultural use and related conservation values of eligible land by limiting nonagricultural uses of that land; and

"(4) protect grazing uses and related conservation values by restoring and conserving eligible land.

"SEC. 1265A. DEFINITIONS.

"In this subtitle:

"(1) AGRICULTURAL LAND EASEMENT.—The term 'agricultural land easement' means an easement or other interest in eligible land that—

"(A) is conveyed for the purpose of protecting natural resources and the agricultural nature of the land; and

"(B) permits the landowner the right to continue agricultural production and related uses subject to an agricultural land easement plan, as approved by the Secretary.

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) an agency of State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law); or

"(B) an organization that is—

"(i) organized for, and at all times since the formation of the organization has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

"(ii) an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code; or

"(iii) described in—

"(I) paragraph (1) or (2) of section 509(a) of that Code; or

"(II) section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.

"(3) ELIGIBLE LAND.—The term 'eligible land' means private or tribal land that is—

"(A) in the case of an agricultural land easement, agricultural land, including land on a farm or ranch—

"(i) that is subject to a pending offer for purchase of an agricultural land easement from an eligible entity;

"(ii) that—

"(I) has prime, unique, or other productive soil;

"(II) contains historical or archaeological resources; or

"(III) the protection of which will further a State or local policy consistent with the purposes of the program; and

"(iii) that is—

"(I) cropland;

"(II) rangeland;

"(III) grassland or land that contains forbs, or shrubland for which grazing is the predominate use;

"(IV) pastureland; or

"(V) nonindustrial private forest land that contributes to the economic viability of an offered parcel or serves as a buffer to protect such land from development;

"(B) in the case of a wetland easement, a wetland or related area, including—

"(i) farmed or converted wetlands, together with adjacent land that is functionally dependent on that land, if the Secretary determines it—

"(I) is likely to be successfully restored in a cost effective manner; and

"(II) will maximize the wildlife benefits and wetland functions and values, as determined by the Secretary in consultation with the Secretary of the Interior at the local level;

"(ii) cropland or grassland that was used for agricultural production prior to flooding from the natural overflow of—

"(I) a closed basin lake and adjacent land that is functionally dependent upon it, if the State or other entity is willing to provide 50 percent share of the cost of an easement;

"(II) a pothole and adjacent land that is functionally dependent on it;

"(iii) farmed wetlands and adjoining lands that—

"(I) are enrolled in the conservation reserve program;

"(II) have the highest wetland functions and values, as determined by the Secretary; and

"(III) are likely to return to production after they leave the conservation reserve program;

"(iv) riparian areas that link wetlands that are protected by easements or some other device that achieves the same purpose as an easement; or

"(v) other wetlands of an owner that would not otherwise be eligible, if the Secretary determines that the inclusion of such wetlands in a wetland easement would significantly add to the functional value of the easement; or

"(C) in the case of either an agricultural land easement or wetland easement, other land that is incidental to land described in subparagraph (A) or (B), if the Secretary determines that it is necessary for the efficient administration of the easements under this program.

"(4) PROGRAM.—The term 'program' means the agricultural conservation easement program established by this subtitle.

"(5) WETLAND EASEMENT.—The term 'wetland easement' means a reserved interest in eligible land that—

"(A) is defined and delineated in a deed; and

"(B) stipulates—

"(i) the rights, title, and interests in land conveyed to the Secretary; and

"(ii) the rights, title, and interests in land that are reserved to the landowner.

"SEC. 1265B. AGRICULTURAL LAND EASEMENTS.

"(a) AVAILABILITY OF ASSISTANCE.—The Secretary shall facilitate and provide funding for—

"(1) the purchase by eligible entities of agricultural land easements and other interests in eligible land; and

"(2) technical assistance to provide for the conservation of natural resources pursuant to an agricultural land easement plan.

"(b) COST-SHARE ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall protect the agricultural use, including grazing, and related conservation values of eligible land through cost-share assistance to eligible entities for purchasing agricultural land easements.

"(2) SCOPE OF ASSISTANCE AVAILABLE.—

"(A) FEDERAL SHARE.—An agreement described in paragraph (4) shall provide for a Federal share determined by the Secretary of an amount not to exceed 50 percent of the fair market value of the agricultural land easement or other interest in land, as determined by the Secretary using—

"(i) the Uniform Standards of Professional Appraisal Practice;

"(ii) an area-wide market analysis or survey; or

"(iii) another industry-approved method.

"(B) NON-FEDERAL SHARE.—

"(i) IN GENERAL.—Under the agreement, the eligible entity shall provide a share that is at least equivalent to that provided by the Secretary.

"(ii) SOURCE OF CONTRIBUTION.—An eligible entity may include as part of its share a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986) from the private landowner if the eligible entity contributes its own cash resources in an amount that is at least 50 percent of the amount contributed by the Secretary.

"(C) EXCEPTION.—In the case of grassland of special environmental significance, as determined by the Secretary, the Secretary may provide an amount not to exceed 75 percent of the fair market value of the agricultural land easement.

"(3) EVALUATION AND RANKING OF APPLICATIONS.—

"(A) CRITERIA.—The Secretary shall establish evaluation and ranking criteria to maximize the benefit of Federal investment under the program.

"(B) CONSIDERATIONS.—In establishing the criteria, the Secretary shall emphasize support for—

"(i) protecting agricultural uses and related conservation values of the land; and

"(ii) maximizing the protection of areas devoted to agricultural use.

"(C) BIDDING DOWN.—If the Secretary determines that 2 or more applications for cost-share assistance are comparable in achieving the purpose of the program, the Secretary shall not assign a higher priority to any of those applications solely on the basis of lesser cost to the program.

"(4) AGREEMENTS WITH ELIGIBLE ENTITIES.—

"(A) IN GENERAL.—The Secretary shall enter into agreements with eligible entities to stipulate the terms and conditions under which the eligible entity is permitted to use cost-share assistance provided under this section.

"(B) LENGTH OF AGREEMENTS.—An agreement shall be for a term that is—

"(i) in the case of an eligible entity certified under the process described in paragraph (5), a minimum of five years; and

"(ii) for all other eligible entities, at least three, but not more than five years.

"(C) MINIMUM TERMS AND CONDITIONS.—An eligible entity shall be authorized to use its own terms and conditions for agricultural land easements so long as the Secretary determines such terms and conditions—

"(i) are consistent with the purposes of the program;

"(ii) permit effective enforcement of the conservation purposes of such easements;

"(iii) include a right of enforcement for the Secretary, that may be used only if the terms of the easement are not enforced by the holder of the easement;

"(iv) subject the land in which an interest is purchased to an agricultural land easement plan that—

"(I) describes the activities which promote the long-term viability of the land to meet the purposes for which the easement was acquired;

"(II) requires the management of grasslands according to a grasslands management plan; and

"(III) includes a conservation plan, where appropriate, and requires, at the option of the Secretary, the conversion of highly erodible cropland to less intensive uses; and

"(v) include a limit on the impervious surfaces to be allowed that is consistent with the agricultural activities to be conducted.

"(D) SUBSTITUTION OF QUALIFIED PROJECTS.—An agreement shall allow, upon mutual agreement of the parties, substitution of qualified projects that are identified at the time of the proposed substitution.

"(E) EFFECT OF VIOLATION.—If a violation occurs of a term or condition of an agreement under this subsection—

"(i) the Secretary may terminate the agreement; and

"(ii) the Secretary may require the eligible entity to refund all or part of any payments received by the entity under the program, with interest on the payments as determined appropriate by the Secretary.

"(5) CERTIFICATION OF ELIGIBLE ENTITIES.—

"(A) CERTIFICATION PROCESS.—The Secretary shall establish a process under which the Secretary may—

"(i) directly certify eligible entities that meet established criteria;

"(ii) enter into long-term agreements with certified eligible entities; and

"(iii) accept proposals for cost-share assistance for the purchase of agricultural land easements throughout the duration of such agreements.

"(B) CERTIFICATION CRITERIA.—In order to be certified, an eligible entity shall demonstrate to the Secretary that the entity will maintain, at a minimum, for the duration of the agreement—

"(i) a plan for administering easements that is consistent with the purpose of this subtitle;

"(ii) the capacity and resources to monitor and enforce agricultural land easements; and

"(iii) policies and procedures to ensure—

"(I) the long-term integrity of agricultural land easements on eligible land;

"(II) timely completion of acquisitions of such easements; and

"(III) timely and complete evaluation and reporting to the Secretary on the use of funds provided under the program.

"(C) REVIEW AND REVISION.—

"(i) REVIEW.—The Secretary shall conduct a review of eligible entities certified under subparagraph (A) every three years to ensure that such entities are meeting the criteria established under subparagraph (B).

"(ii) REVOCATION.—If the Secretary finds that the certified eligible entity no longer meets the criteria established under subparagraph (B), the Secretary may—

"(I) allow the certified eligible entity a specified period of time, at a minimum 180 days, in which to take such actions as may be necessary to meet the criteria; and

"(II) revoke the certification of the eligible entity, if after the specified period of time, the certified eligible entity does not meet such criteria.

"(c) METHOD OF ENROLLMENT.—The Secretary shall enroll eligible land under this section through the use of—

"(1) permanent easements; or

"(2) easements for the maximum duration allowed under applicable State laws.

"(d) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance, if requested, to assist in—

"(1) compliance with the terms and conditions of easements; and

"(2) implementation of an agricultural land easement plan.

"SEC. 1265C. WETLAND EASEMENTS.

"(a) AVAILABILITY OF ASSISTANCE.—The Secretary shall provide assistance to owners of eligible land to restore, protect, and enhance wetlands through—

"(1) wetland easements and related wetland easement plans; and

"(2) technical assistance.

"(b) EASEMENTS.—

"(1) METHOD OF ENROLLMENT.—The Secretary shall enroll eligible land under this section through the use of—

"(A) 30-year easements;

"(B) permanent easements;

"(C) easements for the maximum duration allowed under applicable State laws; or

"(D) as an option for Indian tribes only, 30-year contracts (which shall be considered to be 30-year easements for the purposes of this subtitle).

"(2) LIMITATIONS.—

"(A) INELIGIBLE LAND.—The Secretary may not acquire easements on—

"(i) land established to trees under the conservation reserve program, except in cases where the Secretary determines it would further the purposes of the program; and

"(ii) farmed wetlands or converted wetlands where the conversion was not commenced prior to December 23, 1985.

"(B) CHANGES IN OWNERSHIP.—No wetland easement shall be created on land that has changed ownership during the preceding 24-month period unless—

"(i) the new ownership was acquired by will or succession as a result of the death of the previous owner;

"(ii)(I) the ownership change occurred because of foreclosure on the land; and

"(II) immediately before the foreclosure, the owner of the land exercises a right of redemption from the mortgage holder in accordance with State law; or

"(iii) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program.

"(3) EVALUATION AND RANKING OF OFFERS.—

"(A) CRITERIA.—The Secretary shall establish evaluation and ranking criteria to maximize the benefit of Federal investment under the program.

"(B) CONSIDERATIONS.—When evaluating offers from landowners, the Secretary may consider—

"(i) the conservation benefits of obtaining a wetland easement, including the potential environmental benefits if the land was removed from agricultural production;

"(ii) the cost-effectiveness of each wetland easement, so as to maximize the environmental benefits per dollar expended;

"(iii) whether the landowner or another person is offering to contribute financially to the cost of the wetland easement to leverage Federal funds; and

"(iv) such other factors as the Secretary determines are necessary to carry out the purposes of the program.

"(C) PRIORITY.—The Secretary shall place priority on acquiring wetland easements based on the value of the wetland easement for protecting and enhancing habitat for migratory birds and other wildlife.

"(4) AGREEMENT.—To be eligible to place eligible land into the program through a wetland easement, the owner of such land shall enter into an agreement with the Secretary to—

"(A) grant an easement on such land to the Secretary;

"(B) authorize the implementation of a wetland easement plan developed for the eligible land under subsection (f);

"(C) create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to;

"(D) provide a written statement of consent to such easement signed by those holding a security interest in the land;

"(E) comply with the terms and conditions of the easement and any related agreements; and

"(F) permanently retire any existing base history for the land on which the easement has been obtained.

"(5) TERMS AND CONDITIONS OF EASEMENT.—

"(A) IN GENERAL.—A wetland easement shall include terms and conditions that—

"(i) permit—

"(I) repairs, improvements, and inspections on the land that are necessary to maintain existing public drainage systems; and

"(II) owners to control public access on the easement areas while identifying access routes to be used for restoration activities and management and easement monitoring;

"(ii) prohibit—

"(I) the alteration of wildlife habitat and other natural features of such land, unless specifically authorized by the Secretary;

"(II) the spraying of such land with chemicals or the mowing of such land, except where such spraying or mowing is authorized by the Secretary or is necessary—

"(aa) to comply with Federal or State noxious weed control laws;

"(bb) to comply with a Federal or State emergency pest treatment program; or

"(cc) to meet habitat needs of specific wildlife species;

"(III) any activities to be carried out on the owner's or successor's land that is immediately adjacent to, and functionally related to, the land that is subject to the easement if such activities will alter, degrade, or otherwise diminish the functional value of the eligible land; and

"(IV) the adoption of any other practice that would tend to defeat the purposes of the program, as determined by the Secretary;

"(iii) provide for the efficient and effective establishment of wildlife functions and values; and

"(iv) include such additional provisions as the Secretary determines are desirable to carry out the program or facilitate the practical administration thereof.

"(B) VIOLATION.—On the violation of the terms or conditions of a wetland easement, the wetland easement shall remain in force and the Secretary may require the owner to refund all or part of any payments received by the owner under the program, together with interest thereon as determined appropriate by the Secretary.

"(C) COMPATIBLE USES.—Land subject to a wetland easement may be used for compatible economic uses, including such activities as hunting and fishing, managed timber harvest, or periodic haying or grazing, if such use is specifically permitted by the wetland easement plan developed for the land under subsection (f) and is consistent with the long-term protection and enhancement of the wetland resources for which the easement was established.

"(D) RESERVATION OF GRAZING RIGHTS.—The Secretary may include in the terms and conditions of a wetland easement a provision under which the owner reserves grazing rights if—

"(i) the Secretary determines that the reservation and use of the grazing rights—

"(I) is compatible with the land subject to the easement;

"(II) is consistent with the historical natural uses of the land and the long-term protection and enhancement goals for which the easement was established; and

"(III) complies with the wetland easement plan developed for the land under subsection (f); and

"(ii) the agreement provides for a commensurate reduction in the easement payment to account for the grazing value, as determined by the Secretary.

"(6) COMPENSATION.—

"(A) DETERMINATION.—

"(i) PERMANENT EASEMENTS.—The Secretary shall pay as compensation for a permanent wetland easement acquired under the program an amount necessary to encourage enrollment in the program, based on the lowest of—

"(I) the fair market value of the land, as determined by the Secretary, using the Uniform Standards of Professional Appraisal Practice or an area-wide market analysis or survey;

"(II) the amount corresponding to a geographical cap, as determined by the Secretary in regulations; or

"(III) the offer made by the landowner.

"(ii) 30-YEAR EASEMENTS.—Compensation for a 30-year wetland easement shall be not less than 50 percent, but not more than 75 percent, of the compensation that would be paid for a permanent wetland easement.

"(B) FORM OF PAYMENT.—Compensation for a wetland easement shall be provided by the Secretary in the form of a cash payment, in an amount determined under subparagraph (A).

"(C) PAYMENT SCHEDULE.—

"(i) EASEMENTS VALUED AT $500,000 OR LESS.—For wetland easements valued at $500,000 or less, the Secretary may provide easement payments in not more than 10 annual payments.

"(ii) EASEMENTS VALUED AT MORE THAN $500,000.—For wetland easements valued at more than $500,000, the Secretary may provide easement payments in at least 5, but not more than 10 annual payments, except that, if the Secretary determines it would further the purposes of the program, the Secretary may make a lump sum payment for such an easement.

"(c) EASEMENT RESTORATION.—

"(1) IN GENERAL.—The Secretary shall provide financial assistance to owners of eligible land to carry out the establishment of conservation measures and practices and protect wetland functions and values, including necessary maintenance activities, as set forth in a wetland easement plan developed for the eligible land under subsection (f).

"(2) PAYMENTS.—The Secretary shall—

"(A) in the case of a permanent wetland easement, pay an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs, as determined by the Secretary; and

"(B) in the case of a 30-year wetland easement, pay an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs, as determined by the Secretary.

"(d) TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall assist owners in complying with the terms and conditions of wetland easements.

"(2) CONTRACTS OR AGREEMENTS.—The Secretary may enter into 1 or more contracts with private entities or agreements with a State, non-governmental organization, or Indian tribe to carry out necessary restoration, enhancement, or maintenance of a wetland easement if the Secretary determines that the contract or agreement will advance the purposes of the program.

"(e) WETLAND ENHANCEMENT OPTION.—The Secretary may enter into 1 or more agreements with a State (including a political subdivision or agency of a State), non-governmental organization, or Indian tribe to carry out a special wetland enhancement option that the Secretary determines would advance the purposes of program.

"(f) ADMINISTRATION.—

"(1) WETLAND EASEMENT PLAN.—The Secretary shall develop a wetland easement plan for eligible lands subject to a wetland easement, which shall include practices and activities necessary to restore, protect, enhance, and maintain the enrolled lands.

"(2) DELEGATION OF EASEMENT ADMINISTRATION.—The Secretary may delegate—

"(A) any of the easement management, monitoring, and enforcement responsibilities of the Secretary to other Federal or State agencies that have the appropriate authority, expertise, and resources necessary to carry out such delegated responsibilities; and

"(B) any of the easement management responsibilities of the Secretary to other conservation organizations if the Secretary determines the organization has the appropriate expertise and resources.

"(3) PAYMENTS.—

"(A) TIMING OF PAYMENTS.—The Secretary shall provide payment for obligations incurred by the Secretary under this section—

"(i) with respect to any easement restoration obligation under subsection (c), as soon as possible after the obligation is incurred; and

"(ii) with respect to any annual easement payment obligation incurred by the Secretary, as soon as possible after October 1 of each calendar year.

"(B) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this section dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person or entity who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

"SEC. 1265D. ADMINISTRATION.

"(a) INELIGIBLE LAND.—The Secretary may not use program funds for the purposes of acquiring an easement on—

"(1) lands owned by an agency of the United States, other than land held in trust for Indian tribes;

"(2) lands owned in fee title by a State, including an agency or a subdivision of a State, or a unit of local government;

"(3) land subject to an easement or deed restriction which, as determined by the Secretary, provides similar protection as would be provided by enrollment in the program; or

"(4) lands where the purposes of the program would be undermined due to on-site or off-site conditions, such as risk of hazardous substances, proposed or existing rights of way, infrastructure development, or adjacent land uses.

"(b) PRIORITY.—In evaluating applications under the program, the Secretary may give priority to land that is currently enrolled in the conservation reserve program in a contract that is set to expire within 1 year and—

"(1) in the case of an agricultural land easement, is grassland that would benefit from protection under a long-term easement; and

"(2) in the case of a wetland easement, is a wetland or related area with the highest functions and value and is likely to return to production after the land leaves the conservation reserve program.

"(c) SUBORDINATION, EXCHANGE, MODIFICATION, AND TERMINATION.—

"(1) IN GENERAL.—The Secretary may subordinate, exchange, modify, or terminate any interest in land, or portion of such interest, administered by the

Secretary, either directly or on behalf of the Commodity Credit Corporation under the program if the Secretary determines that—

"(A) it is in the Federal Government's interest to subordinate, exchange, modify, or terminate the interest in land;

"(B) the subordination, exchange, modification, or termination action—

"(i) will address a compelling public need for which there is no practicable alternative; or

"(ii) such action will further the practical administration of the program; and

"(C) the subordination, exchange, modification, or termination action will result in comparable conservation value and equivalent or greater economic value to the United States.

"(2) CONSULTATION.—The Secretary shall work with the owner, and eligible entity if applicable, to address any subordination, exchange, modification, or termination of the interest, or portion of such interest, in land.

"(3) NOTICE.—At least 90 days before taking any termination action described in paragraph (1), the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(d) LAND ENROLLED IN CONSERVATION RESERVE PROGRAM.—The Secretary may terminate or modify a contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program.

"(e) ALLOCATION OF FUNDS FOR AGRICULTURAL LAND EASEMENTS.—Of the funds made available under section 1241 to carry out the program for a fiscal year, the Secretary shall, to the extent practicable, use for agricultural land easements—

"(1) no less than 40 percent in each of fiscal years 2014 through 2017; and

"(2) no less than 50 percent in fiscal year 2018.".

(b) COMPLIANCE WITH CERTAIN REQUIREMENTS.—Before an eligible entity or owner of eligible land may receive assistance under subtitle H of title XII of the Food Security Act of 1985, the eligible entity or person shall agree, during the crop year for which the assistance is provided and in exchange for the assistance—

(1) to comply with applicable conservation requirements under subtitle B of title XII of that Act (16 U.S.C. 3811 et seq.); and

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

(c) CROSS REFERENCE; CALCULATION.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—

(1) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting "and" at the end of subparagraph (A);

(ii) by striking "and" at the end of subparagraph (B); and

(iii) by striking subparagraph (C);

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

(C) by inserting after paragraph (1) the following new paragraph:

"(2) the agricultural conservation easement program established under subtitle H; and"; and

(2) in subsection (f)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "programs administered under subchapters B and C of chapter 1 of subtitle D" and inserting "conservation reserve program established under subchapter B of chapter 1 of subtitle D and wetland easements under section 1265C"; and

(ii) in subparagraph (B), by striking "an easement acquired under subchapter C of chapter 1 of subtitle D" and inserting "a wetland easement under section 1265C"; and

(B) by adding at the end the following new paragraph:

"(5) CALCULATION.—In calculating the percentages described in paragraph (1), the Secretary shall include any acreage that was included in calculations of percentages made under such paragraph, as in effect on September 30, 2013, and that remains enrolled when the calculation is made after that date under paragraph (1).".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2013.

Subtitle E—Regional Conservation Partnership Program

SEC. 2401. REGIONAL CONSERVATION PARTNERSHIP PROGRAM.

(a) IN GENERAL.—Title XII of the Food Security Act of 1985 is amended by inserting after subtitle H, as added by section 2301, the following new subtitle:

"Subtitle I—Regional Conservation Partnership Program

"SEC. 1271. ESTABLISHMENT AND PURPOSES.

"(a) ESTABLISHMENT.—The Secretary shall establish a regional conservation partnership program to implement eligible activities on eligible land through—

"(1) partnership agreements with eligible partners; and

"(2) contracts with producers.

"(b) PURPOSES.—The purposes of the program are as follows:

"(1) To use covered programs to accomplish purposes and functions similar to those of the following programs, as in effect on September 30, 2013:

"(A) The agricultural water enhancement program established under section 1240I.

"(B) The Chesapeake Bay watershed program established under section 1240Q.

"(C) The cooperative conservation partnership initiative established under section 1243.

"(D) The Great Lakes basin program for soil erosion and sediment control established under section 1240P.

"(2) To further the conservation, restoration, and sustainable use of soil, water, wildlife, and related natural resources on eligible land on a regional or watershed scale.

"(3) To encourage eligible partners to cooperate with producers in—

"(A) meeting or avoiding the need for national, State, and local natural resource regulatory requirements related to production on eligible land; and

"(B) implementing projects that will result in the carrying out of eligible activities that affect multiple agricultural or nonindustrial private forest operations on a local, regional, State, or multi-State basis.

"SEC. 1271A. DEFINITIONS.

"In this subtitle:

"(1) COVERED PROGRAM.—The term 'covered program' means the following:

"(A) The agricultural conservation easement program.

"(B) The environmental quality incentives program.

"(C) The conservation stewardship program.

"(2) ELIGIBLE ACTIVITY.—The term 'eligible activity' means any of the following conservation activities:

"(A) Water quality or quantity conservation, restoration, or enhancement projects relating to surface water and groundwater resources, including—

"(i) the conversion of irrigated cropland to the production of less water-intensive agricultural commodities or dryland farming; or

"(ii) irrigation system improvement and irrigation efficiency enhancement.

"(B) Drought mitigation.

"(C) Flood prevention.

"(D) Water retention.

"(E) Air quality improvement.

"(F) Habitat conservation, restoration, and enhancement.

"(G) Erosion control and sediment reduction.

"(H) Other related activities that the Secretary determines will help achieve conservation benefits.

"(3) ELIGIBLE LAND.—The term 'eligible land' means land on which agricultural commodities, livestock, or forest-related products are produced, including—

"(A) cropland;

"(B) grassland;

"(C) rangeland;

"(D) pastureland;

"(E) nonindustrial private forest land; and

"(F) other land incidental to agricultural production (including wetlands and riparian buffers) on which significant natural resource issues could be addressed under the program.

"(4) ELIGIBLE PARTNER.—The term 'eligible partner' means any of the following:

"(A) An agricultural or silvicultural producer association or other group of producers.

"(B) A State or unit of local government.

"(C) An Indian tribe.

"(D) A farmer cooperative.

"(E) A water district, irrigation district, rural water district or association, or other organization with specific water delivery authority to producers on agricultural land.

"(F) An institution of higher education.

"(G) An organization or entity with an established history of working cooperatively with producers on agricultural land, as determined by the Secretary, to address—

"(i) local conservation priorities related to agricultural production, wildlife habitat development, or nonindustrial private forest land management; or

"(ii) critical watershed-scale soil erosion, water quality, sediment reduction, or other natural resource issues.

"(5) PARTNERSHIP AGREEMENT.—The term 'partnership agreement' means an agreement entered into under section 1271B between the Secretary and an eligible partner.

"(6) PROGRAM.—The term 'program' means the regional conservation partnership program established by this subtitle.

"SEC. 1271B. REGIONAL CONSERVATION PARTNERSHIPS.

"(a) PARTNERSHIP AGREEMENTS AUTHORIZED.—The Secretary may enter into a partnership agreement with an eligible partner to implement a project that will assist producers with installing and maintaining an eligible activity on eligible land.

"(b) LENGTH.—A partnership agreement shall be for a period not to exceed 5 years, except that the Secretary may extend the agreement one time for up to 12 months when an extension is necessary to meet the objectives of the program.

"(c) DUTIES OF PARTNERS.—

"(1) IN GENERAL.—Under a partnership agreement, the eligible partner shall—

"(A) define the scope of a project, including—

"(i) the eligible activities to be implemented;

"(ii) the potential agricultural or nonindustrial private forest land operations affected;

"(iii) the local, State, multi-State, or other geographic area covered; and

"(iv) the planning, outreach, implementation, and assessment to be conducted;

"(B) conduct outreach to producers for potential participation in the project;

"(C) at the request of a producer, act on behalf of a producer participating in the project in applying for assistance under section 1271C;

"(D) leverage financial or technical assistance provided by the Secretary with additional funds to help achieve the project objectives;

"(E) conduct an assessment of the project's effects; and

"(F) at the conclusion of the project, report to the Secretary on its results and funds leveraged.

"(2) CONTRIBUTION.—An eligible partner shall provide a significant portion of the overall costs of the scope of the project that is the subject of the agreement entered into under subsection (a), as determined by the Secretary.

"(d) APPLICATIONS.—

"(1) COMPETITIVE PROCESS.—The Secretary shall conduct a competitive process to select applications for partnership agreements and may assess and rank applications with similar conservation purposes as a group.

"(2) CRITERIA USED.—In carrying out the process described in paragraph (1), the Secretary shall make public the criteria used in evaluating applications.

"(3) CONTENT.—An application to the Secretary shall include a description of—

"(A) the scope of the project, as described in subsection (c)(1)(A);

"(B) the plan for monitoring, evaluating, and reporting on progress made towards achieving the project's objectives;

"(C) the program resources requested for the project, including the covered programs to be used and estimated funding needed from the Secretary;

"(D) eligible partners collaborating to achieve project objectives, including their roles, responsibilities, capabilities, and financial contribution; and

"(E) any other elements the Secretary considers necessary to adequately evaluate and competitively select applications for funding under the program.

"(4) PRIORITY TO CERTAIN APPLICATIONS.—The Secretary may give a higher priority to applications that—

"(A) assist producers in meeting or avoiding the need for a natural resource regulatory requirement;

"(B) have a high percentage of eligible producers in the area to be covered by the agreement;

"(C) significantly leverage non-Federal financial and technical resources and coordinate with other local, State, or national efforts;

"(D) deliver high percentages of applied conservation to address conservation priorities or regional, State, or national conservation initiatives;

"(E) provide innovation in conservation methods and delivery, including outcome-based performance measures and methods; or

"(F) meet other factors that are important for achieving the purposes of the program, as determined by the Secretary.

"SEC. 1271C. ASSISTANCE TO PRODUCERS.

"(a) IN GENERAL.—The Secretary shall enter into contracts with producers to provide financial and technical assistance to—

"(1) producers participating in a project with an eligible partner, as described in section 1271B; or

"(2) producers that fit within the scope of a project described in section 1271B or a critical conservation area designated under section 1271F, but who are seeking to implement an eligible activity on eligible land independent of a partner.

"(b) TERMS AND CONDITIONS.—

"(1) CONSISTENCY WITH PROGRAM RULES.—Except as provided in paragraph (2), the Secretary shall ensure that the terms and conditions of a contract under this section are consistent with the applicable rules of the covered programs to be used as part of the project, as described in the application under section 1271B(d)(3)(C).

"(2) ADJUSTMENTS.—Except with respect to statutory program requirements governing appeals, payment limitations, and conservation compliance, the Secretary may adjust the discretionary program rules of a covered program—

"(A) to provide a simplified application and evaluation process; and

"(B) to better reflect unique local circumstances and purposes if the Secretary determines such adjustments are necessary to achieve the purposes of the program.

"(c) PAYMENTS.—

"(1) IN GENERAL.—In accordance with statutory requirements of the covered programs involved, the Secretary may make payments to a producer in an amount determined by the Secretary to be necessary to achieve the purposes of the program.

"(2) PAYMENTS TO PRODUCERS IN STATES WITH WATER QUANTITY CONCERNS.—The Secretary may provide payments to producers participating in a project that addresses water quantity concerns for a period of five years in an amount sufficient to encourage conversion from irrigated farming to dryland farming.

"(3) WAIVER AUTHORITY.—To assist in the implementation of the program, the Secretary may waive the applicability of the limitation in section 1001D(b)(2) of this Act for participating producers if the Secretary determines that the waiver is necessary to fulfill the objectives of the program.

"SEC. 1271D. FUNDING.

"(a) AVAILABILITY OF FUNDS.—The Secretary shall use $100,000,000 of the funds of the Commodity Credit Corporation for each of fiscal years 2014 through 2018 to carry out the program.

"(b) DURATION OF AVAILABILITY.—Funds made available under subsection (a) shall remain available until expended.

"(c) ADDITIONAL FUNDING AND ACRES.—

"(1) IN GENERAL.—In addition to the funds made available under subsection (a), the Secretary shall reserve 6 percent of the funds and acres made available for a covered program for each of fiscal years 2014 through 2018 in order to ensure additional resources are available to carry out this program.

"(2) UNUSED FUNDS AND ACRES.—Any funds or acres reserved under paragraph (1) for a fiscal year from a covered program that are not obligated under this program by April 1 of that fiscal year shall be returned for use under the covered program.

"(d) ALLOCATION OF FUNDING.—Of the funds and acres made available for the program under subsections (a) and (c), the Secretary shall allocate—

"(1) 25 percent of the funds and acres to projects based on a State competitive process administered by the State Conservationist, with the advice of the State technical committee established under subtitle G;

"(2) 50 percent of the funds and acres to projects based on a national competitive process to be established by the Secretary; and

"(3) 25 percent of the funds and acres to projects for the critical conservation areas designated under section 1271F.

"(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—None of the funds made available under the program may be used to pay for the administrative expenses of eligible partners.

"SEC. 1271E. ADMINISTRATION.

"(a) DISCLOSURE.—In addition to the criteria used in evaluating applications as described in section 1271B(d)(2), the Secretary shall make publicly available information on projects selected through the competitive process described in section 1271B(d)(1).

"(b) REPORTING.—Not later than December 31, 2014, and every two years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the status of projects funded under the program, including—

"(1) the number and types of eligible partners and producers participating in the partnership agreements selected;

"(2) the number of producers receiving assistance; and

"(3) total funding committed to projects, including from Federal and non-Federal resources.

"SEC. 1271F. CRITICAL CONSERVATION AREAS.

"(a) IN GENERAL.—In administering funds under section 1271D(d)(3), the Secretary shall select applications for partnership agreements and producer contracts within critical conservation areas designated under this section.

"(b) CRITICAL CONSERVATION AREA DESIGNATIONS.—

"(1) PRIORITY.—In designating critical conservation areas under this section, the Secretary shall give priority to geographical areas based on the degree to which the geographical area—

"(A) includes multiple States with significant agricultural production;

"(B) is covered by an existing regional, State, binational, or multistate agreement or plan that has established objectives, goals, and work plans and is adopted by a Federal, State, or regional authority;

"(C) would benefit from water quality improvement, including through reducing erosion, promoting sediment control, and addressing nutrient management activities affecting large bodies of water of regional, national, or international significance;

"(D) would benefit from water quantity improvement, including improvement relating to—

"(i) groundwater, surface water, aquifer, or other water sources; or

"(ii) a need to promote water retention and flood prevention; or

"(E) contains producers that need assistance in meeting or avoiding the need for a natural resource regulatory requirement that could have a negative economic impact on agricultural operations within the area.

"(2) LIMITATION.—The Secretary may not designate more than 8 geographical areas as critical conservation areas under this section.

"(c) ADMINISTRATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall administer any partnership agreement or producer contract under this section in a manner that is consistent with the terms of the program.

"(2) RELATIONSHIP TO EXISTING ACTIVITY.—The Secretary shall, to the maximum extent practicable, ensure that eligible activities carried out in critical conservation areas designated under this section complement and are consistent with other Federal and State programs and water quality and quantity strategies.

"(3) ADDITIONAL AUTHORITY.—For a critical conservation area described in subsection (b)(1)(D), the Secretary may use authorities under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.), other than section

14 of such Act (16 U.S.C. 1012), to carry out projects for the purposes of this section.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

Subtitle F—Other Conservation Programs

SEC. 2501. CONSERVATION OF PRIVATE GRAZING LAND.

Section 1240M(e) of the Food Security Act of 1985 (16 U.S.C. 3839bb(e)) is amended by striking "2012" and inserting "2018".

SEC. 2502. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2) is amended to read as follows:

"(b) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2008 through 2018.

"(2) AVAILABILITY OF FUNDS.—In addition to funds made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary shall use $5,000,000, to remain available until expended.".

SEC. 2503. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.

(a) FUNDING.—Section 1240R(f)(1) of the Food Security Act of 1985 (16 U.S.C. 3839bb–5(f)(1)) is amended by inserting before the period at the end the following: "and $30,000,000 for the period of fiscal years 2014 through 2018".

(b) REPORT ON PROGRAM EFFECTIVENESS.—Not later than two years after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report evaluating the effectiveness of the voluntary public access program established by section 1240R of the Food Security Act of 1985 (16 U.S.C. 3839bb–5), including—

(1) identifying cooperating agencies;

(2) identifying the number of land holdings and total acres enrolled by each State and tribal government;

(3) evaluating the extent of improved access on eligible lands, improved wildlife habitat, and related economic benefits; and

(4) any other relevant information and data relating to the program that would be helpful to such Committees.

SEC. 2504. AGRICULTURE CONSERVATION EXPERIENCED SERVICES PROGRAM.

(a) FUNDING.—Subsection (c) of section 1252 of the Food Security Act of 1985 (16 U.S.C. 3851) is amended to read as follows:

"(c) FUNDING.—

"(1) IN GENERAL.—The Secretary may carry out the ACES program using funds made available to carry out each program under this title.

"(2) EXCLUSION.—Funds made available to carry out the conservation reserve program may not be used to carry out the ACES program.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2505. SMALL WATERSHED REHABILITATION PROGRAM.

(a) AVAILABILITY OF FUNDS.—Section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)) is amended—

(1) in subparagraph (E), by striking "; and" and inserting a semicolon;

(2) in subparagraph (F), by striking the period and inserting a semicolon;

(3) in subparagraph (G), by striking the period and inserting "; and"; and

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

"(H) $250,000,000 for fiscal year 2014, to remain available until expended.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 14(h)(2)(E) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(2)(E)) is amended by striking "2012" and inserting "2018".

SEC. 2506. AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM.

(a) USES.—Section 524(b)(2) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(2)) is amended—

(1) by striking subparagraph (B) and redesignating subparagraphs (C) through (F) as subparagraphs (B) through (E), respectively; and

(2) in subparagraph (B) (as so redesignated)—

(A) in the matter preceding clause (i), by striking "or resource conservation practices"; and

(B) by striking clause (i) and redesignating clauses (ii) through (iv) as clauses (i) through (iii), respectively.

(b) COMMODITY CREDIT CORPORATION.—

(1) FUNDING.—Section 524(b)(4)(B) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is amended to read as follows:

"(B) FUNDING.—The Commodity Credit Corporation shall make available to carry out this subsection not less than $10,000,000 for each fiscal year.".

(2) CERTAIN USES.—Section 524(b)(4)(C) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(C)) is amended—

(A) in clause (i)—

(i) by striking "50" and inserting "30"; and

(ii) by striking "(A), (B), and (C)" and inserting "(A) and (B)"; and

(B) in clause (iii), by striking "40" and inserting "60".

Subtitle G—Funding and Administration

SEC. 2601. FUNDING.

(a) IN GENERAL.—Subsection (a) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended to read as follows:

"(a) ANNUAL FUNDING.—For each of fiscal years 2014 through 2018, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the following programs under this title (including the provision of technical assistance):

"(1) The conservation reserve program under subchapter B of chapter 1 of subtitle D, including, to the maximum extent practicable, $25,000,000 for the period of fiscal years 2014 through 2018 to carry out section 1235(f) to facilitate the transfer of land subject to contracts from retired or retiring owners and operators to beginning farmers or ranchers and socially disadvantaged farmers or ranchers.

"(2) The agriculture conservation easement program under subtitle H, using, to the maximum extent practicable—

"(A) $425,000,000 in fiscal year 2014;

"(B) $450,000,000 in fiscal year 2015;

"(C) $475,000,000 in fiscal year 2016;

"(D) $500,000,000 in fiscal year 2017; and

"(E) $200,000,000 in fiscal year 2018.

"(3) The conservation security program under subchapter A of chapter 2 of subtitle D, using such sums as are necessary to administer contracts entered into before September 30, 2008.

"(4) The conservation stewardship program under subchapter B of chapter 2 of subtitle D.

"(5) The environmental quality incentives program under chapter 4 of subtitle D, using, to the maximum extent practicable, $1,750,000,000 for each of fiscal years 2014 through 2018.".

(b) REGIONAL EQUITY; GUARANTEED AVAILABILITY OF FUNDS.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—

(1) by striking subsection (d);

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(3) by inserting after subsection (a) the following new subsection:

"(b) AVAILABILITY OF FUNDS.—Amounts made available by subsection (a) shall be used by the Secretary to carry out the programs specified in such subsection for fiscal years 2014 through 2018 and shall remain available until expended. Amounts made available for the programs specified in such subsection during a fiscal year through modifications, cancellations, terminations, and other related administrative actions and not obligated in that fiscal year shall remain available for obligation during subsequent fiscal years, but shall reduce the amount of additional funds made available in the subsequent fiscal year by an amount equal to the amount remaining unobligated.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2013.

SEC. 2602. TECHNICAL ASSISTANCE.

(a) IN GENERAL.—Subsection (c) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841), as redesignated by section 2601(b)(2) of this Act, is amended to read as follows:

"(c) TECHNICAL ASSISTANCE.—

"(1) AVAILABILITY OF FUNDS.—Commodity Credit Corporation funds made available for a fiscal year for each of the programs specified in subsection (a)—

"(A) shall be available for the provision of technical assistance for the programs for which funds are made available as necessary to implement the programs effectively; and

"(B) shall not be available for the provision of technical assistance for conservation programs specified in subsection (a) other than the program for which the funds were made available.

"(2) REPORT.—Not later than December 31, 2013, the Secretary shall submit (and update as necessary in subsequent years) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(A) detailing the amount of technical assistance funds requested and apportioned in each program specified in subsection (a) during the preceding fiscal year; and

"(B) any other data relating to this subsection that would be helpful to such Committees.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2603. RESERVATION OF FUNDS TO PROVIDE ASSISTANCE TO CERTAIN FARMERS OR RANCHERS FOR CONSERVATION ACCESS.

(a) IN GENERAL.—Subsection (g) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—

(1) in paragraph (1) by striking "2012" and inserting "2018"; and

(2) by adding at the end the following new paragraph:

"(4) PREFERENCE.—In providing assistance under paragraph (1), the Secretary shall give preference to a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))) that qualifies under subparagraph (A) or (B) of paragraph (1).".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2013.

SEC. 2604. ANNUAL REPORT ON PROGRAM ENROLLMENTS AND ASSISTANCE.

(a) IN GENERAL.—Subsection (h) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—

(1) in paragraph (1), by striking "wetlands reserve program" and inserting "agricultural conservation easement program";

(2) by striking paragraphs (2) and (3) and redesignating paragraphs (4), (5), and (6) as paragraphs (2), (3), and (4), respectively; and

(3) in paragraph (3) (as so redesignated)—

(A) by striking "agricultural water enhancement program" and inserting "regional conservation partnership program"; and

(B) by striking "1240I(g)" and inserting "1271C(c)(3)".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2013.

SEC. 2605. REVIEW OF CONSERVATION PRACTICE STANDARDS.

Section 1242(h)(1)(A) of the Food Security Act of 1985 (16 U.S.C. 3842(h)(1)(A)) is amended by striking "the Food, Conservation, and Energy Act of 2008" and inserting "the Federal Agriculture Reform and Risk Management Act of 2013".

SEC. 2606. ADMINISTRATIVE REQUIREMENTS APPLICABLE TO ALL CONSERVATION PROGRAMS.

(a) IN GENERAL.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—

(1) in subsection (a)(2), by adding at the end the following new subparagraph:

"(E) Veteran farmers or ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))).";

(2) in subsection (d), by inserting ", H, and I" before the period at the end;

(3) in subsection (f)—

(A) in paragraph (1)(B), by striking "country" and inserting "county"; and

(B) in paragraph (3), by striking "subsection (c)(2)(B) or (f)(4)" and inserting "subsection (c)(2)(A)(ii) or (f)(2)"; and

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

"(j) IMPROVED ADMINISTRATIVE EFFICIENCY AND EFFECTIVENESS.—In administrating a conservation program under this title, the Secretary shall, to the maximum extent practicable—

"(1) seek to reduce administrative burdens and costs to producers by streamlining conservation planning and program resources; and

"(2) take advantage of new technologies to enhance efficiency and effectiveness.

"(k) RELATION TO OTHER PAYMENTS.—Any payment received by an owner or operator under this title, including an easement payment or rental payment, shall be in addition to, and not affect, the total amount of payments that the owner or operator is otherwise eligible to receive under any of the following:

"(1) This Act.

"(2) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

"(3) The Federal Agriculture Reform and Risk Management Act of 2013.

"(4) Any law that succeeds a law specified in paragraph (1), (2), or (3).".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2013.

SEC. 2607. STANDARDS FOR STATE TECHNICAL COMMITTEES.

Section 1261(b) of the Food Security Act of 1985 (16 U.S.C. 3861(b)) is amended by striking "Not later than 180 days after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall develop" and inserting "The Secretary shall review and update as necessary".

SEC. 2608. RULEMAKING AUTHORITY.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following new section:

"SEC. 1246. REGULATIONS.

"(a) IN GENERAL.—The Secretary shall promulgate such regulations as are necessary to implement programs under this title, including such regulations as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under section 1244(f).

"(b) RULEMAKING PROCEDURE.—The promulgation of regulations and administration of programs under this title—

"(1) shall be carried out without regard to—

"(A) the Statement of Policy of the Secretary effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

"(B) chapter 35 of title 44, United States Code (commonly known as the Paperwork Reduction Act); and

"(2) shall be made as an interim rule effective on publication with an opportunity for notice and comment.

"(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In promulgating regulations under this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.".

Subtitle H—Repeal of Superseded Program Authorities and Transitional Provisions; Technical Amendments

SEC. 2701. COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM.

(a) REPEAL.—Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is repealed.

(b) CONFORMING AMENDMENT.—The heading of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended to read as follows: "**CONSERVATION RESERVE**".

SEC. 2702. EMERGENCY FORESTRY CONSERVATION RESERVE PROGRAM.

(a) REPEAL.—Section 1231A of the Food Security Act of 1985 (16 U.S.C. 3831a) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1231A of the Food Security Act of 1985 (16 U.S.C. 3831a) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) FUNDING.—The Secretary may use funds made available to carry out the conservation reserve program under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2013.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2703. WETLANDS RESERVE PROGRAM.

(a) REPEAL.—Subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) FUNDING.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2013.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2704. FARMLAND PROTECTION PROGRAM AND FARM VIABILITY PROGRAM.

(a) REPEAL.—Subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) is repealed.

(b) CONFORMING AMENDMENT.—The heading of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended by striking "**AND FARMLAND PROTECTION**".

(c) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendments made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) FUNDING.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2013.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2013.

SEC. 2705. GRASSLAND RESERVE PROGRAM.

(a) REPEAL.—Subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) FUNDING.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2013.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2706. AGRICULTURAL WATER ENHANCEMENT PROGRAM.

(a) REPEAL.—Section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa–9) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1240I of the Food Security Act of 1985 (16

U.S.C. 3839aa–9) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) FUNDING.—The Secretary may use funds made available to carry out the regional conservation partnership program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2013.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2707. WILDLIFE HABITAT INCENTIVE PROGRAM.

(a) REPEAL.—Section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb–1) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb–1) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) FUNDING.—The Secretary may use funds made available to carry out the environmental quality incentives program under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2013.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2708. GREAT LAKES BASIN PROGRAM.

(a) REPEAL.—Section 1240P of the Food Security Act of 1985 (16 U.S.C. 3839bb–3) is repealed.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2709. CHESAPEAKE BAY WATERSHED PROGRAM.

(a) REPEAL.—Section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb–4) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb–4) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) FUNDING.—The Secretary may use funds made available to carry out the regional conservation partnership program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2013.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2710. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.

(a) REPEAL.—Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) before October 1, 2013, or any payments required to be made in connection with the contract.

(2) FUNDING.—The Secretary may use funds made available to carry out the regional conservation partnership program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2013.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 2711. ENVIRONMENTAL EASEMENT PROGRAM.

Chapter 3 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839 et seq.) is repealed.

SEC. 2712. TECHNICAL AMENDMENTS.

(a) DEFINITIONS.—Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended in the matter preceding paragraph (1) by striking "E" and inserting "I".

(b) PROGRAM INELIGIBILITY.—Section 1211(a) of the Food Security Act of 1985 (16 U.S.C. 3811(a)) is amended by striking "predominate" each place it appears and inserting "predominant".

(c) SPECIALTY CROP PRODUCERS.—Section 1242(i) of the Food Security Act of 1985 (16 U.S.C. 3842(i)) is amended in the header by striking "SPECIALITY" and inserting "SPECIALTY".

TITLE III—TRADE

Subtitle A—Food for Peace Act

SEC. 3001. GENERAL AUTHORITY.

Section 201 of the Food for Peace Act (7 U.S.C. 1721) is amended—

(1) in the matter preceding paragraph (1), by inserting "(to be implemented by the Administrator)" after "under this title"; and

(2) by striking paragraph (7) and the second sentence and inserting the following new paragraph:

"(7) build resilience to mitigate and prevent food crises and reduce the future need for emergency aid.".

SEC. 3002. SUPPORT FOR ORGANIZATIONS THROUGH WHICH ASSISTANCE IS PROVIDED.

Section 202(e)(1) of the Food for Peace Act (7 U.S.C. 1722(e)(1)) is amended by striking "13 percent" and inserting "11 percent".

SEC. 3003. FOOD AID QUALITY.

Section 202(h) of the Food for Peace Act (7 U.S.C. 1722(h)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A)—

(i) by striking "The Administrator shall use funds made available for fiscal year 2009" and inserting "In consultation with the Secretary, the Administrator shall use funds made available for fiscal year 2013"; and

(ii) by inserting "to establish a mechanism" after "this title";

(B) by striking "and" at the end of subparagraph (B); and

(C) by striking subparagraph (C) and inserting the following new paragraphs:

"(C) to evaluate, as necessary, the use of current and new agricultural commodities and products thereof in different program settings and for particular recipient groups, including the testing of prototypes;

"(D) to establish and implement appropriate protocols for quality assurance of food products procured by the Secretary for food aid programs; and

"(E) to periodically update program guidelines on the recommended use of agricultural commodities and food products in food aid programs to reflect findings from the implementation of this subsection and other relevant information.";

(2) in paragraph (2), by striking "The Administrator" and inserting "In consultation with the Secretary, the Administrator"; and

(3) in paragraph (3), by striking "section 207(f)" and all that follows through the period at the end and inserting the following: "section 207(f)—

"(A) for fiscal years 2009 through 2013, not more than $4,500,000 may be used to carry out this subsection; and

"(B) for fiscal years 2014 through 2018, not more than $1,000,000 may be used to carry out this subsection.".

SEC. 3004. MINIMUM LEVELS OF ASSISTANCE.

Section 204(a) of the Food for Peace Act (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1), by striking "2012" and inserting "2018"; and

(2) in paragraph (2), by striking "2012" and inserting "2018".

SEC. 3005. FOOD AID CONSULTATIVE GROUP.

(a) MEMBERSHIP.—Section 205(b) of the Food for Peace Act (7 U.S.C. 1725(b)) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following new paragraph:

"(7) representatives from the United States agricultural processing sector involved in providing agricultural commodities for programs under this Act; and".

(b) CONSULTATION.—Section 205(d) of the Food for Peace Act (7 U.S.C. 1725(d)) is amended—

(1) by striking the first sentence and inserting the following:

"(1) CONSULTATION IN ADVANCE OF ISSUANCE OF IMPLEMENTATION REGULATIONS, HANDBOOKS, AND GUIDELINES.—Not later than 45 days before a proposed regulation, handbook, or guideline implementing this title, or a proposed significant revision to a regulation, handbook, or guideline implementing this title, becomes final, the Administrator shall provide the proposal to the Group for review and comment."; and

(2) by adding at the end the following new paragraph:

"(2) CONSULTATION REGARDING FOOD AID QUALITY EFFORTS.—The Administrator shall seek input from and consult with the Group on the implementation of section 202(h).".

(c) REAUTHORIZATION.—Section 205(f) of the Food for Peace Act (7 U.S.C. 1725(f)) is amended by striking "2012" and inserting "2018".

SEC. 3006. OVERSIGHT, MONITORING, AND EVALUATION.

(a) REGULATIONS AND GUIDANCE.—Section 207(c) of the Food for Peace Act (7 U.S.C. 1726a(c)) is amended—

(1) in the subsection heading, by inserting "AND GUIDANCE" after "REGULATIONS";

(2) in paragraph (1), by adding at the end the following new sentence: "Not later than 270 days after the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2013, the Administrator shall issue all regulations and revisions to agency guidance necessary to implement the amendments made to this title by such Act."; and

(3) in paragraph (2), by inserting "and guidance" after "develop regulations".

(b) FUNDING.—Section 207(f) of the Food for Peace Act (7 U.S.C. 1726a(f)) is amended—

(1) in paragraph (2)—

(A) by inserting "and" at the end of subparagraph (D);

(B) by striking "; and" at the end of subparagraph (E) and inserting the period; and

(C) by striking subparagraph (F);

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (5) and (6) as paragraphs (3) and (4), respectively; and

(4) in paragraph (4) (as so redesignated)—

(A) in subparagraph (A), by striking "2012" and all that follows through the period at the end and inserting "2013, and up to $10,000,000 of such funds for each of fiscal years 2014 through 2018."; and

(B) in subparagraph (B)(i), by striking "2012" and inserting "2018".

(c) IMPLEMENTATION REPORTS.—Not later than 270 days after the date of the enactment of this Act, the Administrator of the Agency for International Development shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committees on Agriculture and Foreign Affairs of the House of Representatives a report describing—

(1) the implementation of section 207(c) of the Food for Peace Act (7 U.S.C. 1726a(c));

(2) the surveys, studies, monitoring, reporting, and audit requirements for programs conducted under title II of such Act (7 U.S.C. 1721 et seq.) by an eligible organization that is a nongovernmental organization (as such term is defined in section 402 of such Act (7 U.S.C. 1732)); and

(3) the surveys, studies, monitoring, reporting, and audit requirements for such programs by an eligible organization that is an intergovernmental organization, such as the World Food Program or other multilateral organization.

SEC. 3007. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

Section 208(f) of the Food for Peace Act (7 U.S.C. 1726b(f)) is amended by striking "2012" and inserting "2018".

SEC. 3008. GENERAL PROVISIONS.

(a) IMPACT ON LOCAL FARMERS AND ECONOMY.—Section 403(b) of the Food for Peace Act (7 U.S.C. 1733(b)) is amended by adding at the end the following new sentence: "The Secretary or the Administrator, as appropriate, shall seek information, as part of the regular proposal and submission process, from implementing

agencies on the potential benefits to the local economy of sales of agricultural commodities within the recipient country.".

(b) PREVENTION OF PRICE DISRUPTIONS.—Section 403(e) of the Food for Peace Act (7 U.S.C. 1733(e)) is amended—

(1) in paragraph (2), by striking "reasonable market price" and inserting "fair market value"; and

(2) by adding at the end the following new paragraph:

"(3) COORDINATION ON ASSESSMENTS.—The Secretary and the Administrator shall coordinate in assessments to carry out paragraph (1) and in the development of approaches to be used by implementing agencies for determining the fair market value described in paragraph (2).".

(c) REPORT ON USE OF FUNDS.—Section 403 of the Food for Peace Act (7 U.S.C. 1733) is amended by adding at the end the following new subsection:

"(m) REPORT ON USE OF FUNDS.—Not later than 180 days after the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2013, and annually thereafter, the Administrator shall submit to Congress a report—

"(1) specifying the amount of funds (including funds for administrative costs, indirect cost recovery, and internal transportation, storage and handling, and associated distribution costs) provided to each eligible organization that received assistance under this Act in the previous fiscal year; and

"(2) describing how those funds were used by the eligible organization.".

SEC. 3009. PREPOSITIONING OF AGRICULTURAL COMMODITIES.

Section 407(c)(4) of the Food for Peace Act (7 U.S.C. 1736a(c)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking "2012" and inserting "2018"; and

(B) by striking "for each such fiscal year not more than $10,000,000 of such funds" and inserting "for each of fiscal years 2001 through 2013 not more than $10,000,000 of such funds and for each of fiscal years 2014 through 2018 not more than $15,000,000 of such funds"; and

(2) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) ADDITIONAL PREPOSITIONING SITES.—The Administrator may establish additional sites for prepositioning in foreign countries or change the location of current sites for prepositioning in foreign countries after conducting, and based on the results of, assessments of need, the availability of appropriate technology for long-term storage, feasibility, and cost.".

SEC. 3010. ANNUAL REPORT REGARDING FOOD AID PROGRAMS AND ACTIVITIES.

Section 407(f)(1) of the Food for Peace Act (7 U.S.C. 1736a(f)(1)) is amended—

(1) in the paragraph heading, by striking "AGRICULTURAL TRADE" and inserting "FOOD AID";

(2) in subparagraph (B)(ii), by inserting before the semicolon at the end the following: "and the total number of beneficiaries of the project and the activities carried out through such project"; and

(3) in subparagraph (B)(iii)—

(A) in the matter preceding subclause (I), by inserting ", and the total number of beneficiaries in," after "commodities made available to";

(B) by striking "and" at the end of subclause (I);

(C) by inserting "and" at the end of subclause (II); and

(D) by inserting after subclause (II) the following new subclause:

"(III) the McGovern-Dole International Food for Education and Child Nutrition Program established by section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1);".

SEC. 3011. DEADLINE FOR AGREEMENTS TO FINANCE SALES OR TO PROVIDE OTHER ASSISTANCE.

Section 408 of the Food for Peace Act (7 U.S.C. 1736b) is amended by striking "2012" and inserting "2018".

SEC. 3012. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 412(a)(1) of the Food for Peace Act (7 U.S.C. 1736f(a)(1)) is amended by striking "for fiscal year 2008 and each fiscal year thereafter, $2,500,000,000" and inserting "$2,500,000,000 for each of fiscal years 2008 through 2013 and $2,000,000,000 for each of fiscal years 2014 through 2018".

(b) MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.—Paragraph (1) of section 412(e) of the Food for Peace Act (7 U.S.C. 1736f(e)) is amended to read as follows:

"(1) FUNDS AND COMMODITIES.—For each of fiscal years 2014 through 2018, of the amounts made available to carry out emergency and nonemergency food

assistance programs under title II, not less than $400,000,000 shall be expended for nonemergency food assistance programs under such title.".

SEC. 3013. MICRONUTRIENT FORTIFICATION PROGRAMS.

(a) ELIMINATION OF OBSOLETE REFERENCE TO STUDY.—Section 415(a)(2)(B) of the Food for Peace Act (7 U.S.C. 1736g–2(a)(2)(B)) is amended by striking ", using recommendations" and all that follows through "quality enhancements".

(b) EXTENSION.—Section 415(c) of the Food for Peace Act (7 U.S.C. 1736g–2(c)) is amended by striking "2012" and inserting "2018".

SEC. 3014. JOHN OGONOWSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.

Section 501 of the Food for Peace Act (7 U.S.C. 1737) is amended—

(1) in subsection (d), in the matter preceding paragraph (1), by striking "2012" and inserting "2013, and not less than the greater of $15,000,000 or 0.5 percent of the amounts made available for each of fiscal years 2014 through 2018,"; and

(2) in subsection (e)(1), by striking "2012" and inserting "2018".

Subtitle B—Agricultural Trade Act of 1978

SEC. 3101. FUNDING FOR EXPORT CREDIT GUARANTEE PROGRAM.

Section 211(b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is amended by striking "2012" and inserting "2018".

SEC. 3102. FUNDING FOR MARKET ACCESS PROGRAM.

Section 211(c)(1)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking "2012" and inserting "2018".

SEC. 3103. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

Section 703(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5723(a)) is amended by striking "2012" and inserting "2018".

Subtitle C—Other Agricultural Trade Laws

SEC. 3201. FOOD FOR PROGRESS ACT OF 1985.

(a) EXTENSION.—The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (f)(3), by striking "2012" and inserting "2018";

(2) in subsection (g), by striking "2012" and inserting "2018";

(3) in subsection (k), by striking "2012" and inserting "2018"; and

(4) in subsection (l)(1), by striking "2012" and inserting "2018".

(b) REPEAL OF COMPLETED PROJECT.—Subsection (f) of the Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended by striking paragraph (6).

SEC. 3202. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended—

(1) in subsection (b)(2)(B)(i), by striking "2012" both places it appears and inserting "2018"; and

(2) in subsection (h), by striking "2012" both places it appears and inserting "2018".

SEC. 3203. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.

(a) DIRECT CREDITS OR EXPORT CREDIT GUARANTEES.—Section 1542(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended by striking "2012" and inserting "2018".

(b) DEVELOPMENT OF AGRICULTURAL SYSTEMS.—Section 1542(d)(1)(A)(i) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended by striking "2012" and inserting "2018".

SEC. 3204. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) REAUTHORIZATION.—Section 3107(l)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(l)(2)) is amended by striking "2012" and inserting "2018".

(b) TECHNICAL CORRECTION.—Section 3107(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(d)) is amended by striking "to" in the matter preceding paragraph (1).

SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) PURPOSE.—Section 3205(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680(b)) is amended by striking "related barriers to trade" and inserting "technical barriers to trade".

(b) FUNDING.—Section 3205(e)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680(e)(2)) is amended—

(1) by inserting "and" at the end of subparagraph (C); and

(2) by striking subparagraphs (D) and (E) and inserting the following new subparagraph:

"(D) $9,000,000 for each of fiscal years 2011 through 2018.".

SEC. 3206. GLOBAL CROP DIVERSITY TRUST.

Section 3202(c) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 22 U.S.C. 2220a note) is amended by striking "section" and all that follows through the period and inserting the following: "section—

"(1) $60,000,000 for the period of fiscal years 2008 through 2013; and

"(2) $50,000,000 for the period of fiscal years 2014 through 2018.".

SEC. 3207. UNDER SECRETARY OF AGRICULTURE FOR FOREIGN AGRICULTURAL SERVICES.

(a) IN GENERAL.—Subtitle B of the Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 225 (7 U.S.C. 6931) the following new section:

"SEC. 225A. UNDER SECRETARY OF AGRICULTURE FOR FOREIGN AGRICULTURAL SERVICES.

"(a) AUTHORIZATION.—The Secretary is authorized to establish in the Department the position of Under Secretary of Agriculture for Foreign Agricultural Services.

"(b) CONFIRMATION REQUIRED.—If the Secretary establishes the position of Under Secretary of Agriculture for Foreign Agricultural Services under subsection (a), the Under Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

"(c) FUNCTIONS OF UNDER SECRETARY.—

"(1) PRINCIPAL FUNCTIONS.—Upon establishment, the Secretary shall delegate to the Under Secretary of Agriculture for Foreign Agricultural Services those functions under the jurisdiction of the Department that are related to foreign agricultural services.

"(2) ADDITIONAL FUNCTIONS.—The Under Secretary of Agriculture for Foreign Agricultural Services shall perform such other functions as may be required by law or prescribed by the Secretary.

"(d) SUCCESSION.—Any official who is serving as Under Secretary of Agriculture for Farm and Foreign Agricultural Services on the date of the enactment of this section and who was appointed by the President, by and with the advice and consent of the Senate, shall not be required to be reappointed under subsection (b) or section 225(b) to the successor position authorized under subsection (a) or section 225(a) if the Secretary establishes the position, and the official occupies the new position, with 180 days after the date of the enactment of this section (or such later date set by the Secretary if litigation delays rapid succession).".

(b) CONFORMING AMENDMENTS.—Section 225 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6931) is amended—

(1) by striking "Under Secretary of Agriculture for Farm and Foreign Agricultural Services" each place it appears and inserting "Under Secretary of Agriculture for Farm Services"; and

(2) in subsection (c)(1), by striking "and foreign agricultural".

(c) PERMANENT AUTHORITY.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(1) in paragraph (6)(C), by striking "or" at the end;

(2) in paragraph (7), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraph:

"(8) the authority of the Secretary to establish in the Department the position of Under Secretary of Agriculture for Foreign Agricultural Services in accordance with section 225A;".

TITLE IV—NUTRITION

Subtitle A—Supplemental Nutrition Assistance Program

SEC. 4001. PREVENTING PAYMENT OF CASH TO RECIPIENTS OF SUPPLEMENTAL NUTRITION ASSISTANCE BENEFITS FOR THE RETURN OF EMPTY BOTTLES AND CANS USED TO CONTAIN FOOD PURCHASED WITH BENEFITS PROVIDED UNDER THE PROGRAM.

Section 3(k)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)(1)) is amended—

(1) by striking "and hot foods" and inserting "hot foods"; and

(2) by adding at the end the following: "and any deposit fee in excess of amount of the State fee reimbursement (if any) required to purchase any food or food product contained in a returnable bottle or can, regardless of whether such fee is included in the shelf price posted for such food or food product,".

SEC. 4002. RETAILERS.

(a) DEFINITION OF RETAIL FOOD STORE.—Section 3(p)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)(1)(A)) is amended by striking "at least 2" and inserting "at least 3".

(b) ALTERNATIVE BENEFIT DELIVERY.—Section 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f)) is amended—

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

"(2) IMPOSITION OF COSTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require participating retailers (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies.

"(B) EXEMPTIONS.—The Secretary may exempt from subparagraph (A)—

"(i) farmers' markets and other direct-to-consumer markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 3(k); and

"(ii) establishments described in paragraphs (3), (4), and (9) of section 3(k), other than restaurants participating in a State option restaurant program."; and

(2) by adding at the end the following:

"(4) TERMINATION OF MANUAL VOUCHERS.—

"(A) IN GENERAL.—Effective beginning on the effective date of this paragraph, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this Act or allow retailers to accept manual vouchers as payment, unless the Secretary determines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.

"(B) EXEMPTIONS.—The Secretary may exempt categories of retailers or individual retailers from subparagraph (A) based on criteria established by the Secretary.

"(5) UNIQUE IDENTIFICATION NUMBER REQUIRED.—In an effort to enhance the antifraud protections of the program, the Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain a unique business identification and a unique terminal identification number information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system. In developing the regulations implementing this paragraph, the Secretary shall consider existing commercial practices for other point-of-sale debit transactions. The Secretary shall issue proposed regulations implementing this paragraph not earlier than 2 years after the date of enactment of this paragraph.".

(c) ELECTRONIC BENEFIT TRANSFERS.—Section 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(3)(B)) is amended by striking "is operational—" and all that follows through "(ii) in the case of other participating stores," and inserting "is operational".

(d) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—

(1) in the 2d sentence of subsection (a)(1) by striking "; and (C)" and inserting "; (C) whether the applicant is located in an area with significantly limited access to food; and (D)"; and

(2) by adding at the end the following:

"(g) EBT SERVICE REQUIREMENT.—An approved retail food store shall provide adequate EBT service as described in section 7(h)(3)(B).".

SEC. 4003. ENHANCING SERVICES TO ELDERLY AND DISABLED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM PARTICIPANTS.

(a) ENHANCING SERVICES TO ELDERLY AND DISABLED PROGRAM PARTICIPANTS.—Section 3(p) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)) is amended—

(1) in paragraph (3) by striking "and" at the end,

(2) in paragraph (4) by striking the period at the end and inserting "; and", and

(3) by inserting after paragraph (4) the following:

"(5) a governmental or private nonprofit food purchasing and delivery service that—

"(A) purchases food for, and delivers such food to, individuals who are—

"(i) unable to shop for food; and

"(ii)(I) not less than 60 years of age; or

"(II) physically or mentally handicapped or otherwise disabled;

"(B) clearly notifies the participating household at the time such household places a food order—

"(i) of any delivery fee associated with the food purchase and delivery provided to such household by such service; and

"(ii) that a delivery fee cannot be paid with benefits provided under supplemental nutrition assistance program; and

"(C) sells food purchased for such household at the price paid by such service for such food and without any additional cost markup.".

(b) IMPLEMENTATION.—

(1) ISSUANCE OF RULES.—The Secretary of Agriculture shall issue regulations that—

(A) establish criteria to identify a food purchasing and delivery service referred to in section 3(p)(5) of the Food and Nutrition Act of 2008 as amended by this Act, and

(B) establish procedures to ensure that such service—

(i) does not charge more for a food item than the price paid by the such service for such food item,

(ii) offers food delivery service at no or low cost to households under such Act,

(iii) ensures that benefits provided under the supplemental nutrition assistance program are used only to purchase food, as defined in section 3 of such Act,

(iv) limits the purchase of food, and the delivery of such food, to households eligible to receive services described in section 3(p)(5) of such Act as so amended,

(v) has established adequate safeguards against fraudulent activities, including unauthorized use of electronic benefit cards issued under such Act, and

(vi) such other requirements as the Secretary deems to be appropriate.

(2) LIMITATION.—Before the issuance of rules under paragraph (1) , the Secretary of Agriculture may not approve more than 20 food purchasing and delivery services referred to in section 3(p)(5) of the Food and Nutrition Act of 2008 as amended by this Act, to participate as retail food stores under the supplemental nutrition assistance program.

SEC. 4004. FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.

Section 4(b)(6)(F) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)(6)(F)) is amended by striking "2012" and inserting "2018".

SEC. 4005. UPDATING PROGRAM ELIGIBILITY.

Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the 2d sentence of subsection (a) by striking "households in which each member receives benefits" and inserting "households in which each member receives cash assistance", and

(2) in subsection (j) by striking "or who receives benefits under a State program" and inserting "or who receives cash assistance under a State program".

SEC. 4006. EXCLUSION OF MEDICAL MARIJUANA FROM EXCESS MEDICAL EXPENSE DEDUCTION.

Section 5(e)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(5)) is amended by adding at the end the following:

"(C) EXCLUSION OF MEDICAL MARIJUANA.—The Secretary shall promulgate rules to ensure that medical marijuana is not treated as a medical expense for purposes of this paragraph.".

SEC. 4007. STANDARD UTILITY ALLOWANCES BASED ON THE RECEIPT OF ENERGY ASSISTANCE PAYMENTS.

(a) STANDARD UTILITY ALLOWANCES IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—Section 5(e)(6)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(C)) is amended—

(1) in clause (i) by inserting ", subject to clause (iv)" after "Secretary"; and

(2) by striking subclause (I) of clause (iv) and inserting the following:

"(I) IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating and cooling costs, the standard utility allowance shall be made available to households that received a payment, or on behalf of which a payment was made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if in the current month or in the immediately preceding 12 months, the household either received such payment, or such payment was made on behalf of the household, that was greater than $20 annually, as determined by the Secretary."; and

(b) CONFORMING AMENDMENT.—Section 2605(f)(2)(A) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)(A)) is amended by inserting before the semicolon the following: ", except that, for purposes of the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), such payments or allowances were greater than $20 annually, consistent with section 5(e)(6)(C)(iv)(I) of that Act (7 U.S.C. 2014(e)(6)(C)(iv)(I)), as determined by the Secretary of Agriculture".

(c) EFFECTIVE DATE AND IMPLEMENTATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect on October 1, 2013, and shall apply with respect to certification periods that begin after such date.

(2) STATE OPTION TO DELAY IMPLEMENTATION FOR CURRENT RECIPIENTS.—A State may, at the option of the State, implement a policy that eliminates or reduces the effect of the amendments made by this section on households that received a standard utility allowance as of the date of enactment of this Act, for not more than a 180-day period that begins on the date on which such amendments would otherwise apply to the respective household.

SEC. 4008. ELIGIBILITY DISQUALIFICATIONS.

Section 6(e)(3)(B) of Food and Nutrition Act of 2008 (7 U.S.C. 2015(e)(3)(B)) is amended by striking "section;" and inserting the following: "section, subject to the condition that the course or program of study—"

"(i) is part of a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) that may be completed in not more than 4 years at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)); or

"(ii) is limited to remedial courses, basic adult education, literacy, or English as a second language;".

SEC. 4009. ENDING SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS FOR LOTTERY OR GAMBLING WINNERS.

(a) IN GENERAL.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) is amended by adding at the end the following:

"(r) INELIGIBILITY FOR BENEFITS DUE TO RECEIPT OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.—

"(1) IN GENERAL.—Any household in which a member receives substantial lottery or gambling winnings, as determined by the Secretary, shall lose eligibility for benefits immediately upon receipt of the winnings.

"(2) DURATION OF INELIGIBILITY.—A household described in paragraph (1) shall remain ineligible for participation until the household meets the allowable financial resources and income eligibility requirements under subsections (c), (d), (e), (f), (g), (i), (k), (l), (m), and (n) of section 5.

"(3) AGREEMENTS.—As determined by the Secretary, each State agency, to the maximum extent practicable, shall establish agreements with entities responsible for the regulation or sponsorship of gaming in the State to determine

whether individuals participating in the supplemental nutrition assistance program have received substantial lottery or gambling winnings.".

(b) CONFORMING AMENDMENTS.—Section 5(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)) is amended in the 2d sentence by striking "sections 6(b), 6(d)(2), and 6(g)" and inserting "subsections (b), (d)(2), (g), and (r) of section 6".

SEC. 4010. IMPROVING SECURITY OF FOOD ASSISTANCE.

Section 7(h)(8) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(8)) is amended—

(1) in the heading by striking "CARD FEE" and inserting "OF CARDS";

(2) by striking "A State" and inserting the following:

"(A) FEES.—A State"; and

(3) by adding after subparagraph (A) (as so designated by paragraph (2)) the following:

"(B) PURPOSEFUL LOSS OF CARDS.—

"(i) IN GENERAL.—Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replacement card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.

"(ii) REQUIREMENTS.—The terms and conditions established by the Secretary shall provide that—

"(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;

"(II) after an excessive number of lost cards, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 5(a); and

"(III) any action taken, including actions required under section 6(b)(2), other than the withholding of the electronic benefit transfer card until an explanation described in subclause (I) is provided, shall be consistent with the due process protections under section 6(b) or 11(e)(10), as appropriate.

"(C) PROTECTING VULNERABLE PERSONS.—In implementing this paragraph, a State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.

"(D) EFFECT ON ELIGIBILITY.—While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 5.".

SEC. 4011. DEMONSTRATION PROJECTS ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.

Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) is amended by adding at the end the following:

"(14) DEMONSTRATION PROJECTS ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.—

"(A) IN GENERAL.—The Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by allowing retail food stores, farmers markets, and other direct producer-to-consumer marketing outlets to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.

"(B) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under subsection (a), a retail food store, farmers market, or other direct producer-to-consumer marketing outlet shall submit to the Secretary for approval a plan that includes—

"(i) a description of the technology;

"(ii) the manner by which the retail food store, farmers market or other direct producer-to-consumer marketing outlet will provide proof of the transaction to households;

"(iii) the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and

"(iv) such other criteria as the Secretary may require.

"(C) DATE OF COMPLETION.—The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.

"(D) REPORT TO CONGRESS.—The Secretary shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes a finding, based on the data provided under subparagraph (C) whether or not implementation in all States is in the best interest of the supplemental nutrition assistance program.".

SEC. 4012. USE OF BENEFITS FOR PURCHASE OF COMMUNITY-SUPPORTED AGRICULTURE SHARE.

Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) is amended in the 1st sentence by inserting "agricultural producers who market agricultural products directly to consumers shall be authorized to redeem benefits for the initial cost of the purchase of a community-supported agriculture share," after "food so purchased,".

SEC. 4013. RESTAURANT MEALS PROGRAM.

(a) IN GENERAL.—Section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (22) by striking "and" at the end;

(2) in paragraph (23)(C) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(24) if the State elects to carry out a program to contract with private establishments to offer meals at concessional prices, as described in paragraphs (3), (4), and (9) of section 3(k)—

"(A) the plans of the State agency for operating the program, including—

"(i) documentation of a need that eligible homeless, elderly, and disabled clients are underserved in a particular geographic area;

"(ii) the manner by which the State agency will limit participation to only those private establishments that the State determines necessary to meet the need identified in clause (i); and

"(iii) any other conditions the Secretary may prescribe, such as the level of security necessary to ensure that only eligible recipients participate in the program; and

"(B) a report by the State agency to the Secretary annually, the schedule of which shall be established by the Secretary, that includes—

"(i) the number of households and individual recipients authorized to participate in the program, including any information on whether the individual recipient is elderly, disabled, or homeless; and

"(ii) an assessment of whether the program is meeting an established need, as documented under subparagraph (A)(i).".

(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended by adding at the end the following:

"(h) PRIVATE ESTABLISHMENTS.—

"(1) IN GENERAL.—Subject to paragraph (2), no private establishment that contracts with a State agency to offer meals at concessional prices as described in paragraphs (3), (4), and (9) of section 3(k) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the private establishment is required to meet a documented need in accordance with section 11(e)(24).

"(2) EXISTING CONTRACTS.—

"(A) IN GENERAL.—If, on the day before the effective date of this subsection, a State has entered into a contract with a private establishment described in paragraph (1) and the Secretary has not determined that the participation of the private establishment is necessary to meet a documented need in accordance with section 11(e)(24), the Secretary shall allow the operation of the private establishment to continue without that determination of need for a period not to exceed 180 days from the date on which the Secretary establishes determination criteria, by regulation, under section 11(e)(24).

"(B) JUSTIFICATION.—If the Secretary determines to terminate a contract with a private establishment that is in effect on the effective date of this subsection, the Secretary shall provide justification to the State in which the private establishment is located for that termination.

"(3) REPORT TO CONGRESS.—Not later than 90 days after September 30, 2014, and 90 days after the last day of each fiscal year thereafter, the Secretary shall

report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the effectiveness of a program under this subsection using any information received from States under section 11(e)(24) as well as any other information the Secretary may have relating to the manner in which benefits are used.".

(c) CONFORMING AMENDMENTS.—Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is amended by inserting "subject to section 9(h)" after "concessional prices" each place it appears.

SEC. 4014. MANDATING STATE IMMIGRATION VERIFICATION.

Section 11(p) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(p)) is amended to read as follows:

"(p) STATE VERIFICATION OPTION.—In carrying out the supplemental nutrition assistance program, a State agency shall be required to use an income and eligibility, or an immigration status, verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7), in accordance with standards set by the Secretary.".

SEC. 4015. DATA EXCHANGE STANDARDIZATION FOR IMPROVED INTEROPERABILITY.

(a) DATA EXCHANGE STANDARDIZATION.—Section 11 of the Food and Nutrition Act of 2008 (7 U.S.C. 2020) is amended by adding at the end the following:

"(v) DATA EXCHANGE STANDARDIZATION FOR IMPROVED INTEROPERABILITY.—

"(1) DATA EXCHANGE STANDARDS.—

"(A) DESIGNATION.—The Secretary, in consultation with an interagency work group which shall be established by the Office of Management and Budget, and considering State perspectives, shall, by rule, designate a data exchange standard for any category of information required to be reported under this Act.

"(B) DATA EXCHANGE STANDARDS MUST BE NONPROPRIETARY AND INTEROPERABLE.—The data exchange standard designated under subparagraph (A) shall, to the extent practicable, be nonproprietary and interoperable.

"(C) OTHER REQUIREMENTS.—In designating data exchange standards under this subsection, the Secretary shall, to the extent practicable, incorporate—

"(i) interoperable standards developed and maintained by an international voluntary consensus standards body, as defined by the Office of Management and Budget, such as the International Organization for Standardization;

"(ii) interoperable standards developed and maintained by intergovernmental partnerships, such as the National Information Exchange Model; and

"(iii) interoperable standards developed and maintained by Federal entities with authority over contracting and financial assistance, such as the Federal Acquisition Regulatory Council.

"(2) DATA EXCHANGE STANDARDS FOR REPORTING.—

"(A) DESIGNATION.—The Secretary, in consultation with an interagency work group established by the Office of Management and Budget, and considering State perspectives, shall, by rule, designate data exchange standards to govern the data reporting required under this part.

"(B) REQUIREMENTS.—The data exchange standards required by subparagraph (A) shall, to the extent practicable—

"(i) incorporate a widely-accepted, nonproprietary, searchable, computer-readable format;

"(ii) be consistent with and implement applicable accounting principles; and

"(iii) be capable of being continually upgraded as necessary.

"(C) INCORPORATION OF NONPROPRIETARY STANDARDS.—In designating reporting standards under this subsection, the Secretary shall, to the extent practicable, incorporate existing nonproprietary standards, such as the eXtensible Markup Language.".

(b) EFFECTIVE DATES.—

(1) DATA EXCHANGE STANDARDS.—The Secretary of Agriculture shall issue a proposed rule under section 11(v)(1) of the Food and Nutrition Act of 2008 within 12 months after the effective date of this section, and shall issue a final rule under such section after public comment, within 24 months after such effective date.

(2) DATA REPORTING STANDARDS.—The reporting standards required under section 11(v)(2) of such Act shall become effective with respect to reports required in the first reporting period, after the effective date of the final rule referred to in paragraph (1) of this subsection, for which the authority for data

collection and reporting is established or renewed under the Paperwork Reduction Act.

SEC. 4016. PILOT PROJECTS TO IMPROVE FEDERAL-STATE COOPERATION IN IDENTIFYING AND REDUCING FRAUD IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

Section 12 of the Food and Nutrition Act of 2008 (7 U.S.C. 2021) is amended by adding at the end the following:

"(i) PILOT PROJECTS TO IMPROVE FEDERAL-STATE COOPERATION IN IDENTIFYING AND REDUCING FRAUD IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—

"(1) IN GENERAL.—The Secretary shall carry out, under such terms and conditions as determined by the Secretary, pilot projects to test innovative Federal-State partnerships to identify, investigate, and reduce retailer fraud in the supplemental nutrition assistance program, including allowing States to operate retail Food Store investigation programs.

"(2) SELECTION CRITERIA.—Pilot projects shall be selected based on criteria the Secretary establishes, which shall include—

"(A) enhancing existing efforts by the Secretary to reduce retailer fraud;

"(B) requiring participant States to maintain their overall level of effort at addressing recipient fraud, as determined by the Secretary, prior to participation in the pilot project;

"(C) collaborating with other law enforcement authorities as necessary to carry out an effective pilot project;

"(D) commitment of the participant State agency to follow Federal rules and procedures with respect to retailer investigations; and

"(E) the extent to which a State has committed resources to recipient fraud and the relative success of those efforts.

"(3) EVALUATION.—

"(A) The Secretary shall evaluate the projects selected under this subsection to measure the impact of the pilot projects.

"(B) Such evaluation shall include—

"(i) each pilot project's impact on increasing the Secretary's capacity to address retailer fraud;

"(ii) the effectiveness of the pilot projects in identifying, preventing and reducing retailer fraud; and

"(iii) the cost effectiveness of such pilot projects.

"(4) REPORT TO CONGRESS.—Not later than September 30, 2017, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate, a report that includes a description of the results of each pilot project, including an evaluation of the impact of the project on retailer fraud and the costs associated with each pilot project.

"(5) FUNDING.—Any costs incurred by the State to operate the pilot projects in excess of the amount expended under this Act for retailer fraud in the respective State in the previous fiscal year shall not be eligible for Federal reimbursement under this Act.".

SEC. 4017. PROHIBITING GOVERNMENT-SPONSORED RECRUITMENT ACTIVITIES.

(a) ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL.—Section 16(a)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)(4)) is amended by inserting after "recruitment activities" the following: "designed to persuade an individual to apply for program benefits or that promote the program via television, radio, or billboard advertisements".

(b) LIMITATION ON USE OF FUNDS AUTHORIZED TO BE APPROPRIATED UNDER ACT.—Section 18 of the Food and Nutrition Act of 2008 (7 U.S.C. 2027) is amended by adding at the end the following:

"(g) BAN ON RECRUITMENT AND PROMOTION ACTIVITIES.—(1) Except as provided in paragraph (2), no funds authorized to be appropriated under this Act shall be used by the Secretary for—

"(A) recruitment activities designed to persuade an individual to apply for supplemental nutrition assistance program benefits;

"(B) television, radio, or billboard advertisements that are designed to promote supplemental nutrition assistance program benefits and enrollment; or

"(C) any agreements with foreign governments designed to promote supplemental nutrition assistance program benefits and enrollment.

"(2) Paragraph (1)(B) shall not apply to programmatic activities undertaken with respect to benefits made available in response to a natural disaster.".

(c) BAN ON RECRUITMENT ACTIVITIES BY ENTITIES THAT RECEIVE FUNDS.—Section 18 of the Food and Nutrition Act of 2008 (7 U.S.C. 2027) is amended by adding at the end the following :

"(h) BAN ON RECRUITMENT BY ENTITIES THAT RECEIVE FUNDS.—The Secretary shall issue regulations that forbid entities that receive funds under this Act to compensate any person for conducting outreach activities relating to participation in, or for recruiting individuals to apply to receive benefits under, the supplemental nutrition assistance program if the amount of such compensation would be based on the number of individuals who apply to receive such benefits.".

SEC. 4018. REPEAL OF BONUS PROGRAM.

Section 16(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(d)) is repealed.

SEC. 4019. FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.

Section 16(h)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(1)(A)) is amended by striking "$90,000,000" and all that follows through "$79,000,000", and inserting "$79,000,000 for each fiscal year".

SEC. 4020. MONITORING EMPLOYMENT AND TRAINING PROGRAMS.

(a) REPORTING MEASURES.—Section 16(h)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(5)) is amended to read:

"(5)(A) IN GENERAL.—The Secretary shall monitor the employment and training programs carried out by State agencies under section 6(d)(4) and assess their effectiveness in—

"(i) preparing members of households participating in the supplemental nutrition assistance program for employment, including the acquisition of basic skills necessary for employment; and

"(ii) increasing the numbers of household members who obtain and retain employment subsequent to their participation in such employment and training programs.

"(B) REPORTING MEASURES.—The Secretary, in consultation with the Secretary of Labor, shall develop reporting measures that identify improvements in the skills, training education or work experience of members of households participating in the supplemental nutrition assistance program. Measures shall be based on common measures of performance for federal workforce training programs, so long as they reflect the challenges facing the types of members of households participating in the supplemental nutrition assistance program who participate in a specific employment and training component. The Secretary shall require that each State employment and training plan submitted under section 11(3)(19) identify appropriate reporting measures for each of their proposed components that serve at least 100 people. Such measures may include:

"(i) the percentage and number of program participants who received employment and training services and are in unsubsidized employment subsequent to the receipt of those services;

"(ii) the percentage and number of program participants who obtain a recognized postsecondary credential, including a registered apprenticeship, or a regular secondary school diploma or its recognized equivalent, while participating in or within 1 year after receiving employment and training services;

"(iii) the percentage and number of program participants who are in an education or training program that is intended to lead to a recognized postsecondary credential, including a registered apprenticeship or on-the-job training program, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment;

"(iv) subject to the terms and conditions set by the Secretary, measures developed by each State agency to assess the skills acquisition of employment and training program participants that reflect the goals of their specific employment and training program components, which may include, but are not limited to—

"(I) the percentage and number of program participants who are meeting program requirements in each component of the State's education and training program; and

"(II) the percentage and number of program participants who are gaining skills likely to lead to employment as measured through testing, quantitative or qualitative assessment or other method; and

"(v) other indicators as approved by the Secretary.

"(C) STATE REPORT.—Each State agency shall annually prepare and submit to the Secretary a report on the State's employment and training program that includes the numbers of supplemental nutrition assistance program participants who have gained skills, training, work or experience that will increase their ability to obtain regular employment using measures identified in subparagraph (B).

"(D) MODIFICATIONS TO THE STATE EMPLOYMENT AND TRAINING PLAN.—Subject to the terms and conditions established by the Secretary, if the Secretary determines that the state agency's performance with respect to employment and training outcomes is inadequate, the Secretary may require the State agency to make modifications to their employment and training plan to improve such outcomes.

"(E) PERIODIC EVALUATION.—

"(i) IN GENERAL.—Subject to terms and conditions established by the Secretary, not later than October 1, 2016, and not less frequently than once every 5 years thereafter, the Secretary shall conduct a study to review existing practice and research to identify employment and training program components and practices that—

"(I) effectively assist members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment, and

"(II) are best integrated with statewide workforce development systems.

"(ii) REPORT TO CONGRESS.—The Secretary shall submit a report that describes the results of the study under clause (i) to the Committee on Agriculture in the House of Representatives, and the Committee on Agriculture, Nutrition and Forestry in the Senate.".

(b) EFFECTIVE DATE.—Notwithstanding section 4(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)), the Secretary shall issue interim final regulations implementing the amendment made by subsection (a) no later than 18 months after the date of enactment of this Act. States shall include such reporting measures in their employment and training plans for the 1st fiscal year thereafter that begins no sooner than 6 months after the date that such regulations are published.

SEC. 4021. COOPERATION WITH PROGRAM RESEARCH AND EVALUATION.

Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended by adding at the end the following:

"(l) COOPERATION WITH PROGRAM RESEARCH AND EVALUATION.—States, State agencies, local agencies, institutions, facilities such as data consortiums, and contractors participating in programs authorized under this Act shall cooperate with officials and contractors acting on behalf of the Secretary in the conduct of evaluations and studies under this Act and shall submit information at such time and in such manner as the Secretary may require.".

SEC. 4022. PILOT PROJECTS TO REDUCE DEPENDENCY AND INCREASE WORK EFFORT IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026), as amended by section 4021, is amended by adding at the end the following:

"(m) PILOT PROJECTS TO REDUCE DEPENDENCY AND INCREASE WORK EFFORT IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—

"(1) IN GENERAL.—The Secretary shall carry out, under such terms and conditions as the Secretary considers to be appropriate, pilot projects to identify best practices for employment and training programs under this Act to raise the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their reliance on public assistance, including but not limited to the supplemental nutrition assistance program.

"(2) SELECTION CRITERIA.—Pilot projects shall be selected based on criteria the Secretary establishes, that shall include—

"(A) enhancing existing employment and training programs in the State;

"(B) agreeing to participate in the evaluation described in paragraph (3), including making available data on participants' employment activities and post-participation employment, earnings, and public benefit receipt;

"(C) collaborating with the State workforce board and other job training programs in the State and local area;

"(D) the extent to which the pilot project's components can be easily replicated by other States or political subdivisions; and

"(E) such additional criteria that ensure that the pilot projects—

"(i) target a variety of populations of work registrants, including childless adults, parents, and individuals with low skills or limited work experience;

"(ii) are selected from a range of existing employment and training programs including programs that provide—

"(I) section 20 workfare;

"(II) skills development for work registrants with limited employment history;

"(III) post-employment support services necessary for maintaining employment; and

"(IV) education leading to a recognized postsecondary credential, registered apprenticeship, or secondary school diploma or its equivalent;

"(iii) are located in a range of geographic areas, including rural, urban, and Indian reservations; and

"(iv) include participants who are exempt and not exempt under section (6)(d)(2).

"(3) EVALUATION.—The Secretary shall provide for an independent evaluation of projects selected under this subsection to measure the impact of the pilot projects on the ability of each pilot project target population to find and retain employment that leads to increased household income and reduced dependency, compared to what would have occurred in the absence of the pilot project.

"(4) REPORT TO CONGRESS.—By September 30, 2017, the Secretary shall submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that includes a description of—

"(A) the results of each pilot project, including an evaluation of the impact of the project on the employment, income, and public benefit receipt of the targeted population of work registrants;

"(B) the Federal, State, and other costs of each pilot project;

"(C) the planned dissemination of the reports' findings with State agencies; and

"(D) the steps and funding necessary to incorporate components of pilot projects that demonstrate increased employment and earnings into State employment and training programs.

"(5) FUNDING.—From amounts made available to under section 18(a)(1), the Secretary shall make $10,000,000 available for each of the fiscal years 2014, 2015, and 2016 to carry out this subsection. Such amounts shall remain available until expended.

"(6) USE OF FUNDS.—

"(A) Funds provided under this subsection for pilot projects shall be used only for—

"(i) pilot projects that comply with the provisions of this Act;

"(ii) the costs and administration of the pilot projects;

"(iii) the costs incurred in providing information and data to the independent evaluation under paragraph (3); and

"(iv) the costs of the evaluation under paragraph (3).

"(B) Funds made available under this subsection may not be used to supplant non-Federal funds used for existing employment and training activities.".

SEC. 4023. AUTHORIZATION OF APPROPRIATIONS.

Section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)) is amended in the 1st sentence by striking "2012" and inserting "2018".

SEC. 4024. LIMITATION ON USE OF BLOCK GRANT TO PUERTO RICO.

Section 19(a)(2)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2028(a)(2)(B)) is amended by adding at the end the following:

"(iii) LIMITATION ON USE OF FUNDS.—None of the funds made available to the Commonwealth of Puerto Rico under this subparagraph may be used to provide nutrition assistance in the form of cash benefits.".

SEC. 4025. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

(a) DEFINITION.—Section 25(a)(1)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2034(a)(1)(B)(i)) is amended—

(1) in subclause (II) by striking "and" at the end;

(2) in subclause (III) by striking "or" at the end and inserting "and"; and

(3) by adding at the end the following:

"(IV) to provide incentives for the consumption of fruits and vegetables among low-income individuals; or".

(b) ADDITIONAL FUNDING.—Section 25(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2034) is amended by adding at the end the following:

"(3) FUNDING.—

"(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $10,000,000 for fiscal year 2014 and each fiscal year thereafter. Of the amount made available under this sub-

paragraph for each such fiscal year, $5,000,000 shall be available to carry out subsection (a)(1)(B)(I)(IV).

"(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section, the funds transferred under subparagraph (A) without further appropriation.

"(C) MAINTENANCE OF FUNDING.—The funding provided under subparagraph (A) shall supplement (and not supplant) other Federal funding made available to the Secretary to carry out this section.".

SEC. 4026. EMERGENCY FOOD ASSISTANCE.

(a) PURCHASE OF COMMODITIES.—Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is amended—

(1) in paragraph (1) by striking "2008 through 2012" and inserting "2013 through 2018";

(2) in paragraph (2)—

(A) by striking subparagraphs (A) and (B) and inserting the following:

"(A) for fiscal year 2013, $265,750,000;

"(B) for fiscal year 2014 the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) between June 30, 2012 and June 30, 2013, and subsequently increased by $20,000,000;"; and

(B) in subparagraph (C)—

(i) by striking "2010 through 2012, the dollar amount of commodities specified in" and inserting "2015 through 2018, the total amount of commodities under"; and

(ii) by striking "2008" and inserting "2013"; and

(3) by adding at the end the following:

"(3) FUNDS AVAILABILITY.—For purposes of the funds described in this subsection, the Secretary shall—

"(A) make the funds available for 2 fiscal years; and

"(B) allow States to carry over unexpended balances to the next fiscal year pursuant to such terms and conditions as are determined by the Secretary.".

(b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE GRANTS.—Section 209(d) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7511a(d)) is amended by striking "2012" and inserting "2018".

SEC. 4027. NUTRITION EDUCATION.

Section 28 of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a) is amended—

(1) in subsection (b) by inserting "and physical activity" after "healthy food choices"; and

(2) in subsection (d)(1)—

(A) in subparagraph (D) by striking "$401,000,000;" and inserting "$375,000,000; and";

(B) by striking subparagraph (E); and

(C) in subparagraph (F) by striking "(F) for fiscal year 2016" and inserting "(E) for fiscal year 2015".

SEC. 4028. RETAILER TRAFFICKING.

The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 29. RETAILER TRAFFICKING.

"(a) PURPOSE.—The purpose of this section is to provide the Department of Agriculture with additional resources to prevent trafficking in violation of this Act by strengthening recipient and retailer program integrity. Additional funds are provided to supplement the Department's payment accuracy, and retailer and recipient integrity activities.

"(b) FUNDING.—

"(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $5,000,000 for fiscal year 2014 and each fiscal year thereafter.

"(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1) without further appropriation.

"(3) MAINTENANCE OF FUNDING.—The funding provided under paragraph (1) shall supplement (and not supplant) other Federal funding for programs carried out under this Act.".

SEC. 4029. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) is amended—

(1) in subsection (g) by striking "coupon," the last place it appears and inserting "coupon";

(2) in subsection (k)(7) by striking "or are" and inserting "and";

(3) by striking subsection (l);

(4) by redesignating subsections (m) through (t) as subsections (l) through (s), respectively; and

(5) by inserting after subsection (s) (as so redesignated) the following:

"(t) 'Supplemental nutritional assistance program' means the program operated pursuant to this Act.".

(b) Section 4(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)) is amended by striking "benefits" the last place it appears and inserting "Benefits".

(c) Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the last sentence of subsection (i)(2)(D) by striking "section 13(b)(2)" and inserting "section 13(b)"; and

(2) in subsection (k)(4)(A) by striking "paragraph (2)(H)" and inserting "paragraph (2)(G)".

(d) Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (B)(vii) by moving the left margin 4 ems to the left, and

(2) in subparagraph (F)(iii) by moving the left margin 6 ems to the left.

(e) Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) is amended by redesignating the 2d paragraph (12) as paragraph (13).

(f) Section 12 of the Food and Nutrition Act of 2008 (7 U.S.C. 2021) is amended—

(1) in subsection (b)(3)(C) by striking "civil money penalties" and inserting "civil penalties"; and

(2) in subsection (g)(1) by striking "(7 U.S.C. 1786)" and inserting "(42 U.S.C. 1786)".

(g) Section 15(b)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2024(b)(1)) is amended in the 1st sentence by striking "an benefit" both places it appears and inserting "a benefit".

(h) Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended in the proviso following paragraph (8) by striking ", as amended.".

(i) Section 18(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(e)) is amended in the 1st sentence by striking "sections 7(f)" and inserting "section 7(f)".

(j) Section 22(b)(10)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(10)(B)(i)) is amended in the last sentence by striking "Food benefits" and inserting "Benefits".

(k) Section 26(f)(3)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2035(f)(3)(C)) is amended by striking "subsection" and inserting "subsections".

(l) Section 27(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)(1)) is amended by striking "(Public Law 98–8; 7 U.S.C. 612c note)" and inserting "(7 U.S.C. 7515)".

(m) Section 509 of the Older Americans Act of 1965 (42 U.S.C. 3056g) is amended in the section heading by striking "**FOOD STAMP PROGRAMS**" and inserting "**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM**".

(n) Section 4115(c)(2)(H) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1871) is amended by striking "531" and inserting "454".

(o) Section 3803(c)(2)(C)(vii) of title 31 of the United States Code is amended by striking "section 3(l)" and inserting "section 3(s)".

(p) Section 115 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) is amended—

(1) in subsection (a)(2) by striking "section 3(l)" and inserting "section 3(s)";

(2) in subsection (b)(2) by striking "section 3(l)" and inserting "section 3(s)"; and

(3) in subsection (e)(2) by striking "section 3(l)" and inserting "section 3(s)".

(q) The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c) is amended—

(1) in section 4(a) by striking "Food Stamp Act of 1977" and inserting "Food and Nutrition Act of 2008"; and

(2) in section 5—

(A) in subsection (i)(1) by striking "Food Stamp Act of 1977" and inserting "Food and Nutrition Act of 2008"; and

(B) in subsection (l)(2)(B) by striking "Food Stamp Act of 1977" and inserting "Food and Nutrition Act of 2008".

(r) The Social Security Act (42 U.S.C. 301 et seq.) is amended—

(1) in the heading of section 453(j)(10) by striking "FOOD STAMP" and inserting "SUPPLEMENTAL NUTRITION ASSISTANCE";

(2) in section 1137—

(A) in subsection (a)(5)(B) by striking "food stamp" and inserting "supplemental nutrition assistance"; and

(B) in subsection (b)(4) by striking "food stamp program under the Food Stamp Act of 1977" and inserting "supplemental nutrition assistance program under the Food and Nutrition Act of 2008"; and

(3) in the heading of section 1631(n) by striking "FOOD STAMP" and inserting "SUPPLEMENTAL NUTRITION ASSISTANCE".

SEC. 4030. TOLERANCE LEVEL FOR EXCLUDING SMALL ERRORS.

The Secretary shall set the tolerance level for excluding small errors for the purposes of section 16(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c))—

(1) for fiscal year 2014 at an amount no greater than $25; and

(2) for each fiscal year thereafter, the amount specified in paragraph (1) adjusted by the percentage by which the thrifty food plan is adjusted under section 3(u)(4) of such Act between June 30, 2012, and June 30 of the immediately preceding fiscal year.

SEC. 4031. COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS PILOT PROGRAM.

(a) STUDY.—

(1) IN GENERAL.—Prior to establishing the pilot program under subsection (b), the Secretary shall conduct a study to be completed not later than 2 years after the effective date of this section to assess—

(A) the capabilities of the Commonwealth of the Northern Mariana Islands to operate the supplemental nutrition assistance program in the same manner in which the program is operated in the States (as defined in section 3 of the Food and Nutrition Act (7 U.S.C. 2011 et seq)); and

(B) alternative models of the supplemental nutrition assistance program operation and benefit delivery that best meet the nutrition assistance needs of the Commonwealth of the Northern Mariana Islands.

(2) SCOPE.—The study conducted under paragraph (1)(A) will assess the capability of the Commonwealth to fulfill the responsibilities of a State agency, including—

(A) extending and limiting participation to eligible households, as prescribed by sections 5 and 6 of the Act;

(B) issuing benefits through EBT cards, as prescribed by section 7 of the Act;

(C) maintaining the integrity of the program, including operation of a quality control system, as prescribed by section 16(c) of the Act;

(D) implementing work requirements, including operating an employment and training program, as prescribed by section 6(d) of the Act; and

(E) paying a share of administrative costs with non-Federal funds, as prescribed by section 16(a) of the Act.

(b) ESTABLISHMENT.—If the Secretary determines that a pilot program is feasible, the Secretary shall establish a pilot program for the Commonwealth of the Northern Mariana Islands to operate the supplemental nutrition assistance program in the same manner in which the program is operated in the States.

(c) SCOPE.—The Secretary shall utilize the information obtained from the study conducted under subsection (a) to establish the scope of the pilot program established under subsection (b).

(d) REPORT.—Not later than June 30, 2019, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the pilot program carried out under this section, including an analysis of the feasibility of operating in the Commonwealth of the Northern Mariana Islands the supplemental nutrition assistance program as it is operated in the States.

(e) FUNDING.—

(1) STUDY.—Of the funds made available under section 18(a)(1) of the Food and Nutrition Act of 2008, the Secretary may use not more than $1,000,000 in each of fiscal years 2014 and 2015 to conduct the study described in subsection (a).

(2) PILOT PROGRAM.—Of the funds made available under section 18(a)(1) of the Food and Nutrition Act of 2008, for the purposes of establishing and carrying out the pilot program established under subsection (b) of this section, including the Federal costs for providing technical assistance to the Commonwealth, authorizing and monitoring retail food stores, and assessing pilot operations, the Secretary may use not more than—

(A) $13,500,000 in fiscal year 2016; and

(B) $8,500,000 in each of fiscal years 2017 and 2018.

SEC. 4032. ANNUAL STATE REPORT ON VERIFICATION OF SNAP PARTICIPATION.

(a) ANNUAL REPORT.—Not later 1 year after the date specified by the Secretary in the 180-period beginning on the date of the enactment of this Act, and annually thereafter, each State agency that carries out the supplemental nutrition assistance program shall submit to the Secretary a report containing sufficient information for the Secretary to determine whether the State agency has, for the then most recently concluded fiscal year preceding such annual date, verified that households to which such State agency provided such assistance in such fiscal year—

(1) did not obtain benefits attributable to a deceased individual;

(2) did not include an individual who was simultaneously included in a household receiving such assistance in another State; and

(3) did not include, during the time benefits were provided, an individual who was then disqualified from receiving benefits.

(b) PENALTY FOR NONCOMPLIANCE.—For any fiscal year for which a State agency fails to comply with subsection (a), the Secretary shall reduce by 50 percent the amount otherwise payable to such State agency under section 16(a) of the Food and Nutrition Act of 2008 with respect to such fiscal year.

Subtitle B—Commodity Distribution Programs

SEC. 4101. COMMODITY DISTRIBUTION PROGRAM.

Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the 1st sentence by striking "2012" and inserting "2018".

SEC. 4102. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended—

(1) in paragraphs (1) and (2)(B) of subsection (a) by striking "2012" each place it appears and inserting "2018";

(2) in the 1st sentence of subsection (d)(2) by striking "2012" and inserting "2018";

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

"(g) ELIGIBILITY.—Except as provided in subsection (m), the States shall only provide assistance under the commodity supplemental food program to low-income individuals aged 60 and older."; and

(4) by adding at the end the following:

"(m) PHASE-OUT.—Notwithstanding any other provision of law, an individual who receives assistance under the commodity supplemental food program on the day before the effective date of this subsection shall continue to receive that assistance until the date on which the individual no longer qualifies for assistance under the eligibility criteria for the program in effect on the day before the effective date of this subsection.".

SEC. 4103. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the 1st sentence by striking "2012" and inserting "2018".

SEC. 4104. PROCESSING OF COMMODITIES.

(a) Section 17 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by—

(1) striking the heading and inserting "**COMMODITY DONATIONS AND PROCESSING**"; and

(2) adding at the end the following:

"(c) PROCESSING.—For any program included in subsection (b), the Secretary may, notwithstanding any other provision of State or Federal law relating to the procurement of goods and services—

"(1) retain title to commodities delivered to a processor, on behalf of a State (including a State distributing agency and a recipient agency), until such time as end products containing such commodities, or similar commodities as approved by the Secretary, are delivered to a State distributing agency or to a recipient agency; and

"(2) promulgate regulations to ensure accountability for commodities provided to a processor for processing into end products, and to facilitate processing of commodities into end products for use by recipient agencies. Such regulations may provide that—

"(A) a processor that receives commodities for processing into end products, or provides a service with respect to such commodities or end products, in accordance with its agreement with a State distributing agency or

a recipient agency, provide to the Secretary a bond or other means of financial assurance to protect the value of such commodities; and

"(B) in the event a processor fails to deliver to a State distributing agency or a recipient agency an end product in conformance with the processing agreement entered into under this Act, the Secretary take action with respect to the bond or other means of financial assurance pursuant to regulations promulgated under this paragraph and distribute any proceeds obtained by the Secretary to one or more State distributing agencies and recipient agencies as determined appropriate by the Secretary.".

(b) DEFINITIONS.—Section 18 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) The term 'commodities' means agricultural commodities and their products that are donated by the Secretary for use by recipient agencies.

"(2) The term 'end product' means a food product that contains processed commodities.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Section 3 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended—

(1) in subsection (a)—

(A) in paragraph (2) by striking subparagraph (B) and inserting the following:

"(B) the program established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));"; and

(B) in paragraph (3)(D) by striking "the Committee on Education and Labor" and inserting "the Committee on Education and the Workforce";

(2) in subsection (b)(1)(A)(ii) by striking "section 32 of the Agricultural Adjustment Act (7 U.S.C. 601 et seq.)" and inserting "section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)";

(3) in subsection (e)(1)(D)(iii) by striking subclause (II) and inserting the following:

"(II) the program established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));"; and

(4) in subsection (k) by striking "the Committee on Education and Labor" and inserting "the Committee on Education and the Workforce".

Subtitle C—Miscellaneous

SEC. 4201. FARMERS' MARKET NUTRITION PROGRAM.

Section 4402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007) is amended—

(1) in the section heading by striking "**SENIORS**";

(2) by amending subsection (a) to read as follows:

"(a) FUNDING.—

"(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use to carry out and expand the farmers market nutrition program $20,600,000 for each of fiscal years 2014 through 2018.

"(2) ADDITIONAL FUNDING.—There is authorized to be appropriated such sums as are necessary to carry out this subsection for each of the fiscal years specified in paragraph (1).";

(3) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "seniors"; and

(B) in paragraph (1) by inserting ", and low-income families who are determined to be at nutritional risk" after "low-income seniors";

(4) in subsection (c) by striking "seniors";

(5) in subsection (d) by striking "seniors";

(6) in subsection (e) by striking "seniors";

(7) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively; and

(8) by inserting after subsection (b) the following:

"(c) STATE GRANTS AND OTHER ASSISTANCE.—The Secretary shall carry out the Program through grants and other assistance provided in accordance with agreements made with States, for implementation through State agencies and local agencies, that include provisions—

"(1) for the issuance of coupons or vouchers to participating individuals;

"(2) establishing an appropriate annual percentage limitation on the use of funds for administrative costs; and

"(3) specifying other terms and conditions as the Secretary deems appropriate to encourage expanding the participation of small scale farmers in Federal nutrition programs.".

SEC. 4202. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.

Section 4403 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3171 note; Public Law 107–171) is repealed.

SEC. 4203. FRESH FRUIT AND VEGETABLE PROGRAM.

Section 19 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769a) is amended—

(1) in the section heading, by striking "**FRESH**";
(2) in subsection (a), by striking "fresh";
(3) in subsection (b), by striking "fresh"; and
(4) in subsection (e), by striking "fresh".

SEC. 4204. ADDITIONAL AUTHORITY FOR PURCHASE OF FRESH FRUITS, VEGETABLES, AND OTHER SPECIALTY FOOD CROPS.

Section 10603 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c–4) is amended—

(1) in subsection (b), by striking "2012" and inserting "2018";
(2) by redesignating subsection (c) as subsection (d); and
(3) by inserting after subsection (b) the following:

"(c) PILOT GRANT PROGRAM FOR PURCHASE OF FRESH FRUITS AND VEGETABLES.—

"(1) IN GENERAL.—Using amounts made available to carry out subsection (b), the Secretary of Agriculture shall conduct a pilot program under which the Secretary will give not more than five participating States the option of receiving a grant in an amount equal to the value of the commodities that the participating State would otherwise receive under this section for each of fiscal years 2014 through 2018.

"(2) USE OF GRANT FUNDS.—A participating State receiving a grant under this subsection may use the grant funds solely to purchase fresh fruits and vegetables for distribution to schools and service institutions in the State that participate in the food service programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

"(3) SELECTION OF PARTICIPATING STATES.—The Secretary shall select participating States from applications submitted by the States.

"(4) REPORTING REQUIREMENTS.—

"(A) SCHOOL AND SERVICE INSTITUTION REQUIREMENT.—Schools and service institutions in a participating State shall keep records of purchases of fresh fruits and vegetables made using the grant funds and report such records to the State.

"(B) STATE REQUIREMENT.—Each participating State shall submit to the Secretary a report on the success of the pilot program in the State, including information on—

"(i) the amount and value of each type of fresh fruit and vegetable purchased by the State; and

"(ii) the benefit provided by such purchases in conducting the school food service in the State, including meeting school meal requirements.".

SEC. 4205. ENCOURAGING LOCALLY AND REGIONALLY GROWN AND RAISED FOOD.

(a) COMMODITY PURCHASE STREAMLINING.—The Secretary may permit each school food authority with a low annual commodity entitlement value, as determined by the Secretary, to elect to substitute locally and regionally grown and raised food for the authority's allotment, in whole or in part, of commodity assistance for the school meal programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), if—

(1) the election is requested by the school food authority;
(2) the Secretary determines that the election will reduce State and Federal administrative costs; and
(3) the election will provide the school food authority with greater flexibility to purchase locally and regionally grown and raised foods.

(b) FARM-TO-SCHOOL DEMONSTRATION PROGRAMS.—

(1) IN GENERAL.—The Secretary may establish farm-to-school demonstration programs under which school food authorities, agricultural producers producing for local and regional markets, and other farm-to-school stakeholders will collaborate with the Agriculture Marketing Service to, on a cost neutral basis, source food for the school meal programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) from local farmers and ranchers in lieu of the com-

modity assistance provided to the school food authorities for the school meal programs.

(2) REQUIREMENTS.—

(A) IN GENERAL.—Each demonstration program carried out under this subsection shall—

(i) facilitate and increase the purchase of unprocessed and minimally processed locally and regionally grown and raised agricultural products to be served under the school meal programs;

(ii) test methods to improve procurement, transportation, and meal preparation processes for the school meal programs;

(iii) assess whether administrative costs can be saved through increased school food authority flexibility to source locally and regionally produced foods for the school meal programs; and

(iv) undertake rigorous evaluation and share information about results of the demonstration program, including cost savings, with the Secretary, other school food authorities, agricultural producers producing for the local and regional market, and the general public.

(B) PLANS.—In order to be selected to carry out a demonstration program under this subsection, a school food authority shall submit to the Secretary a plan at such time and in such manner as the Secretary may require, and containing information with respect to the requirements described in clauses (i) through (iv) of subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to demonstration program participants to assist such participants to acquire bids from potential vendors in a timely and cost-effective manner.

(4) LENGTH.—The Secretary shall determine the appropriate length of time for each demonstration program under this subsection.

(5) COORDINATION.—The Secretary shall coordinate among relevant agencies of the Department of Agriculture and non-governmental organizations with appropriate expertise to facilitate the provision of training and technical assistance necessary to successfully carry out demonstration programs under this subsection.

(6) NUMBER.—Subject to the availability of funds to carry out this subsection, the Secretary shall select at least 10 demonstration programs to be carried out under this subsection.

(7) DIVERSITY AND BALANCE.—In selecting demonstration programs to be carried out under this subsection, the Secretary shall, to the maximum extent practicable, ensure—

(A) geographical diversity;

(B) that at least half of the demonstration programs are completed in collaboration with school food authorities with small annual commodity entitlements, as determined by the Secretary;

(C) that at least half of the demonstration programs are completed in rural or tribal communities;

(D) equitable treatment of school food authorities with a high percentage of students eligible for free or reduced price lunches, as determined by the Secretary; and

(E) that at least one of the demonstration programs is completed on a military installation as defined in section 2687(e)(1) of title 10, United States Code.

SEC. 4206. REVIEW OF PUBLIC HEALTH BENEFITS OF WHITE POTATOES.

The Secretary shall conduct a review of the economic and public health benefits of white potatoes on low-income families who are determined to be at nutritional risk. Not later than 1 year after the date of the enactment of this Act, the Secretary shall report the findings of this review to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 4207. HEALTHY FOOD FINANCING INITIATIVE.

(a) IN GENERAL.—Subtitle D of title II of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6951 et seq.) is amended by adding at the end the following:

"SEC. 242. HEALTHY FOOD FINANCING INITIATIVE.

"(a) PURPOSE.—The purpose of this section is to enhance the authorities of the Secretary to support efforts to provide access to healthy food by establishing an initiative to improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities by providing loans and

grants to eligible fresh, healthy food retailers to overcome the higher costs and initial barriers to entry in underserved areas.

"(b) DEFINITIONS.—In this section:

"(1) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term 'community development financial institution' has the meaning given the term in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702).

"(2) INITIATIVE.—The term 'Initiative' means the Healthy Food Financing Initiative established under subsection (c)(1).

"(3) NATIONAL FUND MANAGER.—The term 'national fund manager' means a community development financial institution that is—

"(A) in existence on the date of enactment of this section; and

"(B) certified by the Community Development Financial Institution Fund of the Department of Treasury to manage the Initiative for purposes of—

"(i) raising private capital;

"(ii) providing financial and technical assistance to partnerships; and

"(iii) funding eligible projects to attract fresh, healthy food retailers to underserved areas, in accordance with this section.

"(4) PARTNERSHIP.—The term 'partnership' means a regional, State, or local public-private partnership that—

"(A) is organized to improve access to fresh, healthy foods;

"(B) provides financial and technical assistance to eligible projects; and

"(C) meets such other criteria as the Secretary may establish.

"(5) PERISHABLE FOOD.—The term 'perishable food' means a staple food that is fresh, refrigerated, or frozen.

"(6) QUALITY JOB.—The term 'quality job' means a job that provides wages and other benefits comparable to, or better than, similar positions in existing businesses of similar size in similar local economies.

"(7) STAPLE FOOD.—

"(A) IN GENERAL.—The term 'staple food' means food that is a basic dietary item.

"(B) INCLUSIONS.—The term 'staple food' includes—

"(i) bread;

"(ii) flour;

"(iii) fruits;

"(iv) vegetables; and

"(v) meat.

"(c) INITIATIVE.—

"(1) ESTABLISHMENT.—The Secretary shall establish an initiative to achieve the purpose described in subsection (a) in accordance with this subsection.

"(2) IMPLEMENTATION.—

"(A) IN GENERAL.—

"(i) IN GENERAL.—In carrying out the Initiative, the Secretary shall provide funding to entities with eligible projects, as described in subparagraph (B), subject to the priorities described in subparagraph (C).

"(ii) USE OF FUNDS.—Funds provided to an entity pursuant to clause (i) shall be used—

"(I) to create revolving loan pools of capital or other products to provide loans to finance eligible projects or partnerships;

"(II) to provide grants for eligible projects or partnerships;

"(III) to provide technical assistance to funded projects and entities seeking Initiative funding; and

"(IV) to cover administrative expenses of the national fund manager in an amount not to exceed 10 percent of the Federal funds provided.

"(B) ELIGIBLE PROJECTS.—Subject to the approval of the Secretary, the national fund manager shall establish eligibility criteria for projects under the Initiative, which shall include the existence or planned execution of agreements—

"(i) to expand or preserve the availability of staple foods in underserved areas with moderate- and low-income populations by maintaining or increasing the number of retail outlets that offer an assortment of perishable food and staple food items, as determined by the Secretary, in those areas; and

"(ii) to accept benefits under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

"(C) PRIORITIES.—In carrying out the Initiative, priority shall be given to projects that—

"(i) are located in severely distressed low-income communities, as defined by the Community Development Financial Institutions Fund of the Department of Treasury; and

"(ii) include 1 or more of the following characteristics:

"(I) The project will create or retain quality jobs for low-income residents in the community.

"(II) The project supports regional food systems and locally grown foods, to the maximum extent practicable.

"(III) In areas served by public transit, the project is accessible by public transit.

"(IV) The project involves women- or minority-owned businesses.

"(V) The project receives funding from other sources, including other Federal agencies.

"(VI) The project otherwise advances the purpose of this section, as determined by the Secretary.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $125,000,000, to remain available until expended.".

(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended, by adding at the end the following:

"(9) the authority of the Secretary to establish and carry out the Health Food Financing Initiative under section 242;".

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 5001. ELIGIBILITY FOR FARM OWNERSHIP LOANS.

(a) IN GENERAL.—Section 302(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a)) is amended—

(1) by striking "(a) IN GENERAL.—The" and inserting the following:

"(a) IN GENERAL.—

"(1) ELIGIBILITY REQUIREMENTS.—The";

(2) in the 1st sentence, by inserting after "limited liability companies" the following: ", and such other legal entities as the Secretary deems appropriate,";

(3) in the 2nd sentence, by redesignating clauses (1) through (4) as clauses (A) through (D), respectively;

(4) in each of the 2nd and 3rd sentences, by striking "and limited liability companies" each place it appears and inserting "limited liability companies, and such other legal entities";

(5) in the 3rd sentence, by striking "(3)" and "(4)" and inserting "(C)" and "(D)", respectively; and

(6) by adding at the end the following:

"(2) SPECIAL DEEMING RULES.—

"(A) ELIGIBILITY OF CERTAIN OPERATING-ONLY ENTITIES.—An entity that is or will become only the operator of a family farm is deemed to meet the owner-operator requirements of paragraph (1) if the individuals that are the owners of the family farm own more than 50 percent (or such other percentage as the Secretary determines is appropriate) of the entity.

"(B) ELIGIBILITY OF CERTAIN EMBEDDED ENTITIES.—An entity that is an owner-operator described in paragraph (1), or an operator described in subparagraph (A) of this paragraph that is owned, in whole or in part, by other entities, is deemed to meet the direct ownership requirement imposed under paragraph (1) if at least 75 percent of the ownership interests of each embedded entity of such entity is owned directly or indirectly by the individuals that own the family farm.".

(b) DIRECT FARM OWNERSHIP EXPERIENCE REQUIREMENT.—Section 302(b)(1) of such Act (7 U.S.C. 1922(b)(1)) is amended by inserting "or has other acceptable experience for a period of time, as determined by the Secretary," after "3 years".

(c) CONFORMING AMENDMENTS.—

(1) Section 304(c)(2) of such Act (7 U.S.C. 1924(c)(2)) by striking "paragraphs (1) and (2) of section 302(a)" and inserting "clauses (A) and (B) of section 302(a)(1)".

(2) Section 310D of such Act (7 U.S.C. 1934) is amended—

(A) by inserting after "partnership" the following: ", or such other legal entities as the Secretary deems appropriate,"; and

(B) by striking "or partners" each place it appears and inserting "partners, or owners".

SEC. 5002. CONSERVATION LOAN AND LOAN GUARANTEE PROGRAM.

(a) ELIGIBILITY.—Section 304(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(c)) is amended by inserting after "limited liability companies" the following: ", or such other legal entities as the Secretary deems appropriate,".

(b) LIMITATION ON LOAN GUARANTEE AMOUNT.—Section 304(e) of such Act (7 U.S.C. 1924(e)) is amended by striking "75 percent" and inserting "90 percent".

(c) EXTENSION OF PROGRAM.—Section 304(h) of such Act (7 U.S.C. 1924(h)) is amended by striking "2012" and inserting "2018".

SEC. 5003. DOWN PAYMENT LOAN PROGRAM.

(a) IN GENERAL.—Section 310E(b)(1)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b)(1)(C)) is amended by striking "$500,000" and inserting "$667,000".

(b) TECHNICAL CORRECTION.—Section 310E(b) of such Act (7 U.S.C. 1935(b)) is amended by striking the 2nd paragraph (2).

SEC. 5004. ELIMINATION OF MINERAL RIGHTS APPRAISAL REQUIREMENT.

Section 307 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927) is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).

Subtitle B—Operating Loans

SEC. 5101. ELIGIBILITY FOR FARM OPERATING LOANS.

Section 311(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(a)) is amended—

(1) by striking "(a) IN GENERAL.—The" and inserting the following:

"(a) IN GENERAL.—

"(1) ELIGIBILITY REQUIREMENTS.—The";

(2) in the 1st sentence, by inserting after "limited liability companies" the following: ", and such other legal entities as the Secretary deems appropriate,";

(3) in the 2nd sentence, by redesignating clauses (1) through (4) as clauses (A) through (D), respectively;

(4) in each of the 2nd and 3rd sentences, by striking "and limited liability companies" each place it appears and inserting "limited liability companies, and such other legal entities";

(5) in the 3rd sentence, by striking "(3)" and "(4)" and inserting "(C)" and "(D)", respectively; and

(6) by adding at the end the following:

"(2) SPECIAL DEEMING RULE.—An entity that is an operator described in paragraph (1) that is owned, in whole or in part, by other entities, is deemed to meet the direct ownership requirement imposed under paragraph (1) if at least 75 percent of the ownership interests of each embedded entity of such entity is owned directly or indirectly by the individuals that own the family farm.".

SEC. 5102. ELIMINATION OF RURAL RESIDENCY REQUIREMENT FOR OPERATING LOANS TO YOUTH.

Section 311(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)(1)) is amended by striking "who are rural residents".

SEC. 5103. AUTHORITY TO WAIVE PERSONAL LIABILITY FOR YOUTH LOANS DUE TO CIRCUMSTANCES BEYOND BORROWER CONTROL.

Section 311(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)) is amended by adding at the end the following:

"(5) The Secretary may, on a case by case basis, waive the personal liability of a borrower for a loan made under this subsection if any default on the loan was due to circumstances beyond the control of the borrower.".

SEC. 5104. MICROLOANS.

(a) IN GENERAL.—Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943) is amended by adding at the end the following:

"(c) MICROLOANS.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may establish a program to make or guarantee microloans.

"(2) LIMITATION.—The Secretary shall not make or guarantee a microloan under this subsection that exceeds $35,000 or that would cause the total prin-

cipal indebtedness outstanding at any 1 time for microloans made under this chapter to any 1 borrower to exceed $70,000.

"(3) APPLICATIONS.—To the maximum extent practicable, the Secretary shall limit the administrative burdens and streamline the application and approval process for microloans under this subsection.

"(4) COOPERATIVE LENDING PROJECTS.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may contract with community-based and nongovernmental organizations, State entities, or other intermediaries, as the Secretary determines appropriate—

"(i) to make or guarantee a microloan under this subsection; and

"(ii) to provide business, financial, marketing, and credit management services to borrowers.

"(B) REQUIREMENTS.—Before contracting with an entity described in subparagraph (A), the Secretary—

"(i) shall review and approve—

"(I) the loan loss reserve fund for microloans established by the entity; and

"(II) the underwriting standards for microloans of the entity; and

"(ii) establish such other requirements for contracting with the entity as the Secretary determines necessary.".

(b) EXCEPTIONS FOR DIRECT LOANS.—Section 311(c)(2) of such Act (7 U.S.C. 1941(c)(2)) is amended to read as follows:

"(2) EXCEPTIONS.—In this subsection, the term 'direct operating loan' shall not include—

"(A) a loan made to a youth under subsection (b); or

"(B) a microloan made to a beginning farmer or rancher or a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)).".

(c) Section 312(a) of such Act (7 U.S.C. 1942(a)) is amended by inserting "(including a microloan, as defined by the Secretary)" after "A direct loan".

(d) Section 316(a)(2) of such Act (7 U.S.C. 1946(a)(2)) is amended by inserting "a microloan to a beginning farmer or rancher or veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)) or" after "The interest rate on".

Subtitle C—Emergency Loans

SEC. 5201. ELIGIBILITY FOR EMERGENCY LOANS.

Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—

(1) by striking "owner-operators (in the case of loans for a purpose under subtitle A) or operators (in the case of loans for a purpose under subtitle B)" each place it appears and inserting "(in the case of farm ownership loans in accordance with subtitle A) owner-operators or operators, or (in the case of loans for a purpose under subtitle B) operators";

(2) by inserting after "limited liability companies" the 1st place it appears the following: ", or such other legal entities as the Secretary deems appropriate"; and

(3) by inserting after "limited liability companies" the 2nd place it appears the following: ", or other legal entities";

(4) by striking "and limited liability companies," and inserting "limited liability companies, and such other legal entities";

(5) by striking "ownership and operator" and inserting "ownership or operator"; and

(6) by adding at the end the following: "An entity that is an owner-operator or operator described in this subsection is deemed to meet the direct ownership requirement imposed under this subsection if at least 75 percent of the ownership interests of each embedded entity of such entity is owned directly or indirectly by the individuals that own the family farm.".

Subtitle D—Administrative Provisions

SEC. 5301. BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.

Section 333B(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983b(h)) is amended by striking "2012" and inserting "2018".

SEC. 5302. ELIGIBLE BEGINNING FARMERS AND RANCHERS.

(a) CONFORMING AMENDMENTS RELATING TO CHANGES IN ELIGIBILITY RULES.—Section 343(a)(11) of such Act (7 U.S.C. 1991(a)(11)) is amended—

(1) by inserting after "joint operation," the 1st place it appears the following: "or such other legal entity as the Secretary deems appropriate,";

(2) by striking "or joint operators" each place it appears and inserting "joint operators, or owners"; and

(3) by inserting after "joint operation," the 2nd and 3rd place it appears the following: "or such other legal entity,".

(b) MODIFICATION OF ACREAGE OWNERSHIP LIMITATION.—Section 343(a)(11)(F) of such Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking "median acreage" and inserting "average acreage".

SEC. 5303. LOAN AUTHORIZATION LEVELS.

Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended in the matter preceding subparagraph (A) by striking "2012" and inserting "2018".

SEC. 5304. PRIORITY FOR PARTICIPATION LOANS.

Section 346(b)(2)(A)(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(i)) is amended by adding at the end the following:

"(III) PRIORITY.—In order to maximize the number of borrowers served under this clause, the Secretary—

"(aa) shall give priority to applicants who apply under the down payment loan program under section 310E or joint financing arrangements under section 307(a)(3)(D); and

"(bb) may offer other financing options under this subtitle to applicants only if the Secretary determines that down payment or other participation loan options are not a viable approach for the applicants.".

SEC. 5305. LOAN FUND SET-ASIDES.

Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(ii)(III)) is amended—

(1) by striking "2012" and inserting "2018"; and

(2) by striking "of the total amount".

SEC. 5306. CONFORMING AMENDMENT TO BORROWER TRAINING PROVISION, RELATING TO ELIGIBILITY CHANGES.

Section 359(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(2)) is amended by striking "section 302(a)(2) or 311(a)(2)" and inserting "section 302(a)(1)(B) or 311(a)(1)(B)".

Subtitle E—State Agricultural Mediation Programs

SEC. 5401. STATE AGRICULTURAL MEDIATION PROGRAMS.

Section 506 of the Agricultural Credit Act of 1987 (7 U.S.C. 5106) is amended by striking "2015" and inserting "2018".

Subtitle F—Loans to Purchasers of Highly Fractionated Land

SEC. 5501. LOANS TO PURCHASERS OF HIGHLY FRACTIONATED LAND.

The first section of Public Law 91–229 (25 U.S.C. 488) is amended in subsection (b)(1) by striking "pursuant to section 205(c) of the Indian Land Consolidation Act (25 U.S.C. 2204(c))" and inserting "or to intermediaries in order to establish revolving loan funds for the purchase of highly fractionated land".

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Consolidated Farm and Rural Development Act

SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.

Section 306(a)(2)(B)(vii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii)) is amended by striking "2008 through 2012" and inserting "2014 through 2018".

SEC. 6002. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking "$15,000,000 for each of fiscal years 2008 through 2012" and inserting "$15,000,000 for each of fiscal years 2014 through 2018".

SEC. 6003. ELIMINATION OF RESERVATION OF COMMUNITY FACILITIES GRANT PROGRAM FUNDS.

Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by striking subparagraph (C).

SEC. 6004. UTILIZATION OF LOAN GUARANTEES FOR COMMUNITY FACILITIES.

Section 306(a)(24) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(24)) is amended by adding at the end the following:

"(C) UTILIZATION OF LOAN GUARANTEES FOR COMMUNITY FACILITIES.—The Secretary shall consider the benefits to communities that result from using loan guarantees in the Community Facilities Program and to the maximum extent possible utilize guarantees to enhance community involvement.".

SEC. 6005. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.

Section 306(a)(22) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(22)) is amended to read as follows:

"(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—

"(A) IN GENERAL.—The Secretary shall continue a national rural water and wastewater circuit rider program that—

"(i) is consistent with the activities and results of the program conducted before the date of enactment of this paragraph, as determined by the Secretary; and

"(ii) receives funding from the Secretary, acting through the Rural Utilities Service.

"(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $20,000,000 for fiscal year 2014 and each fiscal year thereafter.".

SEC. 6006. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(25)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(25)(C)) is amended by striking "$10,000,000 for each of fiscal years 2008 through 2012" and inserting "$5,000,000 for each of fiscal years 2014 through 2018".

SEC. 6007. ESSENTIAL COMMUNITY FACILITIES TECHNICAL ASSISTANCE AND TRAINING.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by adding at the end the following new paragraph:

"(26) ESSENTIAL COMMUNITY FACILITIES TECHNICAL ASSISTANCE AND TRAINING.—

"(A) IN GENERAL.—The Secretary may make grants to public bodies and private nonprofit corporations, such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts and Indian tribes on Federal and State reservations which will serve rural areas for the purpose of enabling them to provide to associations described in this subsection technical assistance and training, with respect to essential community facilities programs authorized under this subsection, to—

"(i) assist communities in identifying and planning for community facility needs;

"(ii) identify public and private resources to finance community facilities needs;

"(iii) prepare reports and surveys necessary to request financial assistance to develop community facilities;

"(iv) prepare applications for financial assistance;

"(v) improve the management, including financial management, related to the operation of community facilities; or

"(vi) assist with other areas of need identified by the Secretary.

"(B) SELECTION PRIORITY.—In selecting recipients of grants under this paragraph, the Secretary shall give priority to private, nonprofit, or public organizations that have experience in providing technical assistance and training to rural entities.

"(C) FUNDING.—Not less than 3 nor more than 5 percent of any funds appropriated to carry out each of the essential community facilities grant, loan and loan guarantee programs as authorized under this subsection for any fiscal year shall be reserved for grants under this paragraph.".

SEC. 6008. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

Section 306A(i)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended by striking "$35,000,000 for each of fiscal years 2008 through 2012" and inserting "$27,000,000 for each of fiscal years 2014 through 2018".

SEC. 6009. HOUSEHOLD WATER WELL SYSTEMS.

Section 306E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e(d)) is amended by striking "$10,000,000 for each of fiscal years 2008 through 2012" and inserting "$5,000,000 for each of fiscal years 2014 through 2018".

SEC. 6010. RURAL BUSINESS AND INDUSTRY LOAN PROGRAM.

(a) FLEXIBILITY FOR THE BUSINESS AND LOAN PROGRAM.—Section 310B(a)(2)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(2)(A)) is amended by inserting "including working capital" after "employment".

(b) GREATER FLEXIBILITY FOR ADEQUATE COLLATERAL THROUGH ACCOUNTS RECEIVABLE.—Section 310B(g)(7) of such Act (7 U.S.C. 1932(g)(7)) is amended by adding at the end the following: "In the discretion of the Secretary, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government, the Secretary may take account receivables as security for the obligations entered into in connection with loans and a borrower may use account receivables as collateral to secure a loan made or guaranteed under this subsection.".

(c) REGULATIONS.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall promulgate such regulations as are necessary to implement the amendments made by this section.

SEC. 6011. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(12)) is amended by striking "$50,000,000 for each of fiscal years 2008 through 2012" and inserting "$40,000,000 for each of fiscal years 2014 through 2018".

SEC. 6012. LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCTS.

Section 310B(g)(9)(B)(v)(I) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(9)(B)(v)(I)) is amended—

(1) by striking "2012" and inserting "2018"; and

(2) by inserting "and not more than 7 percent" after "5 percent".

SEC. 6013. INTERMEDIARY RELENDING PROGRAM.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922–1936a) is amended by adding at the end the following:

"SEC. 310H. INTERMEDIARY RELENDING PROGRAM.

"(a) IN GENERAL.—The Secretary shall make loans to the entities, for the purposes, and subject to the terms and conditions specified in the 1st, 2nd, and last sentences of section 623(a) of the Community Economic Development Act of 1981 (42 U.S.C. 9812(a)).

"(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For loans under subsection (a), there are authorized to be appropriated to the Secretary not more than $10,000,000 for each of fiscal years 2014 through 2018.".

(b) CONFORMING AMENDMENTS.—Section 1323(b)(2) of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1932 note) is amended—

(1) in subparagraph (A), by adding "and" at the end;

(2) in subparagraph (B), by striking "; and" and inserting a period; and

(3) by striking subparagraph (C).

SEC. 6014. RURAL COLLEGE COORDINATED STRATEGY.

Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by adding at the end the following:

"(d) RURAL COLLEGE COORDINATED STRATEGY.—The Secretary shall develop a coordinated strategy across the relevant programs within the Rural Development mission areas to serve the specific, local needs of rural communities when making investments in rural community colleges and technical colleges through other current authorities. During the development of a coordinated strategy, the Secretary shall consult with groups representing rural-serving community colleges and technical colleges to coordinate critical investments in rural community colleges and technical colleges involved in workforce training. Nothing in this subsection shall be construed to provide a priority for funding within current authorities. The Secretary shall use the coordinated strategy and information developed for the strategy to more effectively serve rural communities with respect to investments in community colleges and technical colleges.".

SEC. 6015. RURAL WATER AND WASTE DISPOSAL INFRASTRUCTURE.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended—

(1) by striking "require";
(2) in paragraph (1), by inserting "require" after "(1)";
(3) in paragraph (2), by inserting ", require" after "314";
(4) in paragraph (3), by inserting "require" after "loans,";
(5) in paragraph (4)—
(A) by inserting "require" after "(4)"; and
(B) by striking "and" after the semicolon;
(6) in paragraph (5)—
(A) by inserting "require" after "(5)"; and
(B) by striking the period at the end and inserting "; and"; and
(7) by adding at the end the following:

"(6) with respect to water and waste disposal direct and guaranteed loans provided under section 306, encourage, to the maximum extent practicable, private or cooperative lenders to finance rural water and waste disposal facilities by—

"(A) maximizing the use of loan guarantees to finance eligible projects in rural communities where the population exceeds 5,500;

"(B) maximizing the use of direct loans to finance eligible projects in rural communities where the impact on rate payers will be material when compared to financing with a loan guarantee;

"(C) establishing and applying a materiality standard when determining the difference in impact on rate payers between a direct loan and a loan guarantee;

"(D) in the case of projects that require interim financing in excess of $500,000, requiring that such projects initially seek such financing from private or cooperative lenders; and

"(E) determining if an existing direct loan borrower can refinance with a private or cooperative lender, including with a loan guarantee, prior to providing a new direct loan.".

SEC. 6016. SIMPLIFIED APPLICATIONS.

(a) IN GENERAL.—Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) is amended by adding at the end the following:

"(h) SIMPLIFIED APPLICATION FORMS.—Except as provided in subsection (g)(2) of this section, the Secretary shall, to the maximum extent practicable, develop a simplified application process, including a single page application where possible, for grants and relending authorized under sections 306, 306C, 306D, 306E, 310B(b), 310B(c), 310B(e), 310B(f), 310H, 379B, and 379E.".

(b) REPORT TO THE CONGRESS.—Within 2 years after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a written report that contains an evaluation of the implementation of the amendment made by subsection (a).

SEC. 6017. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.

Section 379B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008p(d)) is amended to read as follows:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2014 through 2018.".

SEC. 6018. RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.

Section 379E(d)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s(d)(2)) is amended by striking "$40,000,000 for each of fiscal years 2009 through 2012" and inserting "$20,000,000 for each of fiscal years 2014 through 2018".

SEC. 6019. DELTA REGIONAL AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking "$30,000,000 for each of fiscal years 2008 through 2012" and inserting "$12,000,000 for each of fiscal years 2014 through 2018".

(b) TERMINATION OF AUTHORITY.—Section 382N of such Act (7 U.S.C. 2009aa–13) is amended by striking "2012" and inserting "2018".

SEC. 6020. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 383N(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb–12(a)) is amended by striking "$30,000,000 for each of fiscal years 2008 through 2012" and inserting "$2,000,000 for each of fiscal years 2014 through 2018".

(b) TERMINATION OF AUTHORITY.—Section 383O of such Act (7 U.S.C. 2009bb–13) is amended by striking "2012" and inserting "2018".

SEC. 6021. RURAL BUSINESS INVESTMENT PROGRAM.

Section 384S of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc–18) is amended by striking "$50,000,000 for the period of fiscal years 2008 through 2012" and inserting "$20,000,000 for each of fiscal years 2014 through 2018".

Subtitle B—Rural Electrification Act of 1936

SEC. 6101. RELENDING FOR CERTAIN PURPOSES.

(a) IN GENERAL.—The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended—

(1) in section 2(a), by inserting "(including relending for this purpose as provided in section 4)" after "efficiency";

(2) in section 4(a), by inserting "(including relending to ultimate consumers for this purpose by borrowers enumerated in the proviso in this section)" after "efficiency"; and

(3) in section 313(b)(2)(B)—

(A) by inserting "(acting through the Rural Utilities Service)" after "Secretary"; and

(B) by inserting "energy efficiency (including relending to ultimate consumers for this purpose)," after "promoting".

(b) CURRENT AUTHORITY.—The authority provided in this section is in addition to any other relending authority of the Secretary under the Rural Electrification Act of 1936 (7 U.S.C. 901 et. seq.) or any other law.

(c) ADMINISTRATION.—The Secretary (acting through the Rural Utilities Service) shall continue to carry out section 313 of the Rural Electrification Act of 1936 (7 U.S.C. 940c) in the same manner as on the day before enactment of this Act until such time as any regulations necessary to carry out the amendments made by this section are fully implemented.

SEC. 6102. FEES FOR CERTAIN LOAN GUARANTEES.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by inserting after section 4 the following:

"SEC. 5. FEES FOR CERTAIN LOAN GUARANTEES.

"(a) IN GENERAL.—For electrification baseload generation loan guarantees, the Secretary shall, at the request of the borrower, charge an upfront fee to cover the costs of the loan guarantee.

"(b) FEE.—The fee described in subsection (a) for a loan guarantee shall be equal to the costs of the loan guarantee (within the meaning of section 502(5)(C) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(C))).

"(c) LIMITATION.—Funds received from a borrower to pay the fee described in this section shall not be derived from a loan or other debt obligation that is made or guaranteed by the Federal Government.".

SEC. 6103. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

Section 313A(f) of the Rural Electrification Act of 1936 (7 U.S.C. 940c–1(f)) is amended by striking "2012" and inserting "2018".

SEC. 6104. EXPANSION OF 911 ACCESS.

Section 315(d) of the Rural Electrification Act of 1936 (7 U.S.C. 940e(d)) is amended by striking "2012" and inserting "2018".

SEC. 6105. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended—

(1) in subsection (c), by striking paragraph (2) and inserting the following:

"(2) PRIORITIES.—In making or guaranteeing loans under paragraph (1), the Secretary shall give—

"(A) the highest priority to applicants that offer to provide broadband service to the greatest proportion of households that, prior to the provision of the broadband service, had no incumbent service provider; and

"(B) priority to applicants that offer in their applications to provide broadband service not predominantly for business service, but where at least 25 percent of customers in the proposed service territory are commercial interests.";

(2) in subsection (d)—

(A) in paragraph (5)—

(i) by striking "and" at the end of subparagraph (B);

(ii) by striking the period at the end of subparagraph (C) and inserting a semicolon; and

(iii) by adding at the end the following:

"(D) the amount and type of support requested; and

"(E) a list of the census block groups or tracts proposed to be so served."; and

(B) by adding at the end the following:

"(8) ADDITIONAL PROCESS.—The Secretary shall establish a process under which an incumbent service provider which, as of the date of the publication of notice under paragraph (5) with respect to an application submitted by the provider, is providing broadband service to a remote rural area, may (but shall not be required to) submit to the Secretary, not less than 15 and not more than 30 days after that date, information regarding the broadband services that the provider offers in the proposed service territory, so that the Secretary may assess whether the application meets the requirements of this section with respect to eligible projects.";

(3) in subsection (e), by adding at the end the following:

"(3) REQUIREMENT.—In considering the technology needs of customers in a proposed service territory, the Secretary shall take into consideration the upgrade or replacement cost for the construction or acquisition of facilities and equipment in the territory."; and

(4) in each of subsections (k)(1) and (l), by striking "2012" and inserting "2018".

Subtitle C—Miscellaneous

SEC. 6201. DISTANCE LEARNING AND TELEMEDICINE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking "$100,000,000 for each of fiscal years 1996 through 2012" and inserting "$65,000,000 for each of fiscal years 2014 through 2018".

(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking "2012" and inserting "2018".

SEC. 6202. VALUE-ADDED AGRICULTURAL MARKET DEVELOPMENT PROGRAM GRANTS.

Section 231(b)(7) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1632a(b)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking "2008" and inserting "2013"; and

(B) by striking "$15,000,000" and inserting "$50,000,000"; and

(2) in subparagraph (B), by striking "2012" and inserting "2018".

SEC. 6203. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

Section 6402(i) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1632b(i)) is amended by striking "$6,000,000 for each of fiscal years 2008 through 2012" and inserting "$1,000,000 for each of fiscal years 2014 through 2018".

SEC. 6204. PROGRAM METRICS.

(a) IN GENERAL.—The Secretary of Agriculture shall collect data regarding economic activities created through grants and loans, including any technical assistance provided as a component of the grant or loan program, and measure the short and long term viability of award recipients and any entities to whom those recipients provide assistance using award funds under section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224), section 9007

of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107), section 313(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 940c(b)(2)), or section 306(a)(11), 310B(c), 310B(e), 310B(g), 310H, or 379E, or subtitle E, of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11), 1932(c), 1932(e), 1932(g), 2008s, or 2009 through 2009m).

(b) DATA.—The data collected under subsection (a) shall include information collected from recipients both during the award period and after the period as determined by the Secretary, but not less than 2 years after the award period ends.

(c) REPORT.—Not later than 4 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains the data described in subsection (a). The report shall include detailed information regarding—

(1) actions taken by the Secretary to utilize the data;

(2) the number of jobs, including self-employment and the value of salaries and wages;

(3) how the provision of funds from the grant or loan involved affected the local economy;

(4) any benefit, such as an increase in revenue or customer base; and

(5) such other information as the Secretary deems appropriate.

SEC. 6205. STUDY OF RURAL TRANSPORTATION ISSUES.

(a) IN GENERAL.—The Secretary of Agriculture and the Secretary of Transportation shall publish an updated version of the study described in section 6206 of the Food, Conservation, and Energy Act of 2008 (as amended by subsection (b)).

(b) ADDITION TO STUDY.—Section 6206(b) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1971) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(5) the sufficiency of infrastructure along waterways in the United States and the impact of such infrastructure on the movement of agricultural goods in terms of safety, efficiency and speed, as well as the benefits derived through upgrades and repairs to locks and dams.".

(c) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture and the Secretary of Transportation shall submit to the Congress the updated version of the study required by subsection (a).

SEC. 6206. CERTAIN FEDERAL ACTIONS NOT TO BE CONSIDERED MAJOR.

In the case of a loan, loan guarantee, or grant program in the rural development mission area of the Department of Agriculture, an action of the Secretary before, on, or after the date of enactment of this Act that does not involve the provision by the Department of Agriculture of Federal dollars or a Federal loan guarantee, including—

(1) the approval by the Department of Agriculture of the decision of a borrower to commence a privately funded activity;

(2) a lien accommodation or subordination;

(3) a debt settlement or restructuring; or

(4) the restructuring of a business entity by a borrower,

shall not be considered a major Federal action.

TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

SEC. 7101. OPTION TO BE INCLUDED AS NON-LAND-GRANT COLLEGE OF AGRICULTURE.

Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) by striking paragraph (5) and inserting the following new paragraph:

"(5) COOPERATING FORESTRY SCHOOL.—

"(A) IN GENERAL.—The term 'cooperating forestry school' means an institution—

"(i) that is eligible to receive funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

"(ii) with respect to which the Secretary has not received a declaration of the intent of that institution to not be considered a cooperating forestry school.

"(B) TERMINATION OF DECLARATION.—A declaration of the intent of an institution to not be considered a cooperating forestry school submitted to the Secretary shall be in effect until September 30, 2018."; and

(2) in paragraph (10)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking "that";

(ii) in clause (i)—

(I) by inserting "that" before "qualify"; and

(II) by striking "and" at the end;

(iii) in clause (ii)—

(I) by inserting "that" before "offer"; and

(II) by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following new clause:

"(iii) with respect to which the Secretary has not received a statement of the declaration of the intent of a college or university to not be considered a Hispanic-serving agricultural college or university."; and

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

"(C) TERMINATION OF DECLARATION OF INTENT.—A declaration of the intent of a college or university to not be considered a Hispanic-serving agricultural college or university submitted to the Secretary shall be in effect until September 30, 2018.".

SEC. 7102. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) EXTENSION OF TERMINATION DATE.—Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking "2012" and inserting "2018".

(b) DUTIES OF NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.—Section 1408(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(c)) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) in paragraph (4)(C), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(5) consult with industry groups on agricultural research, extension, education, and economics, and make recommendations to the Secretary based on that consultation.".

SEC. 7103. SPECIALTY CROP COMMITTEE.

Section 1408A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a(c)) is amended—

(1) in paragraph (1), by striking "Measures" and inserting "Programs";

(2) by striking paragraph (2);

(3) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively; and

(4) in paragraph (2) (as so redesignated)—

(A) in the matter preceding subparagraph (A), by striking "Programs that would" and inserting "Research, extension, and teaching programs designed to improve competitiveness in the specialty crop industry, including programs that would";

(B) in subparagraph (D), by inserting ", including improving the quality and taste of processed specialty crops" before the semicolon; and

(C) in subparagraph (G), by inserting "the remote sensing and the" before "mechanization".

SEC. 7104. VETERINARY SERVICES GRANT PROGRAM.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1415A (7 U.S.C. 3151a) the following new section:

"SEC. 1415B. VETERINARY SERVICES GRANT PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) QUALIFIED ENTITY.—The term 'qualified entity' means—

"(A) a for-profit or nonprofit entity located in the United States that, or an individual who, operates a veterinary clinic providing veterinary services—

"(i) in a rural area, as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)); and

"(ii) in a veterinarian shortage situation;

"(B) a State, national, allied, or regional veterinary organization or specialty board recognized by the American Veterinary Medical Association;

"(C) a college or school of veterinary medicine accredited by the American Veterinary Medical Association;

"(D) a university research foundation or veterinary medical foundation;

"(E) a department of veterinary science or department of comparative medicine accredited by the Department of Education;

"(F) a State agricultural experiment station; or

"(G) a State, local, or tribal government agency.

"(2) VETERINARIAN SHORTAGE SITUATION.—The term 'veterinarian shortage situation' means a veterinarian shortage situation as determined by the Secretary under section 1415A.

"(b) ESTABLISHMENT.—

"(1) COMPETITIVE GRANTS.—The Secretary shall carry out a program to make competitive grants to qualified entities that carry out programs or activities described in paragraph (2) for the purpose of developing, implementing, and sustaining veterinary services.

"(2) ELIGIBILITY REQUIREMENTS.—A qualified entity shall be eligible to receive a grant described in paragraph (1) if the entity carries out programs or activities that the Secretary determines will—

"(A) substantially relieve veterinarian shortage situations;

"(B) support or facilitate private veterinary practices engaged in public health activities; or

"(C) support or facilitate the practices of veterinarians who are providing or have completed providing services under an agreement entered into with the Secretary under section 1415A(a)(2).

"(c) AWARD PROCESSES AND PREFERENCES.—

"(1) APPLICATION, EVALUATION, AND INPUT PROCESSES.—In administering the grant program established under this section, the Secretary shall—

"(A) use an appropriate application and evaluation process, as determined by the Secretary; and

"(B) seek the input of interested persons.

"(2) COORDINATION PREFERENCE.—In selecting recipients of grants to be used for any of the purposes described in subsection (d)(1), the Secretary shall give a preference to qualified entities that provide documentation of coordination with other qualified entities, with respect to any such purpose.

"(3) CONSIDERATION OF AVAILABLE FUNDS.—In selecting recipients of grants to be used for any of the purposes described in subsection (d), the Secretary shall take into consideration the amount of funds available for grants and the purposes for which the grant funds will be used.

"(4) NATURE OF GRANTS.—A grant awarded under this section shall be considered to be a competitive research, extension, or education grant.

"(d) USE OF GRANTS TO RELIEVE VETERINARIAN SHORTAGE SITUATIONS AND SUPPORT VETERINARY SERVICES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a qualified entity may use funds provided by a grant awarded under this section to relieve veterinarian shortage situations and support veterinary services for any of the following purposes:

"(A) To promote recruitment (including for programs in secondary schools), placement, and retention of veterinarians, veterinary technicians, students of veterinary medicine, and students of veterinary technology.

"(B) To allow veterinary students, veterinary interns, externs, fellows, and residents, and veterinary technician students to cover expenses (other than the types of expenses described in section 1415A(c)(5)) to attend training programs in food safety or food animal medicine.

"(C) To establish or expand accredited veterinary education programs (including faculty recruitment and retention), veterinary residency and fellowship programs, or veterinary internship and externship programs carried out in coordination with accredited colleges of veterinary medicine.

"(D) To provide continuing education and extension, including veterinary telemedicine and other distance-based education, for veterinarians, veterinary technicians, and other health professionals needed to strengthen veterinary programs and enhance food safety.

"(E) To provide technical assistance for the preparation of applications submitted to the Secretary for designation as a veterinarian shortage situation under this section or section 1415A.

"(2) QUALIFIED ENTITIES OPERATING VETERINARY CLINICS.—A qualified entity described in subsection (a)(1)(A) may only use funds provided by a grant awarded under this section to establish or expand veterinary practices, including—

"(A) equipping veterinary offices;

"(B) sharing in the reasonable overhead costs of such veterinary practices, as determined by the Secretary; or

"(C) establishing mobile veterinary facilities in which a portion of the facilities will address education or extension needs.

"(e) SPECIAL REQUIREMENTS FOR CERTAIN GRANTS.—

"(1) TERMS OF SERVICE REQUIREMENTS.—

"(A) IN GENERAL.—Funds provided through a grant made under this section to a qualified entity described in subsection (a)(1)(A) and used by such entity under subsection (d)(2) shall be subject to an agreement between the Secretary and such entity that includes a required term of service for such entity (including a qualified entity operating as an individual), as prospectively established by the Secretary.

"(B) CONSIDERATIONS.—In establishing a term of service under subparagraph (A), the Secretary shall consider only—

"(i) the amount of the grant awarded; and

"(ii) the specific purpose of the grant.

"(2) BREACH REMEDIES.—

"(A) IN GENERAL.—An agreement under paragraph (1) shall provide remedies for any breach of the agreement by the qualified entity referred to in paragraph (1)(A), including repayment or partial repayment of the grant funds, with interest.

"(B) WAIVER.—The Secretary may grant a waiver of the repayment obligation for breach of contract if the Secretary determines that such qualified entity demonstrates extreme hardship or extreme need.

"(C) TREATMENT OF AMOUNTS RECOVERED.—Funds recovered under this paragraph shall—

"(i) be credited to the account available to carry out this section; and

"(ii) remain available until expended without further appropriation.

"(f) PROHIBITION ON USE OF GRANT FUNDS FOR CONSTRUCTION.—Except as provided in subsection (d)(2), funds made available for grants under this section may not be used—

"(1) to construct a new building or facility; or

"(2) to acquire, expand, remodel, or alter an existing building or facility, including site grading and improvement and architect fees.

"(g) REGULATIONS.—Not later than 1 year after the date of the enactment of this section, the Secretary shall promulgate regulations to carry out this section.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $10,000,000 for fiscal year 2014 and each fiscal year thereafter, to remain available until expended.".

SEC. 7105. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURE SCIENCES EDUCATION.

Section 1417(m) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(m)) is amended by striking "section $60,000,000" and all that follows and inserting the following: "section—

"(1) $60,000,000 for each of fiscal years 1990 through 2013; and

"(2) $40,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7106. POLICY RESEARCH CENTERS.

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended—

(1) in the section heading, by inserting "**AGRICULTURAL AND FOOD**" before "**POLICY**";

(2) in subsection (a), in the matter preceding paragraph (1)—

(A) by striking "Secretary may" and inserting "Secretary shall, acting through the Office of the Chief Economist,";

(B) by striking "make grants, competitive grants, and special research grants to, and enter into cooperative agreements and other contracting instruments with," and inserting "make competitive grants to, or enter into cooperative agreements with,"; and

(C) by inserting "with a history of providing unbiased, nonpartisan economic analysis to Congress" after "subsection (b)";

(3) in subsection (b), by striking "other research institutions" and all that follows through "shall be eligible" and inserting "and other public research institutions and organizations shall be eligible";

(4) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(5) by inserting after subsection (b), the following new subsection:

"(c) PREFERENCE.—In awarding grants under this section, the Secretary shall give a preference to policy research centers that have extensive databases, models, and demonstrated experience in providing Congress with agricultural market projections, rural development analysis, agricultural policy analysis, and baseline projections at the farm, multiregional, national, and international levels."; and

(6) by striking subsection (e) (as redesignated by paragraph (4)) and inserting the following new subsection:

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for each of fiscal years 1996 through 2013; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7107. REPEAL OF HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Effective October 1, 2013, section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is repealed.

SEC. 7108. REPEAL OF PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Effective October 1, 2013, section 1424A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a) is repealed.

SEC. 7109. NUTRITION EDUCATION PROGRAM.

Section 1425(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(f)) is amended by striking "2012" and inserting "2018".

SEC. 7110. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195) is amended by striking the section designation and heading and all that follows through subsection (a) and inserting the following:

"SEC. 1433. APPROPRIATIONS FOR CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

"(a) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to support continuing animal health and disease research programs at eligible institutions—

"(A) $25,000,000 for each of fiscal years 1991 through 2013; and

"(B) $15,000,000 for each of fiscal years 2014 through 2018.

"(2) USE OF FUNDS.—Funds made available under this section shall be used—

"(A) to meet the expenses of conducting animal health and disease research, publishing and disseminating the results of such research, and contributing to the retirement of employees subject to the Act of March 4, 1940 (7 U.S.C. 331);

"(B) for administrative planning and direction; and

"(C) to purchase equipment and supplies necessary for conducting the research described in subparagraph (A).".

SEC. 7111. REPEAL OF APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

(a) REPEAL.—Effective October 1, 2013, section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) MATCHING FUNDS.—Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3200) is amended in the first sentence by striking ", exclusive of the funds provided for research on specific national or regional animal health and disease problems under the provisions of section 1434 of this title,".

(2) AUTHORIZATION OF APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS.—Section 1463(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(c)) is amended by striking "sections 1433 and 1434" and inserting "section 1433".

SEC. 7112. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking "2012" and inserting "2018".

SEC. 7113. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCE FACILITIES AND EQUIPMENT AT INSULAR AREA LAND-GRANT INSTITUTIONS.

(a) SUPPORTING TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH.—

(1) IN GENERAL.—Section 1447B(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b–2(a)) is amended to read as follows:

"(a) PURPOSE.—It is the intent of Congress to assist the land-grant colleges and universities in the insular areas in efforts to—

"(1) acquire, alter, or repair facilities or relevant equipment necessary for conducting agricultural research; and

"(2) support tropical and subtropical agricultural research, including pest and disease research.".

(2) CONFORMING AMENDMENT.—Section 1447B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b–2) is amended in the heading—

(A) by inserting "**AND SUPPORT TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH**" after "**EQUIPMENT**"; and

(B) by striking "**INSTITUTIONS**" and inserting "**COLLEGES AND UNIVERSITIES**".

(b) EXTENSION.—Section 1447B(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b–2(d)) is amended by striking "2012" and inserting "2018".

SEC. 7114. REPEAL OF NATIONAL RESEARCH AND TRAINING VIRTUAL CENTERS.

Effective October 1, 2013, section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is repealed.

SEC. 7115. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking "2012" and inserting "2018".

SEC. 7116. COMPETITIVE GRANTS PROGRAM FOR HISPANIC AGRICULTURAL WORKERS AND YOUTH.

Section 1456(e)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3243(e)(1)) is amended to read as follows:

"(1) IN GENERAL.—The Secretary shall establish a competitive grants program—

"(A) to fund fundamental and applied research and extension at Hispanic-serving agricultural colleges and universities in agriculture, human nutrition, food science, bioenergy, and environmental science; and

"(B) to award competitive grants to Hispanic-serving agricultural colleges and universities to provide for training in the food and agricultural sciences of Hispanic agricultural workers and Hispanic youth working in the food and agricultural sciences.".

SEC. 7117. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended to read as follows:

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for each of fiscal years 1999 through 2013; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7118. REPEAL OF RESEARCH EQUIPMENT GRANTS.

Effective October 1, 2013, section 1462A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310a) is repealed.

SEC. 7119. UNIVERSITY RESEARCH.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended in both of subsections (a) and (b) by striking "2012" and inserting "2018".

SEC. 7120. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "2012" and inserting "2018".

SEC. 7121. AUDITING, REPORTING, BOOKKEEPING, AND ADMINISTRATIVE REQUIREMENTS.

Section 1469 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3315) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by adding "and" at the end;

(B) by striking paragraph (3); and

(C) by redesignating paragraph (4) as paragraph (3);

(2) by redesignating subsections (b), (c), and (d) as subsections (d), (e), and (f), respectively; and

(3) by inserting after subsection (a) the following new subsections:

"(b) ADMINISTRATIVE EXPENSES.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, the Secretary may retain not more than 4 percent of amounts made available for agricultural research, extension, and teaching assistance programs for the administration of those programs authorized under this Act or any other Act.

"(2) EXCEPTIONS.—The limitation on administrative expenses under paragraph (1) shall not apply to peer panel expenses under subsection (d) or any other provision of law related to the administration of agricultural research, extension, and teaching assistance programs that contains a limitation on administrative expenses that is less than the limitation under paragraph (1).

"(c) AGREEMENTS WITH NON-FEDERAL ENTITIES.—

"(1) FORMER AGRICULTURAL RESEARCH FACILITIES OF THE DEPARTMENT.—To the maximum extent practicable, the Secretary, for purposes of supporting ongoing research and information dissemination activities, including supporting research and those activities through co-locating scientists and other technical personnel, sharing of laboratory and field equipment, and providing financial support, shall enter into grants, contracts, cooperative agreements, or other legal instruments with former Department of Agriculture agricultural research facilities.

"(2) AGREEMENTS WITH AGRICULTURAL RESEARCH ORGANIZATIONS.—The Secretary, for purposes of receiving from a non-Federal agricultural research organization support for agricultural research, including staffing, laboratory and field equipment, or direct financial assistance, may enter into grants, contracts, cooperative agreements, or other legal instruments with a non-Federal agricultural research organization, the operation of which is consistent with the research mission and programs of an agricultural research facility of the Department of Agriculture.".

SEC. 7122. SUPPLEMENTAL AND ALTERNATIVE CROPS.

(a) AUTHORIZATION OF APPROPRIATIONS AND TERMINATION.—Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—

(1) in subsection (a), by striking "2012" and inserting "2018"; and

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

"(e) There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for fiscal year 2013; and

"(2) $1,000,000 for each of fiscal years 2014 through 2018.".

(b) COMPETITIVE GRANTS.—Section 1473D(c)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(c)(1)) is amended by striking "use such research funding, special or competitive grants, or other means, as the Secretary determines," and inserting "make competitive grants".

SEC. 7123. CAPACITY BUILDING GRANTS FOR NLGCA INSTITUTIONS.

Section 1473F(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319i(b)) is amended by striking "2012" and inserting "2018".

SEC. 7124. AQUACULTURE ASSISTANCE PROGRAMS.

(a) COMPETITIVE GRANTS.—Section 1475(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322(b)) is amended in the matter preceding paragraph (1), by inserting "competitive" before "grants".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended to read as follows:

"SEC. 1477. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle—

"(1) $7,500,000 for each of fiscal years 1991 through 2013; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018.

"(b) PROHIBITION ON USE.—Funds made available under this section may not be used to acquire or construct a building.".

SEC. 7125. RANGELAND RESEARCH PROGRAMS.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking "subtitle" and all that follows and inserting the following: "subtitle—

"(1) $10,000,000 for each of fiscal years 1991 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7126. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

Section 1484(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3351(a)) is amended by striking "response such sums as are necessary" and all that follows and inserting the following: "response—

"(1) such sums as are necessary for each of fiscal years 2002 through 2013; and

"(2) $10,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7127. DISTANCE EDUCATION AND RESIDENT INSTRUCTION GRANTS PROGRAM FOR INSULAR AREA INSTITUTIONS OF HIGHER EDUCATION.

(a) DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.—

(1) COMPETITIVE GRANTS.—Section 1490(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(a)) is amended by striking "or noncompetitive".

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 1490(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(f)) is amended by striking "section" and all that follows and inserting the following: "section—

"(1) such sums as are necessary for each of fiscal years 2002 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

(b) RESIDENT INSTRUCTION GRANTS FOR INSULAR AREAS.—Section 1491(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363(c)) is amended by striking "such sums as are necessary" and all that follows and inserting the following: "to carry out this section—

"(1) such sums as are necessary for each of fiscal years 2002 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7128. MATCHING FUNDS REQUIREMENT.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end the following new subtitle:

"Subtitle P—General Provisions

"SEC. 1492. MATCHING FUNDS REQUIREMENT.

"(a) IN GENERAL.—The recipient of a competitive grant that is awarded by the Secretary under a covered law shall provide funds, in-kind contributions, or a combination of both, from sources other than funds provided through such grant in an amount at least equal to the amount of such grant.

"(b) EXCEPTION.—The matching funds requirement under subsection (a) shall not apply to grants awarded—

"(1) to a research agency of the Department of Agriculture;

"(2) to an entity eligible to receive funds under a capacity and infrastructure program (as defined in section 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(C))), including a partner of such entity.

"(c) COVERED LAW.—In this section, the term 'covered law' means each of the following provisions of law:

"(1) This title.

"(2) Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801 et seq.).

"(3) The Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601 et seq.).

"(4) Part III of subtitle E of title VII of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 3202 et seq.).

"(5) The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i).".

(b) CONFORMING AMENDMENT.—Paragraph (9) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) is amended—

(1) by striking subparagraph (B);

(2) in the heading, by inserting "FOR EQUIPMENT GRANTS" after "FUNDS";

(3) by striking "(A) EQUIPMENT GRANTS.—"; and

(4) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and moving the margins of such subparagraphs two ems to the left.

(c) APPLICATION TO AMENDMENTS.—

(1) NEW GRANTS.—Section 1492 of the National Agricultural, Research, Extension, and Teaching Policy Act of 1977, as added by subsection (a), shall apply with respect to grants described in such section awarded after October 1, 2013, unless the provision of a covered law under which such grants are awarded specifically exempts such grants from the matching funds requirement under such section.

(2) EXISTING GRANTS.—A matching funds requirement in effect on or before October 1, 2013, under a covered law shall continue to apply to a grant awarded under such provision of law on or before that date.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 7201. BEST UTILIZATION OF BIOLOGICAL APPLICATIONS.

Section 1624 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5814) is amended in the first sentence—

(1) by striking "$40,000,000 for each fiscal year"; and

(2) by inserting "$40,000,000 for each of fiscal years 2013 through 2018" after "chapter".

SEC. 7202. INTEGRATED MANAGEMENT SYSTEMS.

Section 1627(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(d)) is amended to read as follows:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section through the National Institute of Food and Agriculture $20,000,000 for each of fiscal years 2013 through 2018.".

SEC. 7203. SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAM.

Section 1628(f) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831(f)) is amended to read as follows:

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for fiscal year 2013; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7204. NATIONAL TRAINING PROGRAM.

Section 1629(i) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832(i)) is amended to read as follows:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the National Training Program $20,000,000 for each of fiscal years 2013 through 2018.".

SEC. 7205. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended—

(1) by striking "such funds as may be necessary"; and

(2) by striking "subtitle" and all that follows and inserting the following: "subtitle—

"(1) such sums as are necessary for each of fiscal years 1991 through 2013; and

"(2) $1,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7206. REPEAL OF NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.

Effective October 1, 2013, subtitle D of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5851 et seq.) is repealed.

SEC. 7207. REPEAL OF RURAL ELECTRONIC COMMERCE EXTENSION PROGRAM.

Effective October 1, 2013, section 1670 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923) is repealed.

SEC. 7208. REPEAL OF AGRICULTURAL GENOME INITIATIVE.

Effective October 1, 2013, section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924) is repealed.

SEC. 7209. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended—

(1) in the first sentence of subsection (a), by striking "subsections (e) through (i)" and inserting "subsections (e) and (f)";

(2) in subsection (b)(2), in the first sentence, by striking "subsections (e) through (i)" and inserting "subsections (e) and (f)";

(3) by striking subsections (e), (f), and (i);

(4) by redesignating subsections (g), (h), and (j) as subsections (e), (f), and (g), respectively;

(5) in subsection (f) (as redesignated by paragraph (4))—

(A) by striking "2012" each place it appears in paragraphs (1)(B), (2)(B), and (3) and inserting "2018"; and

(B) in paragraph (4)—

(i) in subparagraph (A), by inserting "and honey bee health disorders" after "collapse"; and

(ii) in subparagraph (B), by inserting ", including best management practices" after "strategies"; and

(6) in subsection (g) (as redesignated by paragraph (4)), by striking "2012" and inserting "2018".

SEC. 7210. REPEAL OF NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Effective October 1, 2013, section 1672A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a) is repealed.

SEC. 7211. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.

Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

(1) by striking subsection (e) and inserting the following new subsection:

"(e) FARM BUSINESS MANAGEMENT ENCOURAGED.—Following the completion of a peer review process for grant proposals received under this section, the Secretary shall give a priority to grant proposals found in the review process to be scientifically meritorious using the same criteria the Secretary uses to give priority to grants under section 1672D(b).."; and

(2) in subsection (f)—

(A) in paragraph (1)—

(i) in the heading of such paragraph, by striking "2012" and inserting "2018";

(ii) in subparagraph (A), by striking "and" at the end;

(iii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

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

"(C) $20,000,000 for each of fiscal years 2014 through 2018."; and

(B) in paragraph (2)—

(i) in the heading of such paragraph, by striking "2009 THROUGH 2012" and inserting "2014 THROUGH 2018"; and

(ii) by striking "2009 through 2012" and inserting "2014 through 2018".

SEC. 7212. REPEAL OF AGRICULTURAL BIOENERGY FEEDSTOCK AND ENERGY EFFICIENCY RESEARCH AND EXTENSION INITIATIVE.

(a) REPEAL.—Effective October 1, 2013, section 1672C of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925e) is repealed.

(b) CONFORMING AMENDMENT.—Section 251(f)(1)(D) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(D)) is amended—

(1) by striking clause (xi); and

(2) by redesignating clauses (xii) and (xiii) as clauses (xi) and (xii), respectively.

SEC. 7213. FARM BUSINESS MANAGEMENT.

Section 1672D(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925f(d)) is amended by striking "such sums as are necessary to carry out this section." and inserting the following: "to carry out this section—

"(1) such sums as are necessary for fiscal year 2013; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7214. CENTERS OF EXCELLENCE.

The Food, Agriculture, Conservation, and Trade Act of 1990 is amended by inserting after section 1672D (7 U.S.C. 5925f) the following new section:

"SEC. 1673. CENTERS OF EXCELLENCE.

"(a) FUNDING PRIORITIES.—The Secretary shall prioritize centers of excellence established for specific agricultural commodities for the receipt of funding for any competitive research or extension program administered by the Secretary.

"(b) COMPOSITION.—A center of excellence is composed of 1 or more of the eligible entities specified in subsection (b)(7) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(7)) that provide financial or in-kind support to the center of excellence.

"(c) CRITERIA FOR CENTERS OF EXCELLENCE.—

"(1) REQUIRED EFFORTS.—The criteria for consideration to be recognized as a center of excellence shall include efforts—

"(A) to ensure coordination and cost effectiveness by reducing unnecessarily duplicative efforts regarding research, teaching, and extension;

"(B) to leverage available resources by using public/private partnerships among agricultural industry groups, institutions of higher education, and the Federal Government;

"(C) to implement teaching initiatives to increase awareness and effectively disseminate solutions to target audiences through extension activities; and

"(D) to increase the economic returns to rural communities by identifying, attracting, and directing funds to high-priority agricultural issues.

"(2) ADDITIONAL EFFORTS.—Where practicable, the criteria for consideration to be recognized as a center of excellence shall include efforts to improve teaching capacity and infrastructure at colleges and universities (including land-grant institutions, schools of forestry, schools of veterinary medicine, and NLGCA Institutions).".

SEC. 7215. REPEAL OF RED MEAT SAFETY RESEARCH CENTER.

Effective October 1, 2013, section 1676 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

SEC. 7216. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended—

(1) by striking "is" and inserting "are"; and

(2) by striking "section" and all that follows and inserting the following: "section—

"(A) $6,000,000 for each of fiscal years 1999 through 2013; and

"(B) $3,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7217. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking "2012" and inserting "2018".

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.

Section 103(a)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613(a)(2)) is amended—

(1) in the heading by striking "MERIT REVIEW OF EXTENSION" and inserting "RELEVANCE AND MERIT REVIEW OF RESEARCH, EXTENSION,";

(2) in subparagraph (A)—

(A) by inserting "relevance and" before "merit"; and

(B) by striking "extension or education" and inserting "research, extension, or education"; and

(3) in subparagraph (B), by inserting "on a continuous basis" after "procedures".

SEC. 7302. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(f)) is amended by striking "2012" and inserting "2018".

SEC. 7303. REPEAL OF COORDINATED PROGRAM OF RESEARCH, EXTENSION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL AND MEDIUM SIZE DAIRY, LIVESTOCK, AND POULTRY OPERATIONS.

(a) REPEAL.—Effective October 1, 2013, section 407 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627) is repealed.

(b) CONFORMING AMENDMENT.—Section 251(f)(1)(D) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(D)), as amended by section 7212(b), is further amended—

(1) by striking clause (xi) (as redesignated by section 7212(b)); and

(2) by redesignating clause (xii) (as redesignated by section 7212(b)) as clause (xi).

SEC. 7304. FUSARIUM GRAMINEARUM GRANTS.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended to read as follows:

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

"(1) such sums as may be necessary for each of fiscal years 1999 through 2013; and

"(2) $7,500,000 for each of fiscal years 2014 through 2018.".

SEC. 7305. REPEAL OF BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

Effective October 1, 2013, section 409 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7629) is repealed.

SEC. 7306. GRANTS FOR YOUTH ORGANIZATIONS.

Section 410(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7630(d)) is amended by striking "section such sums as are necessary" and all that follows and inserting the following: "section—

"(1) such sums as are necessary for each of fiscal years 2008 through 2013; and

"(2) $3,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7307. SPECIALTY CROP RESEARCH INITIATIVE.

Section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "and genomics" and inserting "genomics, and other methods"; and

(B) in paragraph (3), by inserting "handling and processing," after "production efficiency,";

(2) by striking subsection (d) and inserting the following new subsection:

"(d) RESEARCH PROJECTS.—In carrying out this section, the Secretary shall award competitive grants on the basis of—

"(1) an initial scientific peer review conducted by a panel of subject matter experts from Federal agencies, non-Federal entities, and the specialty crop industry; and

"(2) a final funding determination made by the Secretary based on a review and ranking for merit, relevance, and impact conducted by a panel of specialty crop industry representatives for the specific specialty crop."; and

(3) in subsection (h)—

(A) in paragraph (1)—

(i) in the heading, by striking "(1) MANDATORY FUNDING FOR FISCAL YEARS 2008 THROUGH 2012.—Of the funds" and inserting the following:

"(1) MANDATORY FUNDING.—

"(A) FISCAL YEARS 2008 THROUGH 2012.—Of the funds"; and

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

"(B) SUBSEQUENT FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

"(i) $50,000,000 for fiscal years 2014 and 2015;

"(ii) $55,000,000 for fiscal years 2016 and 2017; and

"(iii) $65,000,000 for fiscal year 2018 and each fiscal year thereafter."; and

(B) in paragraph (2)—

(i) in the heading, by striking "2008 through 2012" and inserting "2014 through 2018"; and

(ii) by striking "2008 through 2012" and inserting "2014 through 2018".

SEC. 7308. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642(e)) is amended by striking "2012" and inserting "2018".

SEC. 7309. REPEAL OF NATIONAL SWINE RESEARCH CENTER.

Effective October 1, 2013, section 612 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105–185; 112 Stat. 605) is repealed.

SEC. 7310. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended—

(1) by striking "such sums as are necessary"; and

(2) by striking "section" and all that follows and inserting the following: "section—

"(1) such sums as are necessary for each of fiscal years 1999 through 2013; and

"(2) $3,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7311. REPEAL OF STUDIES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Effective October 1, 2013, subtitle C of title VI of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7671 et seq.) is repealed.

Subtitle D—Other Laws

SEC. 7401. CRITICAL AGRICULTURAL MATERIALS ACT.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended—

(1) by striking "such sums as are necessary"; and

(2) by striking "Act" and all that follows and inserting the following: "Act—

"(1) such sums as are necessary for each of fiscal years 1991 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7402. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) DEFINITION OF 1994 INSTITUTIONS.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended—

(1) in paragraph (8), by striking "Memorial";

(2) in paragraph (26), by striking "Community";

(3) by striking paragraphs (5), (10), and (27);

(4) by redesignating paragraphs (1), (2), (3), (4), (6), (7), (8), (9), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), (24), (25), (26), (28), (29), (30), (31), (32), (33), and (34) as paragraphs (2), (3), (4), (7), (8), (9), (5), (10), (15), (17), (18), (19), (20), (22), (23), (24), (25), (32), (26), (27), (28), (29), (30), (31), (33), (34), (35), and (14), respectively, and transferring the paragraphs so as to appear in numerical order;

(5) by inserting before paragraph (2) (as so redesignated), the following new paragraph:

"(1) Aaniih Nakoda College.";

(6) by inserting after paragraph (5) (as so redesignated), the following new paragraph:

"(6) College of the Muscogee Nation.";

(7) by inserting after paragraph (15) (as so redesignated) the following new paragraph:

"(16) Keweenaw Bay Ojibwa Community College."; and

(8) by inserting after paragraph (20) (as so redesignated) the following new paragraph:

"(21) Navajo Technical College.".

(b) ENDOWMENT FOR 1994 INSTITUTIONS.—Section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended in the first sentence by striking "2012" and inserting "2018".

(c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)

is amended by striking "2012" each place it appears in subsections (b)(1) and (c) and inserting "2018".

(d) RESEARCH GRANTS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended in the first sentence by striking "2012" and inserting "2018".

(2) RESEARCH GRANT REQUIREMENTS.—Section 536(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking "with at least 1 other land-grant college or university" and all that follows and inserting the following: "with—

"(1) the Agricultural Research Service of the Department of Agriculture; or

"(2) at least 1—

"(A) other land-grant college or university (exclusive of another 1994 Institution);

"(B) non-land-grant college of agriculture (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or

"(C) cooperating forestry school (as defined in that section).".

SEC. 7403. RESEARCH FACILITIES ACT.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking "2012" and inserting "2018".

SEC. 7404. REPEAL OF CARBON CYCLE RESEARCH.

Effective October 1, 2013, section 221 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 6711) is repealed.

SEC. 7405. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANT ACT.

(a) EXTENSION.—Subsection (b)(11)(A) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(11)(A)) is amended in the matter preceding clause (i) by striking "2012" and inserting "2018".

(b) PRIORITY AREAS.—Subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2)) is amended—

(1) in subparagraph (A)—

(A) in clause (vi), by striking "and" at the end;

(B) in clause (vii), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new clause:

"(viii) plant-based foods that are major sources of nutrients of concern (as determined by the Secretary).";

(2) in subparagraph (B)—

(A) in clause (vii), by striking "and" at the end;

(B) in clause (viii), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new clauses:

"(ix) the research and development of surveillance methods, vaccines, vaccination delivery systems, or diagnostic tests for pests and diseases (especially zoonotic diseases) in wildlife reservoirs presenting a potential concern to public health or domestic livestock and pests and diseases in minor species (including deer, elk, and bison); and

"(x) the identification of animal drug needs and the generation and dissemination of data for safe and effective therapeutic applications of animal drugs for minor species and minor uses of such drugs in major species.";

(3) in subparagraph (C)—

(A) in clause (ii), by inserting before the semicolon ", including the effects of plant-based foods that are major sources of nutrients of concern on diet and health";

(B) in clause (iii), by inserting before the semicolon ", including plant-based foods that are major sources of nutrients of concern";

(C) in clause (iv), by inserting before the semicolon ", including postharvest practices conducted with respect to plant-based foods that are major sources of nutrients of concern"; and

(D) in clause (v), by inserting before the period ", including improving the functionality of plant-based foods that are major sources of nutrients of concern";

(4) in subparagraph (D)—

(A) by redesignating clauses (iv), (v), and (vi) as clauses (v), (vi), and (vii), respectively; and

(B) by inserting after clause (iii) the following new clause:

"(iv) the effectiveness of conservation practices and technologies designed to address nutrient losses and improve water quality;"; and

(5) in subparagraph (F)—

(A) in the matter preceding clause (i), by inserting "economics," after "trade,";

(B) by redesignating clauses (v) and (vi) as clauses (vi) and (vii), respectively; and

(C) by inserting after clause (iv) the following new clause:

"(v) the economic costs, benefits, and viability of producers adopting conservation practices and technologies designed to improve water quality;".

(c) GENERAL ADMINISTRATION.—Subsection (b)(4) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(4)) is amended—

(1) in subparagraph (D), by striking "and" at the end;

(2) in subparagraph (E), by striking the period at the end and inserting "; and"; and

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

"(F) establish procedures under which a commodity board established under a commodity promotion law (as such term is defined under section 501(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(a))) or a State commodity board (or other equivalent State entity) may directly submit to the Secretary proposals for requests for applications to specifically address particular issues related to the priority areas specified in paragraph (2).".

(d) SPECIAL CONSIDERATIONS.—Subsection (b)(6) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(6)) is amended—

(1) in subparagraph (C), by striking "and" at the end;

(2) in subparagraph (D), by striking the period at the end and inserting "; and"; and

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

"(E) to eligible entities to carry out the specific research proposals submitted under procedures established under paragraph (4)(F).".

(e) ELIGIBLE ENTITIES.—Subsection (b)(7)(G) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(7)(G)) is amended by striking "or corporations" and inserting ", foundations, or corporations".

(f) INTER-REGIONAL RESEARCH PROJECT NUMBER 4.—Subsection (e) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(e)) is amended—

(1) in paragraph (1)(A), by striking "minor use pesticides" and inserting "pesticides for minor agricultural use and for use on specialty crops (as defined in section 3 of the Specialty Crop Competitiveness Act of 2004 (7 U.S.C. 1621 note)"; and

(2) in paragraph (4)—

(A) in subparagraph (A), by inserting "and for use on specialty crops" after "minor agricultural use";

(B) in subparagraph (B), by striking "and" at the end;

(C) by redesignating subparagraph (C) as subparagraph (G); and

(D) by inserting after subparagraph (B) the following new subparagraphs:

"(C) prioritize potential pest management technology for minor agricultural use and for use on specialty crops;

"(D) conduct research to develop the data necessary to facilitate pesticide registrations, reregistrations, and associated tolerances;

"(E) assist in removing trade barriers caused by residues of pesticides registered for minor agricultural use and for use on domestically grown specialty crops;

"(F) assist in the registration and reregistration of pest management technologies for minor agricultural use and for use on specialty crops; and".

(g) EMPHASIS ON SUSTAINABLE AGRICULTURE.—The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended by striking subsection (k).

SEC. 7406. RENEWABLE RESOURCES EXTENSION ACT OF 1978.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended in the first sentence by striking "2012" and inserting "2018".

(b) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95–306) is amended by striking "2012" and inserting "2018".

SEC. 7407. NATIONAL AQUACULTURE ACT OF 1980.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking "2012" each place it appears and inserting "2018".

SEC. 7408. REPEAL OF USE OF REMOTE SENSING DATA.

Effective October 1, 2013, section 892 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5935) is repealed.

SEC. 7409. REPEAL OF REPORTS UNDER FARM SECURITY AND RURAL INVESTMENT ACT OF 2002.

(a) REPEAL OF REPORT ON PRODUCERS AND HANDLERS FOR ORGANIC PRODUCTS.—Effective October 1, 2013, section 7409 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925b note; Public Law 107–171) is repealed.

(b) REPEAL OF REPORT ON GENETICALLY MODIFIED PEST-PROTECTED PLANTS.—Effective October 1, 2013, section 7410 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 116 Stat. 462) is repealed.

(c) REPEAL OF STUDY ON NUTRIENT BANKING.—Effective October 1, 2013, section 7411 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925a note; Public Law 107–171) is repealed.

SEC. 7410. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended—

(1) in subsection (c)—

(A) in paragraph (1), by striking subparagraphs (A) through (R) and inserting the following new subparagraphs:

"(A) basic livestock, forest management, and crop farming practices;

"(B) innovative farm, ranch, and private, nonindustrial forest land transfer strategies;

"(C) entrepreneurship and business training;

"(D) financial and risk management training (including the acquisition and management of agricultural credit);

"(E) natural resource management and planning;

"(F) diversification and marketing strategies;

"(G) curriculum development;

"(H) mentoring, apprenticeships, and internships;

"(I) resources and referral;

"(J) farm financial benchmarking;

"(K) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers;

"(L) agricultural rehabilitation and vocational training for veterans; and

"(M) other similar subject areas of use to beginning farmers or ranchers.";

(B) in paragraph (7), by striking "and community-based organizations" and inserting ", community-based organizations, and school-based agricultural educational organizations";

(C) by striking paragraph (8) and inserting the following new paragraph:

"(8) MILITARY VETERAN BEGINNING FARMERS AND RANCHERS.—

"(A) IN GENERAL.—Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of military veteran beginning farmers and ranchers.

"(B) COORDINATION PERMITTED.—A recipient of a grant under this section using the grant as described in subparagraph (A) may coordinate with a recipient of a grant under section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) in addressing the needs of military veteran beginning farmers and ranchers with disabilities."; and

(D) by adding at the end the following new paragraph:

"(11) LIMITATION ON INDIRECT COSTS.—A recipient of a grant under this section may not use more than 10 percent of the funds provided by the grant for the indirect costs of carrying out the initiatives described in paragraph (1).";

(2) in subsection (h)(1)—

(A) in the paragraph heading, by striking "2012" and inserting "2018";

(B) in subparagraph (A), by striking "and" at the end;

(C) in subparagraph (B), by striking the period at the end and inserting "; and"; and

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

"(C) $20,000,000 for each of fiscal years 2014 through 2018, to remain available until expended."; and

(3) in subsection (h)(2)—

(A) in the paragraph heading, by striking "2008 THROUGH 2012" and inserting "2014 THROUGH 2018"; and

(B) by striking "2008 through 2012" and inserting "2014 through 2018".

SEC. 7411. INCLUSION OF NORTHERN MARIANA ISLANDS AS A STATE UNDER MCINTIRE-STENNIS COOPERATIVE FORESTRY ACT.

Section 8 of Public Law 87–788 (commonly known as the McIntire-Stennis Cooperative Forestry Act; 16 U.S.C. 582a–7) is amended by striking "and Guam" and inserting "Guam, and the Commonwealth of the Northern Mariana Islands".

Subtitle E—Food, Conservation, and Energy Act of 2008

PART 1—AGRICULTURAL SECURITY

SEC. 7501. AGRICULTURAL BIOSECURITY COMMUNICATION CENTER.

Section 14112(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8912(c)) is amended to read as follows:

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for each of fiscal years 2008 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7502. ASSISTANCE TO BUILD LOCAL CAPACITY IN AGRICULTURAL BIOSECURITY PLANNING, PREPARATION, AND RESPONSE.

Section 14113 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8913) is amended—

(1) in subsection (a)(2)—

(A) by striking "such sums as may be necessary"; and

(B) by striking "subsection" and all that follows and inserting the following: "subsection—

"(A) such sums as are necessary for each of fiscal years 2008 through 2013; and

"(B) $15,000,000 for each of fiscal years 2014 through 2018."; and

(2) in subsection (b)(2), by striking "is authorized to be appropriated to carry out this subsection" and all that follows and inserting the following: "are authorized to be appropriated to carry out this subsection—

"(A) $25,000,000 for each of fiscal years 2008 through 2013; and

"(B) $15,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7503. RESEARCH AND DEVELOPMENT OF AGRICULTURAL COUNTERMEASURES.

Section 14121(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8921(b)) is amended by striking "is authorized to be appropriated to carry out this section" and all that follows and inserting the following: "are authorized to be appropriated to carry out this section—

"(1) $50,000,000 for each of fiscal years 2008 through 2013; and

"(2) $15,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7504. AGRICULTURAL BIOSECURITY GRANT PROGRAM.

Section 14122(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8922(e)) is amended—

(1) by striking "sums as are necessary"; and

(2) by striking "section" and all that follows and inserting the following: "section—

"(1) such sums as are necessary for each of fiscal years 2008 through 2013, to remain available until expended; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018, to remain available until expended.".

PART 2—MISCELLANEOUS

SEC. 7511. ENHANCED USE LEASE AUTHORITY PILOT PROGRAM.

Section 308 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 3125a) is amended—

(1) in subsection (b)(6)(A), by striking "5 years" and inserting "10 years"; and

(2) in subsection (d)(2), by striking "1, 3, and 5 years" and inserting "6, 8, and 10 years".

SEC. 7512. GRAZINGLANDS RESEARCH LABORATORY.

Section 7502 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2019) is amended by striking "5-year period" and inserting "10-year period".

SEC. 7513. BUDGET SUBMISSION AND FUNDING.

Section 7506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7614c) is amended—

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

"(a) DEFINITIONS.—In this section:

"(1) COVERED PROGRAM.—The term 'covered program' means—

"(A) each research program carried out by the Agricultural Research Service or the Economic Research Service for which annual appropriations are requested in the annual budget submission of the President; and

"(B) each competitive program carried out by the National Institute of Food and Agriculture for which annual appropriations are requested in the annual budget submission of the President.

"(2) REQUEST FOR AWARDS.—The term 'request for awards' means a funding announcement published by the National Institute of Food and Agriculture that provides detailed information on funding opportunities at the Institute, including the purpose, eligibility, restriction, focus areas, evaluation criteria, regulatory information, and instructions on how to apply for such opportunities."; and

(2) by adding at the end the following new subsections:

"(e) ADDITIONAL PRESIDENTIAL BUDGET SUBMISSION REQUIREMENT.—

"(1) IN GENERAL.—Each year, the President shall submit to Congress, together with the annual budget submission of the President, the information described in paragraph (2) for each funding request for a covered program.

"(2) INFORMATION DESCRIBED.—The information described in this paragraph includes—

"(A) baseline information, including with respect to each covered program—

"(i) the funding level for the program for the fiscal year preceding the year the annual budget submission of the President is submitted;

"(ii) the funding level requested in the annual budget submission of the President, including any increase or decrease in the funding level; and

"(iii) an explanation justifying any change from the funding level specified in clause (i) to the level specified in clause (ii);

"(B) with respect to each covered program that is carried out by the Economic Research Service or the Agricultural Research Service, the location and staff years of the program;

"(C) the proposed funding levels to be allocated to, and the expected publication date, scope, and allocation level for, each request for awards to be published under or associated with—

"(i) each priority area specified in subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2));

"(ii) each research and extension project carried out under section 1621(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811(a));

"(iii) each grant to be awarded under section 1672B(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b(a));

"(iv) each grant awarded under section 412(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632(d)); and

"(v) each grant awarded under 7405(c)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f(c)(1)); or

"(D) any other information the Secretary determines will increase congressional oversight with respect to covered programs.

"(3) PROHIBITION.—Unless the President submits the information described in paragraph (2)(C) for a fiscal year, the President may not carry out any program during the fiscal year that is authorized under—

"(A) subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b));

"(B) section 1621 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811);

"(C) section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b);

"(D) section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632); or

"(E) section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f).

"(f) REPORT OF THE SECRETARY OF AGRICULTURE.—Each year on a date that is not later than the date on which the President submits the annual budget, the Secretary shall submit to Congress a report containing a description of the agricultural research, extension, and education activities carried out by the Federal Government during the fiscal year that immediately precedes the year for which the report is submitted, including—

"(1) a review of the extent to which those activities—

"(A) are duplicative or overlap within the Department of Agriculture; or

"(B) are similar to activities carried out by—

"(i) other Federal agencies;

"(ii) the States (including the District of Columbia, the Commonwealth of Puerto Rico and other territories or possessions of the United States);

"(iii) institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)); or

"(iv) the private sector; and

"(2) for each report submitted under this section on or after January 1, 2013, a 5-year projection of national priorities with respect to agricultural research, extension, and education, taking into account domestic needs.".

SEC. 7514. REPEAL OF RESEARCH AND EDUCATION GRANTS FOR THE STUDY OF ANTIBIOTIC-RESISTANT BACTERIA.

Effective October 1, 2013, section 7521 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 3202) is repealed.

SEC. 7515. REPEAL OF FARM AND RANCH STRESS ASSISTANCE NETWORK.

Effective October 1, 2013, section 7522 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5936) is repealed.

SEC. 7516. REPEAL OF SEED DISTRIBUTION.

Effective October 1, 2013, section 7523 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 415–1) is repealed.

SEC. 7517. NATURAL PRODUCTS RESEARCH PROGRAM.

Section 7525(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5937(e)) is amended to read as follows:

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $7,000,000 for each of fiscal years 2014 through 2018.".

SEC. 7518. SUN GRANT PROGRAM.

(a) IN GENERAL.—Section 7526 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114) is amended—

(1) in subsection (a)(4)(B), by striking "the Department of Energy" and inserting "other appropriate Federal agencies (as determined by the Secretary)";

(2) in subsection (c)(1)—

(A) in subparagraph (B), by striking "multistate" and all that follows through the period and inserting "integrated, multistate research, extension, and education programs on technology development and technology implementation.";

(B) by striking subparagraph (C); and

(C) by redesignating subparagraph (D) as subparagraph (C);

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking "in accordance with paragraph (2)";

(ii) by striking "gasification" and inserting "bioproducts"; and

(iii) by striking "the Department of Energy" and inserting "other appropriate Federal agencies";

(B) by striking paragraph (2); and

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(4) in subsection (g), by striking "2012" and inserting "2018".

(b) CONFORMING AMENDMENTS.—Section 7526(f)(1) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114(f)(1)) is amended by striking "subsection (c)(1)(D)(i)" and inserting "subsection (c)(1)(C)(i)".

SEC. 7519. REPEAL OF STUDY AND REPORT ON FOOD DESERTS.

Effective October 1, 2013, section 7527 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2039) is repealed.

SEC. 7520. REPEAL OF AGRICULTURAL AND RURAL TRANSPORTATION RESEARCH AND EDUCATION.

Effective October 1, 2013, section 7529 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5938) is repealed.

Subtitle F—Miscellaneous Provisions

SEC. 7601. AGREEMENTS WITH NONPROFIT ORGANIZATIONS FOR NATIONAL ARBORETUM.

Section 6 of the Act of March 4, 1927 (20 U.S.C. 196), is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following new paragraph:

"(1) negotiate agreements for the National Arboretum with nonprofit scientific or educational organizations, the interests of which are complementary to the mission of the National Arboretum, or nonprofit organizations that support the purpose of the National Arboretum, except that the net proceeds of the organizations from the agreements shall be used exclusively for research and educational work for the benefit of the National Arboretum and the operation and maintenance of the facilities of the National Arboretum, including enhancements, upgrades, restoration, and conservation;"; and

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

"(d) RECOGNITION OF DONORS.—A non-profit organization that entered into an agreement under subsection (a)(1) may recognize donors if that recognition is approved in advance by the Secretary. In considering whether to approve such recognition, the Secretary shall broadly exercise the discretion of the Secretary to the fullest extent allowed under Federal law in effect on the date of the enactment of this subsection.".

SEC. 7602. COTTON DISEASE RESEARCH REPORT.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the fungus fusarium oxysporum f. sp. vasinfectum race 4 (referred to in this section as "FOV Race 4") and the impact of such fungus on cotton, including—

(1) an overview of the threat FOV Race 4 poses to the cotton industry in the United States;

(2) the status and progress of Federal research initiatives to detect, contain, or eradicate FOV Race 4, including current FOV Race 4-specific research projects; and

(3) a comprehensive strategy to combat FOV Race 4 that establishes—

(A) detection and identification goals;

(B) containment goals;

(C) eradication goals; and

(D) a plan to partner with the cotton industry in the United States to maximize resources, information sharing, and research responsiveness and effectiveness.

SEC. 7603. ACCEPTANCE OF FACILITY FOR AGRICULTURAL RESEARCH SERVICE.

(a) CONSTRUCTION AUTHORIZED.—Subject to subsections (b) and (c), the Secretary of Agriculture may authorize a non-Federal entity to construct, at no cost and without obligation to the Federal Government, a facility for use by the Agricultural Research Service on land owned by the Agricultural Research Service and managed by the Secretary.

(b) ACCEPTANCE OF GIFT.—

(1) IN GENERAL.—Subject to paragraph (2), upon the completion of the construction of the facility by the non-Federal entity under subsection (a), the Secretary shall accept the facility as a gift in accordance with Public Law 95–442 (7 U.S.C. 2269).

(2) CERTIFICATION.—The Secretary, in consultation with the Director of the Office of Management and Budget, shall certify in advance that the acceptance under paragraph (1) complies with the limitations specified in paragraphs (1) and (2) of subsection (c).

(c) LIMITATIONS.—

(1) VALUE.—The Secretary may not accept a facility as a gift under this section if the fair market value of the facility is more than $5,000,000.

(2) NO FEDERAL COST.—The Secretary shall not enter into any acquisitions, demonstrations, exchanges, grants, contracts, incentives, leases, procurements,

sales, or other transaction authorities or arrangements that would obligate future appropriations with respect to the facility constructed under subsection (a).

(d) TERMINATION OF AUTHORITY.—No facility may be accepted by the Secretary for use by the Agricultural Research Service under this section after September 30, 2018.

SEC. 7604. MISCELLANEOUS TECHNICAL CORRECTIONS.

Sections 7408 and 7409 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2013) are both amended by striking "Title III of the Department of Agriculture Reorganization Act of 1994" and inserting "Title III of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994".

TITLE VIII—FORESTRY

Subtitle A—Repeal of Certain Forestry Programs

SEC. 8001. FOREST LAND ENHANCEMENT PROGRAM.

(a) REPEAL.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

(b) CONFORMING AMENDMENT.—Section 8002 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 16 U.S.C. 2103 note) is amended by striking subsection (a).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2013.

SEC. 8002. WATERSHED FORESTRY ASSISTANCE PROGRAM.

(a) REPEAL.—Section 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103b) is repealed.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 8003. EXPIRED COOPERATIVE NATIONAL FOREST PRODUCTS MARKETING PROGRAM.

Section 18 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2112) is repealed.

SEC. 8004. HISPANIC-SERVING INSTITUTION AGRICULTURAL LAND NATIONAL RESOURCES LEADERSHIP PROGRAM.

(a) REPEAL.—Section 8402 of the Food, Conservation, and Energy Act of 2008 (16 U.S.C. 1649a) is repealed.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 8005. TRIBAL WATERSHED FORESTRY ASSISTANCE PROGRAM.

(a) REPEAL.—Section 303 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6542) is repealed.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2013.

SEC. 8006. SEPARATE FOREST SERVICE DECISIONMAKING AND APPEALS PROCESS.

Section 322 of the Department of the Interior and Related Agencies Appropriations Act, 1993 (Public Law 102–381; 16 U.S.C. 1612 note) is repealed. Section 428 of division E of the Consolidated Appropriations Act, 2012 (Public Law 112–74; 125 Stat. 1046; 16 U.S.C. 6515 note) shall not apply to any project or activity implementing a land and resource management plan developed under section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) that is categorically excluded from documentation in an environmental assessment or an environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

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

SEC. 8101. STATE-WIDE ASSESSMENT AND STRATEGIES FOR FOREST RESOURCES.

Section 2A(c) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101a(c)) is amended—

(1) in paragraph (4), by striking "and";

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) as feasible, appropriate military installations where the voluntary participation and management of private or State-owned or other public forestland is able to support, promote, and contribute to the missions of such installations; and".

SEC. 8102. FOREST LEGACY PROGRAM.

Subsection (m) of section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c) is amended to read as follows:

"(m) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated—

"(1) such sums as are necessary for fiscal year 2013; and

"(2) $55,000,000 for each of fiscal years 2014 through 2018.".

SEC. 8103. COMMUNITY FOREST AND OPEN SPACE CONSERVATION PROGRAM.

Subsection (g) of section 7A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103d) is amended to read as follows:

"(g) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated—

"(1) such sums as are necessary for fiscal year 2013; and

"(2) $1,500,000 for each of fiscal years 2014 through 2018.".

Subtitle C—Reauthorization of Other Forestry-Related Laws

SEC. 8201. RURAL REVITALIZATION TECHNOLOGIES.

Section 2371(d)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2)) is amended by striking "2012" and inserting "2018".

SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.

Subsection (d) of section 2405 of the Global Climate Change Prevention Act of 1990 (7 U.S.C. 6704) is amended to read as follows:

"(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated—

"(1) such sums as are necessary for each of fiscal years 1996 through 2013; and

"(2) $6,000,000 for each of fiscal years 2014 through 2018.".

SEC. 8203. CHANGE IN FUNDING SOURCE FOR HEALTHY FORESTS RESERVE PROGRAM.

Section 508 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6578) is amended—

(1) in subsection (a), by striking "IN GENERAL" and inserting "FISCAL YEARS 2009 THROUGH 2013";

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following new subsections:

"(b) FISCAL YEARS 2014 THROUGH 2018.—There is authorized to be appropriated to the Secretary of Agriculture to carry out this section $9,750,000 for each of fiscal years 2014 through 2018.

"(c) ADDITIONAL SOURCE OF FUNDS.—In addition to funds appropriated pursuant to the authorization of appropriations in subsection (b) for a fiscal year, the Secretary may use such amount of the funds appropriated for that fiscal year to carry out the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.) as the Secretary determines necessary to cover the cost of technical assistance, management, and enforcement responsibilities for land enrolled in the healthy forests reserve program pursuant to subsections (a) and (b) of section 504.".

SEC. 8204. STEWARDSHIP END RESULT CONTRACTING PROJECT AUTHORITY.

Section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (as contained in section 101(e) of division A of Public Law 105–277; 16 U.S.C. 2104 note) is amended—

(1) in subsection (a), by striking "2013" and inserting "2018"; and

(2) in subsection (c), by adding at the end the following new paragraph:

"(6) CONTRACT FOR SALE OF PROPERTY.—At the discretion of the Secretary of Agriculture, a contract entered into by the Forest Service under this section may be considered a contract for the sale of property under such terms as the Secretary may prescribe without regard to any other provision of law.".

Subtitle D—National Forest Critical Area Response

SEC. 8301. DEFINITIONS.

In this title:

(1) CRITICAL AREA.—The term "critical area" means an area of the National Forest System designated by the Secretary under section 8302

(2) NATIONAL FOREST SYSTEM.—The term "National Forest System" has the meaning given that term in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)).

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 8302. DESIGNATION OF CRITICAL AREAS.

(a) DESIGNATION REQUIREMENTS.—The Secretary of Agriculture shall designate critical areas within the National Forest System for the purposes of addressing—

(1) deteriorating forest health conditions in existence as of the date of the enactment of this Act due to insect infestation, drought, disease, or storm damage; and

(2) the future risk of insect infestations or disease outbreaks through preventative treatments.

(b) DESIGNATION METHOD.—In considering National Forest System land for designation as a critical area, the Secretary shall use—

(1) for purposes of subsection (a)(1), the most recent annual forest health aerial surveys of mortality and defoliation; and

(2) for purposes of subsection (a)(2), the National Insect and Disease Risk Map.

(c) TIME FOR INITIAL DESIGNATIONS.—The first critical areas shall be designated by the Secretary not later than 60 days after the date of the enactment of this Act.

(d) DURATION OF DESIGNATION.—The designation of a critical area shall expire not later than 10 years after the date of the designation.

SEC. 8303. APPLICATION OF EXPEDITED PROCEDURES AND ACTIVITIES OF THE HEALTHY FORESTS RESTORATION ACT OF 2003 TO CRITICAL AREAS.

(a) APPLICABILITY.—Subject to subsections (b) through (e), title I of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511 et seq.) (including the environmental analysis requirements of section 104 of that Act (16 U.S.C. 6514), the special administrative review process under section 105 of that Act (16 U.S.C. 6515), and the judicial review process under section 106 of that Act (16 U.S.C. 6516)), shall apply to all Forest Service projects and activities carried out in a critical area.

(b) APPLICATION OF OTHER LAW.—Section 322 of Public Law 102–381 (16 U.S.C. 1612 note; 106 Stat. 1419) shall not apply to projects conducted in accordance with this section.

(c) REQUIRED MODIFICATIONS.—In applying title I of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511 et seq.) to Forest Service projects and activities in a critical area, the Secretary shall make the following modifications:

(1) The authority shall apply to the entire critical area, including land that is outside of a wildland-urban interface area or that does not satisfy any of the other eligibility criteria specified in section 102(a) of that Act (16 U.S.C. 6512(a)).

(2) All projects and activities of the Forest Service, including necessary connected actions (as described in section 1508.25(a)(1) of title 40, Code of Federal Regulations (or a successor regulation)), shall be considered to be authorized hazardous fuel reduction projects for purposes of applying the title.

(d) SMALLER PROJECTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), a project conducted in a critical area in accordance with this section that comprises less than 10,000 acres shall be—

(A) considered an action categorically excluded from the requirements for an environmental assessment or an environmental impact statement under section 1508.4 of title 40, Code of Federal Regulations (or a successor regulation); and

(B) exempt from the special administrative review process under section 105 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6515).

(2) EXCLUSION OF CERTAIN AREAS.—Paragraph (1) does not apply to—

(A) a component of the National Wilderness Preservation System;

(B) any Federal land on which, by Act of Congress or Presidential proclamation, the removal of vegetation is restricted or prohibited;

(C) a congressionally designated wilderness study area; or

(D) an area in which activities under paragraph (1) would be inconsistent with the applicable land and resource management plan.

(e) FOREST MANAGEMENT PLANS.—All projects and activities carried out in a critical area pursuant to this subtitle shall be consistent with the land and resource management plan established under section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) for the unit of the National Forest System containing the critical area.

SEC. 8304. GOOD NEIGHBOR AUTHORITY.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE STATE.—The term "eligible State" means a State that contains National Forest System land.

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(3) STATE FORESTER.—The term "State forester" means the head of a State agency with jurisdiction over State forestry programs in an eligible State.

(b) COOPERATIVE AGREEMENTS AND CONTRACTS.—

(1) IN GENERAL.—The Secretary may enter into a cooperative agreement or contract (including a sole source contract) with a State forester to authorize the State forester to provide the forest, rangeland, and watershed restoration and protection services described in paragraph (2) on National Forest System land in the eligible State.

(2) AUTHORIZED SERVICES.—The forest, rangeland, and watershed restoration and protection services referred to in paragraph (1) include the conduct of—

(A) activities to treat insect infected trees;

(B) activities to reduce hazardous fuels; and

(C) any other activities to restore or improve forest, rangeland, and watershed health, including fish and wildlife habitat.

(3) STATE AS AGENT.—Except as provided in paragraph (6), a cooperative agreement or contract entered into under paragraph (1) may authorize the State forester to serve as the agent for the Secretary in providing the restoration and protection services authorized under that paragraph.

(4) SUBCONTRACTS.—In accordance with applicable contract procedures for the eligible State, a State forester may enter into subcontracts to provide the restoration and protection services authorized under a cooperative agreement or contract entered into under paragraph (1).

(5) TIMBER SALES.—Subsections (d) and (g) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a) shall not apply to services performed under a cooperative agreement or contract entered into under paragraph (1).

(6) RETENTION OF NEPA RESPONSIBILITIES.—Any decision required to be made under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any restoration and protection services to be provided under this section by a State forester on National Forest System land shall not be delegated to a State forester or any other officer or employee of the eligible State.

(7) APPLICABLE LAW.—The restoration and protection services to be provided under this section shall be carried out on a project-to-project basis under existing authorities of the Forest Service.

Subtitle E—Miscellaneous Provisions

SEC. 8401. REVISION OF STRATEGIC PLAN FOR FOREST INVENTORY AND ANALYSIS.

(a) REVISION REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall revise the strategic plan for forest inventory and analysis initially prepared pursuant to section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e)) to address the requirements imposed by subsection (b).

(b) ELEMENTS OF REVISED STRATEGIC PLAN.—In revising the strategic plan, the Secretary of Agriculture shall describe in detail the organization, procedures, and funding needed to achieve each of the following:

(1) Complete the transition to a fully annualized forest inventory program and include inventory and analysis of interior Alaska.

(2) Implement an annualized inventory of trees in urban settings, including the status and trends of trees and forests, and assessments of their ecosystem services, values, health, and risk to pests and diseases.

(3) Report information on renewable biomass supplies and carbon stocks at the local, State, regional, and national level, including by ownership type.

(4) Engage State foresters and other users of information from the forest inventory and analysis in reevaluating the list of core data variables collected on forest inventory and analysis plots with an emphasis on demonstrated need.

(5) Improve the timeliness of the timber product output program and accessibility of the annualized information on that database.

(6) Foster greater cooperation among the forest inventory and analysis program, research station leaders, and State foresters and other users of information from the forest inventory and analysis.

(7) Promote availability of and access to non-Federal resources to improve information analysis and information management.

(8) Collaborate with the Natural Resources Conservation Service, National Aeronautics and Space Administration, National Oceanic and Atmospheric Administration, and United States Geological Survey to integrate remote sensing, spatial analysis techniques, and other new technologies in the forest inventory and analysis program.

(9) Understand and report on changes in land cover and use.

(10) Expand existing programs to promote sustainable forest stewardship through increased understanding, in partnership with other Federal agencies, of the over 10 million family forest owners, their demographics, and the barriers to forest stewardship.

(11) Implement procedures to improve the statistical precision of estimates at the sub-State level.

(c) SUBMISSION OF REVISED STRATEGIC PLAN.—The Secretary of Agriculture shall submit the revised strategic plan to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 8402. FOREST SERVICE PARTICIPATION IN ACES PROGRAM.

The Secretary of Agriculture, acting through the Chief of the Forest Service, may use funds derived from conservation-related programs executed on National Forest System lands to utilize the Agriculture Conservation Experienced Services Program established pursuant to section 1252 of the Food Security Act of 1985 (16 U.S.C. 3851) to provide technical services for conservation-related programs and authorities carried out by the Secretary on National Forest System lands.

SEC. 8403. GREEN SCIENCE AND TECHNOLOGY TRANSFER RESEARCH UNDER FOREST AND RANGELAND RENEWABLE RESOURCES RESEARCH ACT OF 1978.

(a) ADDITIONAL FORESTRY AND RANGELAND RESEARCH AND EDUCATION HIGH PRIORITY.—Section 3(d)(2) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(d)(2)) is amended by adding at the end the following new subparagraph:

"(F) Science and technology transfer, through the Forest Products Laboratory, to demonstrate the beneficial characteristics of wood as a green building material, including investments in life cycle assessment for wood products.".

(b) RESEARCH FACILITIES AND COOPERATION.—Section 4 of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1643) is amended by adding at the end the following new subsection:

"(e) The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report describing, for the period covered by the report—

"(1) the research conducted in furtherance of the research and education priority specified in section 3(d)(2)(F);

"(2) the number of buildings the Forest Service has built with wood as the primary structural material; and

"(3) the investments made by the Forest Service in green building wood promotion.".

SEC. 8404. EXTENSION OF STEWARDSHIP CONTRACTS AUTHORITY REGARDING USE OF DESIGNATION BY PRESCRIPTION TO ALL THINNING SALES UNDER NATIONAL FOREST MANAGEMENT ACT OF 1976.

Subsection (g) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a) is amended to read as follows:

"(g) Designation, including but not limited to, marking when necessary, designation by description, or designation by prescription, and supervision of harvesting of trees, portions of trees, or forest products shall be conducted by persons employed by the Secretary of Agriculture. Such persons shall have no personal interest in the purchase or harvest of such products and shall not be directly or indirectly in the employment of the purchaser thereof. Designation by prescription and designation by prescription shall be considered valid methods for designation, and may be super-

vised by use of post-harvest cruise, sample weight scaling, or other methods determined by the Secretary to be appropriate.".

SEC. 8405. REIMBURSEMENT OF FIRE FUNDS EXPENDED BY A STATE FOR MANAGEMENT AND SUPPRESSION OF CERTAIN WILDFIRES.

(a) DEFINITION OF STATE.—In this section, the term "State" includes the Commonwealth of Puerto Rico.

(b) REIMBURSEMENT AUTHORITY.—If a State seeks reimbursement for amounts expended for resources and services provided to another State for the management and suppression of a wildfire, the Secretary of Agriculture, subject to subsections (c) and (d)—

(1) may accept the reimbursement amounts from the other State; and

(2) shall pay those amounts to the State seeking reimbursement.

(c) MUTUAL ASSISTANCE AGREEMENT.—As a condition of seeking and providing reimbursement under subsection (b), the State seeking reimbursement and the State providing reimbursement must each have a mutual assistance agreement with the Forest Service or an agency of the Department of the Interior for providing and receiving wildfire management and suppression resources and services.

(d) TERMS AND CONDITIONS.—The Secretary of Agriculture may prescribe the terms and conditions determined to be necessary to carry out subsection (b).

(e) EFFECT ON PRIOR REIMBURSEMENTS.—Any acceptance of funds or reimbursements made by the Secretary of Agriculture before the date of enactment of this Act that otherwise would have been authorized under this section shall be considered to have been made in accordance with this section.

SEC. 8406. ABILITY OF NATIONAL FOREST SYSTEM LANDS TO MEET NEEDS OF LOCAL WOOD PRODUCING FACILITIES FOR RAW MATERIALS.

Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall submit to Congress a report containing—

(1) an assessment of the raw material needs of wood producing facilities located within the boundaries of each unit of the National Forest System or located outside of the unit, but within 100 miles of such boundaries;

(2) the volume of timber which would be available if the unit of the National Forest System annually sold its Allowable Sale Quantity in the current Forest Plan;

(3) the volume of timber actually sold and harvested from each unit of the National Forest System for the previous decade,

(4) a comparison of the volume actually sold and harvested from the previous decade to the Allowable Sale Quantity calculated in that decade by preceding or current forest plans; and

(5) an assessment of the ability of each unit of National Forest System to meet the needs of these facilities for raw materials.

SEC. 8407. REPORT ON THE NATIONAL FOREST SYSTEM ROADS.

Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the following:

(1) The total mileage of National Forest System roads and trails not meeting forest plan standards and guidelines.

(2) The total amount, in dollars, of Capital Improvement & Maintenance deferred maintenance needs for National Forest System roads, including a five-year analysis in the trend in total deferred maintenance costs.

(3) The sources of funds used for capital improvement & maintenance roads, including appropriated funds, mandatory funds, and receipts from activities on National Forest System lands.

(4) The impact of road closures on recreational activities and timber harvesting.

(5) The impact on land acquisitions, whether through fee acquisition, donation, or easement, on the maintenance backlog.

TITLE IX—ENERGY

SEC. 9001. DEFINITION OF RENEWABLE ENERGY SYSTEM.

Section 9001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101) is amended by—

(1) striking paragraph (4) and inserting the following new paragraph:

"(4) BIOBASED PRODUCT.—

"(A) IN GENERAL.—The term 'biobased product' means a product determined by the Secretary to be a commercial or industrial product (other than food or feed) that is—

"(i) composed, in whole or in significant part, of biological products, including renewable domestic agricultural materials and forestry materials; or

"(ii) an intermediate ingredient or feedstock.

"(B) INCLUSION.—The term 'biobased product', with respect to forestry materials, includes forest products that meet biobased content requirements, notwithstanding the market share the product holds, the age of the product, or whether the market for the product is new or emerging.";

(2) redesignating paragraphs (9), (10), (11), (12), (13), and (14) as paragraphs (10), (11), (12), (13), (14), and (16);

(3) inserting after paragraph (8), the following new paragraph:

"(9) FOREST PRODUCT.—

"(A) IN GENERAL.—The term 'forest product' means a product made from materials derived from the practice of forestry or the management of growing timber.

"(B) INCLUSIONS.—The term 'forest product' includes—

"(i) pulp, paper, paperboard, pellets, lumber, and other wood products; and

"(ii) any recycled products derived from forest materials."; and

(4) inserting after paragraph (14) (as so redesignated), the following new paragraph:

"(15) RENEWABLE ENERGY SYSTEM.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term 'renewable energy system' means a system that—

"(i) produces usable energy from a renewable energy source; and

"(ii) may include distribution components necessary to move energy produced by such system to the initial point of sale.

"(B) LIMITATION.—A system described in subparagraph (A) may not include a mechanism for dispensing energy at retail.".

SEC. 9002. BIOBASED MARKETS PROGRAM.

Section 9002(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(h)) is amended by—

(1) striking "(h) FUNDING.—" and all that follows through "to carry out this section, there" and inserting "(h) FUNDING.—There"; and

(2) striking "2013" and inserting "2018".

SEC. 9003. BIOREFINERY ASSISTANCE.

(a) PROGRAM ADJUSTMENTS.—Section 9003 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103) is amended—

(1) in subsection (c), by striking "to eligible entities" and all that follows through "guarantees for loans" and inserting "to eligible entities guarantees for loans";

(2) by striking subsection (d);

(3) by redesignating subsections (e), (f), (g), and (h) as subsections (d), (e), (f), and (g), respectively; and

(4) in subsection (d) (as so redesignated)—

(A) by striking "subsection (c)(2)" each place it appears and inserting "subsection (c)"; and

(B) in paragraph (2)(C), by striking "subsection (h)" and inserting "subsection (g)".

(b) FUNDING.—Section 9003(g) of the Farm Security and Rural Investment Act of 2002, as redesignated by subsection (a)(3), is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as paragraph (1);

(3) in paragraph (1) (as so redesignated)—

(A) in the heading, by striking "DISCRETIONARY FUNDING" and inserting "FISCAL YEARS 2009 THROUGH 2013"; and

(B) by striking "In addition to any other funds made available to carry out this section, there" and inserting "There"; and

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

"(2) FISCAL YEARS 2014 THROUGH 2018.—There are authorized to be appropriated to carry out this section $75,000,000 for each of fiscal years 2014 through 2018.".

SEC. 9004. REPOWERING ASSISTANCE PROGRAM.

Section 9004(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104(d)) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as paragraph (1);

(3) in paragraph (1) (as so redesignated)—

(A) in the heading, by striking "DISCRETIONARY FUNDING" and inserting "FISCAL YEARS 2009 THROUGH 2013"; and

(B) by striking "In addition to any other funds made available to carry out this section, there" and inserting "There"; and

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

"(2) FISCAL YEARS 2014 THROUGH 2018.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2014 through 2018.".

SEC. 9005. BIOENERGY PROGRAM FOR ADVANCED BIOFUELS.

Section 9005(g) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8105(c)) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as paragraph (1);

(3) in paragraph (1) (as so redesignated)—

(A) in the heading, by striking "DISCRETIONARY FUNDING" and inserting "FISCAL YEARS 2009 THROUGH 2013"; and

(B) by striking "In addition to any other funds made available to carry out this section, there" and inserting "There"; and

(4) by inserting after paragraph (1) (as so redesignated) the following new paragraph:

"(2) FISCAL YEARS 2014 THROUGH 2018.—There are authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2014 through 2018.".

SEC. 9006. BIODIESEL FUEL EDUCATION PROGRAM.

Section 9006(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(d)) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as paragraph (1);

(3) in the heading of paragraph (1) (as so redesignated), by striking "AUTHORIZATION OF APPROPRIATIONS" and inserting "FISCAL YEAR 2013"; and

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

"(2) FISCAL YEARS 2014 THROUGH 2018.—There are authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2014 through 2018.".

SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.

(a) PROGRAM ADJUSTMENTS.—

(1) REPEAL OF FEASIBILITY STUDIES.—Section 9007(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(c)) is amended by striking paragraph (3).

(2) TIERED APPLICATION PROCESS.—Section 9007(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(c)) is further amended—

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

(B) by inserting after paragraph (1) the following new paragraph:

"(2) TIERED APPLICATION PROCESS.—In carrying out this subsection, the Secretary shall establish a three-tiered application, evaluation, and oversight process that varies based on the cost of the proposed project with the process most simplified for projects referred to in subparagraph (A), more comprehensive for projects referred to in subparagraph (B), and most comprehensive for projects referred to in subparagraph (C). The three tiers for such process shall be as follows:

"(A) TIER 1.—Projects for which the cost of the project funded under this subsection is not more than $80,000.

"(B) TIER 2.—Projects for which the cost of the project funded under this subsection is more than $80,000 but less than $200,000.

"(C) TIER 3.—Projects for which the cost of the project funded under this subsection is $200,000 or more.".

(b) FUNDING.—Section 9007(g) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(g)) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraph (3) as paragraph (1);

(3) in paragraph (1) (as so redesignated)—

(A) in the heading, by striking "DISCRETIONARY FUNDING" and inserting "FISCAL YEARS 2009 THROUGH 2013"; and

(B) by striking "In addition to any other funds made available to carry out this section, there" and inserting "There"; and

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

"(2) FISCAL YEARS 2014 THROUGH 2018.—There are authorized to be appropriated to carry out this section $45,000,000 for each of fiscal years 2014 through 2018.".

SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT.

Section 9008(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8108(h)) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as paragraph (1);

(3) in paragraph (1) (as so redesignated)—

(A) in the heading, by striking "DISCRETIONARY FUNDING" and inserting "FISCAL YEARS 2009 THROUGH 2013"; and

(B) by striking "In addition to any other funds made available to carry out this section, there" and inserting "There"; and

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

"(2) FISCAL YEARS 2014 THROUGH 2018.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2014 through 2018.".

SEC. 9009. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.

Section 9010(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8110(b)) is amended—

(1) in paragraph (1)(A), by striking "2013" and inserting "2018"; and

(2) in paragraph (2)(A), by striking "2013" and inserting "2018".

SEC. 9010. BIOMASS CROP ASSISTANCE PROGRAM.

Section 9011 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8111) is amended—

(1) in subsection (a)—

(A) by striking paragraph (6); and

(B) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively;

(2) in subsection (b)—

(A) by striking "Program to" and all that follows through "support the establishment" and inserting "Program to support the establishment";

(B) by striking "; and" and inserting a period; and

(C) by striking paragraph (2);

(3) in subsection (c)—

(A) in paragraph (2)(B)—

(i) in clause (viii), by striking "; and" and inserting a semicolon;

(ii) by redesignating clause (ix) as clause (x); and

(iii) by inserting after clause (viii) the following new clause:

"(ix) existing project areas that have received funding under this section and the continuation of funding of such project areas to advance the maturity of such project areas; and"; and

(B) in paragraph (5)(C)(ii)—

(i) by striking subclause (III); and

(ii) by redesignating subclauses (IV) and (V) as subclauses (III) and (IV), respectively;

(4) by striking subsection (d);

(5) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively; and

(6) in subsection (e) (as so redesignated)—

(A) by striking paragraph (1);

(B) by redesignating paragraph (2) as paragraph (1);

(C) in paragraph (1) (as so redesignated)—

(i) by striking "FISCAL YEAR 2013" and all that follows through "There is authorized" and inserting "FISCAL YEAR 2013.—There is authorized"; and

(ii) by redesignating subparagraph (B) as paragraph (3) and moving the margin of such paragraph (as so redesignated) two ems to the left;

(D) by inserting after paragraph (1), the following new paragraph:

"(2) FISCAL YEARS 2014 THROUGH 2018.—There are authorized to be appropriated to carry out this section $75,000,000 for each of fiscal years 2014 through 2018."; and

(E) in paragraph (3) (as redesignated by subparagraph (C)(ii) of this paragraph), by striking "this paragraph" and inserting "this subsection".

SEC. 9011. COMMUNITY WOOD ENERGY PROGRAM.

Section 9013(e) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8113(e)) is amended by striking "carry out this section" and all that follows and inserting the following: "carry out this section—

"(1) $5,000,000 for each of fiscal years 2009 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

SEC. 9012. REPEAL OF BIOFUELS INFRASTRUCTURE STUDY.

Section 9002 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2095) is repealed.

SEC. 9013. REPEAL OF RENEWABLE FERTILIZER STUDY.

Section 9003 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2096) is repealed.

TITLE X—HORTICULTURE

SEC. 10001. SPECIALTY CROPS MARKET NEWS ALLOCATION.

Section 10107(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622b(b)) is amended by striking "2012" and inserting "2018".

SEC. 10002. REPEAL OF GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.

Effective October 1, 2013, section 10403 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622c) is repealed.

SEC. 10003. FARMERS MARKET AND LOCAL FOOD PROMOTION PROGRAM.

Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended—

(1) in the heading of such section, by inserting "**AND LOCAL FOOD**" after "**FARMERS' MARKET**";

(2) in subsection (a)—

(A) by inserting "and Local Food" after "Farmers' Market";

(B) by striking "farmers' markets and to promote"; and

(C) by striking the period and inserting "and assist in the development of local food business enterprises.";

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

"(b) PROGRAM PURPOSES.—The purposes of the Program are to increase domestic consumption of, and consumer access to, locally and regionally produced agricultural products by assisting in the development, improvement, and expansion of—

"(1) domestic farmers' markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct producer-to-consumer market opportunities; and

"(2) local and regional food business enterprises that process, distribute, aggregate, and store locally or regionally produced food products.";

(4) in subsection (c)(1)—

(A) by inserting "or other agricultural business entity" after "cooperative"; and

(B) by inserting ", including a community supported agriculture network or association" after "association";

(5) by redesignating subsection (e) as subsection (f);

(6) by inserting after subsection (d) the following new subsection:

"(e) FUNDS REQUIREMENTS FOR ELIGIBLE ENTITIES.—

"(1) MATCHING FUNDS.—An entity receiving a grant under this section for a project to carry out a purpose described in subsection (b)(2) shall provide matching funds in the form of cash or an in-kind contribution in an amount equal to 25 percent of the total cost of such project.

"(2) LIMITATION ON USE OF FUNDS.—An eligible entity may not use a grant or other assistance provided under this section for the purchase, construction, or rehabilitation of a building or structure."; and

(7) in subsection (f) (as redesignated by paragraph (5))—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking "and" at the end;

(ii) in subparagraph (C), by striking the period at the end and inserting "; and"; and

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

"(D) $30,000,000 for each of fiscal years 2014 through 2018.";

(B) by striking paragraphs (3) and (5);

(C) by redesignating paragraph (4) as paragraph (6); and

(D) by inserting after paragraph (2) the following new paragraphs:

"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2014 through 2018.

"(4) USE OF FUNDS.—Of the funds made available to carry out this section for a fiscal year, 50 percent of such funds shall be used for the purposes described in paragraph (1) of subsection (b) and 50 percent of such funds shall be used for the purposes described in paragraph (2) of such subsection.

"(5) LIMITATION ON ADMINISTRATIVE EXPENSES.—Not more than 3 percent of the total amount made available to carry out this section for a fiscal year may be used for administrative expenses.".

SEC. 10004. ORGANIC AGRICULTURE.

(a) ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.—Section 7407(d)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c(d)(2)) is amended—

(1) in the heading of such paragraph, by striking "2008 THROUGH 2012" and inserting "2014 THROUGH 2018"; and

(2) by striking "2008 through 2012" and inserting "2014 through 2018".

(b) MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.—Section 2122 of the Organic Foods Production Act of 1990 (7 U.S.C. 6521) is amended by adding at the end the following new subsection:

"(c) MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.—The Secretary shall modernize database and technology systems of the national organic program.".

(c) AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ORGANIC PROGRAM.—Effective October 1, 2013, section 2123(b)(6) of the Organic Foods Production Act of 1990 (7 U.S.C. 6522(b)(6)) is amended to read as follows:

"(6) $11,000,000 for each of fiscal years 2014 through 2018.".

(d) NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.—Effective October 1, 2013, section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523) is repealed.

(e) EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM PROMOTION ORDER ASSESSMENTS.—Subsection (e) of section 501 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401) is amended to read as follows:

"(e) EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM PROMOTION ORDER ASSESSMENTS.—

"(1) IN GENERAL.—Notwithstanding any provision of a commodity promotion law, a person that produces, handles, markets, or imports organic products may be exempt from the payment of an assessment under a commodity promotion law with respect to any agricultural commodity that is certified as 'organic' or '100 percent organic' (as defined in part 205 of title 7, Code of Federal Regulations or a successor regulation).

"(2) SPLIT OPERATIONS.—The exemption described in paragraph (1) shall apply to the certified 'organic' or '100 percent organic' (as defined in part 205 of title 7 of the Code of Federal Regulations (or a successor regulation) products of a producer, handler, or marketer regardless of whether the agricultural commodity subject to the exemption is produced, handled, or marketed by a person that also produces, handles, or markets conventional or nonorganic agricultural products, including conventional or nonorganic agricultural products of the same agricultural commodity as that for which the exemption is claimed.

"(3) APPROVAL.—The Secretary shall approve the exemption of a person under this subsection if the person maintains a valid organic certificate issued under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

"(4) TERMINATION OF EFFECTIVENESS.—This subsection shall be effective until the date on which the Secretary issues an organic commodity promotion order in accordance with subsection (f).

"(5) REGULATIONS.—The Secretary shall promulgate regulations concerning eligibility and compliance for an exemption under paragraph (1).".

(f) ORGANIC COMMODITY PROMOTION ORDER.—Section 501 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401) is amended by adding at the end the following new subsection:

"(f) ORGANIC COMMODITY PROMOTION ORDER.—

"(1) DEFINITIONS.—In this subsection:

"(A) CERTIFIED ORGANIC FARM.—The term 'certified organic farm' has the meaning given the term in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502).

"(B) COVERED PERSON.—The term 'covered person' means a producer, handler, marketer, or importer of an organic agricultural commodity.

"(C) DUAL-COVERED AGRICULTURAL COMMODITY.—The term 'dual-covered agricultural commodity' means an agricultural commodity that—

"(i) is produced on a certified organic farm; and

"(ii) is covered under both—

"(I) an organic commodity promotion order issued pursuant to paragraph (2); and

"(II) any other agricultural commodity promotion order issued under section 514.

"(2) AUTHORIZATION.—The Secretary may issue an organic commodity promotion order under section 514 that includes any agricultural commodity that—

"(A) is produced or handled (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)) and that is certified to be sold or labeled as 'organic' or '100 percent organic' (as defined in part 205 of title 7, Code of Federal Regulations or a successor regulation)); or

"(B) is imported with a valid organic certificate (as defined in such part).

"(3) ELECTION.—If the Secretary issues an organic commodity promotion order described in paragraph (2), a covered person may elect, for applicable dual-covered agricultural commodities and in the sole discretion of the covered person, whether to be assessed under the organic commodity promotion order or another applicable agricultural commodity promotion order.

"(4) REGULATIONS.—The Secretary shall promulgate regulations concerning eligibility and compliance for an exemption under paragraph (1).".

(g) DEFINITION OF AGRICULTURAL COMMODITY.—Section 513(1) of the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C. 7412(1)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E) products, as a class, that are produced on a certified organic farm (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)) and that are certified to be sold or labeled as 'organic' or '100 percent organic' (as defined in part 205 of title 7, Code of Federal Regulations or a successor regulation));".

SEC. 10005. INVESTIGATIONS AND ENFORCEMENT OF THE ORGANIC FOODS PRODUCTION ACT OF 1990.

The Organic Foods Production Act of 1990 is amended by inserting after section 2122 (7 U.S.C. 6521) the following new section:

"SEC. 2122A. INVESTIGATION AND ENFORCEMENT.

"(a) EXPEDITED ADMINISTRATIVE HEARING.—The Secretary shall establish an expedited administrative hearing procedure under which the Secretary may suspend or revoke the organic certification of a producer or handler or the accreditation of a certifying agent in accordance with subsection (d). Such a hearing may be conducted in addition to a hearing conducted pursuant to section 2120.

"(b) INVESTIGATION.—

"(1) IN GENERAL.—The Secretary may take such investigative actions as the Secretary considers to be necessary to carry out this title—

"(A) to verify the accuracy of any information reported or made available under this title; and

"(B) to determine, with regard to actions, practices, or information required under this title, whether a person covered by this title has committed a violation of this title.

"(2) INVESTIGATIVE POWERS.—The Secretary may administer oaths and affirmations, subpoena witnesses, compel attendance of witnesses, take evidence, and require the production of any records required to be maintained under section 2112(d) or 2116(c) that are relevant to the investigation.

"(c) UNLAWFUL ACT.—It shall be unlawful and a violation of this title for any person covered by this title—

"(1) to refuse to provide information required by the Secretary under this title; or

"(2) to violate—

"(A) a suspension or revocation of the organic certification of a producer or handler; or

"(B) a suspension or revocation of the accreditation of a certifying agent.

"(d) ENFORCEMENT.—

"(1) SUSPENSION.—

"(A) IN GENERAL.—The Secretary may, after notice and opportunity for an expedited administrative hearing, suspend the organic certification of a producer, handler or the accreditation of a certifying agent if—

"(i) the Secretary, during such expedited administrative hearing, proved that—

"(I) in the case of a producer or handler, the producer or handler—

"(aa) has recklessly committed a violation of a term, condition, or requirement of the organic plan to which the producer or handler is subject; or

"(bb) has recklessly committed, or is recklessly committing, a violation of this title; or

"(II) in the case of a certifying agent, the agent has recklessly committed, or is recklessly committing, a violation of this title; or

"(ii) the producer, handler, or certifying agent has waived such expedited administrative hearing.

"(B) ISSUANCE OF SUSPENSION.—A suspension issued under this paragraph shall be issued not later than five days after the date on which—

"(i) the expedited administrative hearing referred to in clause (i) of subparagraph (A) concludes; or

"(ii) the Secretary receives notice of the waiver referred to in clause (ii) of such subparagraph.

"(C) DURATION OF SUSPENSION.—The period of a suspension issued under this paragraph shall be not more than 90 days, beginning on the date on which the Secretary issues the suspension.

"(D) CURING OF VIOLATIONS.—

"(i) IN GENERAL.—The Secretary may not issue a suspension of a certification or accreditation under this paragraph if the producer, handler, or certifying agent subject to such suspension—

"(I) before the date on which the suspension would otherwise have been issued, cures, or corrects the deficiency giving rise to, the violation for which the certification or accreditation would have been suspended; or

"(II) within a reasonable timeframe (as determined by the Secretary), enters into a settlement with the Secretary regarding a deficiency referred to in subclause (I).

"(ii) DURING SUSPENSION.—The Secretary shall terminate the suspension of an organic certification or accreditation issued under this paragraph if the producer, handler, or certifying agent subject to such suspension cures the violation for which the certification or accreditation was suspended under this paragraph before the date on which the period of the suspension ends.

"(2) REVOCATION.—

"(A) IN GENERAL.—The Secretary may, after notice and opportunity for an expedited administrative hearing under this section and an expedited administrative appeal under section 2121, revoke the organic certification of a producer or handler, or the accreditation of a certifying agent if—

"(i) the Secretary, during such hearing, proved that—

"(I) in the case of a producer or handler, the producer or handler—

"(aa) has knowingly committed an egregious violation of a term, condition, or requirement of the organic plan to which the producer or handler is subject; or

"(bb) has knowingly committed, or is knowingly committing, an egregious violation of this title; or

"(II) in the case of a certifying agent, the agent has knowingly committed, or is knowingly committing, an egregious violation of this title; or

"(ii) the producer, handler, or certifying agent has waived such expedited administrative hearing and such an expedited administrative appeal.

"(B) INITIATION OF REVOCATION PROCEEDINGS.—

"(i) IN GENERAL.—If the Secretary finds, during an investigation or during the period of a suspension under paragraph (1), that a producer, handler, or certifying agent has knowingly committed an egregious violation of this title, the Secretary shall initiate revocation proceedings with respect to such violation not later than 30 days after the date on which the producer, handler, or certifying agent receives notice of such finding in accordance with clause (ii). The Secretary may not initiate revocation proceedings with respect to such violation after the date on which that 30-day period ends.

"(ii) NOTICE.—Not later than five days after the date on which the Secretary makes the finding described in clause (i), the Secretary shall provide to the producer, handler, or certifying agent notice of such finding.

"(e) APPEAL.—

"(1) SUSPENSIONS.—

"(A) IN GENERAL.—The suspension of a certification or accreditation under subsection (d)(1) by the Secretary may be appealed to a United States district court in accordance with section 2121(b) not later than 30 business days after the date on which the person subject to such suspension receives notice of the suspension.

"(B) SUSPENSION FINAL AND CONCLUSIVE.—A suspension of a certification or accreditation under subsection (d)(1) by the Secretary shall be final and conclusive—

"(i) in the case of a suspension that is appealed under subparagraph (A) within the 30-day period specified in such subparagraph, on the date on which judicial review of such suspension is complete; or

"(ii) in the case of a suspension that is not so appealed, the date on which such 30-day period ends.

"(2) REVOCATIONS.—

"(A) IN GENERAL.—The revocation of a certification or an accreditation under subsection (d)(2) by the Secretary may be appealed to a United States district court in accordance with section 2121(b) not later than 30 business days after the date on which the person subject to such revocation receives notice of the revocation.

"(B) REVOCATION FINAL AND CONCLUSIVE.—A revocation of a certification or an accreditation under subsection (d)(2) by the Secretary shall be final and conclusive—

"(i) in the case of a revocation that is appealed under subparagraph (A) within the 30-day period specified in such subparagraph, on the date on which judicial review of such revocation is complete; or

"(ii) in the case of a revocation that is not so appealed, the date on which such 30-day period ends.

"(3) STANDARDS FOR REVIEW OF SUSPENSIONS AND REVOCATIONS.—A suspension or revocation of a certification or an accreditation under subsection (d) shall be reviewed in accordance with the standards of review specified in section 706(2) of title 5, United States Code.

"(f) NONCOMPLIANCE.—

"(1) IN GENERAL.—If a person covered by this title fails to obey a revocation of a certification or an accreditation under subsection (d)(2) after such revocation has become final and conclusive or after the appropriate United States district court has entered a final judgment in favor of the Secretary, the United States may apply to the appropriate United States district court for enforcement of such revocation.

"(2) ENFORCEMENT.—If the court determines that the revocation was lawfully made and duly served and that the person violated the revocation, the court shall enforce the revocation.

"(3) CIVIL PENALTY.—If the court finds that the person violated the revocation of a certification or an accreditation under subsection (d)(2), the person shall be subject to one or more of the penalties provided in subsections (a) and (b) of section 2120.

"(g) VIOLATION OF THIS TITLE DEFINED.—In this section, the term 'violation of this title' means a violation specified in section 2120.".

SEC. 10006. FOOD SAFETY EDUCATION INITIATIVES.

Section 10105(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7655a(c)) is amended by striking "2012" and inserting "2018".

SEC. 10007. SPECIALTY CROP BLOCK GRANTS.

Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended—

(1) in subsection (a)—

(A) by striking "subsection (j)" and inserting "subsection (l)"; and

(B) by striking "2012" and inserting "2018";

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

"(b) GRANTS BASED ON VALUE AND ACREAGE.—Subject to subsection (c), for each State whose application for a grant for a fiscal year that is accepted by the Secretary under subsection (f), the amount of the grant for such fiscal year to the State under this section shall bear the same ratio to the total amount made available under subsection (l)(1) for such fiscal year as—

"(1) the average of the most recent available value of specialty crop production in the State and the acreage of specialty crop production in the State, as demonstrated in the most recent Census of Agriculture data; bears to

"(2) the average of the most recent available value of specialty crop production in all States and the acreage of specialty crop production in all States, as demonstrated in the most recent Census of Agriculture data.";

(3) in subsection (d)—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(4) an assurance that any grant funds received under this section that are used for equipment or capital-related research costs determined to enhance the competitiveness of specialty crops—

"(A) shall be supplemented by the expenditure of State funds in an amount that is not less than 50 percent of such costs during the fiscal year in which such costs were incurred; and

"(B) shall be completely replaced by State funds on the day after the date on which such fiscal year ends.";

(4) by redesignating subsection (j) as subsection (l);

(5) by inserting after subsection (i) the following new subsections:

"(j) MULTISTATE PROJECTS.—Not later than 180 days after the effective date of the Federal Agriculture Reform and Risk Management Act of 2013, the Secretary of Agriculture shall issue guidance for the purpose of making grants to multistate projects under this section for projects involving—

"(1) food safety;

"(2) plant pests and disease;

"(3) research;

"(4) crop-specific projects addressing common issues; and

"(5) any other area that furthers the purposes of this section, as determined by the Secretary.

"(k) ADMINISTRATION.—

"(1) DEPARTMENT.—The Secretary of Agriculture may not use more than 3 percent of the funds made available to carry out this section for a fiscal year for administrative expenses.

"(2) STATES.—A State receiving a grant under this section may not use more than 8 percent of the funds received under the grant for a fiscal year for administrative expenses."; and

(6) in subsection (l) (as redesignated by paragraph (4))—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, and moving the margins of such subparagraphs two ems to the right;

(B) by striking "Of the funds" and inserting the following:

"(1) IN GENERAL.—Of the funds";

(C) in paragraph (1) (as so designated)—

(i) in subparagraph (B) (as redesignated by subparagraph (A)), by striking "and" at the end;

(ii) in subparagraph (C) (as redesignated by subparagraph (A)), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following new subparagraphs:

"(D) $72,500,000 for fiscal years 2014 through 2017; and

"(E) $85,000,000 for fiscal year 2018."; and

(D) by adding at the end the following new paragraph:

"(2) MULTISTATE PROJECTS.—Of the funds made available under paragraph (1), the Secretary may use to carry out subsection (j), to remain available until expended—

"(A) $1,000,000 for fiscal year 2014;

"(B) $2,000,000 for fiscal year 2015;

"(C) $3,000,000 for fiscal year 2016;

"(D) $4,000,000 for fiscal year 2017; and

"(E) $5,000,000 for fiscal year 2018.".

SEC. 10008. REPORT ON HONEY.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture, in consultation with persons affected by the potential establishment of a Federal standard for the identity of honey, shall submit to the Commissioner of Food and Drugs a report describing how an appropriate Federal standard for the identity of honey would be in the interest of consumers, the honey industry, and United States agriculture.

(b) CONSIDERATIONS.—In preparing the report required under subsection (a), the Secretary shall take into consideration the March 2006, Standard of Identity citizens petition filed with the Food and Drug Administration, including any current industry amendments or clarifications necessary to update such petition.

SEC. 10009. BULK SHIPMENTS OF APPLES TO CANADA.

(a) BULK SHIPMENT OF APPLES TO CANADA.—Section 4 of the Export Apple Act (7 U.S.C. 584) is amended—

(1) by striking "Apples in" and inserting "(a) Apples in"; and

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

"(b) Apples may be shipped to Canada in bulk bins without complying with the provisions of this Act.".

(b) DEFINITION OF BULK BIN.—Section 9 of the Export Apple Act (7 U.S.C. 589) is amended by adding at the end the following new paragraph:

"(5) The term 'bulk bin' means a bin that contains a quantity of apples weighing more than 100 pounds.".

(c) REGULATIONS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue regulations to carry out the amendments made by this section.

SEC. 10010. INCLUSION OF OLIVE OIL IN IMPORT CONTROLS UNDER THE AGRICULTURAL ADJUSTMENT ACT.

Section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e–1(a)) is amended by inserting "olive oil," after "olives (other than Spanish-style green olives),".

SEC. 10011. CONSOLIDATION OF PLANT PEST AND DISEASE MANAGEMENT AND DISASTER PREVENTION PROGRAMS.

(a) RELOCATION OF LEGISLATIVE LANGUAGE RELATING TO NATIONAL CLEAN PLANT NETWORK.—Section 420 of the Plant Protection Act (7 U.S.C. 7721) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

"(e) NATIONAL CLEAN PLANT NETWORK.—

"(1) IN GENERAL.—The Secretary shall establish a program to be known as the 'National Clean Plant Network' (referred to in this subsection as the 'Program').

"(2) REQUIREMENTS.—Under the Program, the Secretary shall establish a network of clean plant centers for diagnostic and pathogen elimination services—

"(A) to produce clean propagative plant material; and

"(B) to maintain blocks of pathogen-tested plant material in sites located throughout the United States.

"(3) AVAILABILITY OF CLEAN PLANT SOURCE MATERIAL.—Clean plant source material may be made available to—

"(A) a State for a certified plant program of the State; and

"(B) private nurseries and producers.

"(4) CONSULTATION AND COLLABORATION.—In carrying out the Program, the Secretary shall—

"(A) consult with—

"(i) State departments of agriculture; and

"(ii) land-grant colleges and universities and NLGCA Institutions (as those terms are defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

"(B) to the extent practicable and with input from the appropriate State officials and industry representatives, use existing Federal or State facilities to serve as clean plant centers.

"(5) FUNDING FOR FISCAL YEAR 2013.—There is authorized to be appropriated to carry out the Program $5,000,000 for fiscal year 2013.".

(b) FUNDING.—Subsection (f) of section 420 of the Plant Protection Act (7 U.S.C. 7721) (as so redesignated) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) in paragraph (4), by striking "and each fiscal year thereafter." and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(5) $62,500,000 for fiscal years 2014 through 2017; and

"(6) $75,000,000 for fiscal year 2018.".

(c) REPEAL OF EXISTING PROVISION.—Section 10202 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7761) is repealed.

(d) CLARIFICATION OF USE OF FUNDS FOR TECHNICAL ASSISTANCE.—Section 420 of the Plant Protection Act (7 U.S.C. 7721), as amended by subsection (a), is amended by adding at the end the following new subsection:

"(g) RELATIONSHIP TO OTHER LAW.—The use of Commodity Credit Corporation funds under this section to provide technical assistance shall not be considered an allotment or fund transfer from the Commodity Credit Corporation for purposes of the limit on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).".

(e) USE OF FUNDS FOR CLEAN PLANT NETWORK.—Section 420 of the Plant Protection Act (7 U.S.C. 7721), as amended by subsections (a) and (d), is amended by adding at the end the following new subsection:

"(h) USE OF FUNDS FOR CLEAN PLANT NETWORK.—Of the funds made available under subsection (f) to carry out this section for a fiscal year, not less than $5,000,000 shall be available to carry out the national clean plant network under subsection (e).".

SEC. 10012. MODIFICATION, CANCELLATION, OR SUSPENSION ON BASIS OF A BIOLOGICAL OPINION.

(a) IN GENERAL.—Except in the case of a voluntary request from a pesticide registrant to amend a registration under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a), a registration of a pesticide may be modified, canceled, or suspended on the basis of the implementation of a Biological Opinion issued by the National Marine Fisheries Service or the United States Fish and Wildlife Service prior to the date of completion of the study referred to in subsection (b), or January 1, 2015, whichever is earlier, only if—

(1) the modification, cancellation, or suspension is undertaken pursuant to section 6 of such Act (7 U.S.C. 136d); and

(2) the Biological Opinion complies with the recommendations contained in the study referred to in subsection (b).

(b) NATIONAL ACADEMY OF SCIENCES STUDY.—The study commissioned by the Administrator of the Environmental Protection Agency on March 10, 2011, shall include, at a minimum, each of the following:

(1) A formal, independent, and external peer review, consistent with Office of Management and Budget policies, of each Biological Opinion described in subsection (a).

(2) Assessment of economic impacts of measures or alternatives recommended in each such Biological Opinion.

(3) An examination of the specific scientific and procedural questions and issues pertaining to economic feasibility contained in the June 23, 2011, letter sent to the Administrator (and other Federal officials) by the Chairmen of the Committee on Agriculture, the Committee on Natural Resources, and the Subcommittee on Interior, Environment, and Related Agencies of the Committee on Appropriations, of the House of Representatives.

SEC. 10013. USE AND DISCHARGES OF AUTHORIZED PESTICIDES.

(a) SHORT TITLE.—This section may be cited as the "Reducing Regulatory Burdens Act of 2013".

(b) USE OF AUTHORIZED PESTICIDES.—Section 3(f) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(f)) is amended by adding at the end the following:

"(5) USE OF AUTHORIZED PESTICIDES.—Except as provided in section 402(s) of the Federal Water Pollution Control Act, the Administrator or a State may not require a permit under such Act for a discharge from a point source into navigable waters of a pesticide authorized for sale, distribution, or use under this Act, or the residue of such a pesticide, resulting from the application of such pesticide.".

(c) DISCHARGES OF PESTICIDES.—Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) is amended by adding at the end the following:

"(s) DISCHARGES OF PESTICIDES.—

"(1) NO PERMIT REQUIREMENT.—Except as provided in paragraph (2), a permit shall not be required by the Administrator or a State under this Act for a discharge from a point source into navigable waters of a pesticide authorized for sale, distribution, or use under the Federal Insecticide, Fungicide, and Rodenticide Act, or the residue of such a pesticide, resulting from the application of such pesticide.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to the following discharges of a pesticide or pesticide residue:

"(A) A discharge resulting from the application of a pesticide in violation of a provision of the Federal Insecticide, Fungicide, and Rodenticide Act that is relevant to protecting water quality, if—

"(i) the discharge would not have occurred but for the violation; or

"(ii) the amount of pesticide or pesticide residue in the discharge is greater than would have occurred without the violation.

"(B) Stormwater discharges subject to regulation under subsection (p).

"(C) The following discharges subject to regulation under this section:

"(i) Manufacturing or industrial effluent.

"(ii) Treatment works effluent.

"(iii) Discharges incidental to the normal operation of a vessel, including a discharge resulting from ballasting operations or vessel biofouling prevention.".

SEC. 10014. SEED NOT PESTICIDE OR DEVICE FOR PURPOSES OF IMPORTATION.

Section 17(c) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136o(c)) is amended by adding at the end the following new sentences: "Solely for purposes of notifications of arrival upon importation, for purposes of this subsection, seed, including treated seed, shall not be considered a pesticide or device. Nothing in this subsection shall be construed as precluding or limiting the authority of the Secretary of Agriculture, with respect to the importation or movement of plants, plant products, or seeds, under the Plant Protection Act (7 U.S.C. 7701 et seq.) or the Federal Seed Act (7 U.S.C. 1551 et seq.).".

SEC. 10015. STAY OF REGULATIONS RELATED TO CHRISTMAS TREE PROMOTION, RESEARCH, AND INFORMATION ORDER.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall lift the administrative stay that was imposed by the rule entitled "Christmas Tree Promotion, Research, and Information Order; Stay of Regulations" and published by the Department of Agriculture on November 17, 2011 (76 Fed. Reg. 71241), on the regulations in subpart A of part 214 of title 7, Code of Federal Regulations, establishing an industry-funded promotion, research, and information program for fresh cut Christmas trees.

SEC. 10016. STUDY ON PROPOSED ORDER PERTAINING TO SULFURYL FLUORIDE.

Not later than two years after the date of enactment of this Act, the Administrator of the Environmental Protection Agency, in conjunction with the Secretary of Agriculture, shall submit to the Committee on Agriculture of the House of Representatives a report on the potential economic and public health effects that would result from finalization of the proposed order published in the January 19, 2011, Federal Register (76 Fed. Reg. 3422) pertaining to the pesticide sulfuryl fluoride, including the anticipated impacts of such finalization on the production of an adequate, wholesome, and economical food supply and on farmers and related agricultural sectors.

SEC. 10017. STUDY ON LOCAL AND REGIONAL FOOD PRODUCTION AND PROGRAM EVALUATION.

(a) IN GENERAL.—The Secretary of Agriculture shall—

(1) collect data on the production and marketing of locally or regionally produced agricultural food products;

(2) facilitate interagency collaboration and data sharing on programs related to local and regional food systems; and

(3) monitor the effectiveness of programs designed to expand or facilitate local food systems.

(b) REQUIREMENTS.—In carrying out this section, the Secretary shall—

(1) collect and distribute comprehensive reporting of prices of locally or regionally produced agricultural food products;

(2) conduct surveys and analysis and publish reports relating to the production, handling, distribution, and retail sales of, and trend studies (including consumer purchasing patterns) on, locally or regionally produced agricultural food products;

(3) evaluate the effectiveness of existing programs in growing local and regional food systems, including—

(A) the impact of local food systems on job creation and economic development;

(B) the level of participation in the Farmers' Market and Local Food Promotion Program established under section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005), including the percentage of projects funded in comparison to applicants and the types of eligible entities receiving funds;

(C) the ability for participants to leverage private capital and a synopsis of the places from which non-Federal funds are derived; and

(D) any additional resources required to aid in the development or expansion of local and regional food systems;

(4) expand the Agricultural Resource Management Survey to include questions on locally or regionally produced agricultural food products; and

(5) seek to establish or expand private-public partnerships to facilitate, to the maximum extent practicable, the collection of data on locally or regionally produced agricultural food products, including the development of a nationally coordinated and regionally balanced evaluation of the redevelopment of locally or regionally produced food systems.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter until September 30, 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the progress that has been made in implementing this section and identifying any additional needs related to developing local and regional food systems.

TITLE XI—CROP INSURANCE

SEC. 11001. INFORMATION SHARING.

Section 502(c) of the Federal Crop Insurance Act (7 U.S.C. 1502(c)) is amended by adding at the end the following new paragraph:

"(4) INFORMATION.—

"(A) REQUEST.—Subject to subparagraph (B), the Farm Service Agency shall, in a timely manner, provide to an agent or an approved insurance provider authorized by the producer any information (including Farm Service Agency Form 578s (or any successor form) or maps (or any corrections to those forms or maps) that may assist the agent or approved insurance provider in insuring the producer under a policy or plan of insurance under this subtitle.

"(B) PRIVACY.—Except as provided in subparagraph (C), an agent or approved insurance provider that receives the information of a producer pursuant to subparagraph (A) shall treat the information in accordance with paragraph (1).

"(C) SHARING.—Nothing in this section prohibits the sharing of the information of a producer pursuant to subparagraph (A) between the agent and the approved insurance provider of the producer.".

SEC. 11002. PUBLICATION OF INFORMATION ON VIOLATIONS OF PROHIBITION ON PREMIUM ADJUSTMENTS.

Section 508(a)(9) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(9)) is amended by adding at the end the following new subparagraph:

"(C) PUBLICATION OF VIOLATIONS.—

"(i) PUBLICATION REQUIRED.—Subject to clause (ii), the Corporation shall publish in a timely manner on the website of the Risk Management Agency information regarding each violation of this paragraph, including any sanctions imposed in response to the violation, in sufficient detail so that the information may serve as effective guidance to approved insurance providers, agents, and producers.

"(ii) PROTECTION OF PRIVACY.—In providing information under clause (i) regarding violations of this paragraph, the Corporation shall redact the identity of the persons and entities committing the violations in order to protect their privacy.".

SEC. 11003. SUPPLEMENTAL COVERAGE OPTION.

(a) AVAILABILITY OF SUPPLEMENTAL COVERAGE OPTION.—Paragraph (3) of section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended to read as follows:

"(3) YIELD AND LOSS BASIS OPTIONS.—A producer shall have the option of purchasing additional coverage based on—

"(A)(i) an individual yield and loss basis; or

"(ii) an area yield and loss basis;

"(B) an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis to cover a part of the deductible under the individual yield and loss policy, as described in paragraph (4)(C); or

"(C) a margin basis alone or in combination with the coverages available in subparagraph (A) or (B).".

(b) LEVEL OF COVERAGE.—Paragraph (4) of section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended to read as follows:

"(4) LEVEL OF COVERAGE.—

"(A) DOLLAR DENOMINATION AND PERCENTAGE OF YIELD.—Except as provided in subparagraph (C), the level of coverage—

"(i) shall be dollar denominated; and

"(ii) may be purchased at any level not to exceed 85 percent of the individual yield or 95 percent of the area yield (as determined by the Corporation).

"(B) INFORMATION.—The Corporation shall provide producers with information on catastrophic risk and additional coverage in terms of dollar coverage (within the allowable limits of coverage provided in this paragraph).

"(C) SUPPLEMENTAL COVERAGE OPTION.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), in the case of the supplemental coverage option described in paragraph (3)(B), the Corporation shall offer producers the opportunity to purchase coverage in combination with a policy or plan of insurance offered under this subtitle that would allow indemnities to be paid to a producer equal to a part of the deductible under the policy or plan of insurance—

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

"(II) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.

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

"(iii) COVERAGE.—Subject to the trigger described in clause (ii), coverage offered under paragraph (3)(B) and clause (i) shall not exceed the difference between—

"(I) 90 percent; and

"(II) the coverage level selected by the producer for the underlying policy or plan of insurance.

"(iv) INELIGIBLE CROPS AND ACRES.—Crops for which the producer has elected under section 1107(c)(1) of the Federal Agriculture Reform and Risk Management Act of 2013 to receive revenue loss coverage and acres that are enrolled in the stacked income protection plan under section 508B shall not be eligible for supplemental coverage under this subparagraph.

"(v) CALCULATION OF PREMIUM.—Notwithstanding subsection (d), the premium for coverage offered under paragraph (3)(B) and clause (i) shall—

"(I) be sufficient to cover anticipated losses and a reasonable reserve; and

"(II) include an amount for operating and administrative expenses established in accordance with subsection (k)(4)(F).".

(c) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended by adding at the end the following new subparagraph:

"(H) In the case of the supplemental coverage option authorized in subsection (c)(4)(C), the amount shall be equal to the sum of—

"(i) 65 percent of the additional premium associated with the coverage; and

"(ii) the amount determined under subsection (c)(4)(C)(vi)(II), subject to subsection (k)(4)(F), for the coverage to cover operating and administrative expenses.".

(d) EFFECTIVE DATE.—The Federal Crop Insurance Corporation shall begin to provide additional coverage based on an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis, not later than for the 2014 crop year.

SEC. 11004. PREMIUM AMOUNTS FOR CATASTROPHIC RISK PROTECTION.

Subparagraph (A) of section 508(d)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended to read as follows:

"(A) In the case of catastrophic risk protection, the amount of the premium established by the Corporation for each crop for which catastrophic risk protection is available shall be reduced by the percentage equal to the difference between the average loss ratio for the crop and 100 percent, plus a reasonable reserve.".

SEC. 11005. REPEAL OF PERFORMANCE-BASED DISCOUNT.

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

(1) by striking paragraph (3); and

(2) by redesignating paragraph (4) as paragraph (3).

(b) CONFORMING AMENDMENT.—Section 508(a)(9)(B) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(9)(B)) is amended—

(1) by inserting "or" at the end of clause (i);
(2) by striking clause (ii); and
(3) by redesignating clause (iii) as clause (ii).

SEC. 11006. PERMANENT ENTERPRISE UNIT SUBSIDY.

Subparagraph (A) of section 508(e)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended to read as follows:

"(A) IN GENERAL.—The Corporation may pay a portion of the premiums for plans or policies of insurance for which the insurable unit is defined on a whole farm or enterprise unit basis that is higher than would otherwise be paid in accordance with paragraph (2).".

SEC. 11007. ENTERPRISE UNITS FOR IRRIGATED AND NONIRRIGATED CROPS.

Section 508(e)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended by adding at the end the following new subparagraph:

"(D) NONIRRIGATED CROPS.—Beginning with the 2014 crop year, the Corporation shall make available separate enterprise units for irrigated and nonirrigated acreage of crops in counties.".

SEC. 11008. DATA COLLECTION.

Section 508(g)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)(2)) is amended by adding at the end the following new subparagraph:

"(E) SOURCES OF YIELD DATA.—To determine yields under this paragraph, the Corporation—

"(i) shall use county data collected by the Risk Management Agency or the National Agricultural Statistics Service, or both; or

"(ii) if sufficient county data is not available, may use other data considered appropriate by the Secretary.".

SEC. 11009. ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO ESTABLISH INSURABLE YIELDS.

Section 508(g)(4)(B) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)(4)(B)) is amended by striking "60" each place it appears and inserting "70".

SEC. 11010. SUBMISSION AND REVIEW OF POLICIES.

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

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately;

(B) by striking "(1) IN GENERAL.—In addition" and inserting the following:

"(1) AUTHORITY TO SUBMIT.—

"(A) IN GENERAL.—In addition"; and

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

"(B) REVIEW AND SUBMISSION BY CORPORATION.—The Corporation shall review any policy developed under section 522(c) or any pilot program developed under section 523 and submit the policy or program to the Board under this subsection if the Corporation, at the sole discretion of the Corporation, finds that the policy or program—

"(i) will likely result in a viable and marketable policy consistent with this subsection;

"(ii) would provide crop insurance coverage in a significantly improved form; and

"(iii) adequately protects the interests of producers."; and

(2) in paragraph (3)—

(A) by striking "A policy" and inserting the following:

"(A) IN GENERAL.—A policy"; and

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

"(B) SPECIFIED REVIEW AND APPROVAL PRIORITIES.—In reviewing policies and other materials submitted to the Board under this subsection for approval, the Board—

"(i) shall make the development and approval of a revenue policy for peanut producers a priority so that a revenue policy is available to peanut producers in time for the 2014 crop year;

"(ii) shall make the development and approval of a margin coverage policy for rice producers a priority so that a margin coverage policy is available to rice producers in time for the 2014 crop year; and

"(iii) may approve a submission that is made pursuant to this subsection that would, beginning with the 2014 crop year, allow producers that purchase policies in accordance with subsection (e)(5)(A) to separate enterprise units by risk rating for acreage of crops in counties.".

(b) ADVANCE PAYMENTS.—Section 522(b)(2)(E) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)(2)(E)) is amended by striking "50 percent" and inserting "75 percent".

SEC. 11011. EQUITABLE RELIEF FOR SPECIALTY CROP POLICIES.

Section 508(k)(8)(E) of the Federal Crop Insurance Act of 1938 (7 U.S.C. 1508(k)(8)(E)) is amended by adding at the end the following new clause:

"(iii) EQUITABLE RELIEF FOR SPECIALTY CROP POLICIES.—

"(I) IN GENERAL.—For each of the 2011 through 2015 reinsurance years, in addition to the total amount of funding for reimbursement of administrative and operating costs that is otherwise required to be made available in each such reinsurance year pursuant to an agreement entered into by the Corporation, the Corporation shall use $41,000,000 to provide additional reimbursement with respect to eligible insurance contracts for any agricultural commodity that is not eligible for a benefit under subtitles A, B or C of title I of the Federal Agriculture Reform and Risk Management Act of 2013.

"(II) TREATMENT.—Additional reimbursements made under this clause shall be included as part of the base level of administrative and operating expense reimbursement to which any limit on compensation to persons involved in the direct sale and service of any eligible crop insurance contract required under an agreement entered into by the Corporation is applied.

"(III) RULE OF CONSTRUCTION.—Nothing in this clause shall be construed as statutory assent to the limit described in subclause (II).".

SEC. 11012. BUDGET LIMITATIONS ON RENEGOTIATION OF THE STANDARD REINSURANCE AGREEMENT.

Section 508(k)(8) of the Federal Crop Insurance Act of 1938 (7 U.S.C. 1508(k)(8)) is amended by adding at the end the following new subparagraph:

"(F) BUDGET.—

"(i) IN GENERAL.—The Board shall ensure that any Standard Reinsurance Agreement negotiated under subparagraph (A)(ii), as compared to the previous Standard Reinsurance Agreement—

"(I) to the maximum extent practicable, shall be budget neutral; and

"(II) in no event, may significantly depart from budget neutrality.

"(ii) USE OF SAVINGS.—To the extent that any budget savings is realized in the renegotiation of a Standard Reinsurance Agreement under subparagraph (A)(ii), and the savings are determined not to be a significant departure from budget neutrality under clause (i), the savings shall be used to increase the obligations of the Corporation under subsections (e)(2) or (k)(4) or section 523.".

SEC. 11013. CROP PRODUCTION ON NATIVE SOD.

(a) FEDERAL CROP INSURANCE.—Section 508(o) of the Federal Crop Insurance Act (7 U.S.C. 1508(o)) is amended—

(1) in paragraph (1)(B), by inserting ", or the producer cannot substantiate that the ground has ever been tilled," after "tilled";

(2) in paragraph (2)—

(A) in the paragraph heading, by striking "INELIGIBILITY FOR" and inserting "REDUCTION IN"; and

(B) in subparagraph (A), by striking "for benefits under—" and all that follows through the period at the end and inserting "for—

"(i) a portion of crop insurance premium subsidies under this subtitle in accordance with paragraph (3);

"(ii) benefits under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333); and

"(iii) payments described in subsection (b) or (c) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308).."; and

(3) by striking paragraph (3) and inserting the following new paragraphs:

"(3) ADMINISTRATION.—

"(A) IN GENERAL.—During the first 4 crop years of planting on native sod acreage by a producer described in paragraph (2)—

"(i) paragraph (2) shall apply to 65 percent of the transitional yield of the producer; and

"(ii) the crop insurance premium subsidy provided for the producer under this subtitle shall be 50 percentage points less than the premium subsidy that would otherwise apply.

"(B) YIELD SUBSTITUTION.—During the period native sod acreage is covered by this subsection, a producer may not substitute yields for the native sod acreage.

"(4) APPLICATION.—This subsection shall only apply to native sod in the Prairie Pothole National Priority Area.".

(b) NONINSURED CROP DISASTER ASSISTANCE.—Section 196(a)(4) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(4)) is amended—

(1) in the paragraph heading, by striking "INELIGIBILITY" and inserting "BENEFIT REDUCTION";

(2) in subparagraph (A)(ii), by inserting ", or the producer cannot substantiate that the ground has ever been tilled," after "tilled";

(3) in subparagraph (B)—

(A) in the subparagraph heading, by striking "INELIGIBILITY" and inserting "REDUCTION IN"; and

(B) in clause (i), by striking "for benefits under—" and all that follows through the period at the end and inserting "for—

"(I) benefits under this section;

"(II) a portion of crop insurance premium subsidies under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) in accordance with subparagraph (C); and

"(III) payments described in subsection (b) or (c) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308).."; and

(4) by striking subparagraph (C) and inserting the following new subparagraphs:

"(C) ADMINISTRATION.—

"(i) IN GENERAL.—During the first 4 crop years of planting on native sod acreage by a producer described in subparagraph (B)—

"(I) subparagraph (B) shall apply to 65 percent of the transitional yield of the producer; and

"(II) the crop insurance premium subsidy provided for the producer under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) shall be 50 percentage points less than the premium subsidy that would otherwise apply.

"(ii) YIELD SUBSTITUTION.—During the period native sod acreage is covered by this paragraph, a producer may not substitute yields for the native sod acreage.

"(D) APPLICATION.—This paragraph shall only apply to native sod in the Prairie Pothole National Priority Area.".

(c) CROPLAND REPORT.—

(1) BASELINE.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the cropland acreage in each applicable county and State, and the change in cropland acreage from the preceding year in each applicable county and State, beginning with calendar year 2000 and including that information for the most recent year for which that information is available.

(2) ANNUAL UPDATES.—Not later than January 1, 2015, and each January 1 thereafter through January 1, 2018, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

(A) the cropland acreage in each applicable county and State as of the date of submission of the report; and

(B) the change in cropland acreage from the preceding year in each applicable county and State.

SEC. 11014. COVERAGE LEVELS BY PRACTICE.

Section 508 of the Federal Crop Insurance Act of 1938 (7 U.S.C. 1508) is amended by adding at the end the following new subsection:

"(p) COVERAGE LEVELS BY PRACTICE.—Beginning with the 2015 crop year, a producer that produces an agricultural commodity on both dry land and irrigated land may elect a different coverage level for each production practice.".

SEC. 11015. BEGINNING FARMER AND RANCHER PROVISIONS.

(a) DEFINITION.—Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) is amended—

(1) by redesignating paragraphs (3) through (9) as paragraphs (4) through (10), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' means a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years, as determined by the Secretary.".

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

(1) in subsection (b)(5)(E), by inserting "and beginning farmers or ranchers" after "limited resource farmers";

(2) in subsection (e), by adding at the end the following new paragraph:

"(8) PREMIUM FOR BEGINNING FARMERS OR RANCHERS.—Notwithstanding any other provision of this subsection regarding payment of a portion of premiums, a beginning farmer or rancher shall receive premium assistance that is 10 percentage points greater than premium assistance that would otherwise be available under paragraphs (2) (except for subparagraph (A) of that paragraph), (5), (6), and (7) for the applicable policy, plan of insurance, and coverage level selected by the beginning farmer or rancher."; and

(3) in subsection (g)—

(A) in paragraph (2)(B)—

(i) in clause (i), by striking "or" at the end;

(ii) in clause (ii)(III), by striking the period at the end and inserting "; or"; and

(iii) by adding at the end the following:

"(iii) if the producer is a beginning farmer or rancher who was previously involved in a farming or ranching operation, including involvement in the decisionmaking or physical involvement in the production of the crop or livestock on the farm, for any acreage obtained by the beginning farmer or rancher, a yield that is the higher of—

"(I) the actual production history of the previous producer of the crop or livestock on the acreage determined under subparagraph (A); or

"(II) a yield of the producer, as determined in clause (i)."; and

(B) in paragraph (4)(B)(ii) (as amended by section 11009)—

(i) by inserting "(I)" after "(ii)";

(ii) by striking the period at the end and inserting "; or"; and

(iii) by adding at the end the following:

"(II) in the case of beginning farmers or ranchers, replace each excluded yield with a yield equal to 80 percent of the applicable transitional yield.".

SEC. 11016. STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.

(a) AVAILABILITY OF STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.—The Federal Crop Insurance Act is amended by inserting after section 508A (7 U.S.C. 1508a) the following new section:

"SEC. 508B. STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.

"(a) AVAILABILITY.—Beginning not later than the 2014 crop of upland cotton, the Corporation shall make available to producers of upland cotton an additional policy (to be known as the 'Stacked Income Protection Plan'), which shall provide coverage consistent with the Group Risk Income Protection Plan (and the associated Harvest Revenue Option Endorsement) offered by the Corporation for the 2011 crop year.

"(b) REQUIRED TERMS.—The Corporation may modify the Stacked Income Protection Plan on a program-wide basis, except that the Stacked Income Protection Plan shall comply with the following requirements:

"(1) Provide coverage for revenue loss of not less than 10 percent and not more than 30 percent of expected county revenue, specified in increments of 5 percent. The deductible is the minimum percent of revenue loss at which indemnities are triggered under the plan, not to be less than 10 percent of the expected county revenue.

"(2) Be offered to producers of upland cotton in all counties with upland cotton production—

"(A) at a county-wide level to the fullest extent practicable; or

"(B) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.

"(3) Be purchased in addition to any other individual or area coverage in effect on the producer's acreage or as a stand-alone policy, except that if a producer has an individual or area coverage for the same acreage, the maximum

coverage available under the Stacked Income Protection Plan shall not exceed the deductible for the individual or area coverage.

"(4) Establish coverage based on—

"(A) the expected price established under existing Group Risk Income Protection or area wide policy offered by the Corporation for the applicable county (or area) and crop year; and

"(B) an expected county yield that is the higher of—

"(i) the expected county yield established for the existing area-wide plans offered by the Corporation for the applicable county (or area) and crop year (or, in geographic areas where area-wide plans are not offered, an expected yield determined in a manner consistent with those of area-wide plans); or

"(ii) the average of the applicable yield data for the county (or area) for the most recent 5 years, excluding the highest and lowest observations, from the Risk Management Agency or the National Agricultural Statistics Service (or both) or, if sufficient county data is not available, such other data considered appropriate by the Secretary.

"(5) Use a multiplier factor to establish maximum protection per acre (referred to as a 'protection factor') of not less than the higher of the level established on a program wide basis or 120 percent.

"(6) Pay an indemnity based on the amount that the expected county revenue exceeds the actual county revenue, as applied to the individual coverage of the producer. Indemnities under the Stacked Income Protection Plan shall not include or overlap the amount of the deductible selected under paragraph (1).

"(7) In all counties for which data are available, establish separate coverage levels for irrigated and non-irrigated practices.

"(c) PREMIUM.—Notwithstanding section 508(d), the premium for the Stacked Income Protection Plan shall—

"(1) be sufficient to cover anticipated losses and a reasonable reserve; and

"(2) include an amount for operating and administrative expenses established in accordance with section 508(k)(4)(F).

"(d) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Subject to section 508(e)(4), the amount of premium paid by the Corporation for all qualifying coverage levels of the Stacked Income Protection Plan shall be—

"(1) 80 percent of the amount of the premium established under subsection (c) for the coverage level selected; and

"(2) the amount determined under subsection (c)(2), subject to section 508(k)(4)(F), for the coverage to cover administrative and operating expenses.

"(e) RELATION TO OTHER COVERAGES.—The Stacked Income Protection Plan is in addition to all other coverages available to producers of upland cotton.".

(b) CONFORMING AMENDMENT.—Section 508(k)(4)(F) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(F)) is amended by inserting "or authorized under subsection (c)(4)(C) or section 508B" after "of this subparagraph".

SEC. 11017. PEANUT REVENUE CROP INSURANCE.

The Federal Crop Insurance Act is amended by inserting after section 508B, as added by the previous section, the following new section:

"SEC. 508C. PEANUT REVENUE CROP INSURANCE.

"(a) IN GENERAL.—Effective beginning with the 2014 crop year, the Risk Management Agency and the Corporation shall make available to producers of peanuts a revenue crop insurance program for peanuts.

"(b) EFFECTIVE PRICE.—Subject to subsection (c), for purposes of the revenue crop insurance program and the multiperil crop insurance program under this Act, the effective price for peanuts shall be equal to the Rotterdam price index for peanuts, as adjusted to reflect the farmer stock price of peanuts in the United States.

"(c) ADJUSTMENTS.—

"(1) IN GENERAL.—The effective price for peanuts established under subsection (b) may be adjusted by the Risk Management Agency and the Corporation to correct distortions.

"(2) ADMINISTRATION.—If an adjustment is made under paragraph (1), the Risk Management Agency and the Corporation shall—

"(A) make the adjustment in an open and transparent manner; and

"(B) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the reasons for the adjustment.".

SEC. 11018. AUTHORITY TO CORRECT ERRORS.

Section 515(c) of the Federal Crop Insurance Act (7 U.S.C. 1515(c)) is amended—

(1) in the first sentence, by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary";

(2) in the second sentence, by striking "Beginning with" and inserting the following:

"(2) FREQUENCY.—Beginning with"; and

(3) by adding at the end the following new paragraph:

"(3) CORRECTIONS.—

"(A) IN GENERAL.—In addition to the corrections permitted by the Corporation as of the date of enactment of the Federal Agriculture Reform and Risk Management Act of 2013, the Corporation shall allow an agent or an approved insurance provider, subject to subparagraph (B)—

"(i) within a reasonable amount of time following the applicable sales closing date, to correct unintentional errors in information that is provided by a producer for the purpose of obtaining coverage under any policy or plan of insurance made available under this subtitle to ensure that the eligibility information is correct;

"(ii) within a reasonable amount of time following—

"(I) the acreage reporting date, to correct unintentional errors in factual information that is provided by a producer after the sales closing date to reconcile the information with the information reported by the producer to the Farm Service Agency; or

"(II) the date of any subsequent correction of data by the Farm Service Agency made as a result of the verification of information; and

"(iii) at any time, to correct unintentional errors that were made by the Farm Service Agency or an agent or approved insurance provider in transmitting the information provided by the producer to the approved insurance provider or the Corporation.

"(B) LIMITATION.—In accordance with the procedures of the Corporation, correction to the information described in clauses (i) and (ii) of subparagraph (A) may only be made if the corrections do not allow the producer—

"(i) to avoid ineligibility requirements for insurance;

"(ii) to obtain, enhance, or increase an insurance guarantee or indemnity, or avoid premium owed, if a cause of loss exists or has occurred before any correction has been made; or

"(iii) to avoid an obligation or requirement under any Federal or State law.

"(C) EXCEPTION TO LATE FILING SANCTIONS.—Any corrections made pursuant to this paragraph shall not be subject to any late filing sanctions authorized in the reinsurance agreement with the Corporation.".

SEC. 11019. IMPLEMENTATION.

Section 515 of the Federal Crop Insurance Act (7 U.S.C. 1515) is amended—

(1) in subsection (j), by striking paragraph (1) and inserting the following new paragraph:

"(1) SYSTEMS MAINTENANCE AND UPGRADES.—

"(A) IN GENERAL.—The Secretary shall maintain and upgrade the information management systems of the Corporation used in the administration and enforcement of this subtitle.

"(B) REQUIREMENT.—

"(i) IN GENERAL.—In maintaining and upgrading the systems, the Secretary shall ensure that new hardware and software are compatible with the hardware and software used by other agencies of the Department to maximize data sharing and promote the purposes of this section.

"(ii) ACREAGE REPORT STREAMLINING INITIATIVE PROJECT.—As soon as practicable, the Secretary shall develop and implement an acreage report streamlining initiative project to allow producers to report acreage and other information directly to the Department."; and

(2) in subsection (k), by striking paragraph (1) and inserting the following new paragraph:

"(1) INFORMATION TECHNOLOGY.—

"(A) IN GENERAL.—For purposes of subsection (j)(1), the Corporation may use, from amounts made available from the insurance fund established under section 516(c), not more than—

"(i)(I) for fiscal year 2014, $25,000,000; and

"(II) for each of fiscal years 2015 through 2018, $10,000,000; or

"(ii) if the Acreage Crop Reporting Streamlining Initiative (ACRSI) project is substantially completed by September 30, 2015, not more than $15,000,000 for each of the fiscal years 2015 through 2018.

"(B) NOTIFICATION.—The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the substantial completion of the Acreage Crop Reporting Streamlining Initiative (ACRSI) project not later than July 1, 2015.".

SEC. 11020. RESEARCH AND DEVELOPMENT PRIORITIES.

(a) AUTHORITY TO CONDUCT RESEARCH AND DEVELOPMENT, PRIORITIES.—Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended—

(1) in the subsection heading by striking "CONTRACTING";

(2) in paragraph (1), in the matter preceding subparagraph (A), by striking "may enter into contracts to carry out research and development to" and inserting "may conduct activities or enter into contracts to carry out research and development to maintain or improve existing policies or develop new policies to";

(3) in paragraph (2)—

(A) in subparagraph (A), by inserting "conduct research and development or" after "The Corporation may"; and

(B) in subparagraph (B), by inserting "conducting research and development or" after "Before";

(4) in paragraph (5), by inserting "after expert review in accordance with section 505(e)" after "approved by the Board"; and

(5) in paragraph (6), by striking "a pasture, range, and forage program" and inserting "policies that increase participation by producers of underserved agricultural commodities, including sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, and specialty crops".

(b) FUNDING.—Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) is amended—

(1) in paragraph (2)—

(A) by striking "(A) AUTHORITY.—" and inserting "(A) CONDUCTING AND CONTRACTING FOR RESEARCH AND DEVELOPMENT.—";

(B) in subparagraph (A), by inserting "conduct research and development and" after "the Corporation may use to"; and

(C) in subparagraph (B), by inserting "conduct research and development and" after "for the fiscal year to";

(2) in paragraph (3), by striking "to provide either reimbursement payments or contract payments"; and

(3) by striking paragraph (4).

SEC. 11021. ADDITIONAL RESEARCH AND DEVELOPMENT CONTRACTING REQUIREMENTS.

Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended—

(1) by redesignating paragraph (17) as paragraph (24); and

(2) by inserting after paragraph (16), the following new paragraphs:

"(17) MARGIN COVERAGE FOR CATFISH.—

"(A) IN GENERAL.—The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding a policy to insure producers against reduction in the margin between the market value of catfish and selected costs incurred in the production of catfish.

"(B) ELIGIBILITY.—Eligibility for the policy described in subparagraph (A) shall be limited to freshwater species of catfish that are propagated and reared in controlled or selected environments.

"(C) IMPLEMENTATION.—The Board shall review the policy described in subparagraph (B) under subsection 508(h) and approve the policy if the Board finds that the policy—

"(i) will likely result in a viable and marketable policy consistent with this subsection;

"(ii) would provide crop insurance coverage in a significantly improved form;

"(iii) adequately protects the interests of producers; and

"(iv) the proposed policy meets other requirements of this subtitle determined appropriate by the Board.

"(18) BIOMASS AND SWEET SORGHUM ENERGY CROP INSURANCE POLICIES.—

"(A) AUTHORITY.—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding—

"(i) a policy to insure biomass sorghum that is grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products; and

"(ii) a policy to insure sweet sorghum that is grown for a purpose described in clause (i).

"(B) RESEARCH AND DEVELOPMENT.—Research and development with respect to each of the policies required in subparagraph (A) shall evaluate the effectiveness of risk management tools for the production of biomass sorghum or sweet sorghum, including policies and plans of insurance that—

"(i) are based on market prices and yields;

"(ii) to the extent that insufficient data exist to develop a policy based on market prices and yields, evaluate the policies and plans of insurance based on the use of weather indices, including excessive or inadequate rainfall, to protect the interest of crop producers; and

"(iii) provide protection for production or revenue losses, or both.

"(19) STUDY ON SWINE CATASTROPHIC DISEASE PROGRAM.—

"(A) IN GENERAL.—The Corporation shall contract with a qualified person to conduct a study to determine the feasibility of insuring swine producers for a catastrophic event.

"(B) REPORT.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

"(20) WHOLE FARM DIVERSIFIED RISK MANAGEMENT INSURANCE PLAN.—

"(A) IN GENERAL.—The Corporation shall conduct activities or enter into contracts to carry out research and development to develop a whole farm risk management insurance plan, with a liability limitation of $1,250,000, that allows a diversified crop or livestock producer the option to qualify for an indemnity if actual gross farm revenue is below 85 percent of the average gross farm revenue or the expected gross farm revenue that can reasonably be expected of the producer, as determined by the Corporation.

"(B) ELIGIBLE PRODUCERS.—The Corporation shall permit producers (including direct-to-consumer marketers and producers servicing local and regional and farm identity-preserved markets) who produce multiple agricultural commodities, including specialty crops, industrial crops, livestock, and aquaculture products, to participate in the plan in lieu of any other plan under this subtitle.

"(C) DIVERSIFICATION.—The Corporation may provide diversification-based additional coverage payment rates, premium discounts, or other enhanced benefits in recognition of the risk management benefits of crop and livestock diversification strategies for producers that grow multiple crops or that may have income from the production of livestock that uses a crop grown on the farm.

"(D) MARKET READINESS.—The Corporation may include coverage for the value of any packing, packaging, or any other similar on-farm activity the Corporation determines to be the minimum required in order to remove the commodity from the field.

"(E) REPORT.—Not later than 2 years after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results and feasibility of the research and development conducted under this paragraph, including an analysis of potential adverse market distortions.

"(21) STUDY ON POULTRY CATASTROPHIC DISEASE PROGRAM.—

"(A) IN GENERAL.—The Corporation shall contract with a qualified person to conduct a study to determine the feasibility of insuring poultry producers for a catastrophic event.

"(B) REPORT.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

"(22) POULTRY BUSINESS INTERRUPTION INSURANCE POLICY.—

"(A) AUTHORITY.—The Corporation shall offer to enter into a contract or cooperative agreement with a university or other legal entity to carry out research and development regarding a policy to insure the commercial production of poultry against business interruptions caused by integrator bankruptcy.

"(B) RESEARCH AND DEVELOPMENT.—As part of the research and development conducted pursuant to a contract or cooperative agreement entered into under subparagraph (A), the entity shall—

"(i) evaluate the market place for business interruption insurance that is available to poultry growers;

"(ii) determine what statutory authority would be necessary to implement a business interruption insurance through the Corporation;

"(iii) assess the feasibility of a policy or plan of insurance offered under this subtitle to insure against losses due to the bankruptcy of an business integrator; and

"(iv) analyze the costs to the Federal Government of a Federal business interruption insurance program for poultry growers.

"(C) DEFINITIONS.—In this paragraph, the terms 'poultry' and 'poultry grower' have the meanings given those terms in section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)).

"(D) DEADLINE FOR CONTRACT OR COOPERATIVE AGREEMENT.—Not later than six months after the date of the enactment of this paragraph, the Corporation shall enter into the contract or cooperative agreement required by subparagraph (A).

"(E) DEADLINE FOR COMPLETION OF RESEARCH AND DEVELOPMENT.—Not later than one year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the research and development conducted pursuant to the contract or cooperative agreement entered into under subparagraph (A).

"(23) STUDY OF FOOD SAFETY INSURANCE.—

"(A) IN GENERAL.—The Corporation shall offer to enter into a contract with 1 or more qualified entities to conduct a study to determine whether offering policies that provide coverage for specialty crops from food safety and contamination issues would benefit agricultural producers.

"(B) SUBJECT.—The study described in subparagraph (A) shall evaluate policies and plans of insurance coverage that provide protection for production or revenue impacted by food safety concerns including, at a minimum, government, retail, or national consumer group announcements of a health advisory, removal, or recall related to a contamination concern.

"(C) REPORT.—Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).".

SEC. 11022. PROGRAM COMPLIANCE PARTNERSHIPS.

Paragraph (1) of section 522(d) of the Federal Crop Insurance Act (7 U.S.C. 1522(d)) is amended to read as follows:

"(1) PURPOSE.—The purpose of this subsection is to authorize the Corporation to enter into partnerships with public and private entities for the purpose of either—

"(A) increasing the availability of loss mitigation, financial, and other risk management tools for producers, with a priority given to risk management tools for producers of agricultural commodities covered by section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333), specialty crops, and underserved agricultural commodities; or

"(B) improving analysis tools and technology regarding compliance or identifying and using innovative compliance strategies.".

SEC. 11023. PILOT PROGRAMS.

Section 523(a) of the Federal Crop Insurance Act (7 U.S.C. 1523(a)) is amended—

(1) in paragraph (1), by inserting ", at the sole discretion of the Corporation," after "may"; and

(2) by striking paragraph (5).

SEC. 11024. TECHNICAL AMENDMENTS.

(a) ELIGIBILITY FOR DEPARTMENT PROGRAMS.—Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8) through (11) as paragraphs (7) through (10), respectively.

(b) EXCLUSIONS TO ASSISTANCE FOR LOSSES DUE TO DROUGHT CONDITIONS.—

(1) IN GENERAL.—Section 531(d)(3)(A) of the Federal Crop Insurance Act (7 U.S.C. 1531(d)(3)(A)) is amended—

(A) by striking "(A) ELIGIBLE LOSSES.—" and all that follows through "An eligible" in clause (i) and inserting the following:

"(A) ELIGIBLE LOSSES.—An eligible";

(B) by striking clause (ii); and

(C) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and indenting appropriately.

(2) CONFORMING AMENDMENT.—Section 901(d)(3)(A) of the Trade Act of 1974 (19 U.S.C. 2497(d)(3)(A)) is amended—

(A) by striking "(A) ELIGIBLE LOSSES.—" and all that follows through "An eligible" in clause (i) and inserting the following:

"(A) ELIGIBLE LOSSES.—An eligible";

(B) by striking clause (ii); and

(C) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and indenting appropriately.

TITLE XII—MISCELLANEOUS

Subtitle A—Livestock

SEC. 12101. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

Section 375(e)(6)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)(C)) is amended by striking "2012" and inserting "2018".

SEC. 12102. REPEAL OF CERTAIN REGULATIONS UNDER THE PACKERS AND STOCKYARDS ACT, 1921.

(a) REPEAL OF CERTAIN REGULATION REQUIREMENT.—Section 11006 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2120) is repealed.

(b) REPEAL OF CERTAIN EXISTING REGULATION.—Subsection (n) of section 201.2 of title 9, Code of Federal Regulations, is repealed.

(c) PROHIBITION ON ENFORCEMENT OF CERTAIN REGULATIONS OR ISSUANCE OF SIMILAR REGULATIONS.—Notwithstanding any other provision of law, the Secretary of Agriculture shall not—

(1) enforce subsection (n) of section 201.2 of title 9, Code of Federal Regulations;

(2) finalize or implement sections 201.2(l), 201.2(t), 201.2(u), 201.3(c), 201.210, 201.211, 201.213, and 201.214 of title 9, Code of Federal Regulations, as proposed to be added by the proposed rule entitled "Implementation of Regulations Required Under Title XI of the Food, Conservation and Energy Act of 2008; Conduct in Violation of the Act" published by the Department of Agriculture on June 22, 2010 (75 Fed. Reg. 35338); or

(3) issue regulations or adopt a policy similar to the provisions—

(A) referred to in paragraph (1) or (2); or

(B) rescinded by the Secretary pursuant to section 742 of the Consolidated and Further Continuing Appropriations Act, 2013 (Public Law 113–6).

SEC. 12103. TRICHINAE CERTIFICATION PROGRAM.

(a) ALTERNATIVE CERTIFICATION PROCESS.—The Secretary of Agriculture shall amend the rule made under paragraph (2) of section 11010(a) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8304(a)) to implement the voluntary trichinae certification program established under paragraph (1) of such section, to include a requirement to establish an alternative trichinae certification process based on surveillance or other methods consistent with international standards for categorizing compartments as having negligible risk for trichinae.

(b) FINAL REGULATIONS.—Not later than one year after the date on which the international standards referred to in subsection (a) are adopted, the Secretary shall finalize the rule amended under such subsection.

(c) REAUTHORIZATION.—Section 10405(d)(1) of the Animal Health Protection Act (7 U.S.C. 8304(d)(1)) is amended in subparagraphs (A) and (B) by striking "2012" each place it appears and inserting "2018".

SEC. 12104. NATIONAL AQUATIC ANIMAL HEALTH PLAN.

Section 11013(d) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8322(d)) is amended by striking "2012" and inserting "2018".

SEC. 12105. COUNTRY OF ORIGIN LABELING.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture, acting through the Office of the Chief Economist, shall conduct an economic analysis of the proposed rule entitled "Mandatory Country of Origin Labeling of Beef, Pork, Lamb, Chicken, Goat Meat, Wild and Farm-raised Fish and Shellfish, Perishable Agricultural Commodities, Peanuts, Pecans, Ginseng and Macadamia Nuts" published by the Department of Agriculture on March 12, 2013 (76 Fed. Reg. 15645).

(b) CONTENTS.—The economic analysis described in subsection (a) shall include, with respect to the labeling of beef, pork, and chicken, an analysis of the impact on consumers, producers, and packers in the United States of—

(1) the implementation of subtitle D of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638 et seq.); and

(2) the proposed rule referred to in subsection (a).

SEC. 12106. NATIONAL ANIMAL HEALTH LABORATORY NETWORK.

Subtitle E of title X of the Farm Security and Rural Investment Act of 2002 is amended by inserting after section 10409 (7 U.S.C. 8308) the following new section:

"SEC. 10409A. NATIONAL ANIMAL HEALTH LABORATORY NETWORK.

"(a) IN GENERAL.—The Secretary shall enter into contracts, grants, cooperative agreements, or other legal instruments with eligible laboratories for any of the following purposes:

"(1) To enhance the capability of the Secretary to detect, and respond in a timely manner to, emerging or existing threats to animal health and to support the protection of public health, the environment, and the agricultural economy of the United States.

"(2) To provide the capacity and capability for standardized—

"(A) test procedures, reference materials, and equipment;

"(B) laboratory biosafety and biosecurity levels;

"(C) quality management system requirements;

"(D) interconnected electronic reporting and transmission of data; and

"(E) evaluation for emergency preparedness.

"(3) To coordinate the development, implementation, and enhancement of national veterinary diagnostic laboratory capabilities, with special emphasis on surveillance planning and vulnerability analysis, technology development and validation, training, and outreach.

"(b) ELIGIBILITY.—An eligible laboratory under this section is a diagnostic laboratory meeting specific criteria developed by the Secretary, in consultation with State animal health officials and State and university veterinary diagnostic laboratories.

"(c) PRIORITY.—To the extent practicable and to the extent capacity and specialized expertise may be necessary, the Secretary shall give priority to existing Federal, State, and university facilities.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2014 through 2018.".

SEC. 12107. REPEAL OF DUPLICATIVE CATFISH INSPECTION PROGRAM.

(a) IN GENERAL.—Effective on the date of the enactment of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8701 et seq.), section 11016 of such Act (Public Law 110–246; 122 Stat. 2130) and the amendments made by such section are repealed.

(b) APPLICATION.—The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) and the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) shall be applied and administered as if section 11016 (Public Law 110-246; 122 Stat. 2130) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8701 et seq.) and the amendments made by such section had not been enacted.

SEC. 12108. NATIONAL POULTRY IMPROVEMENT PROGRAM.

The Secretary of Agriculture shall ensure that the Department of Agriculture continues to administer the diagnostic surveillance program for H5/H7 low pathogenic avian influenza with respect to commercial poultry under section 146.14 of title 9, Code of Federal Regulations (or a successor regulation) without amending the regulations in section 147.43 of title 9, Code of Federal Regulations (or a successor regulation) with respect to the governance of the General Conference Committee established under such section. The Secretary of Agriculture shall maintain—

(1) the operations of the General Conference Committee—

(A) in the physical location at which the Committee was located on the date of the enactment of this Act; and

(B) with the organizational structure within the Department of Agriculture in effect as of such date; and

(2) the funding levels for the National Poultry Improvement Plan for Commercial Poultry (established under part 146 of title 9, Code of Federal Regulations or a successor regulation) at the fiscal year 2013 funding levels for the Plan.

SEC. 12109. REPORT ON BOVINE TUBERCULOSIS IN TEXAS.

Not later than December 31, 2014, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the incidence of bovine tuberculosis in cattle in Texas. The report shall cover the period beginning on January 1, 1997, and ending on December 31, 2013.

Subtitle B—Socially Disadvantaged Producers and Limited Resource Producers

SEC. 12201. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.

(a) OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.—Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended—

(1) in the section heading, by inserting "**AND VETERAN FARMERS AND RANCHERS**" after "**RANCHERS**";

(2) in subsection (a)—

(A) in paragraph (1), by inserting "and veteran farmers or ranchers" after "ranchers";

(B) in paragraph (2)(B)(i), by inserting "and veteran farmers or ranchers" after "ranchers"; and

(C) in paragraph (4)—

(i) in subparagraph (A)—

(I) in the heading of such subparagraph, by striking "2012" and inserting "2018";

(II) in clause (i), by striking "and" at the end;

(III) in clause (ii), by striking the period at the end and inserting "; and"; and

(IV) by adding at the end the following new clause:

"(iii) $10,000,000 for each of fiscal years 2014 through 2018."; and

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

"(E) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2014 through 2018.";

(3) in subsection (b)(2), by inserting "or veteran farmers and ranchers" after "socially disadvantaged farmers and ranchers";

(4) in subsection (c)—

(A) in paragraph (1)(A), by inserting "veteran farmers or ranchers and" before "members"; and

(B) in paragraph (2)(A), by inserting "veteran farmers or ranchers and" before "members"; and

(5) in subsection (e)(5)(A)—

(A) in clause (i), by inserting "and veteran farmers or ranchers" after "ranchers"; and

(B) in clause (ii), by inserting "and veteran farmers or ranchers" after "ranchers".

(b) DEFINITION OF VETERAN FARMER OR RANCHER.—Section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)) is amended by adding at the end the following new paragraph:

"(7) VETERAN FARMER OR RANCHER.—The term 'veteran farmer or rancher' means a farmer or rancher who served in the active military, naval, or air service, and who was discharged or released from the service under conditions other than dishonorable.".

SEC. 12202. OFFICE OF ADVOCACY AND OUTREACH.

Paragraph (3) of section 226B(f) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934(f)) is amended to read as follows:

"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection—

"(A) such sums as are necessary for each of fiscal years 2009 through 2013; and

"(B) $2,000,000 for each of fiscal years 2014 through 2018.".

SEC. 12203. SOCIALLY DISADVANTAGED FARMERS AND RANCHERS POLICY RESEARCH CENTER.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), as amended by section 12201, is amended by adding at the end the following new subsection:

"(i) SOCIALLY DISADVANTAGED FARMERS AND RANCHERS POLICY RESEARCH CENTER.—The Secretary shall award a grant to a college or university eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, to establish a policy research center to be known as the 'Socially Disadvantaged Farmers and Ranchers Policy Research Center' for the purpose of developing policy recommendations for the protection and promotion of the interests of socially disadvantaged farmers and ranchers.".

Subtitle C—Other Miscellaneous Provisions

SEC. 12302. GRANTS TO IMPROVE SUPPLY, STABILITY, SAFETY, AND TRAINING OF AGRICULTURAL LABOR FORCE.

Subsection (d) of section 14204 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 2008q–1) is amended to read as follows:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for each of fiscal years 2008 through 2013; and

"(2) $10,000,000 for each of fiscal years 2014 through 2018.".

SEC. 12303. PROGRAM BENEFIT ELIGIBILITY STATUS FOR PARTICIPANTS IN HIGH PLAINS WATER STUDY.

Section 2901 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1818) is amended by striking "this Act or an amendment made by this Act" and inserting "this Act, an amendment made by this Act, the Federal Agriculture Reform and Risk Management Act of 2013, or an amendment made by the Federal Agriculture Reform and Risk Management Act of 2013".

SEC. 12304. OFFICE OF TRIBAL RELATIONS.

(a) IN GENERAL.—Title III of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 is amended by adding after section 308 (7 U.S.C. 3125a note; Public Law 103–354) the following new section:

"SEC. 309. OFFICE OF TRIBAL RELATIONS.

"The Secretary shall establish in the Office of the Secretary an Office of Tribal Relations to advise the Secretary on policies related to Indian tribes.".

(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended by inserting after paragraph (9), as added by section 4207, the following new paragraph:

"(10) the authority of the Secretary to establish in the Office of the Secretary the Office of Tribal Relations in accordance with section 309; and".

SEC. 12305. MILITARY VETERANS AGRICULTURAL LIAISON.

(a) IN GENERAL.—Subtitle A of the Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 218 (7 U.S.C. 6918) the following new section:

"SEC. 219. MILITARY VETERANS AGRICULTURAL LIAISON.

"(a) AUTHORIZATION.—The Secretary shall establish in the Department the position of Military Veterans Agricultural Liaison.

"(b) DUTIES.—The Military Veterans Agricultural Liaison shall—

"(1) provide information to returning veterans about, and connect returning veterans with, beginning farmer training and agricultural vocational and rehabilitation programs appropriate to the needs and interests of returning veterans, including assisting veterans in using Federal veterans educational benefits for purposes relating to beginning a farming or ranching career;

"(2) provide information to veterans concerning the availability of and eligibility requirements for participation in agricultural programs, with particular emphasis on beginning farmer and rancher programs;

"(3) serve as a resource for assisting veteran farmers and ranchers, and potential farmers and ranchers, in applying for participation in agricultural programs; and

"(4) advocate on behalf of veterans in interactions with employees of the Department.".

(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended by inserting after paragraph (10), as added by section 12304, the following new paragraph:

"(11) the authority of the Secretary to establish in the Department the position of Military Veterans Agricultural Liaison in accordance with section 219.".

SEC. 12306. PROHIBITION ON KEEPING GSA LEASED CARS OVERNIGHT.

Effective immediately, a Federal employee of a State office of the Farm Service Agency in the field and non-Federal employees of county and area committees established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) shall keep leased interagency motor pool vehicles at a location listed on the General Services Administration inventory of owned and leased properties or a location owned or leased by the Department of Agriculture overnight unless the employee assigned the vehicle is on overnight, approved travel status involving per diem.

SEC. 12307. NONINSURED CROP ASSISTANCE PROGRAM.

Section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333), as amended by section 11013(b), is further amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following new paragraph:

"(1) IN GENERAL.—

"(A) COVERAGES.—In the case of an eligible crop described in paragraph (2), the Secretary of Agriculture shall operate a noninsured crop disaster assistance program to provide coverages based on individual yields (other than for value-loss crops) equivalent to—

"(i) catastrophic risk protection available under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)); or

"(ii) additional coverage available under subsections (c) and (h) of section 508 of that Act (7 U.S.C. 1508) that does not exceed 65 percent.

"(B) ADMINISTRATION.—The Secretary shall carry out this section through the Farm Service Agency (referred to in this section as the 'Agency').."; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i), by striking "and" after the semicolon at the end;

(II) by redesignating clause (ii) as clause (iii); and

(III) by inserting after clause (i) the following new clause:

"(ii) for which additional coverage under subsections (c) and (h) of section 508 of that Act (7 U.S.C. 1508) is not available; and"; and

(ii) in subparagraph (B), by inserting "sweet sorghum, biomass sorghum," before "and industrial crops";

(2) in subsection (d), by striking "The Secretary" and inserting "Subject to subsection (l), the Secretary"; and

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

"(l) PAYMENT EQUIVALENT TO ADDITIONAL COVERAGE.—

"(1) IN GENERAL.—The Secretary shall make available to a producer eligible for noninsured assistance under this section a payment equivalent to an indemnity for additional coverage under subsections (c) and (h) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) that does not exceed 65 percent of the established yield for the eligible crop on the farm, computed by multiplying—

"(A) the quantity that is not greater than 65 percent of the established yield for the crop, as determined by the Secretary, specified in increments of 5 percent;

"(B) 100 percent of the average market price for the crop, as determined by the Secretary; and

"(C) a payment rate for the type of crop, as determined by the Secretary, that reflects—

"(i) in the case of a crop that is produced with a significant and variable harvesting expense, the decreasing cost incurred in the production cycle for the crop that is, as applicable—

"(I) harvested;

"(II) planted but not harvested; or

"(III) prevented from being planted because of drought, flood, or other natural disaster, as determined by the Secretary; or

"(ii) in the case of a crop that is produced without a significant and variable harvesting expense, such rate as shall be determined by the Secretary.

"(2) PREMIUM.—To be eligible to receive a payment under this subsection, a producer shall pay—

"(A) the service fee required by subsection (k); and

"(B) a premium for the applicable crop year that is equal to the product obtained by multiplying—

"(i) the number of acres devoted to the eligible crop;

"(ii) the established yield for the eligible crop, as determined by the Secretary under subsection (e);

"(iii) the coverage level elected by the producer;

"(iv) the average market price, as determined by the Secretary; and

"(v) .0525.

"(3) LIMITED RESOURCE, BEGINNING, AND SOCIALLY DISADVANTAGED FARMERS.—The additional coverage made available under this subsection shall be available to limited resource, beginning, and socially disadvantaged producers, as determined by the Secretary, in exchange for a premium that is 50 percent of the premium determined for a producer under paragraph (2).

"(4) PREMIUM PAYMENT AND APPLICATION DEADLINE.—

"(A) PREMIUM PAYMENT.—A producer electing additional coverage under this subsection shall pay the premium amount owed for the additional coverage by September 30 of the crop year for which the additional coverage is purchased.

"(B) APPLICATION DEADLINE.—The latest date on which additional coverage under this subsection may be elected shall be the application closing date described in subsection (b)(1).

"(5) EFFECTIVE DATE.—Additional coverage under this subsection shall be available beginning with the 2015 crop.".

SEC. 12308. ENSURING HIGH STANDARDS FOR AGENCY USE OF SCIENTIFIC INFORMATION.

(a) REQUIREMENT FOR FINAL GUIDELINES.—Not later than January 1, 2014, each Federal agency shall have in effect guidelines for ensuring and maximizing the quality, objectivity, utility, and integrity of scientific information relied upon by such agency.

(b) CONTENT OF GUIDELINES.—The guidelines described in subsection (a), with respect to a Federal agency, shall ensure that—

(1) when scientific information is considered by the agency in policy decisions—

(A) the information is subject to well-established scientific processes, including peer review where appropriate;

(B) the agency appropriately applies the scientific information to the policy decision;

(C) except for information that is protected from disclosure by law or administrative practice, the agency makes available to the public the scientific information considered by the agency;

(D) the agency gives greatest weight to information that is based on experimental, empirical, quantifiable, and reproducible data that is developed in accordance with well-established scientific processes; and

(E) with respect to any proposed rule issued by the agency, such agency follows procedures that include, to the extent feasible and permitted by law, an opportunity for public comment on all relevant scientific findings;

(2) the agency has procedures in place to make policy decisions only on the basis of the best reasonably obtainable scientific, technical, economic, and other evidence and information concerning the need for, consequences of, and alternatives to the decision; and

(3) the agency has in place procedures to identify and address instances in which the integrity of scientific information considered by the agency may have been compromised, including instances in which such information may have been the product of a scientific process that was compromised.

(c) APPROVAL NEEDED FOR POLICY DECISIONS TO TAKE EFFECT.—No policy decision issued after January 1, 2014, by an agency subject to this section may take effect prior to such date that the agency has in effect guidelines under subsection (a) that have been approved by the Director of the Office of Science and Technology Policy.

(d) POLICY DECISIONS NOT IN COMPLIANCE.—

(1) IN GENERAL.—Subject to paragraph (2), a policy decision of an agency that does not comply with guidelines approved under subsection (c) shall be deemed to be arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with law.

(2) EXCEPTION.—This subsection shall not apply to policy decisions that are deemed to be necessary because of an imminent threat to health or safety or because of another emergency.

(e) DEFINITIONS.—For purposes of this section:

(1) AGENCY.—The term "agency" has the meaning given such term in section 551(1) of title 5, United States Code.

(2) POLICY DECISION.—The term "policy decision" means, with respect to an agency, an agency action as defined in section 551(13) of title 5, United States Code, (other than an adjudication, as defined in section 551(7) of such title), and includes—

(A) the listing, labeling, or other identification of a substance, product, or activity as hazardous or creating risk to human health, safety, or the environment; and

(B) agency guidance.

(3) AGENCY GUIDANCE.—The term "agency guidance" means an agency statement of general applicability and future effect, other than a regulatory action, that sets forth a policy on a statutory, regulatory, or technical issue or on an interpretation of a statutory or regulatory issue.

SEC. 12309. EVALUATION REQUIRED FOR PURPOSES OF PROHIBITION ON CLOSURE OR RELOCATION OF COUNTY OFFICES FOR THE FARM SERVICE AGENCY.

(a) PROHIBITION ON CLOSURE OR RELOCATION OF OFFICES WITH HIGH WORKLOAD VOLUME.—Section 14212 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 6932a) is amended by striking subsection (a) and inserting the following new subsection:

"(a) PROHIBITION ON CLOSURE OR RELOCATION OF OFFICES WITH HIGH WORKLOAD VOLUME.—The Secretary of Agriculture may not close or relocate a county or field office of the Farm Service Agency in a State if the Secretary determines, after conducting the evaluation required under subsection (b)(1)(B), that the office has a high workload volume compared with other county offices in the State.".

(b) WORKLOAD EVALUATION.—Section 14212(b)(1) of such Act (7 U.S.C. 6932a(b)(1)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and moving the margins of such clauses two ems to the right;

(2) by striking "the Farm Service Agency, to the maximum extent practicable" and inserting "the Farm Service Agency—

"(A) to the maximum extent practicable";

(3) in clause (ii) (as redesignated by paragraph (1))—

(A) by inserting "as of the date of the enactment of this Act" after "employees"; and

(B) by striking the period at the end and inserting "; and"; and

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

"(B) conduct and complete an evaluation of all workload assessments for Farm Service Agency county offices that were open and operational as of January 1, 2012, during the period that begins on a date that is not later than 180 days after the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2013 and ends on the date that is 18 months after such date of enactment.".

(c) NOTICE REQUIRED.—Section 14212(b)(2) of such Act (7 U.S.C. 6932a(b)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking "After the period referred to in subsection (a)(1), the Secretary of Agriculture may not close a county or field office of the Farm Service Agency unless—" and inserting "After carrying out each of the activities required under paragraph (1), the Secretary of Agriculture shall, before closing a county or field office of the Farm Service Agency—";

(2) in subparagraph (A), by striking "the Secretary holds" and inserting "hold"; and

(3) in subparagraph (B), by striking "the Secretary notifies" and inserting "notify".

(d) CONFORMING AMENDMENT.—Section 14212(b)(1) of such Act (7 U.S.C. 6932a(b)(1)) is amended by striking "After the period referred to in subsection (a)(1), the Secretary" and inserting "The Secretary".

SEC. 12310. ACER ACCESS AND DEVELOPMENT PROGRAM.

(a) GRANTS AUTHORIZED.—The Secretary of Agriculture may make competitive grants to States, tribal governments, and research institutions to support the efforts of such States, tribal governments, and research institutions to promote the domestic maple syrup industry through the following activities:

(1) Promotion of research and education related to maple syrup production.

(2) Promotion of natural resource sustainability in the maple syrup industry.

(3) Market promotion for maple syrup and maple-sap products.

(4) Encouragement of owners and operators of privately-held land containing species of trees in the genus Acer—

(A) to initiate or expand maple-sugaring activities on the land; or

(B) to voluntarily make the land available, including by lease or other means, for access by the public for maple-sugaring activities.

(b) APPLICATION.—In submitting an application for a competitive grant under this section, a State, tribal government, or research institution shall include—

(1) a description of the activities to be supported using the grant funds;

(2) a description of the benefits that the State, tribal government, or research institution intends to achieve as a result of engaging in such activities; and

(3) an estimate of the increase in maple-sugaring activities or maple syrup production that the State, tribal government, or research institution anticipates will occur as a result of engaging in such activities.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed so as to preempt a State or tribal government law, including a State or tribal government liability law.

(d) DEFINITION OF MAPLE-SUGARING.—In this section, the term "maple-sugaring" means the collection of sap from any species of tree in the genus Acer for the purpose of boiling to produce food.

(e) REGULATIONS.—The Secretary of Agriculture shall promulgate such regulations as are necessary to carry out this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2014 through 2018.

SEC. 12311. REGULATORY REVIEW BY THE SECRETARY OF AGRICULTURE.

(a) REVIEW OF REGULATORY AGENDA.—The Secretary of Agriculture shall review publications that may give notice that the Environmental Protection Agency is preparing or plans to prepare any guidance, policy, memorandum, regulation, or statement of general applicability and future effect that may have a significant impact on a substantial number of agricultural entities, including—

(1) any regulatory agenda of the Environmental Protection Agency published pursuant to section 602 of title 5, United States Code;

(2) any regulatory plan or agenda published by the Environmental Protection Agency or the Office of Management and Budget pursuant to an Executive order, including Executive Order 12866; and

(3) any other publication issued by the Environmental Protection Agency or the Office of Management and Budget that may reasonably be foreseen to contain notice of plans by the Environmental Protection Agency to prepare any guidance, policy, memorandum, regulation, or statement of general applicability and future effect that may have a significant impact on a substantial number of agricultural entities.

(b) INFORMATION GATHERING.—For a publication item reviewed under subsection (a) that the Secretary determines may have a significant impact on a substantial number of agricultural entities, the Secretary shall—

(1) solicit from the Administrator of the Environmental Protection Agency any information the Administrator may provide to facilitate a review of the publication item;

(2) utilize the Chief Economist of the Department of Agriculture to produce an economic impact statement for the publication item that contains a detailed estimate of potential costs to agricultural entities;

(3) identify individuals representative of potentially affected agricultural entities for the purpose of obtaining advice and recommendations from such individuals about the potential impacts of the publication item; and

(4) convene a review panel for analysis of the publication item that includes the Secretary, any full-time Federal employee of the Department of Agriculture appointed to the panel by the Secretary, and any employee of the Environmental Protection Agency or the Office of Information and Regulatory Affairs within the Office of Management and Budget that accepts an invitation from the Secretary to participate in the panel.

(c) DUTIES OF THE REVIEW PANEL.—A review panel convened for a publication item under subsection (b)(4) shall—

(1) review any information or material obtained by the Secretary and prepared in connection with the publication item, including any draft proposed guidance, policy, memorandum, regulation, or statement of general applicability and future effect;

(2) collect advice and recommendations from agricultural entity representatives identified by the Administrator after consultation with the Secretary;

(3) compile and analyze such advice and recommendations; and

(4) make recommendations to the Secretary based on the information gathered by the review panel or provided by agricultural entity representatives.

(d) COMMENTS.—

(1) IN GENERAL.—Not later than 60 days after the date the Secretary convenes a review panel pursuant to subsection (b)(4), the Secretary shall submit to the Administrator comments on the planned or proposed guidance, policy, memorandum, regulation, or statement of general applicability and future effect for consideration and inclusion in any related administrative record, including—

(A) a report by the Secretary on the concerns of agricultural entities;

(B) the findings of the review panel;

(C) the findings of the Secretary, including any adopted findings of the review panel; and

(D) recommendations of the Secretary.

(2) PUBLICATION.—The Secretary shall publish the comments in the Federal Register and make the comments available to the public on the public Internet website of the Department of Agriculture.

(e) WAIVERS.—The Secretary may waive initiation of the review panel under subsection (b)(4) as the Secretary determines appropriate.

(f) DEFINITION OF AGRICULTURAL ENTITY.—In this section, the term "agricultural entity" means any entity involved in or related to agricultural enterprise, including enterprises that are engaged in the business of production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural related industries.

SEC. 12312. AGRICULTURAL COMMODITY DEFINITION.

Section 513(1) of the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C. 7412(1)), as amended by section 10004(g), is amended—

(1) by redesignating subparagraphs (E), (F), and (G) (as added or redesignated by such section 10004(g), as the case may be) as subparagraphs (F), (G), and (H), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E) the products of natural stone;".

SEC. 12313. PROHIBITION ON ATTENDING AN ANIMAL FIGHTING VENTURE OR CAUSING A MINOR TO ATTEND AN ANIMAL FIGHTING VENTURE.

Section 26(a)(1) of the Animal Welfare Act (7 U.S.C. 2156(a)(1)) is amended by striking the period and inserting "or to knowingly attend or knowingly cause a minor to attend an animal fighting venture.".

SEC. 12314. PROHIBITION AGAINST INTERFERENCE BY STATE AND LOCAL GOVERNMENTS WITH PRODUCTION OR MANUFACTURE OF ITEMS IN OTHER STATES.

(a) IN GENERAL.—Consistent with Article I, section 8, clause 3 of the Constitution of the United States, the government of a State or locality therein shall not impose a standard or condition on the production or manufacture of any agricultural product sold or offered for sale in interstate commerce if—

(1) such production or manufacture occurs in another State; and

(2) the standard or condition is in addition to the standards and conditions applicable to such production or manufacture pursuant to—

(A) Federal law; and

(B) the laws of the State and locality in which such production or manufacture occurs.

(b) AGRICULTURAL PRODUCT DEFINED.—In this section, the term "agricultural product" has the meaning given such term in section 207 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1626).

SEC. 12315. INCREASED PROTECTION FOR AGRICULTURAL INTERESTS IN THE MISSOURI RIVER BASIN.

(a) FINDINGS.—Congress finds the following:

(1) Record runoff occurred in the Missouri River basin during 2011 as a result of historic rainfall over portions of the upper basin coupled with heavy plains and mountain snowpack.

(2) Runoff above Sioux City, Iowa, during the 5-month period of March through July totaled an estimated 48.4 million acre-feet (referred to in this section as "MAF"). This runoff volume was more than 20 percent greater than the design storm for the Missouri River Mainstem Reservoir System (referred to in this section as the "System"), which was based on the 1881 runoff of 40.0 MAF during the same 5-month period.

(3) During the 2011 runoff season, nearly 61 million acre-feet of water entered the Missouri River system, far surpassing the previous record of 49 MAF in runoff that was set during the flood of 1997.

(4) Given the incredible amount of water entering the System, the summer months were spent working to evacuate as much water from the System as possible, ultimately leading to record high water releases from Gavins Point Dam

of 160,000 cubic feet per second, a rate that more than doubled the previous release record of 70,000 cubic feet per second set in 1997.

(5) For nearly four months, those extremely high releases from Gavins Point were maintained, resulting in severe and sustained flooding, with much of western Iowa and eastern Nebraska as well as portions of South Dakota, Kansas, and Missouri inundated by a flooding river three to five feet deep, up to 11 miles wide, and flowing at a rate of 4 to 11 miles per hour.

(6) Thousands of homes and businesses were damaged or destroyed and hundreds of millions of dollars in damage was done to roads and other public infrastructure.

(7) In addition to the homes, businesses, and infrastructure impacted by the flooding, hundreds of thousands of acres of cropland were affected.

(8) The Department of Agriculture has estimated that 400,000 to 500,000 acres of some of the most productive crop land in the world was flooded in 2011.

(9) Local Farm Services Agency representatives have estimated that $82,100,000 was lost in 2011 alone due to damaged or lost crops and unplanted acres.

(10) Not only did the flooding eliminate the 2011 crop, but it is highly unlikely that many farmers will be able to put that land back into production at any point in the near future.

(11) Producers will have to contend with large piles of sand, silt, and other debris that have been deposited in their fields, meaning the impact of the 2011 flood will be felt in the agricultural communities up and down the Missouri River for many years to come.

(12) Currently, the amount of storage capacity in the System that is set aside for flood control is based upon the vacated space required to control the 1881 flood, because prior to the 2011 flood, the 1881 flood was seen as the "high water mark".

(13) Given the historic flooding that took place in 2011, it is clear that that year's flooding now represents a new "high water mark", surpassing the flooding of even the 1881 flood.

(14) It is important that the flood control related functions of the System management be adjusted to reflect the reality of the 2011 flood as the new "worst case scenario" for flooding along the Missouri River.

(15) System management may begin to be adjusted to account for the 2011 flood through a recalculation of the amount of storage space within the System that is allocated to flood control, using the model not of the 1881 flood, but of the greatest flood experienced—the flood of 2011.

(16) As a result of the flooding in 2011, many States received disaster declarations from the Department of Agriculture to help farmers and producers recover from the damage done by the high water.

(17) Though helpful, even the assistance provided by the Department of Agriculture will not provide many in the agriculture community with the resources to put their land back into production any time soon.

(18) Without the protection that will come from a fundamental change in the System's flood control storage allocations, farmers, producers, and other agricultural interests who may be in a position to restart their operations will find it difficult to justify doing so, given the fact that they will not be protected from similar flooding in the future.

(b) UPDATED MANAGEMENT OF THE MISSOURI RIVER TO PROTECT AGRICULTURAL INTERESTS.—In order to strengthen the agricultural economy, revitalize the rural communities, and conserve the natural resources of the Missouri River basin, the Congress directs that the Secretary of Agriculture take action to promote immediate increased flood protection to farmers, producers, and other agricultural interests in the Missouri River basin by working within its jurisdiction to support efforts—

(1) to recalculate the amount of space within the System that is allocated to flood control storage using the 2011 flood as the model; and

(2) to increase the Missouri River's channel capacity between the reservoirs and below Gavins Point.

SEC. 12316. INCREASED PROTECTION FOR AGRICULTURAL INTERESTS IN THE BLACK DIRT REGION.

In order to strengthen the agricultural economy, revitalize the rural communities, and conserve the natural resources of the Black Dirt region, the Congress directs that the Secretary of Agriculture take action to promote immediate increased flood protection to farmers, producers, and other agricultural interests around the Wallkill River and in the Black Dirt region.

BRIEF EXPLANATION

Title I—Commodities

• Repeals the Direct Payment program beginning with the 2014 crop year.

• Repeals the Average Crop Revenue Election (ACRE) program beginning with the 2014 crop year.

• Repeals the Counter-Cyclical Payment (CCP) program beginning with the 2014 crop year.

• Provides producers with a one-time choice between participating in Price Loss Coverage (PLC) or Revenue Loss Coverage (RLC). The choice is made on a farm-by-farm and crop-by-crop basis. Both options utilize the reference prices given below.

REFERENCE PRICES

Reference price	Units	Current law	H.R. 1947 as amended
Wheat	Bu	4.17	5.50
Rice	Cwt	10.50	14.00
Corn	Bu	2.63	3.70
Oats	Bu	1.79	2.40
Barley [1]	Bu	2.63	4.95
Sorghum	Bu	2.63	3.95
Cotton	Lb	0.7125	n/a
Peanuts	Ton	495	535
Soybeans	Bu	6.00	8.40
Other Oilseeds	Cwt	12.68	20.15
Dry Peas	Cwt	8.32	11.00
Lentils	Cwt	12.81	19.97
Small Chickpeas	Cwt	10.36	19.04
Large Chickpeas	Cwt	12.81	21.54

• USDA is directed to use the all-barley price for making Price Loss Coverage and Revenue Loss Coverage payments for barley.

• Cotton is ineligible for PLC and RLC and instead is offered an area-based crop insurance product to resolve the World Trade Organization (WTO) dispute with Brazil.

• Reauthorizes nonrecourse loans for loan commodities for the 2014 to 2018 crops years at loan rates established in current law. Adjustments are made to the cotton marketing loan rate to resolve the WTO dispute with Brazil.

• Eliminates the separate farm and non-farm adjusted gross income limits. Individuals with a 3-year average adjusted gross income greater than $950,000 are ineligible for commodity and conservation program benefits.

• Individuals and entities may only receive up to a combined total of $125,000 from both PLC and RLC payments.

• Reauthorizes the sugar policy established in current law.

• Reauthorizes and improves the Livestock Indemnity Program, the Livestock Forage Disaster Program, Emergency Assistance for

Livestock, Honey Bees and Farm-Raised Fish, and the Tree Assistance Program.

• Establishes a voluntary risk management safety net for producers; the Dairy Producer Margin Protection and Dairy Market Stabilization Programs.

• Dairy producers have the option to sign up for basic margin protection, developed to aid in better risk management practices when milk prices and feed prices converge.

• Producers signing up for the margin protection program would be subject to the Dairy Market Stabilization Program.

• Among the risk management tools authorized are a new program that will provide a basic level of protection for up to 80 percent of production history when margins fall below $4.00 for a consecutive two month period.

• Repeals Dairy Product Price Support Program, the Milk Income Loss Contract Program, the Dairy Export Incentive Program, and the Federal Milk Marketing Order Review Commission.

• Extends Dairy Forward Pricing Program, Dairy Indemnity Program, and Dairy Promotion and Research Program.

Title II—Conservation

• Provides farmers, ranchers, foresters and landowners with voluntary, incentive-based financial and technical assistance for conservation practices.

• Consolidates 23 programs into 13, while increasing flexibility and program efficiency.

• Amends the Conservation Reserve Program to improve and focus acres on the most environmentally sensitive lands. Enrollment is incrementally scaled back to 24 million acres by 2017. Flexibility for haying and grazing is included, in addition to two million acres reserved for grassland contracts. While transitioning acres, expiring contracts are given priority consideration for working lands and grasslands contracts and Conservation Stewardship Program contracts. The Transition Incentives Program (TIP) will continue.

• The Conservation Stewardship Program allows for producers to adopt new conservation practices while maintaining and protecting existing improvements made on natural resources. Enrollment is 8.695 million acres per year.

• Reauthorizes and amends the Environmental Quality Incentives Program to include functions of the past Wildlife Habitat Incentives Program (WHIP), providing similar wildlife incentives. Also, EQIP provides cost share incentives to producers to meet or avoid the need for national, state, or local regulation. The Conservation Innovation Grant (CIG) subprogram will continue.

• Reauthorizes the Voluntary Public Access and Habitat Incentive Program.

• Establishes the Regional Conservation Partnership Program (RCPP) by the consolidation of four programs, including all of their major functions in order to leverage program dollars to increase effectiveness. RCPP allows for USDA and outside partners to work directly with producers to address natural resource concerns. This is a competitive program that USDA will select based on the merit of the targeted regions application. The Secretary may designate

Critical Conservation Areas that are under significant regulatory pressure.

• Creates the Agricultural Conservation Easement Program (ACEP) in order to consolidate all easement programs to increase flexibility for the administration. ACEP allows for different lands to be enrolled into working grassland or farmland aspect or the wetland easement portion to enhance water quality and wildlife habitat.

Title III—Trade

• Amends The Food for Peace Act to emphasize building resiliency through development programs.

• Reduces the maximum allowable cash assistance for administrative costs in food aid from 13 percent to 11 percent.

• Directs USDA and USAID to consult on improving food aid quality and to work in together to deploy new formulations, and reauthorizes $1 million from the Food for Peace Act for these purposes.

• Updates reporting requirements and extends funding for monitoring and enforcement of programs.

• Amends The Food for Peace Act by reducing the authorization for appropriations from $2.5 to $2 billion per year and sets a minimum level of development programming at $400 million per year. Directs USDA and USAID to collect information on the benefits of monetization in local economies.

• Amends The Food for Peace Act by increasing funding for prepositioning from $10 to $15 million per year. Reauthorizes $8 million for shelf-stable, prepackaged foods, and extends authorization for the micronutrient fortification program.

• Reauthorizes the Market Access Program to provide assistance on a cost-share basis, targeting small businesses, farmer cooperatives, and non-profit trade organizations.

• Extends the Foreign Market Development, Emerging Markets, and the GSM–102 programs through 2018.

• Reauthorizes the John Ogonowski and Doug Bereuter Farmer-to-Farmer program and increases the minimum level of funding from $10 to $15 million per year to provide technical assistance for agricultural improvements in developing countries.

• Extends the Food for Progress Act through 2018 with repeal of completed project in Malawi.

• Extends Technical Assistance for Specialty Crops (TASC) through 2018 and clarifies that technical barriers to trade can be addressed through the program.

• To assist in the conservation of genetic diversity in food crops through the collection and storage of the germplasm of food crops the Global Crop Diversity Trust is extended through 2018 at a contribution level of $50 million.

• Allows for the establishment of an Under Secretary of Agriculture for Foreign Agricultural Services, appointed by the President with the advice and consent of the Senate, to address trade challenges and export opportunities for agriculture.

Title IV—Nutrition

• Reforms the Supplemental Nutrition Assistance Program (SNAP), saving more than $20 billion over 10 years.

• Reinstitutes the asset and income test in SNAP law by limiting categorical program eligibility to only those households receiving cash assistance from other low-income programs.

• Closes a loophole related to Low Income Home Energy Assistance Program (LIHEAP) payments that increases SNAP benefits.

• Eliminates state performance bonuses.

• Prevents USDA and states from advertising or promoting SNAP.

• Cracks down on waste, fraud and abuse by ending SNAP benefits for lottery winners and traditional college students, demanding outcomes from the SNAP Employment and Training program, and increasing oversight of SNAP programs for the homeless, elderly, and disabled.

• Funds a pilot work training program to reduce government dependency and increase work effort.

• Provides the Secretary with more resources to prevent trafficking of SNAP benefits and provides for a pilot program to authorize states to increase retail fraud investigations.

• Requires states to use an electronic immigration status verification system to verify an applicant's immigration status.

• Improves the quality of SNAP-approved retail stores.

• Increases assistance for food banks by providing an additional $20 million per year for The Emergency Food Assistance Program (TEFAP).

• Increases support for Community Food Projects and designates funding for projects that provide incentives for low-income individuals to purchase more fruits and vegetables.

Title V—Credit

• Amends Farm Ownership Loans by including "other legal entities" to the list of eligible borrowers, and provides clarification to Secretary for individuals meeting the 3-year farming or ranching experience requirement.

• Amends Conservation Loan and Loan Guarantee Program by raising Loan Guarantee amount from 75 to 90 percent.

• Amends Maximum Loan Value for Down Payment Loan Program from 45 percent of $500,000 to 45 percent of $667,000.

• Repeals mineral rights appraisals requirement for real estate loans.

• Amends Personal Liability for Youth Loans, on a case by case basis, to enable youth to obtain student loans and grants for higher education.

• Amends Emergency Loans by adding "or other such legal entities as the Secretary deems appropriate" to the list of approved borrowers.

• Extends the Beginning Farmer and Rancher Individual Development Accounts Pilot Program through 2018.

• Amends Direct Farm Operating Loans to grant FSA authority to provide young, beginning, veteran and urban farmers and ranchers smaller microloans up to $35,000.

• Amends Priority for Joint Financing Participation Loans and Down Payment Loans within Direct Farm Ownership Loans maximizing number of borrowers served for a given level of appropriations.

• Amends median farm size limitation by replacing "median" with "average" allowing more otherwise qualified applicants to receive beginning farmer ownership loans.

• Extends Secretary's ability to make loans under each subtitle through 2018.

• Extends Loan Fund Set-Asides through 2018.

• Repeals "rural residents" requirement allowing all youth the opportunity to receive a Youth Operating Loan.

• Extends the State Agricultural Mediation Programs through 2018, allowing agriculture and USDA-related disputes to be resolved.

• Amends Loans to Purchasers of Highly Fractionated Land to meet the needs of Indian tribes and tribal members.

Title VI—Rural Development

• Thirteen programs are eliminated and funding levels are reduced by more than $1.5 billion over 5 years, a 50% reduction in authorizations. In addition, $100 million in mandatory money is not reauthorized.

• Requires the Secretary to track the success of investments through grants and loans in order to improve rural development programs. Also requires the Secretary to develop simplified application forms to reduce administrative burdens and to make programs more accessible to small, rural communities.

• Reauthorizes programs to assist rural communities in addressing critical water and wastewater needs through loans and grants for municipal and household wells. Provides opportunities to enhance the public-private partnerships to support Rural Water and Waste Disposal Infrastructure in rural communities.

• Reauthorizes the Business & Industry Loan Guarantee Program with additional changes that allow for small rural lenders to more easily participate in local communities by improving existing credit structure through the guarantee of quality loans that provide community benefits. Funding set aside for locally and regionally produced food is capped at 7% of the program.

• Reauthorizes the Intermediary Relending Program and the Rural Microentrepreneur Assistance Program in order to assist small businesses to start or expand their operations.

• Reauthorizes Value-Added Producer Grants with $50 million in mandatory funding. These grants benefit producers and cooperatives that process agricultural commodities to capture increased margins directly by the agricultural producer.

• Reauthorizes the Broadband Loan Program with additional provisions to increase transparency and to ensure investments focus on areas without broadband service.

• Emphasis is placed on projects which serve both businesses and homes to maximize the economic impact of entire rural areas.

• Reauthorizes Community Facilities programs to assist communities in developing essential health, safety, and educational assets, including technical assistance.

• Reauthorizes the Delta and Great Plains Regional Authorities, and the Rural Business Opportunities Grants Program to assist communities and regions in the planning and execution of economic development activities.

• Amends the Rural Electrification Act to authorize loans and grants to promote energy efficiency. Amends fees for certain loan guarantees.

• Requires the Secretary to create a coordinated strategy for investments in rural community and technical colleges.

Title VII—Research, Extension, and Related Matters

• Intramural research programs are reauthorized to be carried out through the Agricultural Research Service, Economic Research Service, National Agricultural Statistics Service and the Forest Service.

• Authority for extramural research grants and formula funds programs administered by the National Institute of Food and Agriculture are extended.

• University research for agricultural activities is reauthorized for 1862, 1890 and 1994 Land Grant Colleges and Universities.

• Competitive grants for Non-Land Grant Colleges of Agriculture (NLGCA) institutions are reauthorized in order to maintain and expand research and outreach in regards to agriculture, renewable resources and production practices.

• The National Agricultural Research, Extension, Education and Economics Advisory Board is reauthorized while enhancing the involvement of other agricultural industry interest in the consultation of agricultural priorities.

• Agriculture and Food Research Initiative continue critical agriculture research by providing competitive grants through integrated research and extension activities.

• Enhances accountability, transparency and consistency of USDA administered research, extension and education funding by mandating that the annual Presidential Budget Submission include sufficient information for the Congress to thoroughly evaluate and approve future spending plans. With regard to extramural competitive grant programs, USDA will be barred from obligating appropriated funds unless a comprehensive spending plan is submitted with the President's budget and approved by Congress.

• The Veterinary Services Grant Program is authorized in order to address the shortage of veterinarians. This requires an entity to develop programs to relieve shortages, support private practices, and support those practices that successfully complete a specific service requirement.

• Reauthorizes programs such as the Specialty Crop Research Initiative and provides $600 million in mandatory funding over 10 years, the Organic Research and Extension Initiative and provides $100 million in mandatory funding over 5 years, and the Beginning Farmer and Rancher Development Program and provides $100 million in mandatory funding over 5 years.

Title VIII—Forestry

• The forestry title promotes the health and active management of America's national, state, and private forests.

• Conservation programs such as the Forest Legacy Program and the Community Open Space Program, and Healthy Forest Reserve Programs are reauthorized.

• Contains authority for the Forest Service to accelerate its treatment of national forests affected by pine bark beetle infestation and natural disasters. This authority streamlines the approval process for the Forest Service in selecting afflicted areas that need treatment within our national forests.

• To assist rural economies, the title reauthorizes the Office of International Forestry, which is designed to help facilitate the development of foreign markets for domestically produced wood products and the Rural Revitalization Technologies program in order to provide grants and technical assistance to forested rural communities.

• Promotes forest health by extending the Forest Stewardship Contracting program for an additional five years, allowing the Forest Service to engage in needed restoration work on our national forests.

• Requires to the Secretary to report to the Committee on the effectiveness of the Forest Service in providing timber to sawmills. Another report requires the Secretary to report on the condition the road system within the National Forest System.

• Extends the ability to use Stewardship Contracting authority on other landscaping projects by allowing the agency to prescribe conditions it seeks to achieve and gives additional flexibility for land management

• Clarifies USDA's authority to reimburse states for firefighting expenses after a catastrophic wildfire

Title IX—Energy

• Reauthorizes with discretionary funding for programs that promote the development of advanced biofuels and renewable energy.

• Creates a tiered application process for farmers and rural businesses applying for smaller grants under the Rural Energy for America Program (REAP).

• Clarifies Congressional intent of REAP by eliminating eligibility for funding ethanol blender pumps.

• Prioritizes funding of the Biomass Crop Assistance Program (BCAP) for the establishment of dedicated energy crops by eliminating the collection, harvest, storage, and transportation (CHST) payments.

• Ensures certain domestic forest products with mature markets are eligible under federal procurement guidelines for renewable products under the Biobased Markets Program.

• Provides competitive grants to non-profit entities to provide information and outreach on the benefits of biodiesel fuel use.

• Repeals programs that have outlived their usefulness or have never been fully implemented.

Title X—Horticulture

• Increases funding by $250,000,000 for the Specialty Crop Block Grant Program, with funding provided for multi-state projects.

• Provides $150,000,000 for the Farmers Market and Local Food Promotion Program to improve and expand direct producer-to-consumer market opportunities including the development of local food system infrastructure.

• Combats pest and disease by consolidating two very effective programs, the Plant Pest and Disease Management and Disaster Prevention Program and the National Clean Plant Network. Increases funding for this combined program by $200,000,000.

• Provides regulatory relief by eliminating a costly and duplicative permitting requirement for pesticide applications.

• Imposes a temporary stay on the EPA from acting on pesticide registrations based on Biological Opinions from the Services not withstanding a peer review.

Title XI—Crop Insurance

• Requires the Farm Service Agency (FSA) to provide an authorized agent or an approved insurance provider (AIP) information that may assist in insuring the producer.

• Requires Risk Management Agency (RMA) to publish violations of the prohibition on rebates to serve as guidance to AIPs, agents and producers.

• Establishes a supplemental coverage option (SCO) to provide producers the option of purchasing area coverage by itself or in addition to individual coverage. Producers may also purchase margin coverage and do so in addition to individual and area coverage.

• Continues reduced premiums on enterprise unit policies.

• Requires enterprise units to be made available by practice.

• Requires the use of data collected by the RMA, National Agricultural Statistics Service (NASS), or both, to determine yields. Where sufficient county data is not available, authorizes the Secretary to use data from other sources.

• Adjusts the actual production history used to determine insurable yields.

• Requires the Federal Crop Insurance Corporation (FCIC) to review policies developed under research and development contracting authority, or pilot programs, and submit to the FCIC Board for review policies that will likely result in viable and marketable policies, provide crop insurance in a significantly improved form, and adequately protect the interests of producers.

• Provides equitable relief on specialty crop policies that were disproportionately adversely impacted by the Standard Reinsurance Agreement (SRA) but clarifies that Congress does not provide statutory assent to SRA provisions.

• Requires the FCIC Board to ensure that SRA renegotiations maintain budget neutrality to the maximum extent practicable, and use any savings that may be realized for specific crop insurance purposes.

• Limits availability on crop insurance to protect native sod.

• Allows producers to elect different coverage levels by practice.

• Provides beginning farmers and ranchers with additional premium assistance, enhanced T-yields, and the ability to use previous producer's APH or an assigned yield.
• Requires a stacked income protection plan to be made available to upland cotton producers.
• Requires a revenue crop insurance policy for peanut producers to be made available.
• Authorizes AIPs and agents to correct unintentional errors to ensure accuracy of all insurance information.
• Requires the Secretary to maintain and upgrade information management systems and to implement an acreage report streamlining initiative.
• Provides for research and development contracting authority. Makes specialty crops, sweet sorghum, biomass sorghum, rice, peanuts, alfalfa, and sugarcane research and development priorities.

Title XII—Miscellaneous

• Reauthorizes National Sheep Industry Improvement Center.
• Repeals Certain Regulations Under the Packers and Stockyard Act, 1921.
• Reauthorizes Trichinae Certification Program.
• Reauthorizes National Aquatic Animal Health Plan.
• Requires Analysis of Proposed Country of Origin Labeling Proposed Rule.
• Authorizes National Animal Health Laboratory Network.
• Repeals Catfish Inspection Program.
• Directs Secretary with Regard to National Poultry Improvement Plan.
• Amends Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers to include veteran farmers or ranchers, and defines the term "veteran farmer or rancher" as a farmer or rancher who served in the active military, naval, or air service, and who was discharged or released from the service under conditions other than dishonorable. The provision provides $50 million in mandatory funding for outreach and assistance.
• Reauthorizes Office of Advocacy and Outreach.
• Establishes a Socially Disadvantaged Farmers and Ranchers Policy Research Center.
• Authorizes Grants to Improve Supply, Stability, Safety, and Training of Agricultural Labor Force.
• Reauthorizes Program Benefit Eligibility Status for Participants in High Plains Water Study.
• Requires an Office of Tribal Relations.
• Authorizes Military Veterans Agricultural Liaison.
• Amends the noninsured crop assistance program (NAP) to allow for the purchase of additional NAP coverage with respect to crops for which no coverage is available under Federal Crop Insurance.
• Requires Evaluation for Purposes of Prohibition on Closure or Relocation of County Offices for the Farm Service Agency.
• Authorizes Acer Access and Development Program.
• Prohibits Attending an Animal Fight or Causing a Minor to Attend an Animal Fight.

• Prohibits Interference by State and Local Governments with Production or Manufacture of Items in Other States.

• Increases Protection for Agricultural Interests in the Missouri River Basin.

• Increases Protection for Agricultural Interests in the Black Dirt Region.

PURPOSE AND NEED

The Federal Agriculture Reform and Risk Management Act (FARRM) is the product of nearly three years of deliberations, including 46 House hearings and audits, a joint deficit reduction proposal developed between leaders of the House and Senate Committees on Agriculture, and, ultimately, Committee consideration and passage on an overwhelming and bipartisan basis. As measured by the length of the Committee's consideration and by the depth of its evaluation, having fully examined the purpose and effectiveness of each and every authority under the jurisdiction of the Committee, FARRM is the product of extensive analysis and research.

Once enacted into law, the Congressional Budget Office (CBO) estimates that FARRM will yield taxpayers nearly $40 billion in deficit reduction. FARRM proposes to achieve these substantial budget savings through significant reform. FARRM repeals or consolidates more than 100 programs, saves $20.5 billion from SNAP by curbing abuse, eliminates Direct Payments and reforms commodity policy at a savings of more than $14 billion, saves another $6.9 billion by consolidating 23 conservation programs into 13, and brings about long overdue regulatory relief for farmers and ranchers. The Committee believes that if all committees of Congress and all functions of government underwent the review, reform, and reductions that this Committee has imposed upon policies under its jurisdiction, the United States would be well on its way to a smaller government and a balanced budget.

Title I—Commodities

For its share, Title I sustains a 36.1 percent reduction. These savings are accomplished through a complete reform of U.S. farm policy, repealing all of current policy under Title I relative to row crops, except for the marketing loan which is maintained with an adjustment to the cotton loan in order to address a World Trade Organization (WTO) dispute. In lieu of current policy, producers are given a choice between two less expensive risk management options under Title I as well as some additional tools to manage risk that producers may purchase under Federal Crop Insurance.

Upon FARRM's passage, Title I and Federal Crop Insurance will have been cut by more than $30 billion over the past seven years. This reduction in funding stands in contrast to the rising costs of other functions of the U.S. government. Additionally, foreign subsidies and tariffs are trending sharply upward according to two independent reports issued during the Committee's development of FARRM, which serve as prescient reminders of both the appropriateness of and need for U.S. farm policy.

The resilience and strength of the U.S. farm sector over much of the past decade, its contribution to two economic recoveries and

millions of on and off-farm jobs, and its positive contribution to the nation's balance of trade have been acknowledged by both proponents and opponents of U.S. farm policy, but for purposes of advancing very different objectives. Relatively strong crop prices and production experienced over the past ten years have been viewed by opponents as obviating the need for much or even all of farm policy, while proponents have pointed to the current policy's evident success in creating a positive business environment at low cost to the taxpayer—only a small fraction of 1 percent of the Federal budget. Ultimately, Mother Nature weighed in on the dispute in 2012, imposing a widespread and severe drought that still grips much of the country. This serves as a reminder of the unique risks farmers and ranchers face that necessitate effective U.S. farm policy.

Robust prices for at least some crops, in part brought on by the drought, will undoubtedly serve as a straw man for those who might still contend that the significant savings and reforms achieved by FARRM are insufficient, that the deficit and growing national debt demand even more. Those without the benefit of history may find this argument compelling. However, the nation's experience with the past three farm bills leads to a different conclusion. While the 1996 farm bill was predicated on forecasts of high prices that ultimately plunged, resulting in billions of dollars in additional costs, the 2002 and 2008 farm bills were predicated on, or at least designed to deal with, dramatic price declines that ultimately never materialized, yielding substantially lower costs to taxpayers. Prudent policy and honest budgeting, informed by these experiences, directed the Committee to couple the fiscal successes of the previous two farm bills with the market-orientation and regulatory relief of the 1996 law in order to accomplish significant savings and reform.

It is in the context of these overarching objectives that the Committee took into consideration the substantive policy priorities of all those impacted by a farm bill, including the nation's farmers and ranchers. Relative to the farm safety net, despite what seemed at times to be a cacophony of views, several key themes constantly emerged.

The first and most widely shared theme is that Congress should do no harm to Federal Crop Insurance. The cuts made in the 2008 farm bill, the cuts made unilaterally by the Administration just two years later in its renegotiation of the Standard Reinsurance Agreement (SRA), and dramatic policy changes elsewhere in the administration of crop insurance, raised the alarm that 32 years of progress in making crop insurance the cornerstone of U.S. farm policy it is today could be jeopardized. One of the most significant challenges the Committee faced was honoring producer priority to protect crop insurance while also satisfying the wishes of some producers who wanted a revenue-based program offered under Title I, goals which are, to some extent, at cross purposes due to interaction.

The second and third themes—producer choice and price protection respectively—are also widely held, though there are earnest differences as to approach. From hearings held in all regions of the country, it was evident that producers were uncomfortable with

Washington creating a one-size-fits-all approach to Title I. It would be a mistake, however, to interpret the concern on the part of these producers as being interested in a choice simply for the sake of being allowed to make one. Even among producer groups and producers who expressed a common preference for revenue-based support under the commodity title, differences were sufficient to produce two alternate options that farmers could choose from under the Senate farm bill.

However, it is price protection that is at the heart of producers' interest in choice. For producers of some crops, limited variances in yield from year to year greatly diminished the value of a farm policy based on revenue because their peril was not revenue but rather price. Although frequently mischaracterized as a regional divide separating northern and southern producers and crops, omission of a price-based alternative to revenue-based programs would disenfranchise producers of every crop from every region who contended that the farm bill's primary purpose is to address long-term price declines.

In regard to cotton policy, the Committee weighed the options carefully in light of ongoing efforts to resolve the WTO dispute with Brazil. As the report to the 2008 farm bill chronicles, very substantial changes have been made to U.S. cotton policy to address the WTO complaint, including in the 2006 budget reconciliation and the 2008 farm bill. These reforms to U.S. cotton policy have occurred alongside major changes in cotton prices, reductions in U.S. cotton acreage and increases in Brazil cotton acreage, as well as increases in Brazilian support for its producers since the time the Brazil cotton case was initiated. The fundamental change in U.S. cotton policy included in the House farm bill eliminates any objectionable remnant of that policy.

In relation to rules of eligibility, as part of overall reform efforts, the Committee reluctantly imposes a lower adjusted gross income (AGI) means test that is uniform to all income sources for the commodity programs in Title I and for Title II conservation programs. AGI rules were sharply lowered four years ago in the 2008 farm bill and changed again just last year as part of the annual appropriations process. However, the Committee does maintain reasonable payment limitations and rules that allow producers to share the risks of farming with family members and do so without confronting new obstacles and added layers of bureaucratic red tape.

Finally, the Committee considered and rejected proposed changes to U.S. sugar policy that would have reverted the policy to 1985. The world sugar market is heavily distorted by foreign subsidies and tariffs. In fact, quite often, the world cost of production actually exceeds the world price. For example, Brazil subsidizes its sugar production to the tune of $2 to $3 billion per year and the government of Mexico owns 1/5th of its sugar industry and subsidizes the rest. This kind of protection and subsidization of foreign sugar is worldwide. U.S. sugar policy is an essential response to this distortion, especially now given a 55 percent drop in U.S. sugar prices. U.S. sugar policy has operated at zero cost to taxpayers for a decade, and U.S. consumers pay lower prices for sugar than counterparts in Mexico and Canada. In fact, the U.S. sugar price is lower than the current world price and is consistently well

below the developed country average and the global average. Meanwhile, buyers of sugar continue to report strong earnings, production, and expansion in the U.S. U.S. sugar policy allows highly efficient U.S. producers to remain competitive on a lopsided global playing field while providing safe, low-cost sugar to consumers.

Supplemental Agricultural Disaster Assistance Programs

The Committee reported bill reauthorizes and improves existing disaster assistance for livestock producers when their livestock die due to severe weather, disease, or other acts of nature. It also continues assistance for natural disasters that destroy forage used for grazing, and impacts honey bees, farm fish, orchard trees, and nursery trees. The Livestock Indemnity Program, the Livestock Forage Disaster Program, Emergency Assistance for Livestock, Honey Bees, and Farm-Raised fish, and the Tree Assistance Program are established and proven programs in the livestock and the orchard and nursery tree sectors.

Rapidly rising input costs, volatile export markets, natural disasters, and other unpredictable factors present production risks to animal agriculture. The drought of 2011 and 2012, which has persisted in 2013, is an example of an unpredictable event with the potential to upset business models and adversely affect producers and consumers. Many crops have access to insurance products that help them manage this production risk. The Committee applauds the efforts of the animal agriculture community to explore such products as evidenced by a number of reports called for in this legislation, including swine catastrophic disease loss, poultry business interruption, and poultry catastrophic disease loss insurance.

Unless and until additional insurance products can be developed and adopted by the livestock sector, these programs will be a vital tool to help manage production risks and protect animal agriculture, and ultimately consumers, from the consequences of natural disasters.

In the case of orchardists and nursery tree growers who produce trees, bushes and vines for commercial purposes, the Tree Assistance Program helps them replant trees, bushes and vines destroyed by natural disasters.

Dairy Margin Protection Program

The failure of existing dairy programs to address the challenges faced by dairy farmers in recent years led the Committee to reconsider the best means for managing price volatility and producer risk in the dairy sector.

Current dairy programs focus on price support. While milk prices were mostly stable when these supports were first enacted, annual fluctuations in farm milk prices are now routine, with milk prices regularly moving between lows and record or near-record highs over the past decade. In 2009, the dairy industry suffered dramatic losses, as dairy prices fell sharply from record highs in 2007–2008 at a time when feed costs were rising substantially above long-run averages.

While milk price is an important factor for the financial success of dairy producers, another significant factor is the cost of dairy

feed, which accounts for about three-quarters of a dairy farm's operating costs or about one-half of total costs.

In light of these considerations, focus has shifted to a safety net that is centered on a "milk margin." The margin is the amount available to pay all other costs once the feed bill is paid and can be calculated by subtracting a national feed cost from the national farm milk price.

The dairy margin protection program is designed to address both catastrophic conditions, which can result in the severe loss of equity for dairy farmers, such as those witnessed in 2009, as well as long periods of low margins, such as those experienced in 2002.

For producers who elect to participate, basic catastrophic coverage will be provided at no cost. According to testimony from Food and Agricultural Policy Research Institute (FAPRI) dairy economist, Dr. Scott Brown, to the House Agriculture Committee's Subcommittee on Livestock, Dairy, and Poultry, "Although base program coverage comes at no cost to producers, the probability of receiving a large payment from the base program is small."

Participating producers who exercise their option to buy supplemental margin protection coverage will be able to access a specific level and amount of risk management protection that is tailored to their farms' risk management needs. By offering a lower premium on supplemental coverage for the first 4 million pounds of production, the Committee has incentivized producers of all sizes to utilize this risk management tool on at least a portion of their production.

Dairy Market Stabilization Program

Voluntary participation in the margin protection program requires producers to be subject to the dairy market stabilization program. According to testimony from the National Milk Producers Federation to the House Agriculture Committee's Subcommittee on Livestock, Dairy, and Poultry, "The purpose of the program is to make what occurs naturally in the marketplace occur sooner and faster and reducing price volatility . . . It also reduces that cost of the margin program resulting in savings compared to current dairy programs . . . The simple fact of the matter is that dairy farmers and the cooperatives they own bear the burden of balancing the supply of milk with processor demand for that milk."

In order to address the concern about the effect a supply management program may have on the U.S. dairy industry growing export potential, the program incorporates a series of qualifiers that would prevent any reduction in domestic supply of milk if the U.S. and world prices misaligned.

According to testimony from FAPRI dairy economist, Dr. Scott Brown, to the House Agriculture Committee's Subcommittee on Livestock, Dairy, and Poultry, when the stabilization program operates, it lasts a very short period of time because of the world price triggers. Dr. Brown's analysis used a stochastic model to draw 500 alternatives for the conditioning variables in determining the dairy baseline, which incorporate historical distributions of the conditioning factors to make certain any historical correlation in these conditioning factors is included. None of the 500 potential outcomes show long-term multi-year operation of the program.

Repeal of Dairy Product Price Support Program

The Dairy Product Price Support Program was created in 1949 as a means to help provide government support for farm-level milk prices through government purchases of dairy products. During most of its lifespan, the program targeted a set milk price, and later established pricing targets for federal purchases of key products, such as cheese, butter, and nonfat milk powder, that would help support that milk price. In the 2008 Farm Bill, the program was altered to support specific product price levels.

Many in the dairy industry have advocated for the repeal of this program for several reasons. First, it supports dairy farmers all around the world, including America's competitors. The current program helps balance world supplies by encouraging the periodic global surplus of milk products to be purchased by U.S. taxpayers. As a result, dairy farmers in other countries, particularly the Oceania region, enjoy as much price protection from the program as our own U.S. farmers.

Secondly, the program has reduced total demand for U.S. dairy products by diverting some of the U.S. milk products into government warehouses, rather than to commercial buyers. It creates a dynamic where it is more difficult for the U.S. to be a consistent supplier of many products, since sometimes the domestic industry has products to export, and at other times, it is easier for the domestic industry to just sell its product to the government.

Thirdly, the program disincentivizes product innovation by creating a government market for products that the marketplace doesn't want. For example, because the government purchases nonfat dry milk, too much of this is produced instead of protein-standardized skim milk powder, as well as specialty milk proteins, such as milk protein concentrates, which are in demand both domestically and internationally.

Also, USDA only buys products of certain size and packaging specifications. Once purchased, nonfat dry milk powder returning back to the market from government storage also presents challenges, dampening the recovery of prices.

Finally, the program seeks to achieve price levels are no longer relevant to farmers, as the price support levels have been considerably less than the cost of production for many years. As demonstrated by the dairy crisis of 2009, this program was not an effective safety net.

Repeal of Milk Income Loss Contract Program

The Milk Income Loss Contract (MILC) program is a price-based safety net, which is ineffective for today's dairy producers.

Since the inception of MILC, large dairy farm operators have expressed concern that the payment limit has negatively affected their income. For larger farm operations, their annual production is well above the limit, and any in excess of that receives no risk protection. Limiting the level of protection to a maximum of 2.985 million pounds of milk a year provides a safety net for less than 30 percent of the total milk produced in the U.S.

Despite the feed cost adjustor that was added in the 2008 farm bill, MILC does not adequately offset high feed costs. If milk prices are at average levels and feed costs are high, farmers can suffer

substantial losses and still not receive any assistance from MILC. The feed cost adjustment program does not go into effect until the standard feed ration reaches $147 per ton, and it also only covers about 30 percent of the feed price increase above this level.

The inadequacy of MILC as a safety net was most evident through most of 2008, when high feed costs overwhelmed average milk prices and put most farmers into a deep hole without the help of any MILC payments.

Repeal of Dairy Export Incentive Program

The Dairy Export Incentive Program (DEIP) has generally been used in concert with the dairy price support program. As such, it has only been made available in a very limited way after the price support program has begun purchasing and storing dairy products.

Instead of expanding world markets for U.S. dairy products which requires a long-term commitment to serving those markets, the U.S. government has only used DEIP either in response to heavy European subsidization of dairy exports or as an alternative to storing products under the price support program. The program generates a baseline cost without providing any consistent, meaningful return to the U.S. dairy sector.

Extension of Dairy Forward Pricing Program

The ability for producers and processors to manage price risk is limited under the Federal Milk Marketing Order system. By extending the dairy forward pricing program, producers and processors will be able to continue to make use of forward contracting to manage price risk, without the practice being found a violation of the requirements of marketing orders. The program is strictly voluntary and will only apply to Classes II, III and IV milk.

Extension of Dairy Indemnity Program

The Dairy Indemnity Program provides payments to dairy producers who have been directed by a public regulatory agency to remove their milk from the commercial market because it has been contaminated by pesticides, toxic substances, and/or chemical residues. Because such events can be devastating to the financial well-being of producers through no fault of their own, the Committee proposes to extend the program's authorization through FY 2018.

Extension of Dairy Promotion and Research Program

The Dairy Production Stabilization Act of 1983 authorized a national producer program for dairy product promotion, research, and education to increase human consumption of milk and dairy products and reduce milk surpluses. Under the program, promotion and research is conducted to strengthen the dairy industry's position in the marketplace and to maintain and expand domestic and foreign markets and uses for fluid milk products and dairy products produced in the United States.

Federal Milk Marketing Order Review

The 2008 farm bill revised the federal milk marketing order amendment procedures in order to streamline and expedite the amendment process. As there continues to be interest in marketing

order reform, stakeholders are encouraged to make use of this administrative process, which allows for petition of the Secretary at any time and a hearing process whereby producers and processors can provide input. The House Agriculture Committee continues to provide oversight of this process and refrain from any substantive legislative changes to the order system until stakeholders have exhausted their administrative remedies.

Title II—Conservation

The conservation title authorizes cost-share and technical assistance for farmers, ranchers, foresters, and landowners through voluntary, incentive-based conservation programs. Through these programs, producers protect and restore water quality and quantity, air quality, wildlife habitat and address regulatory requirements while providing a safe, abundant, and affordable food supply. The conservation programs have grown in size and significance in recent farm bills.

The Food Security Act of 1985 authorized several conservation measures intended to address concerns about the impact of agricultural production on soil erosion and wetland loss. The 1996 Farm Bill took the groundbreaking step of consolidating previously discretionary funded programs into one new program funded with mandatory money from the Commodity Credit Corporation (CCC). The program created, the Environmental Quality Incentives Program (EQIP), is one of the most successful and popular programs among farmers and ranchers.

During consideration of the Farm Security and Rural Investment Act of 2002, budget circumstances allowed for the expansion of conservation programs with the addition of $17.5 billion to the conservation baseline for the life of the 2002 Bill and the out-year baseline as well. The Conservation Security Program was created.

Despite budget pressures, the Food, Conservation, and Energy Act of 2008 increased conservation spending by nearly $4.5 billion during the life of the bill and created new targeted conservation programs such as the Chesapeake Bay Program, the Cooperative Conservation Partnership Initiative (CCPI), and the Conservation Stewardship Program (CSP). However, the Wetland Reserve Program (WRP), the Grassland Reserve Program (GRP), the Small Watershed Rehabilitation Program, and the Voluntary Public Access and Habitat Incentive Program remained without adequate baselines given the demand and interest in these programs.

The Committee recognizes that these programs serve as a foundation for improved conservation efforts. The Committee's priority to assist farmers and ranchers in addressing environmental regulations and conservation needs has not changed. The Committee reported bill maintains the core functions and goals of the conservation title while eliminating or combining 23 duplicative and overlapping programs into 13 programs to allow for streamlined delivery, while also providing over $6 billion in savings below baseline funding.

Conservation Reserve Program (CRP)

The Committee strongly supports the Conservation Reserve Program as one of the main pillars of cost-effective conservation avail-

able to farmers and ranchers. However, through the hearing process, the Committee recognized that market pressures are moving land into production. Maximum enrollment of CRP is incrementally stepped down to 24 million acres allowing enrollment to focus on the most environmentally sensitive lands. Additionally, the Committee reported bill further addresses this issue by directing the Secretary to conduct a onetime early out of land that is not considered environmentally sensitive.

The reported bill directs the Secretary to reserve two million acres under CRP for working grassland contracts to capture land that was previously eligible under GRP. The reported bill further directs USDA to provide landowners with added flexibility to better manage their enrolled acres with managed activities such as haying and grazing or in the cases of drought or other emergencies.

To ensure that environmental benefits are maintained, the reported bill gives expiring CRP acres priority consideration for working grassland contracts and the Conservation Stewardship Program, as well as the ability to enter into contracts under working land programs before the CRP contract expires. Beginning farmers or ranchers will continue to be eligible for greater access to productive land with the continuation of the Transition Incentives Program (TIP).

The Committee is concerned that USDA has not been fully utilizing CRP technical assistance authorities and funding enacted by the 2008 Farm Bill for agency infrastructure, including outreach, training, and other technical services. The Committee expects USDA to better utilize this authority for internal support and to support outreach and partnership with non-governmental organizations and other qualified entities to ensure that producers and landowners are fully aware of their options under the program.

The Committee directs the Secretary of Agriculture to, within one year of enactment, report to Congress on the quality of land currently enrolled in CRP based on the land capability classification system, the erodibility index, other eligible lands criteria, and natural resource benefits. The report should include justification for using the prescribed environmental benefits index threshold for any acres enrolled into the program after enactment. The Secretary shall complete such a report five years thereafter and include the same information on land quality and decisions to enroll types of acres based on the environmental benefits index. If the decision is made to use a different environmental benefits index threshold or methodology for making decisions to enroll program contracts, reasons for the decision should be included in the report.

Additionally the Committee directs the Secretary of Agriculture, within two years of enactment, to complete a comprehensive economic impact study that specifically evaluates the impact the CRP has had on rural communities. The report should include the average county rental rates and rental rates paid for CRP land.

We also encourage the agency to continue to make their staff available to attend meetings of agricultural producers at the local, State and national level to educate and inform producers of the programs available to meet natural resource needs on their operations.

While the Committee agreed to an overall reduction in the maximum acres that could be enrolled in CRP, this should not serve as an indicator of declining or reduced support for CRP. The Committee intends for CRP to be implemented at authorized levels, and for the program to continue as one of USDA's key conservation programs. Because there are widespread concerns that CRP rental rates are below prevailing local market levels, USDA shall update rental rates annually and use incentive payments for continuous CRP practices to make the program competitive with other programs and more economically viable for producers.

Conservation Stewardship Program (CSP)

The Conservation Stewardship Program encourages producers to adopt new conservation measures while maintaining current practices to protect natural resources. The Committee encourages the Secretary to place emphasis on adopting new practices; with new contracts addressing at least one additional priority resource concern and renewing contracts that address at least two priority resource concerns.

The Committee intends for the supplemental payment to encourage producers to adopt new, additional beneficial crop rotations that provide significant conservation benefits. The payments are to be available to producers across the country and should not be limited to a particular crop, cropping system, or region of the country. In the Southeast, peanuts are an example of a crop that responds well to increased rotation lengths, which help peanut producers, conserve water, more effectively control disease, and reduce inputs to control disease and increase productivity. Alfalfa is another important rotation crop in many parts of the country and plays a role in adding value to a producer's operation as well as providing natural resource benefits. The Committee recognizes sorghum's very significant contributions to resource conservation as a water-conserving crop and expects the Secretary to include sorghum in any supplemental payments for resource conserving crop rotations made available under the CSP, in addition to maximizing sorghum's role in achieving the purposes of the Regional Conservation Partnership Program and the Environmental Quality Incentives Program.

The Committee believes conservation programs as implemented by USDA should recognize the use of innovative technology such as enhanced efficiency fertilizers. Enhanced efficiency fertilizers, which reduce nitrate losses to the environment, help protect water quality, and reduce greenhouse gas emissions, include slow- and controlled-release fertilizers (absorbed, coated, occluded or reacted) and stabilized nitrogen fertilizers (nitrification inhibitors and nitrogen stabilizers) and are recognized by NRCS' 590 National Nutrient Standard and by State regulators of fertilizers.

Environmental Quality Incentives Program (EQIP)

The Environmental Quality Incentives Program provides cost share incentives to producers to meet or avoid the need for national, state, or local regulation. Under the Committee reported bill, EQIP will provide additional incentives for wildlife by consolidating the functions of the Wildlife Habitat Incentives Program

(WHIP) and requiring 5% of the program funding to go towards wildlife habitat incentives.

The Committee addresses the concerns heard in hearings and field hearings regarding beginning farmers by maintaining set-asides for beginning farmers or ranchers and socially disadvantaged producers while including a priority for veteran farmers. Producers under these set-asides would also be eligible to have up to 50% of upfront project costs covered in advance. The Committee recognizes the broad responsibilities of the EQIP program and the great work that it does in promoting environmental stewardship among livestock and poultry farmers around the country and maintains that 60% of allocation go towards these producers. Within six months of enactment, the Committee requests from USDA a report on funds spent over the duration of the last Farm Bill and on whether NRCS has met its statutory obligations.

Additionally, the Committee encourages NRCS to evaluate its education program and make sure that it is providing all potential users within each state an opportunity to become educated about the EQIP program and how each farmer can incorporate EQIP into their farm stewardship management plans. The Committee is concerned that not all producers may be fully aware of all of the services, practices, components, and other information needed to participate fully in farm bill conservation programs. The Committee expects that State Natural Resources Conservation Service offices shall post, in a readily accessible and understandable form, the practices available that may be applicable to various livestock species and crops. These postings shall also include the cost-share levels available and the duration of the contract for a particular practice. The Committee also requests a breakdown of livestock and poultry operation practices available by state, and what practices were funded in each state to be included in the report.

We also encourage the agency to continue to make their staff available to attend meetings of agricultural producers at the local, State and national level to educate and inform producers of the programs available to meet natural resource and energy efficiency needs on their operations.

The program maintains the Conservation Innovation Grant (CIG) subprogram to promote new and innovative conservation practices. The reported bill directs the secretary to report to the Committee every two years on project funding and results of projects authorized under CIG. The Committee intends for increased transparency over innovative conservation projects and monitoring that these innovative conservation practices are later incorporated into common conservation practices.

The Committee reported bill does not reauthorize the Air Quality Initiative; however, the Committee intends for EQIP to continue to provide financial assistance to producers operating in nonattainment areas to make air quality improvements, including reducing emissions from mobile or stationary sources, to help them comply with Federal air quality standards and associated requirements or regulations.

Agriculture Conservation Easement Program (ACEP)

The Committee reported bill addresses duplication and funding issues identified with FRPP, WRP, and GRP by consolidating their functions into one easement program for streamlined and flexible administration. ACEP consolidates all easement programs into one umbrella program with two legs: (1) Agriculture Land Easements (ALE) to protect grasslands or farmland from non-agriculture development and (2) Wetlands Easements to restore, maintain, and protect wetlands.

The reported bill establishes that the federal match of ALE will not exceed 50% of the eligible land's fair market value. However, the Committee recognizes that historically the purchase of grasslands easements have occurred with a higher federal match. The reported bill gives the Secretary the authority to pay up to 75% of the fair market value to address the purchase of grassland easements.

The Committee directs the Secretary, at a national level, to reserve 40% of allocations for agriculture land easements until 2017 and 50% in 2018. The Committee intends that states will have the flexibility to allocate funding as appropriate to address the eligible lands in their region.

The Committee recognizes the Department's commitment to administering conservation programs efficiently, and looks forward to working with the Natural Resources Conservation Service (NRCS) to implement the reforms included in this legislation. Specifically, the Committee urges the Department to encourage innovative practices at the state level relating to impervious surface requirements within the Agriculture Lands Easement programs. Currently, NRCS upholds a 2% limitation on impervious surfaces. The Committee urges the Department to clarify waiver requirements and improve coordination with state NRCS offices. The Department should incorporate State as well as cooperating entities' input in implementing impervious surface waivers.

In establishing evaluation and ranking criteria for ALE, the Committee expects NRCS to work with eligible entities to insure a balanced use of both national and state ranking criteria based on the current Farm and Ranch Lands Protection Program regulation. The Committee intends that the program, consistent with its purpose to limit nonagricultural use of the land, emphasize protection of farmland that is in, and will remain in, active agricultural use, especially in areas with higher than average rates of farmland conversion to development. Agricultural use includes cropland, pasture, woodlands, and related lands used to produce agricultural related products.

The Committee expects that NRCS administer the ALE program and allocate funding to address the multiple purposes of the program established in Section 1265 with no single purpose dominating the allocation of program funds to states. Recognizing that states differ in terms of their needs and priorities, the Committee expects that state conservationists may allocate resources within the state to best address the program needs for their state.

The reported bill retains a certification process for eligible entities. This certification process is intended to streamline program administration by eliminating duplicative and unnecessary NRCS

administrative reviews and procedures for eligible entities that meet the requirements laid out in the statute. The certification process is also intended to provide deference to established state and local programs, recognizing that different jurisdictions and types of agricultural activities require diversity in program administration and practice, and allowing these states and local programs to use their own easement terms and conditions that are consistent with state law and with the agricultural conditions in their areas. The Committee does not believe the certification process implemented by NRCS in 2013 has met the intent of the Committee in this regard and strongly encourages NRCS to manage the certification process in a manner that respects state authority, terms and conditions, and minimizes federal interference.

Regional Conservation Partnership Program (RCPP)

The Committee understands that a targeted approach to conservation practices can achieve a greater conservation benefit. The Committee is also cognizant of specific regions of the country that are under significant regulatory pressure or have serious concerns regarding specific natural resources. The Committee reported bill creates the Regional Conservation Partnership Program by consolidating four programs into one targeted initiative that leverages USDA funding and resources by partnering with private organizations to address natural resource concerns.

The Committee eliminates the Agricultural Water Enhancement (AWEP) Program, the Chesapeake Bay Watershed Program, the Cooperative Conservation Partnership Initiatives (CCPI) Program, and the Great Lakes Basin Program. However, the functions of each of these programs are still necessary and the Committee intends for the Secretary to capture their functions in the implementation of the RCPP. Eligible conservation practices implemented currently through these programs should be continued under the new consolidated program.

Targeted conservation initiatives will be developed on the local level and selected by USDA through a competitive, merit based application process. All resource concerns should hold equal weighting. The Committee encourages the Secretary to distribute funding equitably across the nation and to not ignore different natural resource concerns that may be unique to each region.

It should be noted there are regions of the country such as the Southeastern United States that have ample surface water or groundwater availability. In many cases, it can be demonstrated that the use of surface water or groundwater for increased irrigation on farms, regardless of prior irrigation history, in these regions can be accomplished in a manner that is both environmentally and ecologically sound while allowing producers to be more productive and efficient. Additionally, the House Agriculture Committee understands the importance of conservation practices used to preserve groundwater through projects intended to take irrigation pressures off multi-state aquifers. The Secretary is encouraged to use his authority to adjust the discretionary rules of the covered programs to reflect these findings in carrying out this section.

The Committee strongly encourages the Secretary to only choose partners who have a successful history of working with agriculture producers.

Additionally, USDA may designate Critical Conservation Areas to target conservation programs in regions under significant regulatory pressure. The Committee reported bill has set allocation levels for the state and national levels in addition to the Critical Conservation areas to help address priorities.

Funding and administration

Section 2607 of the Committee reported bill combines language on improved administrative efficiency and streamlining from individual programs and places it here to apply to all conservation programs. It expands and clarifies requirements for developing a streamlined conservation application process. It clarifies that any payment received under this title is in addition to and does not affect total payments that an owner or operator is otherwise eligible to receive. The Committee encourages the Secretary to significantly increase the use of computer-based conservation practice planning tools that incorporate Light Detection and Ranging elevation data to modernize and simplify conservation planning, improve efficiency of technical assistance, and improve service to private landowners.

Title III—Trade

Humanitarian assistance and agricultural development programs

The United States provides nearly half of all food aid around the world through emergency humanitarian responses and non-emergency, agricultural development programs. The Committee reported bill modifies the general authorities in Title II of the Food for Peace Act to place a greater emphasis on projects which focus on building resiliency in the recipient population where food shortfalls and droughts are common.

The Committee reported bill adjusts the maximum allowable level of cash assistance for administrative and programmatic costs in Title II of the Food for Peace Act to ensure that scarce cash resources are made available only for costs and expenses which cannot be readily funded through the monetization process in the first period of a new project. The Committee expects USAID to closely evaluate its program guidance and approval process to ensure that direct and indirect program costs are clearly defined and to ensure that administrative costs in the programs are minimized.

In May 2011 the Government Accountability Office (GAO) completed a report which cites deficiencies in the nutrition and quality controls of U.S. food aid commodities. Included in that report are recommendations that USAID review food aid packaging, track food aid quality throughout the supply chain, and ensure that available food aid commodities meet the nutritional needs of recipients. The Committee notes that USAID has sufficient and specific authority to address the recommendations made by GAO, and expects USAID to build strong public-private partnerships with food manufacturers and other stakeholders to more quickly address the deficiencies highlighted in the May 2011 report using currently

available studies on food aid quality and nutrition. The Committee reported bill reauthorizes funding at a lower level for these activities to encourage USAID to focus on deploying food aid products already developed under this authority, rather than pursuing additional studies at the expense of implementing current knowledge.

The Committee reported bill directs USDA and USAID to establish a formal mechanism by which new products will be approved through both agencies in a timely manner. In the view of the Committee, USDA and USAID are not coordinating sufficiently and should quickly modify the interagency process to ensure new food aid commodities are made available to appropriately target recipient populations. In support of efforts to provide appropriate commodities to vulnerable populations, authority is extended for shelf-stable, prepackaged foods and micronutrient fortification of food aid commodities.

The Committee notes that while USAID places significant burdens for success of programs upon implementing partners and other stakeholders, feedback from these groups through the Food Aid Consultative Group (FACG) is not adequately incorporated into program guidelines. The Committee reported bill instructs USAID to give sufficient notice of changes to the FACG before new guidance is finalized, and requires new guidance to be promulgated in a timely manner after any changes to the Food for Peace Act.

Authority is extended for the Famine Early Warning System Network to provide advance information to more quickly and effectively respond to an emerging crisis. However, the Committee is disappointed in efforts by USAID to complete implementation of new information technology systems authorized in previous legislation. No additional funding is provided for new information technology systems, and the Committee fully expects USAID to complete development and management of those systems without additional Food for Peace resources.

Funding is continued for additional monitoring and evaluation of programs at a level which reflects resources available for Food for Peace programs. The Committee reported bill also requires that USAID report on the monitoring and evaluation activities actually conducted. In 2009 the GAO concluded that monitoring of programs was inconsistent and that program management was not modified to reflect information gained from the monitoring and evaluation conducted by or for USAID. Through provisions in the Committee reported bill, the Committee expects USAID to make significant improvements in program guidance based on the monitoring and evaluation conducted.

In June 2011 GAO reported on inefficiencies and adverse impacts of monetization. The Committee agrees that both USDA and USAID should have consistent policies governing both agencies' monetization activities. The Committee reported bill requires that USAID consider the benefits of monetization when considering a proposal under Food for Peace. The Committee notes existing requirements for USDA and USAID to approve only those sales which will not disrupt the usual marketing and processing of commodities in the recipient country, and clarifies that commodities should be sold at a fair market value.

Recognizing the necessity of responding quickly to humanitarian emergencies, authority is increased for the prepositioning of food aid commodities which allows USAID to increase the number of prepositioning sites, as appropriate.

The Committee reported bill reduces the authorized level of funding for the Food for Peace Act while extending sufficient authority to provide funding above the ten-year average appropriation. The Committee recognizes the importance of non-emergency agricultural development programs to create resilient communities in vulnerable populations, and extends minimum levels of funding to support development activities.

Prior to the introduction of the bill, report required by section 3206 of P.L. 110–246 was submitted to Congress. The report revealed inconsistent and inconclusive findings with regard to the expediency and reliability of local purchases of commodities. The Committee acknowledges the report's findings that purchasing emergency food aid locally took an *average* of nearly two months, and in most cases the commodities purchased were more expensive than those purchased in the U.S. The Committee also recognizes that more than $300 million in local purchases of commodities is routinely carried out under authorities contained in other legislation, and therefore authorities for local and regional food aid purchases were not extended.

The Committee reported bill increases authority for the John Ogonowski and Doug Bereuter Farmer-to-Farmer Program contained in the Food for Peace Act to extend the program which mobilizes U.S. volunteers from the agricultural industry, universities, and non-profit organizations to assist their counterparts in developing and emerging economies.

Trade programs

The U.S. agricultural industry is highly dependent on exports, with nearly a third of all cash receipts generated from international markets. The Committee reported bill ensures that U.S. producers are able to capitalize on these opportunities by making strategic investments in programs designed to address foreign barriers to U.S. exports. Increased margins for U.S. farm output translates to greater capital flows back to rural America, supporting farms and their rural communities.

The Market Access Program is reauthorized to provide assistance on a cost-share basis, targeting small businesses, famer cooperatives, and non-profit trade organizations. Private contributions are estimated at 60 percent of total annual spending on trade promotion and market development, further increasing the effectiveness of promotional activities.

Additional programs which are reauthorized include the Foreign Market Development Program to address trade barriers that affect an entire industry, Technical Assistance for Specialty Crops to address non-tariff trade barriers for specialty crop exports, and the Emerging Markets Program to promote generic U.S. exports in emerging economies.

The Committee reported bill also reauthorizes the GSM–102 program while preserving USDA's authority to manage usage of the program to meet certain administrative goals, including the ability

to adjust tenor and fees associated with guarantees made available under the program.

The Committee recognizes that exports are vitally important to the U.S. economy. Given the need to spur economic growth and job creation the Committee reported bill amends the Department of Agriculture Reorganization Act of 1994 to provide for the establishment of an Under Secretary of Agriculture for Foreign Agricultural Services. The agricultural sector has been and continues to be a major contributor to the nation's overall level of exports and is one of only a few sectors of the economy that traditionally has had a positive net trade balance. However, U.S. agricultural exports face increased barriers overseas.

The Committee addresses the need to counter tariff and non-tariff trade barriers for U.S. agricultural exports by providing a full time, singular focus on trade and foreign agricultural. The Committee expects this new focus to allow more effective coordination and to provide a single point of contact for resolving internal and external trade and foreign agricultural affairs issues through a high level of representation for agricultural trade issues within the Executive Branch and with Congress, stakeholders, foreign governments, and international bodies. The Committee does not intend for this provision to create the need for additional personnel or appropriations for USDA.

Title IV—Nutrition

Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program (SNAP), formerly known as the food stamp program, has seen unprecedented growth over the past ten years and today accounts for almost 80 percent of the Committee's mandatory spending. Consequently, the Committee agreed to make reforms in SNAP that resulted in a reduction of more than $20 billion over ten years, which is a two percent reduction to the program. While the Congressional Budget Office has projected that the reforms contained herein will save the taxpayers more than $20 billion over ten years, the Committee believes that it is important to focus on the long term enhancements these reforms make to uphold the integrity of the SNAP program.

The Committee views these changes as part of its ongoing responsibility to ensure that SNAP is of the highest integrity. The provisions passed by the Committee will close program loopholes; reduce waste, fraud and abuse; and ensure that the program continues to serve those who are in need of food assistance according to the rule of law. It is the Committee's clear intent that families who lawfully qualify for assistance under SNAP law are not prevented from receiving their benefits. The changes made to SNAP in the 2008 farm bill remain fully intact and will continue to benefit SNAP participants.

The Committee agrees that SNAP provides important support for many Americans and these reported provisions further protect the program. In order to ensure the integrity of this program, the Committee will continue to refine SNAP to better target valuable benefits to serve those in need, while making a reasonable reduction in the deficit.

Making common sense reforms and closing program loopholes

The FARRM Act makes common sense reforms to SNAP eligibility. Since passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, states have had the option of using "categorical eligibility," or automatic eligibility, to streamline SNAP administration for those receiving benefits from other low-income assistance programs. These other programs are Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or other state general assistance programs. TANF assistance can be in the form of cash or non-cash benefits (i.e. informational brochures, or access to an informational 800–number). When states implement "broad-based" categorical eligibility, they may permit households to use the asset and gross income test of the alternate assistance program. As of May 2013, 43 jurisdictions (40 States, the District of Columbia, Guam, and the U.S. Virgin Islands) have implemented broad-based categorical eligibility. These jurisdictions generally make all households with incomes below a state-determined income threshold eligible for SNAP.

The bill would restrict categorical eligibility to only those households receiving cash assistance from SSI, TANF, or a state-run general assistance program, saving taxpayers $11.5 billion over ten years. This would disqualify those merely receiving a TANF-funded brochure, a referral to an "800" number telephone hotline, as well as other non-cash assistance. It is estimated that 3.8 percent of the 47.6 million people currently enrolled in SNAP would be affected by this provision. Those who no longer have categorical eligibility status under the amended provision would have the opportunity to be reviewed for SNAP eligibility independent of their status as a TANF beneficiary. And those who receive cash assistance from SSI, TANF, or a state-run general assistance program will still be categorically eligible for SNAP.

Next, the FARRM Act closes a loophole in SNAP regarding how Low Income Home Energy Assistance Program (LIHEAP) payments interact with SNAP benefit calculation. Current law allows low-income households receiving *any* amount of LIHEAP assistance, even a nominal payment, to automatically qualify for the SNAP Standard Utility Allowance (SUA). In the last several years, recipients in approximately 16 states and the District of Columbia have qualified for the SNAP SUA under this provision.

Under current law, if a participant received $1 in LIHEAP, they can automatically deduct the SUA from their income. Therefore, their net income was reduced, and they subsequently received a higher amount in SNAP benefits. Under the Committee's reported bill, a household must receive a minimum LIHEAP payment of $20 per year to qualify for the SUA deduction, thus saving the taxpayers $8.7 billion over ten years. The revised provision will not affect any household receiving traditional LIHEAP assistance or any household that can demonstrate an out-of-pocket utility cost.

The Committee also eliminated state performance bonuses, saving $480 million over ten years. States are responsible for administering the SNAP program and are legally bound to process applications in a timely manner, ensure households receive the accurate amount of SNAP benefits, and make certain the program is administered in the most effective and efficient manner. In this economic

climate the Committee believes it is very difficult to justify awarding states bonuses for practices that should be the daily operating procedure.

Cracking down on waste, fraud and abuse

The FARRM Act makes significant strides to crack down on waste, fraud and abuse within SNAP. The Committee was concerned by press reports of two lottery winners, both receiving more than $1 million in winnings, who were also found to have been receiving SNAP assistance. The bill includes a provision that would put an end to millionaire lottery winners receiving SNAP, and will prevent them from receiving any benefits. The Committee is aware that the Secretary must define the terms "substantial lottery or gambling winnings" in order to carry out this provision. The Committee intends for the Secretary to establish a reasonable threshold for such winnings that balances the need to maintain strong program integrity, the ability of states to administer the provision, and the burden on SNAP households.

Furthermore, the legislation requires that state SNAP Employment and Training (E&T) programs be limited to assisting only those college students enrolled in specific career and technical education courses or basic adult education, remedial, and literacy courses. The Committee was alarmed to learn that some states were taking great liberty in administering their SNAP E&T programs; therefore, the Committee took steps to ensure only those college students meeting the specified criteria could be served by a state's SNAP E&T program. To further improve the accountability of the SNAP E&T program, the bill demands outcomes by requiring states to report on how their programs are assisting SNAP participants in gaining skills, training, and work, or experience that leads to employment.

The Committee recognizes the need for better data and outcomes from current employment and training programs. The FARRM Act requires USDA to conduct a pilot project to identify best practices for employment and training programs to raise the number of work registrants who obtain unsubsidized employment and decrease the number of individuals depending on public assistance.

The legislation also reduces fraud at retail stores by requiring a more rigorous standard for stores to become eligible to process SNAP benefits. Retailers will be required to stock more foods like fruits and vegetables, with the Committee's expectation that retailers can meet this requirement by providing products that are fresh, frozen or canned. Retailers will be required to pay 100 percent of the costs for acquiring and implementing EBT point-of-sale equipment. By including this provision, the Committee is targeting fraud within the program, and does not intend for credit card companies, banks, or others to impose any additional fees in regard to the acceptance of SNAP EBT benefits. The bill terminates the use of manual vouchers except in such circumstances as a disaster or EBT system failure. Manual vouchers can serve as a quick-response in emergency situations, and the Committee expects vouchers to be used in the event of a disaster when power is unavailable for an extended period of time.

Having placed new requirements on retailers, the Committee is concerned by the unpredictable and growing variation in the timeline for retailer application approvals. To help FNS do more with less and help the agency achieve greater efficiency, the Committee directs the agency to utilize existing authorities to consider provisional licensing while permanent authorization or reauthorization is under review.

The Committee expects provisional licensing to be used provided that the retail food store or wholesale food concern in question demonstrates prior adherence to all program rules including the new conditions mandated by this act. Moreover, such licensing should be considered only when a store can establish that safeguards required by the Secretary to ensure program integrity have been put in place, and will continue, during the term of the provisional license.

Additionally, the Committee expects the Secretary to work with retailers and relevant stakeholders in developing regulations to implement a unique terminal identification system. Credit card associations are considering implementation of this practice across the entire retail industry in the near future, and it is imperative that the Secretary work with SNAP-approved retailers to ensure there are no additional costs or burdens that are duplicative or inconsistent with common commercial practices.

The Committee recognizes that current SNAP EBT transactions running on the QUEST network do so efficiently and at little to no cost to the retailer. The Committee encourages USDA to continue to work with the states to ensure that all retailers maintain the ability to use the QUEST network and do so without being assessed new or added fees for its use.

Recognizing that issuance of SNAP benefits to all participants on the same date within a month creates many challenges both for suppliers and retailers, the Committee directs the Secretary to begin working with states to stagger the monthly issuance of SNAP benefits across an entire month for new beneficiaries. To prevent disruption, the Committee does not expect states to make immediate changes for current beneficiaries nor does the Committee suggest a change in current policy to allow for more than once-per-month issuance of benefits. The Committee encourages the Secretary to work with all stakeholders, particularly those within states that are in the process of staggering SNAP benefits, to ensure distribution is of the greatest benefit to the economy at the least cost.

The FARRM Act recognizes the need to increase the Secretary's oversight of those states and territories choosing to operate a Restaurant Meals Program strictly for the purpose of serving homeless, elderly and disabled participants. Currently, states and territories have the option of running this program without seeking approval from the Department, which has raised the Committee's concern over proper use and implementation of this authority. The bill requires those states and territories to submit their request as part of their state plan and gain approval from the Department before implementing a Restaurant Meals Program. The plan must demonstrate a need for such a program along with effective control measures. If states and territories are found not operating the pro-

gram in a proper manner or do not provide sufficient justification for establishing a program, it is the Committee's expectation that the Secretary will suspend or not approve such programs.

The Committee is concerned about the use of funds to advertise and promote the use of SNAP through the use of national outreach funds. Recent news articles have described SNAP advertisements airing on the radio and television as well as information on the Department's website encouraging the enrollment of participants by suggesting that community outreach partners "throw a great party."

The Committee is ensuring that Federal funds may not be used for the recruitment of SNAP recipients. This prohibition on recruitment is not intended to result in the withholding of basic program information including rights, program rules, client responsibilities and benefits through outreach activities.

The Committee has been made aware of the reports of "bottle dumping" for cash. The language is intended to prevent SNAP beneficiaries from purchasing items that require a substantial bottle deposit and returning the bottle for a cash refund of the deposit.

The bill also expands upon the bipartisan work begun by the Committee on Ways and Means Human Resources Subcommittee to allow data both within and across key federal assistance programs to operate more efficiently. These standardization activities promote transparency, flexibility, and consistency so data can be shared across the various information technology platforms established by federal and state agencies, increasing administrative efficiency and reducing improper payments. This provision is not intended to provide additional authority to standardize data but to drive the process to occur across multiple federal agencies.

As identity theft and manipulation based fraud is on the rise in the United States, the Committee directs the Secretary to carefully analyze the possibility of identity theft and manipulation-based fraud on SNAP participants and to ensure that the Secretary is taking necessary steps to protect program beneficiaries' personally identifiable information against unauthorized disclosure.

The bill includes a provision that allows SNAP benefits to be used for the purchase of community-supported agriculture (CSA) shares. The Committee is aware that the Secretary currently permits CSA businesses to participate in SNAP. Farmers organized as a CSA can participate in a manner similar to farmers' markets; SNAP recipients use SNAP benefits and receive eligible food items from the CSA at the time product is delivered (i.e., at the point-of-sale). Non-profit CSAs are permitted to accept SNAP benefit payment up to 14 days in advance of product delivery. The Committee expects that the Secretary will administer this provision in accordance with current practice and procedures for authorized community-supported agriculture businesses.

Additional nutrition programs

Food banks have been successful in effectively utilizing federal commodities and securing private sector donations in order to feed hungry Americans. However, local food banks have been struggling to provide enough food to needy families in the current economic climate. Recognizing the challenges food banks are facing, the

FARRM Act provides an additional $20 million per year for The Emergency Food Assistance Program (TEFAP).

Furthermore, it is the intent of the Committee that the Secretary purchase and deliver emergency foods so as to maximize the continuity of food product flow to emergency feeding organizations throughout the year to better enable them to meet the need for assistance in local communities, particularly in times of high demand. To meet this objective, the Committee strongly encourages the Secretary to review potential bonus and surplus removal purchases on a real-time basis and adjust the timing of mandatory food purchases and deliveries to address periods when bonus and specialty crop deliveries are expected to be low. Having a more balanced delivery of both mandatory and bonus food purchases will enable emergency feeding organizations to better serve those in need. The Committee also intends for the Secretary to consider the cost of regulatory changes on the operation of emergency feeding operations in order to prevent such regulatory changes from adversely affecting the services provided by the emergency feeding organizations. The Committee encourages the Secretary to work with emergency feeding organizations to address these concerns.

The FARRM Act makes changes to the Commodity Supplemental Food Program (CSFP) that will transition this program into serving only the elderly while allowing the small percentage of women and children currently enrolled in the program to continue to receive services until they have exceeded the age of eligibility. The Committee intends that individuals participating in CSFP on the day immediately prior to the effective date of this provision shall remain eligible until such time as an individual is no longer eligible for the program in any age or category. For example, a participating infant on effective date may remain in the program as he or she ages into subsequent age/categories, if otherwise eligible. Women and children will all continue to be served by the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is more suited to their dietary needs.

The Committee agreed to increase funding for Community Food Projects by an additional $10 million per fiscal year, with half of this increased funding being designated to projects that help communities provide incentives for low-income individuals to purchase fruits and vegetables. The Committee recognizes that there has been tremendous growth in the purchase of locally grown fruits and vegetables. Rather than duplicate programs, the Committee increased funding for an existing program that is flexible and has been successful in helping communities address the food and nutritional needs of its citizens.

The FARRM Act also removes the word "fresh" from the Fresh Fruit and Vegetable Program. The purpose of the program is to encourage the increased consumption of fruits and vegetables in a variety of forms in elementary schools with a high number of low-income students. This change will allow elementary schools participating in this program to maximize their funding by having the option of purchasing fresh, frozen, canned, and dried fruits and vegetables. Fruits and vegetables in all forms, as emphasized by the 2010 Dietary Guidelines for Americans, provide a variety of micronutrients and fiber that are important to maintaining overall

health. The Committee recognizes the challenges schools face in the storage and preparation of fresh foods, and to accommodate those needs, the bill provides schools with greater flexibility while still serving school children with a variety of nutritious produce. The Committee expects the Secretary to inform states and schools of this change to the program through notification.

The Committee believes that all participants in federally funded nutrition assistance programs deserve access to safe, nutritious and convenient food. The 2010 Dietary Guidelines for Americans recognized that Americans' consumption of fruits, vegetables, and fiber is below target. These guidelines recommended promoting greater consumption of fruits, vegetables and beans, in all forms—canned, dried, fresh, and frozen—in order to help Americans meet dietary goals and increase their intake of essential shortfall vitamins and nutrients, such as fiber, potassium, iron, folate and magnesium. The Committee encourages the Department of Agriculture's Food and Nutrition Service to recognize the benefits provided by all forms of fruits, vegetables and beans in nutrition assistance programs, and educate program participants that all forms of these foods can help them meet the Dietary Guidelines for Americans.

The bill includes a pilot program within the Department of Defense (DOD) Fresh Fruit and Vegetable Program. This pilot would allow up to five states to use their DOD Fresh funding allocation to source local produce. The Committee expects states that are selected to participate in this pilot to use this funding solely for the procurement of local fresh fruits and vegetables for school children. The Committee also intends for the pilots to be carefully evaluated in order to help inform future national policy.

Title V—Credit

The House Agriculture Committee understands that access to credit is crucial to America's economy as a whole, but more importantly to the health and success of family farms, ranches, and the entire agricultural sector. To that end, the FARRM Act provides greater flexibility to the Farm Service Agency (FSA) in facilitating credit programs.

Under current law, FSA provides Farm Ownership Loans to owners of farms. However, when a family forms a separate entity for transition or liability reasons, Farm Ownership Loans are no longer available to them. By adding "other legal entities" to the list of eligible borrowers, the Committee reported bill enables FSA to assist qualified operating entities with Farm Ownership Loans even when the entity does not own real estate or is a member of the operating entity thus providing flexibility and greater participation to the program.

The Committee reported bill provides clarification and flexibility to the Secretary to adjust experience requirements to avoid excluding those who are qualified, but may not be able to meet the current 3-year farming or ranching experience requirement, thus enabling more young or beginning farmers and ranchers to participate in the program.

The Committee reported bill increases the Conservation Loan guarantee amount from 75 to 90 percent (a percentage similar to other loan programs), encouraging a larger participation rate for

beginning farmers and ranchers, while continuing to protect priority for beginning and socially disadvantaged farmers and ranchers.

In an effort to provide greater participation for beginning farmers and ranchers and increased flexibility to FSA, the Committee reported bill increases the maximum loan value for the Down Payment Loan Program from 45 percent of $500,000 to 45 percent of $667,000.

Throughout last summer's audit hearings the Committee found several areas in which FSA could streamline certain administrative mandates. As a result, the Committee repealed the Mineral Rights Appraisals requirement for real estate loans. Moving forward, this change should reduce costs for both the borrower and FSA as third party appraisals could be used in some cases instead of FSA having to obtain a new appraisal that specifically includes the mineral value.

Under the current statute, delinquent youth loan borrowers are subject to provisions of the Debt Collection Improvement Act. This can result in undue hardship, as a youth loan recipient could be rendered ineligible for student loans and grants, which may prevent them from obtaining higher education. The Committee reported bill directs the Secretary, on a case-by-case basis, to waive the personal liability and cancel any remaining debt in situations in which failure was beyond the youth's control (i.e. project failure due to disease or natural disaster).

The Committee reported bill directs the Secretary to establish a microloan program to better serve young, beginning, veteran and urban farmers and ranchers.

The Committee reported bill directs FSA to prioritize joint financing agreements and Down Payment Loans within the Direct Farm Ownership Loan program in order to maximize the number of borrowers served for a given level of appropriations.

Under current law, beginning farmer ownership loans are limited to applicants who do not own real estate in excess of 30 percent of the median farm size in the county. In some counties however, the median size is so small that an applicant cannot qualify if they own any real estate. To that end, the Committee reported bill reconciles the median farm size limitation by replacing "median" with "average". In almost every county, the average is greater than the median farm size. This allows more otherwise qualified applicants to receive beginning farmer ownership loans.

Most FSA loans are available to all agriculture producers, no matter if they reside in rural, suburban, or urban areas. However, FSA Youth Operating Loans are currently only available to youth (ages 10–20) who live in rural areas (areas with 50,000 or less residents). The Committee reported bill removes the "rural residents" requirement allowing all youth the opportunity to receive a Youth Operating Loan similar to all other FSA loans, while continuing to require that youth borrowers would need to be under the supervision of an organization, such as 4–H, FFA or Boys/Girls Clubs.

The Committee reported bill makes changes to the loan program for purchasers of highly fractionated tribal land to ensure that the program meets the needs of tribal members.

Title VI—Rural Development

The Committee reported bill addresses fiscal constraints by reducing authorizations for appropriations by more than $1.5 billion over five years. Based on discussions with stakeholders, and in conjunction with the reduced number of programs, the Committee expects this action will ensure scarce funds are concentrated in the most effective programs.

In testimony before the House Agriculture Subcommittee on Rural Development, Research, Biotechnology and Foreign Agriculture the Government Accountability Office (GAO) responded to several critical issues in programs operated by USDA. Among these was the impact that funding set-asides have on the fragmentation of rural development programs, and the overlap or duplication across programs. Additional testimony by witnesses representing counties, municipalities, and non-profit rural development organizations cited both the confusing number of programs and the burden of applying for assistance as a major impediment to accessing rural development funding at USDA. The Committee agrees with a number of the GAO's conclusions and concerns of municipal organizations. The Committee reported bill addresses these concerns by eliminating thirteen programs, requiring the Secretary to collect information on the success of loans and grants over time, and requiring the Secretary to create simplified applications.

GAO also highlighted a need for measuring the effectiveness of rural development programs. The Committee passed bill addresses this need by requiring the Secretary to collect data regarding economic activity created through the loans and grants provided to rural communities. The Committee expects these efforts will create a harmonized baseline of information for effective use by USDA and Congress. It is the intent of the Committee that this collected information be integrated with program changes and rulemaking.

In testimony reviewing rural development programs in advance of formulating the Committee reported bill, stakeholders spoke to the importance of regional collaboration to create effective outcomes. The Committee recognizes that the Secretary can coordinate the efforts of USDA with other Federal agencies, and expects the Secretary to ensure rural development funds are carefully targeted for the greatest impact possible. The Committee reported bill also addresses regional collaboration through the reauthorization of the Delta Regional Authority and the Northern Great Plains Regional Authority.

Testimony presented to review broadband programs clearly indicated a need for transparency through the application process for incumbent providers to respond appropriately to applications for new funding in their service territory. The Committee reported bill addresses this need by authorizing the Secretary to establish a process by which incumbent providers may submit comments.

The Committee recognizes the importance of "Main Street" businesses to rural communities, and that the recent economic downturn has reduced the affordability of credit in rural areas, putting considerable strain on these small businesses. The Committee reported bill addresses this issue through changes to the Business & Industry (B&I) Loan Program intended to ensure working capital

is an eligible use of funds. The Committee reported bill also provides flexibility for the Secretary to consider accounts receivable for the purposes of collateral to allow lenders to help meet the capital needs of small businesses in rural areas. The Committee encourages USDA to examine additional ways to guarantee lending to small brick-and-mortar, community-owned businesses, such as an increased loan guarantee percentage for smaller loans, a streamlined process for making B&I loans of less than $250,000, and making operating lines of credit eligible as a program use. Additionally, the Committee encourages USDA to better coordinate with the Small Business Administration on outreach related to the B&I loan guarantee program to rural lenders.

The Committee notes that there are over $3 billion in pending applications for water and wastewater projects throughout rural America. Reauthorization of water infrastructure programs is a vital component to rural economic development. Access to water systems promotes the health of rural communities and attracts businesses to invest in communities which are well supported by critical infrastructure. To address the current backlog, the Committee passed bill directs USDA to maximize the use of guarantees through private or cooperative lenders for projects for larger communities. The Committee expects these provisions to leverage available funds to serve more communities than might otherwise be served solely through direct loans.

The Committee recognizes the contributions that rural community and technical colleges make in the development of a well-trained workforce in rural communities. These institutions serve over 3.5 million students, and train sixty-percent of first responders and allied health care providers in rural communities. The Committee expects the Secretary to work closely with the rural community and technical colleges to create a coordinated strategy which would guide the investments USDA already makes through rural development programs. Noting that a number of programs have varying eligibility criteria and purposes, the Committee expects the Secretary to look across the entire suite of rural development programs when creating a coordinated strategy to help deploy the most appropriate resources for each of the needs identified in consultation with representatives from the rural community and technical colleges. These investments should continue to utilize appropriate authorities under both the Rural Electrification Act and the Consolidated Farm and Rural Development Act, including investments in technology and facilities, to better serve rural students.

Title VII—Research, Extension, and Related Matters

Option to be included as a non-land-grant college of agriculture

The Committee does not take a position on how an institution should be designated, but has provided the Hispanic Serving Agricultural Colleges and Universities, as well as institutions eligible to receive funding under the McIntire-Stennis Cooperative Forestry Research Program with the option to choose whether to be designated as such or to opt out of their designation for purposes of access to program funding eligibility. The Committee recognizes

that for institutions with degree programs in the agricultural sciences that may automatically qualify as a Hispanic Serving Institution or a McIntire-Stennis Cooperative Forestry Research institution, they should not be precluded from being able to opt out of those programs in favor of qualifying as a Non-Land-Grant College of Agriculture.

National Agricultural Research, Extension, Education, and Economics Advisory Board

The National Agricultural Research, Education, Extension, and Economics Advisory Board (NAREEEAB) was created in 1996. The NAREEEAB replaced an existing user's advisory board and consolidated the functions of numerous other boards, task forces and counsels. This advisory board has since served as the principal advisory mechanism to the Secretary, Under Secretary, agency administrators and the Congress on all aspects of the Research, Education and Economics (REE) mission area.

In creating the NAREEEAB, the Congress intended for this board to recommend policies, identify short and long term national priorities for REE programs, and to evaluate program results and effectiveness among other assigned duties. The Congress has since added multiple duties and consultative functions to the Board's mandate. In doing so, the Committee is aware that the work load and learning curve of the volunteer members is high. It has become apparent to the Committee that it can take several years for new board members to become comfortable not only with the diverse subject matter under review, but likewise the law and administrative functions they are required to evaluate. While the statute defines the length of a Board members' individual term, the Congress has never included nor intended for board members to be subject to a limit on the number of terms they can serve. Unfortunately, the Committee has become aware that USDA has instituted an arbitrary term limit policy on Board members that inhibits the individual members and the overall Board's effectiveness. The Committee strongly encourages the Secretary to reverse this policy.

Among the duties of the Board previously assigned was the responsibility to review and make recommendations on procedures for merit review of competitive grant proposals. The Committee has become aware that the USDA initially requested comments of the NAREEEAB following enactment of the merit review requirement in 1998 but has never revisited the question. The Committee is concerned that the USDA has misunderstood the legal mandate for merit review and has included clarification that for purposes of this review, merit is to be equated with the relevancy of the research or extension project to the community it is meant to serve. The Committee envisions that the process of evaluating a grant application would start with scientific peer review, and those applications deemed to be of sufficient scientific quality would then be reviewed and awarded on the basis of merit and relevancy. The Committee has further required that the NAREEEAB consult with industry stakeholders in developing their guidance and that the USDA consult on an ongoing basis with the NAREEEAB to ensure that these reviews are functioning as intended.

The Committee recognizes the interest in growing agricultural commodities in less traditional production areas. As such, the Committee encourages the Secretary in consultation with the NAREEEAB, in both the intramural research carried out by the Agricultural Research Service and in the competitive grants programs carried out through AFRI and other authorities, to carry out and fund research into the unique situations facing producers in urban areas. These unique situations may include reclaiming land previously used for industrial purposes or neglected residential areas, and addressing needs such as the remediation of soils to make them capable of producing agricultural commodities for human consumption.

Veterinary services grant program

Our veterinary workforce is responsible for ensuring that the food we eat is safe, but they are facing a critical shortage in the public, private, industrial and academic sectors, and the problem is growing. Our Nation's large-animal vets are truly on the front lines of food safety, public health, animal health and national security. The demand for large-animal veterinarians is increasing, and lack of these specialists in many areas of the country will continue to put our agricultural economy and the safety of our food supply at risk.

Since the fall of 2000, the Committee on Agriculture has worked on ways of resolving the serious veterinary shortage problem confronting many rural communities. With the passage of the National Veterinary Medical Service Act in December of 2003, a program was finally authorized to incentivize large animal veterinarians to practice in communities that USDA designated as veterinarian shortage areas. With this program in place, large animal veterinarians are able to apply on a competitive basis for educational loan repayment assistance in exchange for their commitment to practice in shortage areas.

To the extent that the loan program is successful, it's important to consider that this was just the first step. While this assistance will be very helpful in attracting veterinarians to these communities, the gaps remain in veterinarian recruitment, attracting and training technical support staff, and simply meeting the long-term costs of operating veterinarian practices in these communities.

The Veterinarian Services Investment Act is meant to address these secondary needs and is designed to complement the loan repayment program to help large animal veterinarians become established in these rural communities.

This bill recognizes and addresses a real problem in rural America. This legislation will authorize grants to address workforce shortages based on the needs of underserved areas. For example, grants could be used to recruit veterinarians and veterinary technicians in shortage areas and communities. It could add veterinarians to expand and establish practices in high-need areas. It could establish mobile portable clinics and televet services and establish education programs, including continuing education, distance education, and factor recruitment in veterinary science.

Grants and fellowships for food and agriculture sciences education

The Norman E. Borlaug International Agricultural Science and Technology Fellowship Program (Borlaug Fellowship Program) helps developing countries strengthen agricultural practices by providing scientific training and collaborative research opportunities to visiting researchers, policymakers, and university faculty. The Borlaug Fellowship Program has provided over 500 fellowships for agricultural professional from 64 developing countries worldwide. Currently, Fellowships can run from six to twelve weeks depending on research topic and funding availability. The Committee is concerned that the length of the fellowships currently offered may be too brief in term in some instances to provide real training and research opportunities. The Committee understands that a brief short term fellowship is an effective method to provide certain specific training and research opportunities. However, the Committee would urge the Secretary to modify the implementation of the program to also provide longer term training and collaborative research opportunities to address those instances where a long term fellowship would allow greater in depth training and research.

Extension research

The Cooperative Extension System is a nationwide, non-formal educational network. Each state, territory, and the District of Columbia has an office at its land-grant universities and a network of local or regional offices which are staffed by experts who provide practical, research-based education to agricultural producers, small business owners, youth, consumers, and others in rural and urban communities. The Committee encourages the Secretary to ensure that Cooperative Extension is effectively utilized to deliver the educational component of USDA programs. The Secretary is also encouraged to engage in discussions with other federal departments and agencies to consider ways to use the Cooperative Extension to deliver education for other federal programs as practicable.

In addition, the Committee recognizes the unique knowledge and information that the Cooperative Extension System experts provide to various groups regarding farm and food systems. As mentioned, this education and information is disseminated through a network of local or regional offices and when the Secretary utilizes the Cooperative Extension to deliver the educational component of the various programs at the Department, to the extent practicable, the Rural Development mission area programs should be included.

During the creation of the Reservation Extension Agent Program, the Committee required the Secretary to consult with Native American farmers and ranchers in establishing Extension programs on Indian reservations and tribal jurisdictions. The Committee understands that changes in the operation of grant programs have impacted this consultation, and the Committee expects that the Secretary would find ways to continue the dialogue on the operation of these Extension programs with the populations that they are serving.

Also, the Committee remains concerned about the agency's operation of FRTEP as if it were a 3(d) program. The Reservation Extension Agent Program was not authorized under Section 3(d) of the Smith-Lever Act. While this may have made administration of

grants easier for the agency, it has led to confusion and unintended consequences. The Committee encourages the agency to follow congressional intent when implementing programs, old and new.

Auditing, reporting, bookkeeping, and administrative requirements

The Committee is concerned about the increasing use of assessments, fees, and higher indirect costs rates imposed on its university partners by the Agricultural Research Service (ARS). These university partners play a major role in achieving ARS research priorities and objectives. In a time of scarce budgetary resources, ARS must ensure limited research dollars are maximized and administrative costs are reduced to the fullest extent possible. In recent years, ARS has imposed a variety of administrative assessments on its university partners, effectively reducing funds intended for important research projects. The Committee expects ARS to operate within historical administrative cost parameters, namely by imposing a total indirect cost rate not exceeding four percent. All administrative assessments, fees, dues, or charges, of any type, must be included within this overall administrative cost cap. ARS must administer its programs more efficiently to ensure valuable research funds are maximized so it may continue to maintain a robust agricultural research enterprise. The Committee encourages ARS to continue university research partnerships to ensure our nation's premier educational and clinical institutions play a major role in achieving ARS and congressional research objectives.

Aquaculture assistance programs

The Committee is aware of budgetary constraints throughout the department; nevertheless, the Committee questions the priority setting process on how funds are allocated with regard to aquaculture. In particular, the Committee is aware of the continuing threat of predators to aquaculture operations and encourages the Secretary to continue to fund these important livestock protection programs.

Matching funds requirement

The use of matching funds has proven to be an effective tool in leveraging limited Federal resources with commitments from those benefitting from agricultural research and extension. Unfortunately, the application of these policies by the US Department of Agriculture (USDA) has been arbitrary and inconsistent.

Efforts by the Committee to develop a comprehensive policy on research and extension matching funds originated during the development of the 2008 farm bill. At the time, it was noted that as research programs have been authorized or modified, the incorporation of matching requirements was done in a subjective manner. An effort was initiated during the 2008 farm bill conference to harmonize the matching requirements, but due to the complexity of the task and time constraints, the effort was dropped with the understanding that the Committees and USDA would undertake a stakeholder process designed to provide recommendations in advance of the 2012 farm bill. Unfortunately that process never materialized after the 2008 bill.

The House Agriculture Committee maintained an interest in engaging stakeholders in a discussion about how to harmonize these policies to improve consistency and transparency in their application. Several requests were made for suggestions on how best to approach this issue and the consensus seemed to be that the Committee should propose a discussion draft. The language included in the 2012 Committee legislation was the result of technical assistance received by the USDA and was meant to begin this discussion.

As part of the discussion that commenced following release of the 2012 farm bill draft, several comments were received and a consensus was formed regarding an effort to utilize matching fund policies to leverage Federal investment, while at the same time reducing the administrative and accounting burden on USDA and grant recipients.

The resulting policy recognizes the value of matching funds, but likewise takes into account the long-standing Federal investment in research, extension and teaching capacity and infrastructure programs (as defined in § 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994). Whereas the 2012 draft bill allowed for capacity and infrastructure program funds to be utilized in meeting the matching requirement for competitive research and extension grants, the resulting accounting burden was deemed to be counterproductive. Under the current draft, eligibility to receive capacity and infrastructure program funds is deemed to be sufficient to authorize a blanket exemption from competitive grant matching requirements. Likewise, any individual grant awarded to multiple recipients would be exempt from matching requirements if at least one of the recipients is eligible to receive capacity and infrastructure program funds from USDA.

Repeal of National Agricultural Weather Information System

The Committee is aware that advanced weather forecasts using Tropospheric Airborne Meteorological Data Reporting (TAMDAR) systems have been used by the Federal Aviation Administration, the U.S. Weather Service, and the National Oceanic and Atmospheric Administration for over seven years. The Committee supports advanced forecasting employing TAMDAR in that it enhances U.S. and allied meteorological forecasting systems, thus providing improved reliability and situational awareness, which is particularly useful in agricultural forecasts. The Committee therefore encourages continued use of this system by the Department of Agriculture.

High-priority research and extension initiatives

The Committee recognizes that it is in the economic interest of agricultural producers and American consumers to ensure a healthy, sustainable population of native and managed pollinators, including managed honey bees. Pollinators are essential to the productions of an estimated one third of the human diet and to the reproduction of at least 80 percent of flowering plants. Insect-pollinated agricultural commodities result in significant income for agricultural producers and account for about $20 billion in U.S. agricultural output yearly.

The Committee remains concerned about the decline in the health and viability of managed honey bees due in part to a loss of appropriate habitat. As a result, the reported bill continues to include a priority for creating pollinator habitat utilizing the Title II conservation programs. This Committee remains committed to pollinator protection activities, including the granting of priority treatment to conservation program applicants who commit to providing pollinator habitat. The Committee expects the Secretary to continue to utilize conservation programs to create, restore and enhance native and managed pollinator habitat quantity and quality, and it specifically encourages the Secretary to ensure that conservation programs are resulting in sufficient high-quality pollinator habitat for managed honey bees—habitat that includes common alfalfa and sweet clover varieties utilized effectively in prior conservation programs.

This section of the reported bill also continues the authorization for research on pollinator protection, and adds a consideration for honey bee health disorders and best management practices related to colony collapse disorder to the annual report that the Secretary is required to submit to Congress. The Committee also continues its recognition of the need to assist honey bee producers who suffer from disasters in the commodity title with the funding provided for the emergency assistance program that includes honey bees. Additionally, the Committee is aware that specialty crop producers groups are working collaboratively with institutions of higher learning on research and education activities. The Committee applauds these actions and encourages the Secretary to support their efforts.

Centers of excellence

With limited resources to invest in critical programs, the Committee has considered multiple options by which Federal funds can be leveraged to improve overall program effectiveness. With the recognition that multiple institutions and organizations participate in projects of similar interest, the Committee has sought to incentivize the formation of formal partnerships and other organizational structures as Centers of Excellence. The Committee reported bill directs that such centers that meet established criteria be granted priority in receipt of competitive research and extension grants.

The Committee would recommend USDA to promulgate regulations implementing section 1673 in accordance with appropriate regulatory procedures in order to allow interested stakeholders to gain a firm understanding of USDA's implementation of the provision.

Specialty crop research initiative

The Committee is aware of concerns that the required merit review process under the Specialty Crop Research Initiative and other competitive grants programs is not functioning as intended. Congress established the merit review requirement to ensure that grant applications that are of sufficient scientific quality as determined through a process of peer review shall then be evaluated and final awards be made based on the merit and relevancy of the

grant request with respect to the constituency being served. In carrying out the merit and relevancy review process under the Specialty Crop Research Initiative, the Committee expects that the review and ranking for impact to be conducted by a panel of specialty crop industry representatives for the specific specialty crop. The Committee further encourages the Secretary to prioritize competitive grants to address imminent threats which may impact the future of specialty crop production in this country.

Competitive, Special, and facilities Research Grant Act

The Agriculture and Food Research Initiative (AFRI) is the premier competitive research and extension grants program within the USDA. The AFRI program was established in 2008 as a successor program to the National Research Initiative Competitive Grants Program and the Initiative for Future Agriculture and Food Systems. The statutory priorities for the AFRI program are purposefully broad. In developing these priorities, the Congress was aware that as science evolves, a balance needed to be achieved between the need for flexibility to respond to new and emerging threats and opportunities, and the need for transparency and accountability in the expenditure of taxpayer funds.

Concerns are periodically raised regarding the annual allocations among the various statutory programmatic priorities and sub priorities. The Committee was aware of these qualitative concerns but lacked quantitative information on which to base any policy modifications. As a continuation of the programmatic audit carried out by the Committee in preparation for developing the FARRM Act, the Committee requested USDA provide a listing of recent awards under the AFRI program sorted according to the corresponding statutory priorities and sub priorities. USDA initially responded to the Committee that it had no means by which to track grants in relationship to the statutory authority upon which they are awarded. The Committee ultimately received a partial response to the oversight request after a delay of more than 3 months, but only days prior to consideration of the FARRM Act in 2012. That data revealed a dramatic shift in awards funding away from traditional areas of production agriculture. For instance, awards for research in plant systems dropped from 38.7% of available funds in fiscal year 2007, the final full year under the predecessor programs, to 18.4% in 2011. Awards for research in animal systems fell from 22.4% to 9.4% over the same time period.

Following receipt of a final report in February 2013, the Committee remained concerned that the allocation of research and extension awards under the AFRI program was inconsistent with our national priorities. As a result of the analysis, commitments were made by senior leadership of the National Institutes of Food and Agriculture (NIFA) to address these concerns. Efforts undertaken by the Director of NIFA to incorporate enhancements in the fiscal year 2014 budget submission, while still lacking in certain respects demonstrate the seriousness to which these commitments are being upheld.

While the Committee is encouraged by the progress that is being made, there remains a desire to codify the transparency and ac-

countability measures contained within this budget submission language (section 7513).

The Committee recognizes the importance of basic animal health research to support the farmed cervidae industry, and as such, supports research focusing on the development of viable strategies for the prevention, diagnosis, and treatment of infectious, parasitic and toxic diseases of farmed deer and the mapping of the deer genome.

The Committee recognizes the growing importance of and need for comprehensive and practical scientific and economic assessments of agricultural practices and technologies intended to improve agriculture's water quality and quantity performance. This is particularly the case as states work with producers on high priority or high profile water quality challenges. Such scientific and economic assessments are needed for the major crop producing regions of the country, taking into account soils, climate, crops grown, and the technologies and agricultural practices in use. The goal of such assessments should be to develop information and continue to build on the tools already in place. The assessments should continue to develop new and innovative approaches to help producers and policy makers in states understand what is affordable, achievable and sustainable for producers. The assessment can then be used to consider how different water quality policy choices relate to other important societal objectives involving agriculture. The Committee encourages the Secretary to initiate a multi-year effort to help the states and USDA continue to develop this base of science and knowledge through the funding of proposals from qualified institutions capable of supporting interdisciplinary teams of researchers and experts to carry out such efforts.

The Committee recognizes the success of the Conservation Effects Assessment Project (CEAP) and the cross collaborative approach between multiple agencies at USDA, and strongly encourages USDA to continue and expand on those efforts. The Committee does not intend for this provision to be a replacement for or duplication of CEAP, but rather as a source of sound, complementary economic and technical information that could be used in conjunction with CEAP to create more accurate assessments of the effects of prospective conservation measures on agricultural land.

The Committee recognizes that maintaining and enhancing wild rice, a uniquely American specialty crop, depends on continued use of traditional breeding methods, along with the application of new genetic tools to make conventional breeding more efficient. Genetic analysis of shattering, disease resistance, reduced plant height, and other traits require not only development of new genetic markers for wild rice, but also new methods for gathering accurate phenotypic information on the plants. The use of these improved genetic resources in the future depends on their continued availability through reliable seed storage methods. Some research has been done on maintaining viability of stored seeds, but these need to be translated into reliable and useful methods at the local level to ensure breeding progress.

The Committee would hope that the Secretary would consider the following research objectives regarding wild rice genetic resources: preserving and enhancing wild rice breeding lines for test-

ing and release as future varieties; developing phenotyping methods and genotypic markers for various traits; using genotypic and phenotypic information to identify superior genetic resources for breeding and to develop more efficient breeding methods; evaluating and maintaining the genetic distinctiveness of wild rice breeding lines and populations; and developing improved methods for short- and medium-term storage of wild rice breeding lines and populations.

Renewable Resources Extension Act of 1978

The National Association of University Forest Resources Programs (NAUFRP), (formerly the National Association of Professional Forestry Schools and Colleges) represents 69 of our nation's universities and their respective scientists, educators and extension specialists. NAUFRP's purpose is to advance the health, productivity, and sustainability of America's forests by providing university-based natural resource education, research, science, extension and international programs. The Committee would encourage USDA to engage in discussions with NAUFRP to ensure that their proposals for resource management are appropriately addressed.

Budget submission and funding

The Committee is aware of the need for the statutory priorities for the various agricultural research, education and extension programs to be written with sufficient flexibility so that the Administrators of the USDA research agencies can respond quickly and efficiently to emerging problems and opportunities. The Committee is equally cognizant of the need for taxpayer funds to be used in a transparent and accountable manner.

Recent changes that have occurred in Congressional appropriations procedures have empowered USDA bureaucrats to direct spending seemingly without regard to statutory priorities. Coupling the extraordinary spending discretion granted to the agencies with a lack of transparency relating to the priority setting process exposes these critical programs to allegations of waste, fraud and abuse.

As a follow up to a series of programmatic audits conducted by the Committee, a request was submitted for the Department to provide a listing of grants awarded by the USDA under one principal competitive grants program to be sorted according to the statutory priorities for which the funding was appropriated. The Department was unable to provide this information for more than 3 months due to what was at the time a lack of ability by the Department to track program funding according to the authorized priorities.

A review of the data ultimately provided by the Department demonstrated a significant reduction in funding provided for research related to core production agricultural programs. Follow up discussions with senior leadership of the National Institute of Food and Agriculture (NIFA) resulted in several commitments to address underlying funding concerns as well as to enhance the information available in future budget submissions.

In order to increase the ability of Congress to oversee funding allocations, the Committee reported bill seeks to codify the commit-

ments that have been made by NIFA leadership in order to provide transparency and accountability with regard to the research, extension and education budget. It is the intent of the Committee that USDA provide increasingly detailed spending plans to Congress in advance of the development of annual appropriations measures so that the legislature and interested constituencies can weigh the merits of these allocations against evolving priorities, and as a representative body the Congress can approve or disapprove of the proposed allocations. The Committee believes that receipt of the information requested in this section will be beneficial to the long-term goal of expanding resources available for agricultural research, extension and education.

The Committee is aware that the ARS is shifting its funding priorities from core work in areas impacting crop protection and livestock production to environmental stewardship. The Committee is concerned that this action is short-sighted, especially in light of the fact that many plant disease issues may be magnified under varying weather conditions, and this is especially the case in the work on fusarium head blight in wheat and barley.

Sun grant program

The Committee reported bill directs the Secretary to utilize and leverage the investment, resources and capacities of the current regional Sun Grant Program Centers and Sub-center to continue their leadership and management of the regional Sun Grant competitive grants program.

Title VIII—Forestry

The Committee believes that healthy national, state, and private forests should be a high priority for the Department. Healthy forests are an important component of helping sustain fire-resistant communities and promoting economic health across rural America. The Committee reported bill reflects the priorities of the Committee by providing the Forest Service the tools necessary to improve forest management on a federal, state, and local level.

Forest Service decision making process

The Committee reported bill includes language that clarifies that the Forest Service does not need to engage in a notice, comment, and appeal process for routine actions. This language came as a result of a federal court decision in March 2012 that the agency must engage in this process for noncontroversial actions such as planting trees after wildfire, trail maintenance, or one-time events such as races. The Committee believes this is a burdensome requirement for the Forest Service when no other federal agency is required to engage in a similar process. The Committee is also concerned that this requirement will have an adverse impact on rural economies by virtue of restricting the number of revenue-generating activities that may occur on National Forest lands.

Stewardship contracting

The Committee provided the Forest Service with a four-year extension of authority to conduct Stewardship contracting. This approach to land management has proved effective nationwide since

it was first authorized in 1999 and extended in 2003. Stewardship Contracting allows the Forest Service to conduct important forest restoration work by allowing the value of wood removed to help offset the cost of needed restoration treatments, like forest thinning, introduction of prescribed fire, and habitat improvements for a variety of species. It is important to note that Stewardship Contracting is not intended to replace the existing timber sale contract. Where there are robust wood markets, the Forest Service can frequently achieve its forest restoration and habitat goals simply by offering carefully designed timber sales. The Committee asks the Chief to work with purchasers of Forest Service timber to address concerns they have raised about methods of selecting the winning bidders on Stewardship contracts, and to provide feedback to losing bidders to help increase their understanding of the process to become more effective in the future. The Committee asks the Chief to include liability limitations for operations fires in all types of Stewardship Contracts and Stewardship Agreements. These liability limitations should be substantially similar to the protections in existing timber sale contracts. Additionally, the Committee allows the Forest Service to use the authority available under Stewardship Contracting to manage by prescription. This gives the agency more flexibility to manage forest conditions by targeting a specific goal for forest health.

Pine bark beetle

The outbreak of the pine bark beetle afflicting states across the nation is a great concern to the Committee. To date, an estimated 41 million acres have been affected, creating potentially hazardous fuel loads in several western states. The Committee reported bill includes provisions to provide the Forest Service with increased flexibility to address this issue and work with partners to mitigate the potential damage. The Committee wishes to clarify that the Secretary has the authority to designate critical areas at any point beyond the initial 60-day deadline specified in Sec. 8302. In reviewing the threat maps for designation of possible critical areas, the Secretary has the authority to treat those areas that are not immediately threatened by a disease outbreak in order to reduce the threat of future outbreak.

Forest Inventory and Analysis

The Forest Inventory and Analysis (FIA) program is the nation's only comprehensive forest inventory system for assessing the health and sustainability of the nation's forests across all ownerships. FIA provides essential data related to forest species composition, forest growth rates, and forest health data and is the baseline inventory estimate used in the State-wide Assessments and Strategies for Forest Resources. The program provides unbiased information that has immediate utility to foresters, landowners and many other users by serving as the basis for monitoring trends in wildlife habitat, wildfire risk, insect and disease threats, predicting spread of invasive species and for responding to contemporary forest issues such as estimating sustainable woody biomass supplies for renewable energy production, forest carbon inventories, and determining the timber supply available to support local mills and local jobs.

The Committee recognizes the critical importance of the FIA program and directs the Forest Service to place increased emphasis within the agency's Research and Development program to implement the strategic plan called for in Sec. 8401.

Forest Service retired employees

The Committee is concerned about the increasing number of retired Forest Service employees in recent years. Section 8402 included language to allow the Forest Service to hire retired employees under the Agriculture Conservation Experienced Services (ACES) program. The Forest Service will continue to see a large number of retirements in the comings years. Allowing the Forest Service to participate in the ACES program allows the agency to retain the institutional knowledge acquired through the years by these senior employees.

Forest health conditions

The Committee reported bill includes provisions for three reports to be completed by the Secretary. One report will focus on the condition of roads within the National Forest System. A second report will direct the Secretary to study the needs of sawmills within 100 miles of the boundary a National Forest. The third study will direct the Forest Products Laboratory to demonstrate the benefits of wood as a green building material. The Committee believes these reports with help in promoting healthier forests by understanding the needs of private sawmill owners, understanding existing infrastructure in the National Forest System, and creating markets by promoting the use of wood as a green building material.

Pautre fire response

The Committee has heard concerns about the Forest Service's response to the Pautre Forest fire in South Dakota during the spring of 2013. The damage was caused by a controlled burn that spread beyond its intended boundaries and affected approximately 10,800 acres near the Grand River Grazing District. The Committee directs the Forest Service to assist affected landowners in any way legally possible through the recovery process, including the rebuilding of fences and any assistance with the TORT process. Additionally, the Forest Service should review its prescribed burn policies and consult with these landowners before any future burns.

Title IX—Energy

The Committee continued the efforts of the 2002 and 2008 Farm Bills in drafting the energy title of the Committee reported bill. The Committee recognized rural America's important role in contributing to America's energy needs. The Committee focus in drafting the energy title was to continue to facilitate the establishment of new types of renewable energy feedstocks across rural America and to assist agriculture producers and rural small business to become more energy efficient.

With the exception of the Flexible Feedstock program, the programs under the energy title did not have a budget baseline beyond the expiration of the 2008 Farm Bill. Given the difficult budgetary decisions already affecting the drafting of a new bill, the Com-

mittee did not include mandatory funding for programs in the energy title. The Committee chose to keep the framework for renewable energy in place by reauthorizing several programs with discretionary funding and modifications to the underlying statutory authority. Despite the lack of mandatory funding, the Committee expects to see significant progress in the development of advanced biofuel feedstocks over the course of the Farm Bill.

BioPreferred program

The Biobased Market Program is intended to stimulate the production of new biobased products and energize emerging markets. The Committee reported bill amends the definition of a biobased product in order to clarify that forest products are included in the Biopreferred label program. USDA, in its rulemaking process, should ensure that mature markets for biobased products, including products made from forestry and cotton materials, are not put at a competitive disadvantage, particularly in comparison to products that may be imported into the United States. The Committee expects the Secretary to carefully implement this section.

Rural Energy for America Program

The Committee reported bill amends the definition of a "renewable energy system" to clarify what is eligible for financial assistance under the Renewable Energy for America Program (REAP). The Department announced an initiative in October 2010 to assist in the installation of 10,000 blender pumps over a five year period. The intent of the program has been to promote energy efficiency and the production of renewable energy, rather than energy delivery. Therefore, blender pumps or other mechanisms to dispense fuel on a retail level are not a use of the program consistent with this purpose.

The Committee reported bill also streamlines the application process for REAP to create a three-tiered application process. The Committee believes that due to the wide range of projects funded under the program, those producers seeking smaller amounts of assistance should not be required to submit the same volume of information as those seeking larger amounts.

Biomass Research and Development Initiative

The purpose of the Biomass Research and Development Initiative (BRDI) is to promote research and development regarding the production of biofuels and biobased products. The Committee encourages the Department to prioritize and focus investment in projects which use pre-commercialization processes and methods to advance product development. The Committee is aware of numerous advanced manufacturing facilities around the country that can play an active part in the development phase of biofuels and biobased products and urges the Secretary to encourage their involvement in BRDI projects.

Biomass Crop Assistance Program

The Biomass Crop Assistance Program was reauthorized with modifications. The program as written in the 2008 Farm Bill was not implemented in a manner consistent with the Committee's vi-

sion. Initial estimates of the program projected spending of $70 million on the program over the course of the Farm Bill. However, approximately $924 million has been spent on the program through the end of FY 11. After issuance of the final rule in October 2010, the Committee believes the program is now being run in a manner consistent with Congressional intent. To ensure that the purpose of the program continued to be carried out, the Committee removed the authorization of payments for the collection, harvesting, storage, and transportation of eligible materials to a biomass conversion facility. The Committee intends that the purpose should be on the establishment of new crops, rather than funding existing crops.

Title X

Horticulture

Specialty crops—fruits, vegetables, tree nuts, and nursery plants—account for almost half of the domestic crop value in the United States.

The Committee believes that the specialty crop industry can be best served through Federal and State efforts that help producers increase their respective competitive positions through marketing, promotion, plant pest and disease pressures, and research programs. The FARRM Act builds upon the popular and successful programs established in the 2008 Farm Bill with this notion in mind. Expanding export markets and increasing access to locally produced products is a priority in the FARRM Act.

Specialty Crop Block Grant Program

The bill makes several changes to the Specialty Crop Block Grant program, which has been successful in enhancing the competitiveness of specialty crops by promoting increased consumption of fruits, vegetables, and nuts, fostering local and regional economic development, and enhancing research on specialty crops. The FARRM Act increases funding for the Specialty Crop Block Grant program by $250,000,000 over ten years. The Committee also adjusts the grant allocation formula in a manner that balances the value of specialty crops with the number of acres devoted to specialty crop production within states. The Committee directs both USDA and the states to limit the administrative funds at 3 and 8 percent respectively to capitalize on the funds available to growers.

The Committee recognizes the difficulty in coordinating and funding multi-state projects within the block grant program, and the Committee expects the USDA to issue guidance and work with states in making grants available for such projects. These multi-state projects may include food safety, research, plant pest and disease, and crop specific projects. These projects have the ability to link growers across state lines and promote much needed collaborative research. In the Secretary's guidance, effective multi-state collaborative research should not limit needed equipment and facilities if it is found they are essential to research advancements.

Plant pest and disease

To ensure the continued availability of funding for the important work of the National Clean Plant Network, the Committee has

combined this program with the Pest and Disease program and increased baseline funding for both. The Committee adopted an amendment that sets a funding floor of $5 million per year to the National Clean Plant Networks but further encourages the Secretary to provide from within the overall allocation under this section additional funds if deemed necessary. These funds may be provided to the Network without regard to the process for distributing funds to address the other provisions of Section 420 of the Plant Protection Act. The Committee recognizes that Disease Management and Disaster Prevention Programs as previously authorized in the Food, Conservation, and Energy Act of 2008 includes imminent pressing and persistent threats from pests and disease, such as Citrus Greening, to agriculture production.

The Committee recognizes the importance of the Federal government, specifically the USDA, developing and maintaining the highest technological capability of identifying plant pests and invasive species. Further, the Committee believes that the advanced technological capabilities acquired through development of plant pest and disease detection technologies should facilitate the development of a coordinated, interagency response plan for the federal government to effectively mitigate plant pests and disease. The Committee encourages USDA to take the appropriate steps to facilitate information and technology sharing with other appropriate agencies of the Federal government involved in managing invasive pests such as Department of the Interior, Environmental Protection Agency, U.S. Coast Guard and the U.S. Army Corps of Engineers.

Farmers' markets

The Committee recognizes the growing interest among producers and consumers to provide and purchase locally-grown agricultural products. The FARRM Act expands the Farmers Market Promotion Program to include food system infrastructure and increases funding for competitive grants to expand farmers' markets and other direct-to-consumer market opportunities.

Olive oil marketing order

The Committee has taken steps to permit the establishment of a marketing order for domestically produced olive oil. Should this marketing order be established, the Committee expects USDA, in conjunction with the U.S. Trade Representative's office, to ensure the marketing order is implemented in a manner that will not cause undue trade disruption.

Honey standard of identity

The Committee is concerned with the Food and Drug Administration's denial of the honey industry's 2006 citizen's petition calling for a federal standard of identity for honey. Consequently, the Committee directs USDA to submit a report to the Commissioner of the FDA on the importance of establishing such a standard. The Committee recognizes that inconsistent standards can cause confusion in the market place and legal challenges. The Committee instructs the USDA to take into consideration the honey industry's petition filed with the Food and Drug Administration.

Modification, Cancellation, or Suspension on Basis of a Biological Opinion

Pesticide biological opinions

The Committee has been made aware of the dramatically different views on approaches to assessing and managing potential risks to fish, wildlife and plant species between the Environmental Protection Agency (EPA) and the Fish and Wildlife Service and National Marine Fisheries Service (collectively, the Services). Consequently, these agencies disagree on fundamental legal and science policy matters related to their respective obligations under the Endangered Species Act (ESA) and the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). These scientific disagreements, along with inability to develop a sound and workable process for consultation under ESA, threaten public health, agricultural productivity, and global competitiveness with no commensurate benefit to threatened and endangered species.

FIFRA requires EPA to evaluate unreasonable risk of harm to human health or the environment (including fish, wildlife and "non-target" plants) before granting pesticide registrations or amendments to existing pesticide registrations.

FIFRA requires applicants for pesticide registration actions (registrants) to submit to EPA a robust set of scientific data to ensure the protection of the environment. EPA also considers other available data and has the authority to require additional data from pesticide registrants to ensure decisions are scientifically sound. EPA's Office of Pesticide Programs is uniquely staffed to critically evaluate the voluminous available data on the potential pesticide effects.

ESA provides for an additional level of scrutiny by requiring federal agencies, such as EPA, to consult with the Services on "agency actions" (such as a pesticide registration) that could impact threatened or endangered species or their critical habitats. As part of the consultation process, the Services issue a "biological opinion" which may recommend additional modifications or restrictions to "agency actions."

In the last decade, EPA has been sued to compel consultations with the Services for hundreds of products throughout the nation, and has agreed to do so. These lawsuits are "procedural" in nature citing a lack of "consultation" with the Services and rarely attack EPA's underlying analysis of the science-based record. Most importantly, however, such lawsuits divert precious government resources from actually protecting endangered species. Several of the lawsuits filed have resulted in Court-ordered "interim" restrictions on the use of critical pesticides.

The EPA has made significant efforts to meet obligations under FIFRA and ESA, while the Services have produced biological opinions that many observers find grossly flawed, ignore pertinent data, and rely on outdated and irrelevant studies. Therefore, the seven consultations conducted since 2002 have not been fully implemented. As a result, EPA has not found the Service's recommendations sufficiently based on sound science to compel registrants to adopt them.

This inability to resolve fundamental scientific issues at the heart of a consultation involving pesticides led the EPA Administrator and the Secretaries of the United States Department of Agriculture, Department of Interior and Department of Commerce to ask the National Research Council (NRC) of the National Academy of Sciences (NAS) to provide guidance on some minor scientific issues. This action, however, does not stop the litigation, nor will it impede courts from unilaterally imposing unwarranted pesticide restrictions. In a joint oversight hearing held on May 4, 2011, between the Committees on Agriculture and Natural Resources, it became clear to many of the Committees' respective Members that the requested NRC study was incomplete and lacking in the scope necessary to critically review existing biological opinions in their entirety.

Response for why legislation is needed

Committee Members have therefore raised numerous concerns with the failure of the NRC study contract to include unbiased scientific peer review of the Services' biological opinions as well as an analysis of the technological and economic feasibility of the proposed "Reasonable and Prudent Measures" or "Reasonable and Prudent Alternatives".

The Committee continues to stress the importance that the relevant federal agencies contract with the NRC to study and report on the concerns raised by interested parties during the hearing, the Committee continues to strongly assert that the following scientific questions must be included in a NRC study to properly examine the numerous issues raised by the Services' biological opinions to date. Questions that the Committee has asked the agency to include in a NRC contract include:

- The NAS recently provided guidance on evaluation of data quality for EPA Integrated Risk Information System (IRIS) evaluations. What criteria should the EPA and the Services be using in evaluating data for acceptability and relative quality in regulatory decision-making? How should decisions on data acceptability be documented?
- A well defined weight-of-evidence framework would provide some structure and transparency to the objective assessment of information relied upon for regulatory decision-making. Is there a recommended framework for a "weight-of-evidence" approach for evaluation of all relevant available data and how should that framework be applied?
- Were apparent incongruities or inconsistencies in available data appropriately addressed and clearly described in the Services' biological opinions? Were the implications of the inconsistencies considered in describing the uncertainty in the assessment?
- Were the rationales used to support jeopardy or adverse modification determinations well-grounded in empirical observations? Have the Services clearly articulately the limitations and uncertainties associated with the effects determinations?
- When worst-case assumptions are made, how should they be documented to make the level of conservatism apparent, consistent with Presidential memoranda?

• Should uncertainty factors be reduced or eliminated as more recent empirical data are made available? If so, have the Services adopted this principle in their effects determinations conducted to date?

• Were the assumptions used to fill data gaps supported by empirical data, reasonable and clearly articulated?

• Were the specific assumptions and inferences used to support jeopardy and adverse modification determinations plausible? That is, did the Services include an assessment of the *a priori* likelihood that critical assumptions and inferences would prove true if tested?

• Where in the assessment process should the Services involve the expertise of other federal and state Agencies, as well as non-federal entities such as growers and other stakeholders, in the risk assessment process?

• The problem formulation includes a description of the different stressors that are influential on species survival. How are considerations of key stressors for endangered and threatened species and the relative significance of their known or potential impacts incorporated into a jeopardy finding as part of the Biological Opinion?

• How should consideration of key stressors inform the Reasonable and Prudent Measures (RPMs) or Reasonable and Prudent Alternatives (RPAs) suggested at the end of the consultation process? For example, if habitat loss is identified as the predominant factor impacting a species in question, how will measures to lessen impact include consideration of mitigation options that increase or improve habitat?

• How should the Services consider the human health implications of the impact of proposed mitigation measures on mosquito population control efforts?

The Committee is likewise concerned that the scope of work of any subsequent NRC study must cover direct and indirect economic impacts. Therefore, it is imperative that any review of these biological opinions be comprehensive in nature, and address the following issues pertaining to economic feasibility, consistent with 50 C.F.R. § 402.02 before moving forward with implementation of any pending or future biological opinions related to FIFRA registered products.

• What factors should the Services consider to make the determination that proposals are "consistent with the intended purpose of the action considered in these biological opinions?

• What factors should the Services consider to make the determination that proposals are "technologically feasible"?

• What factors should the Services consider to make the determination that the proposals a are "economically feasible"?

• Can you recommend an appropriate framework for conducting a benefit-cost analysis (BCA) for determining and documenting economic and technical feasibility?

• In addition to a BCA, a cost-effectiveness analysis (CEA) can provide a rigorous way to identify and evaluate options that achieve the most effective use of the resources available. Can you recommend an appropriate framework for conducting a CEA to evaluate a range of possible alternatives under consideration?

• For both BCAs and CEAs how should the Services document and analyze important uncertainties associated with proposed

RPAs? Furthermore, to what extent is it recommended that the Services provide a sensitivity analysis to reveal whether, and to what extent, the results of the analysis are sensitive to plausible changes in the main assumptions and inputs?

• To what extent is it recommended that the Services identify and consider important ancillary benefits and countervailing risks related to proposed RPAs? (For example, potential reduction in habitat resulting from changes in land management practices in response to proposed restrictions.)

Taken together, these questions represent a reasonable basis on which to achieve scientific consensus. The Committee urges the EPA, USDA and Services' to take such action as is necessary to request to the NRC to ensure that their work, once completed will be thorough and defensible.

Use and Discharges of Authorized Pesticides

The Federal Insecticide, Fungicide, and Rodenticide Act

The Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA") is a regulatory statute that governs the sale and use of pesticides in the United States through the registration and labeling of such products. Its objective is to protect human health and the environment from unreasonable adverse effects of pesticides, taking into account the costs and benefits of various product uses. Pesticides regulated under FIFRA include insecticides, herbicides, fungicides, rodenticides, and other designated substances. The Environmental Protection Agency ("EPA") reviews scientific data submitted by chemical manufacturers on toxicity and behavior in the environment to evaluate risks and exposure associated with a product's use.

FIFRA prohibits the sale of any pesticide unless it is registered and labeled indicating approved uses and restrictions. It is a violation of Federal law to use such a chemical in a manner that is inconsistent with the label instructions. If a registration is granted, EPA makes a finding that the chemical "when used in accordance with widespread and commonly recognized practice it will not generally cause unreasonable adverse effects on the environment." (7 U.S.C. 136a(c)(5)(D).) EPA then specifies the approved uses and conditions of use of the pesticide, and this is required to be explained on the product label.

The Clean Water Act

The objective of the Federal Water Pollution Control Act (commonly known as the "Clean Water Act" or the "CWA") is to restore and maintain the chemical, physical, and biological integrity of the nation's waters. The primary mechanism for achieving this objective is the CWA's prohibition on the discharge of any pollutant without a National Pollutant Discharge Elimination System ("NPDES") permit. EPA has the authority to regulate the discharge of pollutants either through general permits or through individual permits. NPDES permits specify limits on what pollutants may be discharged from point sources and in what amounts. Under the CWA, 47 states and territories have been authorized to implement

NPDES permits and enforce permits. EPA manages the Clean Water Act program in the remaining states and territories.

NPDES permits are the basic regulatory tool of the CWA. EPA or an authorized state may issue compliance orders, or file civil suits against those who violate the terms of a permit. In addition, in the absence of Federal or state action, individuals may bring a citizen suit in United States district court against those who violate the terms of an NPDES permit, or against those who discharge without a valid permit.

Litigation

In over 30 years of administering the CWA, EPA had never required an NPDES permit for the application of a pesticide, when the pesticide is applied in a manner consistent with FIFRA and its regulations. While the CWA contains a provision granting citizen suits against those who violate permit conditions or those who discharge without an NPDES permit, FIFRA has no citizen suit provision. As a result, beginning in the late 1990s, a series of citizen lawsuits were filed by parties, contending that an NPDES permit is necessary when applying a FIFRA-regulated product over, into, or near waterbodies. These cases generated several Court of Appeals decisions that created confusion and concern among pesticide users regarding the applicability of the CWA with regard to pesticide use.

As the litigation continued, concern and confusion grew among farmers, forest landowners, and public health officials, prompting EPA to issue interim, and later final, interpretive guidance in August 2003 and January 2005, and then to undertake a rulemaking to clarify and formalize the Agency's interpretation of the CWA as it applied to pesticide use. The EPA rule was finalized in November 2006 (71 Fed. Reg. 68483 (Nov. 27, 2006)), and was the culmination of a three year participatory rulemaking process that began with the interim interpretive statement in 2003 and involved two rounds of public comment.

The 2006 EPA rule codified EPA's long-standing interpretation that the application of chemical and biological pesticides for their intended purpose and in compliance with pesticide label restrictions is not a discharge of a "pollutant" under the CWA, and therefore, that an NPDES permit is not required. The rule clearly defined specific circumstances in which the use of pesticides in accordance with all relevant requirements under FIFRA is not a CWA "discharge of a pollutant," explaining in detail the rationale for the Agency's interpretation.

When the rule was finalized, environmental groups, as well as farm and pesticide industry groups, filed petitions for review of the rule in several Federal Circuit Courts of Appeal. The petitions were consolidated in the Sixth Circuit. The Sixth Circuit ultimately vacated the rule on January 7, 2009 in *National Cotton Council* v. *EPA* (553 F.3d 927; hereinafter, National Cotton Council), concluding that the final rule was not a reasonable interpretation of the CWA's permitting requirements. The court rejected EPA's contention that, when pesticides are applied over, into, or near waterbodies to control pests, they are not considered pollutants as long as they comply with FIFRA, and held that NPDES permits

are required for all pesticide applications that may leave a residue in water.

EPA estimated that the ruling would affect approximately 365,000 pesticide applicators that perform some 5.6 million pesticide applications annually. The court's decision, which would apply nationally, was to be effective seven days after the deadline for rehearing expired or seven days after a denial of any petition for rehearing. Parties had until April 9, 2009 to seek rehearing.

On April 9, 2009, the government chose not to seek rehearing in the National Cotton Council case. The government instead filed a motion to stay issuance of the court's mandate for two years to provide EPA time to develop an entirely new NPDES permitting process to cover pesticide use. As part of this, EPA needed to propose and issue a final NPDES general permit for pesticide applications, for states to develop permits, and for EPA to provide outreach and education to the regulated community. Industry groups filed a petition seeking en banc review, asking the full Sixth Circuit to reconsider the decision from the three-judge panel.

On June 8, 2009, the Sixth Circuit granted EPA a two-year stay of the court's mandate, in response to their earlier request. The Sixth Circuit denied the industry groups' petition for rehearing in August 2009. The court-ordered deadline for EPA to promulgate a new permitting process for pesticides under the Clean Water Act was April 9, 2011. On March 3, 2011, EPA filed another request for an extension with the court. On March 28, 2011, the Sixth Circuit granted an extension through October 31, 2011. The Court's extension only temporarily postponed the need for an NPDES permit for pesticide use, and did not obviate the need for this legislation.

Two petitions were filed with the U.S. Supreme Court in December 2009 by representatives of the agriculture community and the pesticide industry, requesting that the U.S. Supreme Court review the National Cotton Council case. A number of parties, including numerous Members of Congress, filed amicus briefs with the U.S. Supreme Court, in support of or opposition to the petitions. On February 22, 2010, the U.S. Supreme Court denied the petitioners' request without comment.

EPA development of a new permitting process to cover pesticide use

EPA continued to move ahead and developed a new NPDES permitting process to cover pesticide use, and on October 31, 2011, EPA issued a final NPDES Pesticide General Permit for point source discharges from the application of pesticides to waters of the United States. The permit covers four pesticide uses: (1) mosquito and other flying insect pest control; (2) aquatic weed and algae control; (3) aquatic nuisance animal control; and (4) forest canopy pest control. It does not cover terrestrial applications to control pests on agricultural crops or forest floors, and does not cover activities exempt from permitting under the CWA (irrigation return flow, agricultural stormwater runoff) and discharges that will require coverage under an individual permit, such as discharges of pesticides to waterbodies that are considered impaired under CWA Sec. 303(d) for that discharged pesticide. This general permit provides coverage for discharges in the states where EPA is the NPDES per-

mitting authority. In the remaining states, the states are authorized to develop and issue the NPDES pesticide permits.

Implications

The Committee has received testimony and other information on the implications of the Sixth Circuit's holding in the National Cotton Council case, and the new permitting process that EPA has had to develop under the CWA as a result of that holding, on state and local agencies, mosquito control districts, water districts, pesticide applicators, agriculture, forest managers, and other stakeholders. On February 16, 2011, the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure held a joint hearing with the Nutrition and Horticulture Subcommittee of the House Committee on Agriculture to consider means for reducing the regulatory burdens posed by the case, *National Cotton Council* v. *EPA* (6th Cir. 2009), and to consider related draft legislation.

Despite being limited to four categories of pesticide uses, EPA's new general permit for covered pesticides stands to be the single greatest expansion of the permitting process in the history of the NPDES program. EPA has estimated that it can expect approximately 5.6 million covered pesticide applications per year by approximately 365,000 applicators—virtually doubling the number of entities currently subject to NPDES permitting. (U.S. EPA, Fact Sheet for 2010 Public Notice of: Draft National Pollutant Discharge Elimination System (NPDES) Pesticides General Permit (PGP) for Discharges from the Application of Pesticides to or over, including near Waters of the U.S., at 14, available at *http://www.epa.gov/npdes/pubs/proposed_pgp_fs.pdf.*)

With this unprecedented expansion comes real and tangible burdens for EPA and the states that will have to issue the permits, those whose livelihoods depend on the use of pesticides, and even everyday citizens going about their daily lives.

EPA has said that they will be able to conform the current process to meet the Sixth Circuit's mandate. Even so, much of the responsibility of developing and issuing general permits falls on the states. Forty-five states (and the Virgin Islands) are now facing increased financial and administrative burdens in order to comply with the new permitting process. In a time when too many states are being forced to make difficult budgetary cuts, the nation cannot afford to impose more financial burdens.

The expanded permitting process also imposes enormous burdens on pesticide users who encompass a wide range of individuals from state agencies, city and county municipalities, mosquito control districts, water districts, pesticide applicators, farmers, ranchers, forest managers, scientists and others. The new and duplicative permitting process is increasing both the administrative difficulty and costs for pesticide applicators to come into compliance with the law. Compliance no longer means simply following instructions on a pesticide label. Instead, applicators have to navigate a complex process of identifying the relevant permit, filing with the regulatory authority a valid notice of intent to comply with the permit and having a familiarity with all of the permit's conditions and restrictions. Along with increased administrative burdens comes an

increased monetary burden. Estimates are that the cost associated with the EPA permit scheme to small businesses could be as high as $50,000 per business, annually.

In addition to the costs of coming into compliance, pesticide users are subject to an increased risk of litigation and exorbitant fines. Applicators not in compliance face fines of up to $37,500 per day per violation, not including attorney's fees. Given the fact that a large number of applicators have never been subject to NPDES and its permitting process, even a good faith effort to be in compliance could fall short. Moreover, the CWA allows for private actions against individuals who may or may not have committed a violation. Thus, while EPA may exercise its judgment and refrain from prosecuting certain applicators, they remain vulnerable to citizen suits. Unless Congress acts, hundreds of thousands of farmers, foresters, and public health pesticide users will remain under the constant threat of lawsuits, now that the Sixth Circuit's April 9, 2011 deadline has passed.

It is not only pesticide regulators and applicators who are being affected by the new permitting requirements. Rather, the Sixth Circuit's decision is affecting everyday citizens, who rely on the benefits provided by pesticides and their responsible application. Pesticide use is an essential part of agriculture. Imposing a burdensome and duplicative permitting process on our nation's farmers threatens their ability to continue to provide the country with a safe and reliable food supply. Many family farmers and small applicators lack the resources to ensure compliance with a cumbersome and detailed permit scheme. Moreover, for those farmers who are able to comply, delays that are inherent in permitting schemes are ill-suited for prompt pest control actions necessary in agriculture. Failure to apply a pesticide soon after a pest is first detected could result in recurring and greater pest damage in subsequent years if a prolific insect were to become established in plant hosts. The Secretary of Agriculture, Hon. Thomas J. Vilsack, has said that a permitting system under the CWA for pesticide use "is ill-suited to the demands of agricultural production." (Letter, Hon. Thomas J. Vilsack, Secretary of Agriculture, to Hon. Lisa P. Jackson, Administrator, U.S. Environmental Protection Agency, Subject: *The National Cotton Council of America, et al.,* v. *United States Environmental Protection Agency* (Mar. 6, 2009)).

Forest landowners also stand to suffer under the new permit scheme. EPA's permit scheme stands to result in a reduction in the use of forest pest control as a forest management tool, resulting in the acceleration of tree mortality and general decline in overall forest health. It also is erecting barriers for the control of pests, such as Gypsy Moth and Forest Tent Caterpillar. This may result in a higher incidence of preventable tree kills and defoliated landscapes.

The Committee also recognizes the importance of the aerial application of pest control tools. These tools are useful not only to ensure overall food safety and food security, but also to promote public health through improved mosquito control techniques. The ARS Aerial Application Technology Program conducts innovative research making aerial applications more efficient, effective, and precise. This program has yielded more effective public health control programs, as well as increased efficiencies and greater crop produc-

tion. Research for aerial application serves the public interest as a vital tool for the future.

Finally, the Sixth Circuit's holding could have significant implications for public health. The National Centers for Disease Control officially recognizes the following as a partial list of mosquito-borne diseases—Eastern Equine Encephalitis, Japanese Encephalitis, La Crosse Encephalitis, St. Louis Encephalitis, West Nile Virus, Western Equine Encephalitis, Dengue Fever, Malaria, Rift Valley Fever, and Yellow Fever. (Centers for Disease Control and Prevention, *http://www.cdc.gov/ncidod/diseases/list_mosquitoborne.htm.*) EPA's permit program poses the possibility of critical delays in emergency responses to insect and disease outbreaks and stands to divert resources from controlling environmental pests to litigation and administrative burdens.

Development of legislation in response to the Sixth Circuit decision

As a result of concerns raised by Federal, state, local, and private stakeholders regarding the interrelationship between FIFRA and the CWA and the concerns posed by the new and duplicative permitting process under the CWA, the House Committee on Transportation and Infrastructure and House Committee on Agriculture sought technical assistance from EPA to draft very narrow legislation targeted only at addressing the Sixth Circuit's holding in *National Cotton Council* and return the state of pesticide regulation to the status quo—before the courts got involved. The Provisions of Section 10017 are based on the technical assistance that EPA provided to the Committees, and is intended to be consistent with EPA's final rule from November 2006. The bill amends FIFRA and the CWA to eliminate the requirement of an NPDES permit for applications of pesticides authorized for sale, distribution, or use under FIFRA.

Seed Not Pesticide or Device for Purposes of Importation

For the purposes of this amendment, the term "seed" or "treated seed" shall include, but not be limited to, seed or other propagative material that has been treated with or otherwise contains a pesticide.

Title XI—Crop Insurance

Over the course of the past 20 years, the United States has gone from insuring 83 million acres to 282 million acres, a 240 percent increase. Over that same period, the value of production protected by crop insurance has risen from roughly $11.3 billion in 1992 to $117 billion in 2012. Vast improvements in crop insurance over the past 20 years have resulted in growers taking up this tool as the cornerstone of their risk management strategy. With crop insurance, farmers have "skin" in the game, paying in a record $4.5 billion in crop insurance premiums in 2011.

Since 2008, Federal Crop Insurance has been cut by roughly $17 billion through Farm Bill legislation, renegotiation of the Standard Reinsurance Agreement, and the re-rating process. Through several audit, field, and Washington-based hearings in preparation for writing the farm bill—along with countless meetings with farmers

and farm groups—the resounding message the Committee heard was that we should do no harm to crop insurance.

The Committee heeded the message of not harming crop insurance and has used the opportunity to make several improvements, building on the tool that has become the cornerstone of the risk management framework for our nation's farmers.

Information sharing

The Committee recognizes that the information producers provide to agents is dispositive in providing coverage given it is offered on private paper and approved insurance providers (AIPs) share risk. However, the Committee also recognizes that agents work to ensure farmer customer compliance with Commodity Title requirements in order to maintain their eligibility under Title I. Thus, ensuring timely receipt of information by agents and AIPs from the Farm Service Agency (FSA) is important. Receipt of timely information by agents and AIPs has the complementary effect of helping to avoid errors in both crop insurance and the Commodity Title. The Committee expects the Department of Agriculture to ensure that FSA shares information with agents and AIPs in a timely manner to enable agents to check this information against that which they received directly from producers in order to ensure effective crop insurance coverage, eligibility under Title I, and to reduce reporting errors, generally.

Publication of information on violations of prohibition on premium adjustments

The Committee has consistently sought to enjoin rebating under federal crop insurance. The Committee remains concerned about inadequate enforcement, as well as overly broad interpretations of the very limited exceptions that have been statutorily granted. The Committee expects the Department to enhance enforcement efforts, give the narrowest possible application to any exception granted, and to publish violations as required by this section in order to provide clear guidance on what is permissible under the statute. That being said, finite enforcement resources and judgment require the Department to focus on activities that are serious and plain violations rather than discovering "rebates" in long-standing business practices that have, heretofore, existed in harmony alongside anti-rebating rules without a detrimental effect on crop insurance.

Supplemental Coverage Option

The Committee recognizes that budget conditions have greatly limited the resources available under Title I of the Farm Bill and that this requires the Department to use authorities granted under the Federal Crop Insurance Act to help fill at least a part of the void. The Supplemental Coverage Option (SCO), which statutorily requires that producers be allowed to supplement individual yield or revenue policies with area-based yield or revenue policies on the same acreage, is an essential part of this effort and, as such, must be made available for the 2014 crop year for all producers in all counties seeking such coverage. The Committee also expects that producers of hybrid seed, including but not limited to hybrid seed corn, hybrid popcorn seed, hybrid sweet corn seed, hybrid sorghum

seed, and hybrid rice seed, may supplement their coverage with either a revenue or yield SCO coverage option, at the producer's election.

The Committee understands that the Department has cited limited data as a possible reason to delay availability in certain counties and for certain crops. However, the Committee observes that this section and section 11008 of this Act greatly enhances the Department's capacity to gather and use the necessary data for timely implementation for the 2014 crop year. The Committee particularly expects that SCO will also be implemented for the 2014 crop year for crops that have a history of low participation and coverage levels under crop insurance, including rice and peanuts in all counties where these crops are produced. The Committee encourages the Department to work to ensure that price discovery issues do not impede availability of SCO to any producer, including producers of medium grain rice. The Committee would observe that the Farm Bill clearly specifies in statute the level of administrative and operating expense to be provided relative to SCO and that this amount falls outside of and is therefore not subject to any administratively imposed cap on such expenses.

The Committee would note that the Federal Crop Insurance Act is a broad grant of statutory authority which already authorizes SCO even without the express grant now provided under this section. The Committee is concerned that specific legislation is frequently required to address producer needs that could and should be met under the general grant of authority and urges the Department to exercise its authority to meet producer needs under this general grant rather than wait for Congress to require it. This is both in the interest of producers and to ensure that the broad, organic statute does not become a patchwork of specific requirements where the Department had to be prodded.

The Committee also expects that the Department will approve margin coverage in time for the 2014 crop year and specifically grants legal authority to offer such coverage under the Act.

The Committee would note in this instance as well as in the case of SCO that such legal authority already exists without the express approval of margin coverage under this section. Moreover, the Committee is concerned that the Department is applying the limitations imposed under the Federal Crop Insurance Act, generally, on the development of new policies under section 508(h) of the Federal Crop Insurance Act when the Act expressly instructs the Department not to do so. Section 508(h)(2) specifically excuses section 508(h) submissions from limitations generally applicable under the statute, yet the Department has applied these limitations nevertheless. The Committee expects the Department to give meaning to the statutory instruction that "a policy or other material submitted to the Board under this subsection may be prepared without regard to the limitations contained in this subtitle" without the need for a statutory restatement. The Committee expects that a producer may purchase additional coverage, margin coverage, and SCO on the same acreage since margin coverage is meant to be a supplement to additional coverage.

Repeal of performance-based discount

The Committee notes that any number of discounts or rebates have been tested in previous years and have failed. Amendments to the statute made in this Act and previous Acts have largely eliminated the authority for discounts and rebates and the inequities on produces and increased burdens on delivery that these schemes tend to generate. For this reason, the Committee expects the Department to avoid any expansion of the reach of activities operating under any authorities that remain.

Permanent enterprise unit subsidy

The Committee would observe that the Department has the authority to carry out the enhanced premium support of Enterprise Units without the express authority the Committee now grants in this section. The Committee expects the Department to continue to carry out the enhanced premium support of Enterprise Units in a manner that makes such an election at least as cost-effective to producers as it was prior to enactment of this legislation.

Enterprise units for irrigated and non-irrigated crops

The Committee restates that authority already exists to achieve this important goal for producers and expects the Department to implement this section in time for the 2014 crop year as required by this amendment to the statute.

Data collection

The authority granted under this section is to ensure, among other things, that SCO and the Stacked Income Protection Plan for Upland Cotton (STAX) are offered in all counties for the 2014 crop year. The Committee would observe that the Department has noted that STAX may be available to a majority of cotton farmers depending on the timeliness of the Farm Bill's enactment into law. Yet, a policy is not effective unless it is certain to be there for all farmers when it is first implemented.

Adjustment in actual production history to establish insurance yields

The Committee intends to reduce the double deductible producers face due to actual deductibles and those unintended deductibles created by artificially low Actual Production Histories (APHs). The Committee urges an aggressive effort to address this problem through the use of the authorities under this section and other authorities, including through a greatly expanded use of personal T-Yields and other effective approaches.

Submission and approval of pilot programs and other policies

For the same reason, the Committee elected not to make changes to the private submission process established under section 508(h) of the Federal Crop Insurance Act in order to foster the greatest possible flexibility in the development of policies that will effectively serve producers. The Committee expects that a revenue policy for peanut producers as well as margin coverage for rice producers will be made available to producers in time for the 2014 crop year. The Committee further expects the Department to ap-

prove the separating of enterprise units by risk rating so that such enterprise unit coverage is available in time for the 2014 crop year.

Equitable relief for specialty crop producers

The Committee recognizes that specialty crop contracts were especially and unfairly impacted by the Standard Reinsurance Agreement (SRA) and provides $41 million for each of the 2011 through 2015 reinsurance years in order to mitigate the adverse impacts. With respect to future reinsurance years to which this section applies, the Committee intends that the additional amounts provided to approved insurance providers be paid to agents at the same time as amounts paid pursuant to the "soft cap" on administrative and operating expenses.

The Committee further intends that the disbursements made under this section be paid without regard to the conditions imposed on the payment of administrative and operating expense amounts above the "soft cap." Finally, the Committee expects the Department to ensure that amounts made available with respect to previous or current reinsurance years are disbursed by approved insurance providers to agents in a manner consistent with payments made in those years under the "soft cap."

The Committee underscores that the provision of this equitable relief does not in any way provide statutory assent to the administrative imposition of limits on administrative and operating expenses or compensation to agents under the SRA.

Budget limitations on renegotiation of the standard reinsurance agreement

The Committee expects the Department to negotiate budget neutral Standard Reinsurance Agreements. To the extent that there are any savings from such an agreement, such savings must be used to increase premium assistance to producers, enhance administrative and operating expense reimbursement to ensure effective delivery, or fund pilot programs. The Committee notes the extraordinary cuts made in the last SRA, much through administratively imposed restrictions on administrative and operating expense reimbursement and on agent compensation although authority for such restrictions is not to be found in statute. While the statute is broad, it expressly states administrative and operating expense reimbursement rates, and had never before been construed to authorize government intervention into private contracts between approved insurance providers and agents.

The Committee recognizes the covenants not to sue over these provisions, imposed on approved insurance providers who are privy to a contract with the federal government and on agents who are not privy to contract, as an acknowledgement by the Department of these issues. The Committee expects that the Department will consult the committees of jurisdiction more closely in future negotiations of the SRA, correct the overreaches of the 2011 SRA, avoid further cuts to administrative and operating expense reimbursements which already exceed the Department's own estimates by about $2 billion, and consult with agent representatives in such negotiations given the impact the SRA now has on agents both in terms of finances and workload. The Committee also recognizes

that agents are the eyes and ears of crop insurance on the ground and encourages the Department to involve agents in the promulgation of rules, regulations, and policies of crop insurance in order to preempt program vulnerabilities before they occur.

Crop production on native sod

The Committee considered this issue carefully and opted to confine the section's reach to the Prairie Pothole National Priority Area. The section contains prescriptive requirements and also broader authority to effectuate its purpose. The Committee expects the Department to exercise any discretion it may have in carrying out this section in a manner that is balanced and not overly onerous on producers.

Coverage levels by practice

The Committee expects the Department to allow producers to elect different coverage levels between irrigated and non-irrigated practices on the same crop beginning with the 2015 crop year as provided for in this section. However, the Committee encourages the Department to implement this section earlier if practicable.

Beginning farmer and rancher provisions

The Committee expects the Department to carry out this section in a manner that imposes minimal burden on beginning farmers and ranchers, producers, approved insurance providers, and agents.

Stacked income protection plan for producers of upland cotton (STAX)

In order to address a World Trade Organization (WTO) dispute, at the behest of the U.S. cotton sector, U.S. cotton policy is fundamentally altered under the provisions of this Act, sharply limiting cotton producer support under the commodity title to the marketing loan. There is no price protection for cotton producers in the event of low prices over multiple years except the marketing assistance loan which is also subject to substantial reduction under this legislation. The Committee expects such coverage to be offered to all cotton producers in all counties in time for the 2014 crop year. The section would provide the bulwark of risk management for cotton producers through crop insurance and so this section's implementation in 2014 is essential. Provisions in this section and section 11008 enable the Department to implement this policy for cotton producers in a timely manner.

Peanut revenue crop insurance

The Committee expects the peanut revenue policy required under this section to be made available in time for the 2014 crop year. With substantially declining support under the commodity title, producers are expected to assume greater responsibility in managing price and production risks on the farm. In order to achieve this, all producers of all crops in all regions need access to risk management tools that they can purchase that are cost-effective on their operations.

Authority to correct errors

The Committee views the sharing of information required under section 11001 and the authority to correct errors as key components to ensuring that producers have effective coverage in place at the time of a loss and to protecting program integrity. The Committee expects the Department to implement this section in a manner that does not eliminate any authorities or practices preexisting the 2013 reinsurance year that permit the correction of errors but rather as additive authority.

The Committee relied heavily upon the Department for its drafting and policy expertise in crafting this section, the spirit of which is intended by the Committee to allow the correction of unintentional errors to the maximum extent practicable. Neither program nor producer is served if coming forward with unintentional errors is punished as it may chill attempts at correction while leaving the producer without coverage if and when the error is discovered.

Implementation

The Committee expects the Department to work closely with the FSA, the RMA, approved insurance providers, and agent and producer representatives in developing any acreage report streamlining initiative project to ensure that the best interests of the producer are served.

Research and development priorities

The Committee expects the Department to make the development of policies that increase the participation of underserved commodities a priority, particularly policies serving sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, and specialty crops. The section lifts the prohibition on RMA engaging directly in research and development at the agency's request. The Committee cautions the agency not to allow this authority to in any way undermine the timely consideration and approval of private sector submissions. The Committee notes that the agency's direct research and development authority was taken away in the Agricultural Risk Protection Act because Congress and producers believed that the agency's focus on research and development activities came at the expense of the policy priorities of the private sector. The Committee expects the agency to ensure that its research and development mission compliments rather than competes with private sector initiative.

Additional research and development contracting requirements

The Committee expects the Department to develop effective margin coverage for catfish producers as well as policies that effectively serve energy-dedicated biomass sorghum and sweet sorghum, as is required under this Act. The Committee also requires studies on swine and poultry catastrophic disease programs and food safety insurance and research and development on whole farm diversified risk management insurance and poultry business interruption insurance.

Program compliance partnerships

The Committee expanded the Risk Management Agency's (RMA's) ability to enter into partnerships with public and private entities in order to develop new tools, technologies, methods, and strategies for improving crop insurance program compliance. The Committee on Agriculture recognizes the potential benefits to RMA through the use of technologies such as Geographic Information Systems (GIS), unmanned aerial sensors, and imagery analysis capabilities to accurately and economically determine field losses that are used as the basis for crop insurance payments.

Pilot programs

The Committee expects this provision to further remove unnecessary impediments to the initiation of pilot programs designed to test the effectiveness of risk management tools for producers.

Risk management

The Committee recognizes that the profitability and financial viability of agricultural producers depends on their ability to make sound economic and financial decisions while managing and mitigating significant risks in a frequently changing policy environment. The Committee expects USDA to focus on risk management, risk mitigation, financial benchmarking and farm management, with a particular emphasis on producer-focused risk management education. Moving towards risk-based agricultural policy requires efforts that enable the deployment of strategies and practices that help farmers manage and mitigate their risks; especially with changing technologies and policies that demand timely modification and adaptation on the farm.

Title XII—Miscellaneous

GIPSA

The Committee addresses regulations prompted by Section 11006 of the Food, Conservation, and Energy Act of 2008, which were proposed by the U.S. Department of Agriculture on June 22, 2010 and titled "Implementation of Regulations Required Under Title XI, of the Food, Conservation and Energy Act of 2008". On July 20, 2010, the Livestock, Dairy & Poultry Subcommittee of the House Committee on Agriculture conducted a hearing on Farm Bill programs under its jurisdiction administered by USDA. During the hearing a broad array of concerns were expressed by Members of the Committee. Members asserted that the proposed rule went far beyond the scope of the Farm Bill, lacked a sound economic analysis necessary to judge both the need and utility of the proposed rule and may have been the result of a flawed rulemaking process.

On October 1, 2010, 115 Members of the House wrote the Secretary of Agriculture requesting a cost-benefit analysis that has yet to be conducted. On April 6, April 13, and May 4, 2011 the Livestock, Dairy & Poultry Subcommittee conducted hearings on the beef, pork, and poultry sectors respectively. During these hearings, representatives from the beef, poultry and pork sectors testified about the challenges facing their communities, including the proposed GIPSA regulation. On May 18, 2011, 147 Members wrote the

Secretary requesting him to withdraw the rule and repropose with an economic analysis.

The FY 2012 Agriculture Appropriations, H.R. 2112, signed by the President on November 18, 2011, contained language barring USDA work on major portions of the proposed rule. The Continuing Appropriations Resolution for 2013, signed by the President on September 9, 2012, contained language barring USDA action on these same components of the proposed rule and repealing three items on which the Administration had completed rulemaking. Also, H.R. 933, the Consolidated and Further Continuing Appropriations Act of 2013, signed by the President on March 26, 2013, contained similar language.

The Committee asserts that the Packers and Stockyards Act has an important role to play in our livestock markets. That said, the Committee continues to express its concerns with actions taken thus far to implement the 2008 amendments. The Committee action seeks to codify language similar to that adopted three previous times, as detailed above, except that the Committee reported bill would prohibit the Secretary from issuing similar regulations or adopting similar policies in the future.

Country of origin labeling economic analysis

On June 29, 2010 the World Trade Organization finalized the ruling on Canadian and Mexican challenges to the United States' mandatory country of origin law with respect to beef and pork. The decision was adverse to elements of mandatory country of origin labeling. On March 12, 2013, the U.S. Department of Agriculture proposed a rule to address that issue. The Committee expects the Secretary will act through the Office of the Chief Economist to conduct an economic analysis of this rule with respect to beef, pork, and chicken regarding the impact on consumers, producers, and packers in the United States. The Committee does not intend this provision to presuppose that rulemaking.

Noninsured crop assistance program (NAP)

The Committee is concerned that the improvements to NAP not impede the development of crop insurance policies for crops served by NAP. The Committee affirms the goal of developing effective crop insurance policies for all producers, crops, and regions so that producers meaningfully pay for the risk management coverage on their operations. Reliance on NAP should be a last resort.

The Committee recognizes the need for NAP to provide financial assistance to producers of non-insured crops, such as fern fronds, when low yields, loss of inventory, or prevented planting occurs due to natural disasters. With respect to NAP coverage, the Committee expects the inventory values of fern fronds to be counted separately from rooted fern plants. The Committee also expects NAP coverage for sweet sorghum and biomass sorghum.

SECTION-BY-SECTION

Sec. 1. Short Title; Table of Contents

Sec. 2. Definition of Secretary of Agriculture

TITLE I—COMMODITIES

SUBTITLE A—REPEALS AND REFORMS

Sec. 1101. Repeal of Direct Payments

Section 1101 repeals direct payments effective with the 2014 crop year.

Sec. 1102. Repeal of Counter-Cyclical Payments

Section 1102 repeals the counter-cyclical payments effective with the 2014 crop year.

Sec. 1103. Repeal of Average Crop Revenue Election Program

Section 1103 repeals the Average Crop Revenue Election (ACRE) program effective with the 2014 crop year.

Sec. 1104. Definitions

Section 1104 contains majority and all common definitions for the Title.

Sec. 1105. Base Acres

Section 1105 continues the Secretary's authority to provide for adjustments to base acres for covered commodities and cotton when a CRP contract is terminated, acres are released from the CRP or when the Secretary designates additional oilseeds in the same manner as current law.

Sec. 1106. Payment Yields

Section 1106(a) continues the Secretary's authority to establish payment yields for each farm for any designated oilseed that does not have a payment yield.

Section 1106(b) continues the method of determining the payment yield for designated oilseeds in the same manner as current law.

Section 1106(c) authorizes the Secretary to establish a payment yield if no payment yield is otherwise established for a covered commodity using the program payment yields of similarly situated farms.

Section 1106(d) In time for the 2014 crop year, the owner of the farm can update the payment yields of each covered commodity once.

Sec. 1107. Farm Risk Management Election

Section 1107(a) authorizes the Secretary to make Price Loss Coverage or Revenue Loss Coverage payments to eligible producers.

Section 1107(b) makes producers eligible for a price loss coverage payment for covered commodities for the 2014–2018 crop years when the effective price for a covered commodity is less than the reference price for the covered commodities. The effective price is

the higher of the national average market price for a covered commodity for the first 5 months of the marketing year (the midseason price) and the national average marketing loan rate established in subtitle B. The reference prices are set in 1104(16). If a payment is required, the payment will be the difference between the reference price and the effective price multiplied by the payment yield (defined in 1104(12)) and the payment acres (defined in 1104(11)). The Secretary shall make price loss coverage payments on October 1, or as soon as practicable thereafter, after the applicable marketing year for the covered commodity.

Section 1107(c) offers an alternative to price loss coverage. A farmer can make a one-time, irrevocable election on a crop by crop, farm by farm basis to receive revenue loss coverage. Farmers will receive revenue loss coverage payments for the 2014–2018 crop years when the actual county revenue for a covered commodity in a crop year is less than the county revenue loss trigger for the covered commodity.

The actual farm revenue is the product of multiplying the actual county yield for each planted acre of the covered commodity and the higher of the first 5 months of the marketing year (the midseason price) or the national average marketing loan rate established in subtitle B. The county revenue loss coverage trigger for a covered commodity is 85 percent of the benchmark county revenue.

The benchmark county revenue is the average historical county yield of a covered commodity in a county for the most recent 5 years, excluding the highest and the lowest, subject to the average national marketing year price. In calculating the benchmark county revenue the Secretary shall use the higher of the historical county yield or 70 percent of the historical county transitional yield. For price the Secretary shall use the higher of the national marketing year average price or the reference price (set in 1104(16)).

The payment rate is the difference between the county revenue loss coverage trigger for the covered commodity and the actual county revenue for the crop year for the covered commodity or 10 percent of the benchmark county revenue for the crop year for the covered commodity.

If payments are required the payment amount is the determined by multiplying the payment rate and the payment acres of the covered commodity on the farm. Payments are to be made on October 1 or as soon as practicable thereafter, after the applicable marketing year for the covered commodity.

Sec. 1108. Producer Agreements

Section 1108 states that before a producer of a covered commodity can receive a payment under section 1107 he or she must comply with sod buster provisions in subtitle B of title XII of the 1985 act, and the swampbuster provisions of subtitle C of the title XII of the 1985 act, keep the land in agriculture or conserving use, and effectively control noxious weeds.

If a producer sells or otherwise transfers his farm to someone else, the new owner or operator must assume all of the compliance obligations or the right to either the price loss coverage payment or the revenue loss coverage payment is terminated.

The producer is still required to submit to the Secretary acreage reports. Accidental errors in the reports will not result in loss of payment.

The Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers and for sharing the payments among the producers on a farm on a fair and equitable basis.

Sec. 1109. Period of Effectiveness

Section 1109 sets 2014–2018 as the period of effectiveness for this subtitle.

SUBTITLE B—MARKETING LOANS

Sec. 1201. Availability of Nonrecourse Marketing Assistance Loans for Loan Commodities

Section 1201 authorizes nonrecourse loans for loan commodities for 2013–2017 crop years in the same manner as current law. It also includes a requirement that producers comply with certain conservation requirements.

Sec. 1202. Loan Rates for Nonrecourse Marketing Assistance Loans

Section 1202 continues current law establishing loan rates for commodities, except for an adjustment to upland cotton, as follows for the 2014–2018 crop years:

Wheat, $2.94 (same as current law)

Corn, $1.95 (same as current law)

Grain Sorghum, $1.95 (same as current law)

Barley, $1.95 (same as current law, though now using the all barley price)

Oats, $1.39 (same as current law)

Upland Cotton, for the 2013 and each subsequent crop year, the simple average of the adjusted prevailing world price for the 2 immediately preceding marketing years, but in no case less than $0.47 per pound or more than $0.52 per pound.

Extra long staple cotton, $0.7977 (same as current law)

Long grain rice, $6.50 (same as current law)

Medium/short grain rice, $6.50 (same as current law)

Soybeans, $5.00 (same as current law)

Other oilseeds, $10.09 (same as current law)

Dry Peas, $5.40 (same as current law)

Lentils, $11.28 (same as current law)

Small Chickpeas, $7.43 (same as current law)

Large Chickpeas, $11.28 per hundredweight (same as current law)

Peanuts, $355 per ton (same as current law)

Graded wool, $1.15 (same as current law)

Non-graded wool, $0.40 (same as current law)

Honey, $0.69 (same as current law)

Mohair, $4.20 (same as current law)

Sec. 1203. Term of Loans

Section 1203 continues the provisions of the current law on the terms of loans: 9 months; no extensions.

Sec. 1204. Repayment of Loans

Section 1204 requires the repayment of marketing assistance loans in the same manner as current law.

Sec. 1205. Loan Deficiency Payments

Section 1205 authorizes loan deficiency payments for 2014–2018 crop years under same conditions as 2002 Farm Bill.

Sec. 1206. Payments In Lieu of Loan Deficiency Payments for Grazed Acreage

Section 1206 continues the authorization for payments in lieu of LDPs for producers who have grazed acreage for the 2014–2018 crop years under in the same manner as current law.

Sec. 1207. Special Marketing Loan Provisions for Upland Cotton

Section 1207 continues the authorization for the President to issue special import quota for the 2014–2018 crop year in the same manner as current law using only official USDA data.

Sec. 1208. Special Competitive Provisions for Extra Long Staple Cotton

Section 1208 continues the authorization through July 31, 2019 of the special competitive provisions for extra long staple cotton in the same manner as current law.

Sec. 1209. Availability of Recourse Loans for High Moisture Feed Grains and Seed Cotton

Section 1209 continues the authorization for recourse loans for these crops for the 2014–2018 crop years in same manner as current law.

Sec. 1210. Adjustment of Loans

Section 1210 authorizes the Secretary to adjust loan rates.

SUBTITLE C—SUGAR

Sec. 1301. Sugar Program

Section 1301 reauthorizes the sugar program through the 2018 crop year in the same manner as current law.

SUBTITLE D—DAIRY

PART I—DAIRY PRODUCER MARGIN PROTECTION AND DAIRY MARKET STABILIZATION PROGRAMS

Sec. 1401. Definitions

Section 1401 defines the terms used in the Dairy Producer Margin Protection and Dairy Market Stabilization Programs, including that a "participating dairy producer" is a dairy producer that registers for the dairy producer margin protection program, and, as a result of the registration, also participates in the dairy market stabilization program.

Sec. 1402. Calculation of Average Feed Cost and Actual Dairy Producer Margins

Section 1402 establishes that the average feed cost be calculated each month using the price of corn, the price of soybean meal in central Illinois, and the price of alfalfa hay, as reported by the Secretary.

For use in the margin protection program, directs the Secretary to calculate the actual dairy producer margin for each consecutive 2 month period by subtracting the average feed cost from the all-milk price for that period.

For use in the stabilization program, directs the Secretary to calculate the actual dairy producer margin for each preceding month by subtracting the average feed cost from the all-milk price for that period.

SUBPART A—DAIRY PRODUCER MARGIN PROTECTION PROGRAM

Sec. 1411. Establishment of Dairy Producer Margin Protection Program

Section 1411 directs the Secretary to establish a dairy producer margin protection program by providing basic margin protection payments when margins are less than a $4 threshold level, and providing supplemental margin protection up to an $8 margin if purchased by the producer.

Sec. 1412. Participation of Dairy Producers in Margin Protection Program

Section 1412 establishes that all dairy producers in the United States are eligible to participate in and sign-up for the margin protection program to receive basic margin protection, and, if the producer so chooses, to purchase supplemental margin protection.

Sec. 1413. Production History of Participating Dairy Producers

Section 1413 establishes the production history of producers.

Sec. 1414. Basic Margin Protection

Section 1414 establishes a basic margin protection program under which participating dairy producers receive a basic margin protection payment when the average actual dairy producer margin falls below $4.00 for a consecutive two-month period.

Sec. 1415. Supplemental Margin Protection

Section 1415 establishes that a dairy producer may purchase supplemental margin protection on a yearly basis to protect a higher level of income than under the basic margin program.

Sec. 1416. Effect of Failure to Pay Administrative Fees and Premiums

Section 1416 mandates that a dairy producer, who elects to participate in the basic or supplemental margin protection programs and fails to pay the required administrative fees or premiums, may not receive basic or supplemental margin protection payments and remains legally obligated to pay such fees or premiums.

SUBPART B—DAIRY MARKET STABILIZATION PROGRAM

Sec. 1431. Establishment of Dairy Market Stabilization Program

Section 1431 establishes a dairy market stabilization program which is triggered when the actual dairy producer margin has been $6 or less per hundredweight of milk for the immediately preceding 2 months or $4 or less for the immediately preceding month. If the stabilization program is triggered, the Secretary will order reduced payments for the participating producer that exceeds the applicable percentage of the producer's stabilization base.

Sec. 1432. Threshold for Implementation and Reduction in Dairy Producer Payments

Section 1432 requires the Secretary to announce that the stabilization program is in effect and payment reductions are required.

Sec. 1433. Producer Milk Marketing Information

Section 1433 requires the Secretary to establish a process to collect the necessary information while the stabilization program is in effect.

Sec. 1434. Calculation and Collection of Reduced Dairy Producer Payments

Section 1434 requires handlers to reduce payments to participating dairy producers during any month in which payment reductions are in effect.

Sec. 1435. Remitting Monies to the Secretary and Use of Monies

Section 1435 requires handlers to remit to the Secretary an amount equal to reduced producer payments.

Sec. 1436. Suspension of Reduced Payment Requirement

Section 1436 lists the thresholds at which the Secretary will suspend the stabilization program.

Sec. 1437. Enforcement

Section 1437 makes it unlawful for any person subject to the stabilization program to not provide or to delay the reporting of accurate information and remittance of funds to the Secretary.

Sec. 1438. Audit Requirements

Section 1438 is the audit requirements for the stabilization program.

SUBPART C—COMMODITY CREDIT CORPORATION

Sec. 1451. Use of Commodity Credit Corporation

Section 1451 requires the Secretary to use the funds and facilities of the CCC to carry out the program.

SUBPART D—INITIATION AND DURATION

Sec. 1461. Rulemaking

Section 1461 exempts the programs from the Administrative Procedures Act and the Paperwork Reduction Act.

Sec. 1462. Duration

Section 1462 terminates the margin protection program and the stabilization program on December 31, 2018.

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

Sec. 1481. Repeal of Dairy Product Price Support and Milk Income Loss Contract Programs

Section 1481 repeals the dairy price support and milk income loss programs.

Sec. 1482. Repeal of Dairy Export Incentive Program

Section 1482 repeals the dairy export incentive program.

Sec. 1483. Extension of Dairy Forward Pricing Program

Section 1483 reauthorizes the dairy forward pricing program through 2021.

Sec. 1484. Extension of Dairy Indemnity Program

Section 1484 reauthorizes the dairy indemnity program through 2018.

Sec. 1485. Extension of Dairy Promotion and Research Program

Section 1485 reauthorizes the diary promotion and research program through 2018.

Sec. 1486. Repeal of Federal Milk Marketing Order Review Commission

Section 1486 repeals the federal milk marketing order review commission.

PART III—EFFECTIVE DATE

Sec. 1491. Effective Date

Section 1491 states this subtitle is effective October 1, 2013.

SUBTITLE E—SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE PROGRAMS

Sec. 1501. Supplemental Agricultural Disaster Assistance

In general, section 1501 authorizes the continuation of certain Supplemental Agricultural Disaster Assistance programs, previously codified in subtitle B of the Federal Crop Insurance Act, as a standalone provision within the bill.

Section 1501(a) is the definitions section.

Section 1501(b) authorizes the Livestock Indemnity Payments (LIP) for fiscal years 2012 through 2018. The subsection authorizes the Secretary to use such sums as necessary of the funds of the

Commodity Credit Corporation to be used to make livestock indemnity payments to eligible producers for livestock losses in the excess of normal mortality due to adverse weather or attacks by federally reintroduced animals, such as wolves or avian predators. It maintains the 75% of the market value rate for indemnity.

Section 1501(c) authorizes the Livestock Forage Disaster Program (ELFP) for fiscal years 2012 through 2018. The subsection authorizes the Secretary to use such sums as necessary from the Commodity Credit Corporation to provide compensation to eligible livestock producers for livestock losses due to grazing losses caused by drought or fire. Coverage includes native or improved pastureland with permanent vegetative cover, or land that has crops that are specifically planted for the purpose of grazing livestock. However, an eligible livestock producer may not receive assistance for land used for haying or grazing under the Conservation Reserve Program. The language maintains the payment rate for losses caused by drought for 1 month at equal to the lesser of 60 percent of the lesser of the monthly feed cost for all covered livestock owned or leased by the eligible producer, or the monthly feed cost calculated by using the normal carrying capacity of the eligible grazing land of the eligible livestock producer. Fire losses continue to be limited to fires that have occurred on federally managed land. The section maintains the payment rate for losses due to fire at equal to 50 percent of the monthly feed costs for the total number of livestock covered by the Federal lease of the eligible livestock producer. The language eliminates the minimum risk management purchase requirement.

Section 1501(d) authorizes the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP) for fiscal years 2012 through 2018. The subsection authorizes the Secretary to use $20,000,000 of the funds of the Commodity Credit Corporation to provide emergency relief for producers to aid in the reduction of loss due to disease and adverse weather. The language clarifies that that loss due to disease includes losses from cattle tick fever. The subsection maintains the provision that the funds shall remain available until expended.

Section 1501(e) authorizes the Tree Assistance Program (TAP) for fiscal years 2012 through 2018. The Secretary is authorized to use such sums as are necessary of the funds of the Commodity Credit Corporation to provide assistance to orchardists and nursery growers for losses of trees due to natural disaster. The language provides a reimbursement rate of 65% of the cost of replanting trees for losses in excess of 15% mortality. The language increases the payment cap under TAP to $125,000 per crop year. It further maintains the 500 acre limit on total number of acres planted in tress or tree seedlings for which a person or legal entity shall be entitled to receive payments under this subsection.

Section 1501(f) includes the payment limitation for the entire section. The language increases the payment cap for total amount of disaster assistance payments, excluding TAP payments, to $125,000 received, either directly or indirectly, by a person or legal entity. It further maintains the application of direct attribution provisions to this section.

SUBTITLE F—ADMINISTRATION

Sec. 1601. Administration Generally

Section 1601 allows the Secretary to use the funds and facilities of the Commodity Credit Corporation to carry out this title. It also provides for an expedited implementation of this title.

The Secretary's authority to adjust expenditures under this title to ensure the United States remains in compliance with our international trade agreements is continued in the same manner as current law.

Sec. 1602. Suspension of Permanent Price Support Authority

Section 1602 continues the suspension of permanent price authority in the Agriculture Marketing Adjustment Act of 1938 and the Agricultural Act of 1949.

Sec. 1603. Payment Limitations

Section 1603 limits the total amount of payments a person or a legal entity can receive under subtitle A to $125,000.

Sec. 1604. Adjusted Gross Income Limitation

Section 1604 replaces the two income limitation test (farm and nonfarm income) with a single $950,000 adjusted gross income limitation for commodity and conservation programs.

Sec. 1605. Geographically Disadvantaged Farmers and Ranchers

Section 1605 continues the geographically disadvantaged farmers and ranchers program authorization for reimbursement payments through 2018 in the same manner as current law.

Sec. 1606. Personal Liability of Producers for Deficiencies

Section 1606 extends the personal liability of producers for deficiencies through 2018 in the same manner as current law.

Sec. 1607. Prevention of Deceased Individuals Receiving Payments Under Farm Commodity Programs

Section 1607 continues the requirement that the Secretary prevent deceased individuals from receiving farm commodity program payments by reconciling the Social Security Numbers of all individuals who received payments under this title with the Commissioner of Social Security in the same manner as current law.

Sec. 1608. Technical Corrections

Section 1608 includes technical corrections.

Sec. 1609. Assignment of Payments

Section 1609 continues the authority of a producer who receives a payment under this title to assign the payment to someone else after proper notice to the Secretary in the same manner as current law.

Sec. 1610. Tracking of Benefits

Section 1610 reauthorizes the Secretary to track the benefits provided to individuals getting payments under titles I and II in the same manner as current law.

Sec. 1611. Signature Authority

Section 1611 continues the signature authority of a producer in the same manner as current law.

Sec. 1612. Implementation

Section 1612 requires the Secretary to maintain records on base acres and the records for the separate base acres for long grain and medium grain rice through 2018. The Secretary shall make available to the Farm Service Agency to carry out this title $100,000,000.

Sec. 1613. Protection of Producer Information

Section 1613 prohibits the Secretary of Agriculture or officials or employees of other federal agencies from releasing certain information given to the government pursuant to Title I or Title II of this act.

TITLE II—CONSERVATION

SUBTITLE A—CONSERVATION RESERVE PROGRAM

Sec. 2001. Extension and Enrollment Requirements of Conservation Reserve Program

Section 2001(a) extends the Conservation Reserve Program (CRP) through fiscal year 2018.

Section 2001(b) amends the definition of eligible land by updating the date for cropping history under highly erodible lands; by removing marginal pasture land converted to wetland or established as wildlife habitat prior to 1999; by adding grasslands as eligible lands; by including filterstrips and riparian buffers devoted to trees, shrubs, and grasses as cropland that would otherwise be ineligible; and by amending the requirement for buffers and filterstrips associated with the remainder of a field enrolled in CRP.

Section 2001(c) amends the requirement for certain lands to be considered planted to an agricultural commodity for the purposes of determining eligibility to land that was devoted to a conserving use during the crop year; and eliminates the inclusion of land enrolled in the water bank program.

Section 2001(d) reduces the acreage cap for fiscal years 2014–2018:

FY2014—27,500,000 acres
FY2015—26,000,000 acres
FY2016—25,000,000 acres
FY2017—24,000,000 acres
FY2018—24,000,000 acres

It further adds a provision for enrollment of 2,000,000 acres of grasslands and authorizes the Secretary to give priority to expiring CRP contracts to be enrolled under the grasslands cap.

Section 2001(e) eliminates the five-year extension option for hardwood trees as well as the additional one-year extension for contracts which expired during the 2002 calendar year. Owners and operators of land with hardwoods, windbreaks, or wildlife corridors may specify the duration of the contract within the 10–15 year limitation.

Section 2001(f) eliminates the specified conservation priority area watersheds and leaves the ability to designate a priority area—including non-watershed areas—to the discretion of the Secretary. It further eliminates the ability for a State agency to apply for withdrawal from a designation

Sec. 2002. Farmable Wetland Program

Section 2002 extends the Farmable Wetlands Program through fiscal year 2017, decreases the program cap from 1,000,000 to 750,000 acres and makes several changes that are clarifying in nature. The program has been further amended so it is no longer a pilot program.

Sec. 2003. Duties of Owners and Operators

Section 2003(a) amends the limitation on harvesting, grazing and commercial use of forage by moving it from the section establishing the duties of owners and operators to the section enumerating the duties of the Secretary.

Section 2003(b) amends the conservation plan requirements by eliminating the option for the plan to provide for permanent retirement of existing base history.

Section 2003(c) eliminates the umbrella rental rate reduction for certain authorized uses of the land. Similar rental rate language appears in the section enumerating the duties of the Secretary.

Sec. 2004. Duties of the Secretary

Section 2004 requires the Secretary to allow for certain harvesting, grazing and commercial use of forage in exchange for a reduction in the rental rate at not less than 25 percent, except for in the case of drought or other emergency created by natural disaster, where the activity may occur without any reduction in the rental rate. The section provides for the incidental use of buffers adjacent to agricultural lands. The section adds a new subsection (c) that requires the Secretary to permit certain haying and grazing practices on grasslands specifically. It adds provisions for individuals with expiring contracts to initiate conservation and land improvement practices in the final year of the contract with a commensurate reduction in rental value. Re-enrollment of these lands is prohibited for at least five years.

Sec. 2005. Payments

Section 2005(a) is a technical conforming amendment in response to the elimination of section 1235A.

Section 2005(b) adds "other eligible land" to the annual rental payment language. Subsection (b) further adds the determination for payments to owners or operators of grasslands at 75 percent of the grazing value of the land under contract.

Section 2005(c) amends the payment schedule section to eliminate in-kind commodity payments through Commodity Credit Corporation stocks.

Section 2005(d) is a technical conforming amendment in response to the elimination of in-kind commodity payments.

Sec. 2006. Contract Requirements

Section 2006(a) allows for a one-time early termination option for an owner or operator if the contract has been in effect for five years. The section further specifies what environmentally sensitive land is exempted from the early termination.

Section 2006(b) makes adjustments to the transition options language regarding the transfer of land from a retired farmer or rancher to a beginning farmer or rancher.

Section 2006(c) allows for an owner or operator to enroll in to the Conservation Stewardship Program in the last year of the owner or operator conservation reserve contract.

Sec. 2007. Conversion of Land Subject to Contract to Other Conserving Uses

Section 2007 repeals Section 1235A of the Food Security Act of 1985, Conservation of Land Subject to Contract to other Conserving Uses which is no longer applicable for contracts in place prior to November 28, 1990.

SUBTITLE B—CONSERVATION STEWARDSHIP PROGRAM

Sec. 2101. Conservation Stewardship Program

Section 2101 revises the Conservation Stewardship Program.

Definitions: The section includes a definition of "agricultural operation", strikes the definition of "conservation measurement tool" to conform with other amendments, redefines "priority resource concern", and it revises the definition of "eligible land".

Establishment and purposes: The section authorizes the program through 2018. It limits the excluded land by allowing for CRP land to be enrolled in the final year of the contract. The section increases emphasis on new conservation. It also eliminates the requirement that not more than 10 percent of the acres enrolled be non-industrial private forest land. The section allows enrollment of lands that are under agricultural land easements option of the ACE Program.

Stewardship contracting: The section requires participants, at the time of the contract offer, to be meeting the stewardship threshold of at least two priority resource concerns with at least one additional priority resource concern by the end of the contract. It establishes a priority consideration for land with expiring CRP contracts. The section also eliminates the conservation measurement tool. It adds the requirement for the producer, in order to renew a contract for an additional year, to meet the stewardship threshold of at least two additional priority resource concerns or exceed the threshold of at least two existing priority resource concerns by the end of the contract period. It eliminates the on-farm research and demonstration, or pilot testing provisions.

Duties of the Secretary: The section replaces the conservation measurement tool with a science-based stewardship threshold. It includes an acreage enrollment limitation of 8,695,000 acres for each fiscal year and a national average rate of $18 per acre, which shall include costs of assistance.

SUBTITLE C—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Sec. 2201. Purposes

Section 2201 adds "developing and improving wildlife" to the purposes section.

Sec. 2202. Establishment and Administration

Section 2202 extends EQIP though fiscal year 2018.

Section 2223 amends the term of an EQIP contract to a period not to exceed 10 years, eliminating the minimum requirement. The increased payments to certain producers section is amended to include veteran farmers or ranchers. The section increases the amount allowed for an advanced payment to 50 percent and includes a new requirement that funds provided in advance but not expended during the required 90-day period be returned. It maintains the 60 percent allocation for livestock production and creates a new 5 percent allocation for practices benefiting wildlife habitat. The section adds a new subsection in order to include wildlife habitat restoration, improvement, and development activities under EQIP.

Sec. 2203. Evaluation of Applications

Section 2203 amends the evaluation of application process section for the purpose of a conforming amendment.

Sec. 2204. Duties of Producers

Section 2204 is a technical amendment to the duties of producers section.

Sec. 2205. Limitation on Payments

Section 2205 establishes the payment limitation at $450,000 and eliminates the waiver authority.

Sec. 2206. Conservation Innovation Grants and Payments

Section 2206 adds a reporting requirement to CIG projects.

SUBTITLE D—AGRICULTURAL CONSERVATION EASEMENT PROGRAM

Sec. 2301. Agricultural Conservation Easement Program

Section 2301 establishes a new Agricultural Conservation Easement (ACE) Program consolidating the Wetland Reserve Program, the Grassland Reserve Program, and the Farmland Protection Program. The purposes of the program include restoring, protecting, and enhancing wetlands; protecting the agricultural use and conservation values on agricultural lands; and protecting grazing uses and related conservation values on agricultural lands. The program has two distinct branches under the umbrella easement program—agricultural land easements and wetland easements.

The program includes definitions for "agricultural land easement", "wetland easement", "eligible entity", and "eligible land".

Under the Agricultural Land Easements, the Secretary facilitates and provides funds to eligible entities to purchase conservation easements in agricultural land and grasslands. The easements shall be permanent easements, or easements for the maximum duration allowed under applicable State law. The scope of the Federal share shall not exceed 50 percent of the fair market value of the land using the USPAP, an area-wide market analysis survey, or another industry approved method. There is an exemption for grasslands of special environmental significance, by which the Secretary may provide up to 75 percent of the fair market value.

The Agricultural Land Easement Program establishes a process under which an eligible entity may be certified by the Secretary, though non-certified entities may still participate. Agreements between the Secretary and an eligible entity shall be at least three, but no more than five years unless the eligible entity is certified, in which case the term shall be a minimum of five years.

Under the Wetlands Easements, the Secretary enrolls wetlands through the use of 30-year easements; permanent easements; easements for the maximum duration allowed under State law; or for Indian tribes only, 30-year contracts. The Secretary shall not acquire easements on land that has been established to trees in CRP, or farmed wetlands or converted wetlands where the conversion was not commenced prior to December 23, 1985. The program establishes a priority based on the value of the wetland easement for protecting and enhancing habitat for migratory birds and other wildlife.

Compensation for permanent easements shall be in an amount necessary to encourage enrollment in the program based on the lowest of the fair market value, the amount corresponding to a geographical cap, or the offer made by the landowner. In the case of a 30-year wetland easement, compensation shall be not less than 50 percent, but not more than 75 percent, of the compensation that would be paid for a permanent wetland easement.

The Wetlands Easement Program further authorizes the Secretary to provide financial assistance to owners to carry out the establishment of conservation measures and practices to protect wetland functions and values including maintenance. In the case of restoration on permanent wetland easements, the Secretary shall pay at least 70 percent, but not more than 100 percent, of the costs. In the case of a 30-year wetland easement, the Secretary shall pay at least 50 percent, but not more than 75 percent of the costs. The entire ACE Program includes a priority for certain lands currently enrolled in CRP with a contract set to expire within 1 year.

Of the funds made available under the program, at least 40 percent are reserved for agricultural land easements for fiscal years 2014 through 2017 and at least 50 percent for agricultural land easements in fiscal year 2018.

SUBTITLE E—REGIONAL CONSERVATION PARTNERSHIP PROGRAM

Sec. 2401. Regional Conservation Partnership Program

Section 2401 establishes a Regional Conservation Partnership Program by combining program purposes of the Agricultural Water Enhancement (AWEP) Program, the Chesapeake Bay Watershed Program, the Cooperative Conservation Partnership Initiatives (CCPI) Program, and the Great Lakes Basin Program. The new Regional Program works through the existing programs—Agricultural Conservation Easement Program (ACEP), Environmental Quality Incentives Program (EQIP), and the Conservation Stewardship Program (CSP)—in order to further conservation, restoration and sustainable use of soil, water, air, wildlife and related natural resources on a regional or watershed scale while encouraging eligible partners to cooperate with producers in meeting or avoiding the need for natural resource regulatory requirements related to agricultural production and implement projects that will affect operations on a local, regional, State, or multi-State basis.

The program includes definitions for "covered programs", "eligible activities", "eligible land" and "eligible partner".

Under the program, the Secretary may enter into short term contracts with eligible partners, who are selected through a competitive process. A partnership agreement may not exceed five years, but may be extended one time for up to 12 months if necessary to meet the objectives of the program. Through the contracts, partners will assist producers with installing and maintaining conservation activities through existing programs. An eligible partner shall provide a significant portion of the overall costs of the scope of the project. The program includes several priorities for applications, including the ability to assist producers in meeting or avoiding regulatory requirements.

The Secretary may also enter into contracts directly with producers who are in an established project area. The Secretary shall make payments directly to the producer in an amount determined by the Secretary to be necessary to achieve the purposes of the program. The language includes a waiver from the adjusted gross income requirement.

The program includes a section for critical conservation areas under which the Secretary can administer the program as well as very limited flood prevention and erosion control projects. When implementing projects under the critical conservation areas, the Secretary may use additional authorities under the Watershed Protection and Flood Prevention Act.

The funding for the program consists of mandatory funds out of the Commodity Credit Corporation of $100,000,000 for each fiscal year, as well as a 6 percent reservation of funds out of the conservation programs mentioned above. Out of all of the funds, 25 percent is allocated to the State conservationist, 50 percent is allocated to the Secretary on a national competitive basis, and 25 percent is allocated for the critical conservation areas.

SUBTITLE F—OTHER CONSERVATION PROGRAMS

Sec. 2501. Conservation of Private Grazing Land

Section 2501 extends Conservation of Private Grazing Land through fiscal year 2018.

Sec. 2502. Grassroots Source Water Protection Program

Section 2502 extends the Grassroots Water Protection Program. It further makes available $5,000,000 in mandatory money to remain available until expended.

Sec. 2503. Voluntary Public Access and Habitat Incentive Program

Section 2503 extends the Voluntary Public Access program through fiscal year 2018, reduces its mandatory funding level to $30,000,000 and requires a report on program effectiveness.

Sec. 2504. Agriculture Conservation Experienced Services Program

Section 2504 provides funding for ACES through the funds made available to carry out each program under the title, excluding CRP.

Sec. 2505. Small Watershed Rehabilitation Program

Section 2505 reauthorizes the appropriations of the Small Watershed Rehabilitation Program at current appropriated levels through fiscal year 2018 and further authorizes $250,000,000 in mandatory money for the Small Watershed Rehabilitation Program for fiscal year 2014, to remain available until expended.

Sec. 2506. Agricultural Management Assistance Program

Section 2506 amends the Agricultural Management Assistance Program, within the Federal Crop Insurance Act, by eliminating the practice of planting trees for windbreaks or for improving water quality and mitigation of risk through resource conservation practices as uses for financial assistance under the program. The section further eliminates the exception of $15,000,000 in mandatory funding through each fiscal year while maintaining the base $10,000,000 in funding. The section amends the percentages for the distribution of funds decreasing the funds through Natural Resources Conservation Services to 30 percent, maintaining the funds for organic certification cost share through Agricultural Marketing Service at 10 percent, and increasing the funds through the Risk Management Agency to 60 percent.

SUBTITLE G—FUNDING AND ADMINISTRATION

Sec. 2601. Funding

Section 2601(a) extends and amends the funding section for conservation programs provided by the Commodity Credit Corporation funds.

Funding levels:

CRP TIP—$25,000,000 set aside in the period of fiscal years 2014–2018.

ACE—

$425,000,000 in FY14;

$450,000,000 in FY15;

$575,000,000 in FY16;
$500,000,000 in FY17; and
$200,000,000 in FY18.
EQIP—$1,750,000,000 in each of fiscal years 2014–2018.

Section 2601(b) makes the funding covered by this section no year funds.

Sec. 2602. Technical Assistance

Section 2602 amends the funding section of the 1985 Act to include an amended technical assistance subsection and also requires a report to Congress on technical assistance.

Sec. 2603. Reservation of Funds to Provide Assistance to Certain Farmers or Ranchers for Conservation Access

Section 2603 extends the 5 percent reservation of funds for both socially disadvantaged and beginning farmers and ranchers through fiscal year 2018. The language adds a priority within the reservation of funds for producers who are veterans.

Sec. 2604. Annual Report on Program Enrollments and Assistance

Section 2604 makes technical amendments to the annual reporting requirement on program enrollments and assistance.

Sec. 2605 Review of Conservation Practice Standards

Extends the current requirement that the Secretary review conservation practices in effect on the date of the enactment of this Act.

Sec. 2606. Administrative Requirements Applicable to All Conservation Programs

Section 2606 adds a new subsection to the administrative requirements for conservation programs that requires the Secretary, to the maximum extent practicable, to seek to reduce administrative burdens and costs by streamlining and taking advantage of new technologies to enhance efficiency and effectiveness. The section clarifies that any payment received under the title is in addition to, and does not affect, the total amount of payments an owner or operator is otherwise eligible to receive.

Sec. 2607. Standards for State Technical Committees

Section 2607 makes a technical change to the standards for state technical committees.

Sec. 2608. Rulemaking Authority

Section 2608 requires the Secretary to promulgate regulations, gives the Secretary rulemaking authority in regards to conservation programs, and provides for the operation of the programs under interim rules.

SUBTITLE H—REPEAL OF SUPERSEDED PROGRAM AUTHORITIES AND TRANSITIONAL PROVISIONS

Sec. 2701. Comprehensive Conservation Enhancement Program

Section 2701 repeals the Comprehensive Conservation Enhancement Program.

Sec. 2702. Emergency Forestry Conservation Reserve Program

Section 2702 repeals the Emergency Forestry Conservation Reserve Program, but provides for the continuation of existing contracts until the contract's expiration.

Sec. 2703. Wetlands Reserve Program

Section 2703 repeals the Wetlands Reserve Program, but provides for the continuation of existing contracts until the contract's expiration.

Sec. 2704. Farmland Protection Program and Farm Viability Program

Section 2704 repeals the Farmland Protection Program, but provides for the continuation of existing contracts until the contract's expiration.

Sec. 2705. Grasslands Reserve Program

Section 2705 repeals the Grassland Reserve Program, but provides for the continuation of existing contracts until the contract's expiration.

Sec. 2706. Agricultural Water Enhancement Program

Section 2706 repeals the Agricultural Water Enhancement Program, but provides for the continuation of existing contracts until the contract's expiration.

Sec. 2707. Wildlife Habitat Incentive Program

Section 2707 repeals the Wildlife Habitat Incentive Program, but provides for the continuation of existing contracts until the contract's expiration.

Sec. 2708. Great Lakes Basin Program

Section 2708 repeals the Great Lakes Basin Program.

Sec. 2709. Chesapeake Bay Watershed Program

Section 2709 repeals the Chesapeake Bay Watershed Program, but provides for the continuation of existing contracts until the contract's expiration.

Sec. 2710. Cooperative Conservation Partnership Initiative

Section 2710 repeals the Cooperative Conservation Partnership Initiative, but provides for the continuation of existing contracts until the contract's expiration.

Sec. 2711. Environmental Easement Program

Section 2711 repeals the Environmental Easement Program.

Sec. 2712. Technical Amendments

Section 2712 includes technical amendments.

TITLE III—TRADE

SUBTITLE A—FOOD FOR PEACE ACT

Sec. 3001. General Authority

Section 3001 amends section 201 of the Food for Peace Act by updating the general authorities with language focused on building resilience to reduce the future need for emergency food aid.

Sec. 3002. Support for Organizations Through Which Assistance Is Provided

Section 3002 amends section 202(e)(1) of the Food for Peace Act by reducing the maximum allowable cash assistance available for administrative costs in non-emergency programs from 13% to 11% of the total funds made available for the program.

Sec. 3003. Food Aid Quality

Section 3003 amends section 202(h) of the Food for Peace Act by requiring the Administrator to consult with the Secretary in performing the requirements of this subsection related to food aid quality; by establishing a mechanism for USDA and USAID to evaluate food aid commodities and implement appropriate changes; by instructing the agencies to update program guidance on the use of new commodities; and by limiting the available funding for these purposes to $1 million.

Sec. 3004. Minimum Levels of Assistance

Section 3004 amends section 204(a) of the Food for Peace Act by reauthorizing the minimum levels of commodities available for emergency and non-emergency assistance under Food for Peace.

Sec. 3005. Food Aid Consultative Group

Section 3005 amends Section 205 of the Food for Peace Act by reauthorizing the Food Aid Consultative Group (the "Group") and adding representatives from the processing sector to the Group. The provision further requires the Administrator to consult with the Group on the implementation of food aid quality provisions and requires the Administrator to provide the Group at least 45 days' notice before a proposed regulation handbook or guideline, or revision thereof, becomes final.

Sec. 3006. Oversight, Monitoring, and Evaluation

Section 3006 amends section 207 of the Food for Peace Act by requiring that all regulations and revisions to agency guidance necessary for implementation of the Federal Agricultural Reform and Risk Management Act be issued within 270 days of enactment. The provision removes authority for purchasing new computer systems, removes obsolete reporting requirements, and provides $10 million per year for monitoring and evaluation. Further, the provision requires a report on the extent of monitoring and evaluation required by eligible organizations participating in Food for Peace programs.

Sec. 3007. Assistance for Stockpiling and Rapid Transportation, Delivery, and Distribution of Shelf-stable Pre-packaged Foods

Section 3007 amends section 208 of the Food for Peace Act by reauthorizing assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods at $8 million per year.

Sec. 3008. General Provisions

Section 3008 amends section 403 of the Food for Peace Act by requiring USDA and USAID to seek information on the potential benefits of monetization to local economies. The provision further clarifies that implementing partners should sell monetized commodities at fair market value. The Secretary and the Administrator are also instructed to coordinate assessments which guide the use of monetization to ensure consistency across programs. The provision requires USAID to issue a report detailing the use of funds made available for implementing partners, including funds for administrative and indirect costs.

Sec. 3009. Prepositioning of Agricultural Commodities

Section 3009 amends section 407(c) of the Food for Peace Act by increasing funding for prepositioning of agricultural commodities from $10 million to $15 million per year. The section also allows the Administrator discretion to establish additional prepositioning sites based on the results of assessments of need, technology, feasibility, and cost.

Sec. 3010. Annual Report Regarding Food Aid Programs and Activities

Section 3010 amends section 407(f) of the Food for Peace Act by requiring the annual report regarding food aid programs and activities to include information on the actual beneficiaries of the programs and by specifying the report include the McGovern-Dole International Food for Education and Child Nutrition Program.

Sec. 3011. Deadline for Agreements to Finance Sales or to Provide Other Assistance

Section 3011 amends section 408 of the Food for Peace Act by extending the expiration of Food for Peace authorities through 2018.

Sec. 3012. Authorization of Appropriations

Section 3012 amends section 412 of the Food for Peace Act by reducing the authorization for appropriations from $2.5 to $2 billion per year and sets the minimum level of development programming at $400 million per year.

Sec. 3013. Micronutrient Fortification Programs

Section 3013 amends section 415 of the Food for Peace Act by striking a reference to an obsolete report and reauthorizing the micronutrient fortification program through 2018.

Sec. 3014. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program

Section 3014 amends section 501 of the Food for Peace Act by reauthorizing the Farmer-to-Farmer program and increasing the minimum level of funding from $10 million to $15 million per year.

SUBTITLE B—AGRICULTURAL TRADE ACT OF 1978

Sec. 3101. Funding for Export Credit Guarantee Program

Section 3101 amends section 211 of the Agricultural Trade Act of 1978 by reauthorizing funding for the Export Credit Guarantee Program through 2018.

Sec. 3102. Funding for Market Access Program

Section 3102 amends section 211 of the Agricultural Trade Act of 1978 by reauthorizing funding for the Market Access Program through 2018.

Sec. 3103. Foreign Market Development Cooperator Program

Section 3103 amends section 703 of the Agricultural Trade Act of 1978 to reauthorize funding for the Foreign Market Development Coordinator Program through 2018.

SUBTITLE C—OTHER AGRICULTURAL TRADE LAWS

Sec. 3201. Food for Progress Act of 1985

Section 3201 amends the Food for Progress Act of 1985 by reauthorizing the program through 2018 and repeals a completed project in Malawi.

Sec. 3202. Bill Emerson Humanitarian Trust

Section 3202 amends the Bill Emerson Humanitarian Trust Act to reauthorize the Trust through 2018.

Sec. 3203. Promotion of Agricultural Exports to Emerging Markets

Section 3203 amends section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 by reauthorizing the promotion of agricultural exports to emerging markets through 2018.

Sec. 3204. McGovern-Dole International Food for Education and Child Nutrition Program

Section 3204 amends section 3107 of the Farm Security and Rural Investment Act of 2002 by reauthorizing the McGovern-Dole International Food for Education and Child Nutrition Program through 2018.

Sec. 3205. Technical Assistance for Specialty Crops

Section 3205 amends section 3205 of the Farm Security and Rural Investment Act of 2002 to reauthorize the export assistance program known as Technical Assistance for Specialty Crops through 2018 at $9 million per year and clarifies that technical barriers to trade can be addressed through the program.

Sec. 3206. Global Crop Diversity Trust

Section 3206 amends section 3202(c) of the Food, Conservation, and Energy Act of 2008 by reauthorizing the U.S. Agency for International Development to make a contribution of up to $50 million over 5 years to the Global Crop Diversity Trust.

Sec. 3207 Under Secretary of Agriculture for Foreign Agricultural Services

Section 3207 amends Subtitle B of the Department of Agriculture Reorganization Act of 1994 by adding a new section allowing USDA to establish the position of Under Secretary for Foreign Agricultural Services, which would be appointed by the President with the advice and consent of the Senate.

TITLE IV—NUTRITION

SUBTITLE A—SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Sec. 4001. Preventing Payment of Cash to Recipients of Supplemental Nutrition Assistance for the Return of Empty Bottles and Cans Used to Contain Food Purchased with Benefits Provided Under the Program

Section 4001 amends Section 3 of the Food and Nutrition Act of 2008 (the "Act") by preventing the use of benefits to pay for substantial bottle deposits that can be returned for a cash refund.

Sec. 4002. Retailers

Subsection (a) amends section 3 of the Act by requiring retailers to provide perishable items in at least 3 of the staple food categories.

Subsection (b) amends section 7 of the Act by requiring that retailers will be responsible for purchasing and paying for Supplemental Nutrition Assistance Program ("SNAP") point-of-sale equipment and supplies. The subsection terminates the use of manual vouchers except in cases of disasters or other similar situations. The subsection requires parties providing electronic benefit transfer services to maintain unique terminal identification numbers throughout the SNAP routing system.

Subsection (c) amends section 7 of the Act by removing outdated language related to the use of coupons.

Subsection (d) amends section 9 of the Act by allowing the Secretary to consider the location of applicants in areas with significantly limited access to food when approving retailers.

Sec. 4003. Enhancing Services to Elderly and Disabled Supplemental Nutrition Assistance Program Recipients

Section 4003 amends section 3 of the Act by adding governmental or nonprofit food purchasing delivery services to the list of eligible retailers if they serve elderly or disabled individuals who are otherwise unable to shop for their own food.

Sec. 4004. Food Distribution Program on Indian Reservations

Section 4004 amends section 4(b) of the Act by reauthorizing the Food Distribution Program on Indian Reservations.

Sec. 4005. Updating Program Eligibility

Section 4005 amends section 5 of the Act by restricting categorical eligibility for SNAP to only those households receiving cash assistance through other low-income assistance programs.

Sec. 4006. Exclusion of Medical Marijuana from Excess Medical Expense Deduction

Section 4006 amends section 5 of the Act by prohibiting medical marijuana from being treated as a medical expense for purposes of income deductions.

Sec. 4007. Standard Utility Allowances Based on the Receipt of Energy Assistance Payments.

Section 4007 amends section 5 of the Act by requiring a household to receive a Low Income Heating and Energy Assistance Program (LIHEAP) payment of $20 or more in order to receive the SNAP Standard Utility Allowance (SUA) deduction when calculating SNAP benefits.

Sec. 4008. Eligibility Disqualifications

Section 4008 amends section 6(e) of the Act by requiring that State SNAP Employment and Training programs are limited to assisting only those college students enrolled in specific career and technical education courses or basic adult education, remedial, and literacy courses.

Sec. 4009. Ending Supplemental Nutrition Program Benefits for Lottery or Gambling Winners

Section 4009 amends section 6 of the Act by making any household in which a member receives substantial lottery or gambling winnings ineligible for SNAP benefits.

Sec. 4010. Improving Security of Food Assistance

Section 4010 amends section 7 of the Act by allowing States to request information from households that repeatedly lose their electronic benefit transfer (EBT) card in order to investigate potential fraud and trafficking violations. The section provides protection for those who are not intentionally committing fraud.

Sec. 4011. Demonstration Projects on Acceptance of Benefits of Mobile Transactions

Section 4011 amends section 7 of the Act by requiring the Secretary of Agriculture to implement a pilot program to test the feasibility of allowing Retailers to accept SNAP benefits through mobile transactions.

Sec. 4012. Use of Benefits for Purchase of Community-Supported Agriculture Share

Section 4012 amends section 10 of the Act by allowing SNAP benefits to be used for the purchase of community-supported agriculture shares.

Sec. 4013. Restaurant Meals Program

Section 4013 amends section 11 of the Act by requiring greater oversight of States choosing to operate a Restaurant Meals Program that allows only homeless, elderly and disabled SNAP populations to redeem their benefits at approved restaurants. The section requires USDA to approve the State's implementation plan and ensure that a documented need exists to serve the target populations in specific geographic areas.

Sec. 4014. Mandating State Immigration Verification

Section 4014 amends section 11 of the Act by requiring States to use an immigration status verification system to verify applicant's immigration status.

Sec. 4015. Data Exchange Standardization for Improved Interoperability

Section 4015 amends section 11 of the Act by establishing requirements, consistent with other means tested programs, for the electronic content and format of data used in the administration of the SNAP.

Sec. 4016. Prohibiting Government-Sponsored Recruitment Activities

Section 4016 amends sections 16 and 18 of the Act by preventing USDA from conducting recruitment activities, advertising the SNAP program through television, radio and billboard advertisements and entering into agreements with foreign governments designed to promote SNAP benefits. The section further prevents states from being reimbursed for similar activities.

Sec. 4017. Repeal of Bonus Programs

Section 4017 repeals section 16(d) of the Act to eliminate the performance bonuses provided to States for effectively administering SNAP.

Sec. 4018. Funding of Employment and Training Programs

Section 4018 amends section 16(h) of the Act by reducing the allocation to State agencies to carry out employment and training programs from $90 million to $79 million.

Sec. 4019. Monitoring Employment and Training Programs

Section 4019 amends section 16(h) of the Act by requiring that the Secretary of Agriculture implement monitoring and performance measures for State employment and training programs. The section requires that the Secretary of Agriculture, in consultation with the Secretary of Labor, develop reporting measures for participants in employment and training programs. The section requires that States report annually on such measures. The section further provides that if a State agency's performance is inadequate, the Secretary of Agriculture may require the State agency to modify its employment and training plan.

Sec. 4020. Cooperation with Program Research and Evaluation

Section 4020 amends section 17 of the Act by requiring entities that participate in SNAP programs to cooperate with the Department of Agriculture and its agents in conducting evaluations and studies authorized under the Act.

Sec. 4021. Pilot Projects to Reduce Dependency and Increase Work Effort in the Supplemental Nutrition Assistance Program

Section 4021 amends section 17 of the Act by requiring USDA to conduct a pilot project to identify best practices for employment and training programs to raise the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their dependence on public assistance.

Sec. 4022. Authorization of Appropriations

Section 4022 amends section 18 of the Act by extending the authorization for appropriations to carry out the Act through fiscal year 2018.

Sec. 4023. Limitation on Use of Block Grant to Puerto Rico

Section 4023 amends section 19 of the Act by ensuring that no funds made available to the Commonwealth of Puerto Rico may be used to provide nutrition assistance in the form of cash.

Sec. 4024. Assistance for Community Food Projects

Section 4024 amends section 25 of the Act by providing an additional $10 million per fiscal year for Community Food Projects.

Sec. 4025. Emergency Food Assistance

Section 4025 amends section 27 of the Act by providing an additional $20 million per fiscal year for Emergency Food Assistance. The section also reauthorizes Emergency Food Program Infrastructure Grants through fiscal year 2018.

Sec. 4026. Nutrition Education

Section 4026 amends section 28(b) of the Act by including "physical activity" as an allowable activity under the SNAP nutrition education program and setting the appropriation for fiscal year 2014 at $375,000,000.

Sec. 4027. Retailer Trafficking

Section 4027 amends the Act by providing $5 million each fiscal year for USDA to use in preventing SNAP fraud and trafficking violations.

Sec. 4028. Technical and Conforming Amendments

Section 4028 makes technical and conforming amendments to the Act.

Sec. 4029. Tolerance Level for Excluding Small Errors

Section 4029 prevents the Secretary from excluding payment errors greater than $25 from improper payments calculations.

Sec. 4030. Commonwealth of the Northern Mariana Islands Pilot Program

Section 4030 requires the Secretary of Agriculture to conduct a study to assess the capabilities of the Commonwealth of Northern Mariana Islands (CNMI) to operate the SNAP program in the same manner it is operated in the States. The section requires that if, following the study, the Secretary of Agriculture determines that it is feasible for the CNMI to operate the SNAP program in the same manner it is operated by the States, the Secretary of Agriculture shall establish a pilot program in CNMI for such purposes.

Sec. 4031. Annual State Report on Verification of SNAP Participation

Section 4031 requires States to submit an annual report to the Secretary sufficient to show that the State is verifying that its SNAP recipients are not receiving benefits in more than one state and that no benefits are being paid to deceased individuals.

SUBTITLE B—COMMODITY DISTRIBUTION PROGRAMS

Sec. 4101. Commodity Distribution Program

Section 4101 amends section 4(a) of the Agriculture and Consumer Protection Act of 1973 by reauthorizing the Commodity Distribution Program through fiscal year 2018.

Sec. 4102. Commodity Supplemental Food Program

Section 4102 amends section 5 of the Agriculture and Consumer Protection Act of 1973 by modifying the eligibility of the Commodity Supplemental Food Program to serve only elderly populations. Those individuals under the age of 60 currently being served by the program may remain in the program until they no longer meet the current eligibility requirements. The section also reauthorizes the program through fiscal year 2018.

Sec. 4103. Distribution of Surplus Commodities to Special Nutrition Projects

Section 4103 amends section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 by reauthorizing Distribution of Surplus Commodities to Special Nutrition Projects through fiscal year 2018.

Sec. 4104. Processing of Commodities

Section 4104 amends the Commodity Distribution Reform Act and WIC Amendments of 1987 by ensuring that the Secretary of Agriculture has legal standing to enter into national processing agreements and allows the Secretary to retain title to commodities processed under those agreements prior to their final delivery to schools.

SUBTITLE C—MISCELLANEOUS

Sec. 4201. Farmers' Market Nutrition Program

Section 4201 amends section 4402 of the Farm Security and Rural Investment Act of 2002 by expanding the program purposes to allow additional at-risk populations to be served and by requir-

ing the Secretary to specify terms and conditions to encourage expanding the participation of small scale farmers in Federal nutrition programs.

Sec. 4202. Nutrition Information and Awareness Pilot Program

Section 4202 repeals section 4403 of the Farm Security and Rural Investment Act of 2002, eliminating the Nutrition Information and Awareness Pilot Program.

Sec. 4203. Fresh Fruit and Vegetable Program

Section 4203 amends section 19 of the Richard B. Russell National School Lunch Act by expanding the forms of fruits and vegetables made available to students through the Fresh Fruit and Vegetable Program to include canned, frozen, and dried.

Sec. 4204. Additional Authority for Purchase of Fresh Fruits, Vegetables, and Other Specialty Food Crops

Section 4204 amends section 10603 of the Farm Security and Rural Investment Act of 2002 by requiring the Secretary of Agriculture to establish a pilot program in which five participating States shall have the option to receive a grant to purchase fresh fruits and vegetables for distribution to schools and service institutions in lieu of participating in the DOD fresh program.

Sec. 4205. Encouraging Locally and Regionally Grown and Raised Food

Section 4205 requires the Secretary to allow small rural schools to purchase locally and regionally grown food in lieu of the school's commodity assistance under school meal programs. The section also allows the Secretary to establish farm-to-school demonstration programs at up to 10 schools.

TITLE V—CREDIT

SUBTITLE A—FARM OWNERSHIP LOANS

Sec. 5001. Eligibility for Farm Ownership Loans

Section 5001(a) expands eligibility for farm ownership loans by including "other legal entities" to the list of eligible borrowers that includes farmers, ranchers, farming cooperatives and private domestic companies. An entity that is or will become only the operator of a family farm is deemed to meet the owner operator requirements if the owners own more than 50% of the entity. An entity that is an owner-operator that is owned, in whole or in part, by other entities is deemed to meet the direct ownership requirement if at least 75% of the embedded entity is owned directly or indirectly by the individuals that own the farm.

Section 5001(b) allows a borrower to meet the experience requirements of farming or ranching for 3 years if he or she has "other acceptable experience for a period of time, as determined by the Secretary".

Sec. 5002. Conservation Loan and Loan Guarantee Program

Section 5002 expands the eligibility for the conservation loan and guarantee program by adding "or other such legal entities as the Secretary deems appropriate" to the list of eligible borrowers. It also raises the limitation on the loan guarantee from 75% to 90% and extends the program until 2017.

Sec. 5003. Down Payment Loan Program

Section 5003 increases the possible principal amount of the loan from 45% of $500,000 to 45% of $667,000.

Sec. 5004. Elimination of Mineral Rights Appraisal Requirement

Section 5004 eliminates the requirement to do a mineral rights appraisal for real estate loans.

SUBTITLE B—OPERATING LOANS

Sec. 5101. Eligibility for Farm Operating Loans

Section 5101 expands eligibility for operating loans by including "other legal entities" to the list of eligible borrowers that includes farmers, ranchers, farming cooperatives and private domestic companies. An entity that is an operator and is owned in whole or in part by other entities is deemed to meet the direct ownership if at least 75% of the embedded entity is owned directly or indirectly by the individuals that own the farm.

Sec. 5102. Elimination of rural residency requirement for operating loans to youth

Section 5102 expands eligibility by striking the words "rural residency" from the eligibility requirements for operating loans to young farmers.

Sec. 5103. Authority to Waive Personal Liability for Youth Loans Due to Circumstances beyond Borrower Control

Section 5103 allows the Secretary, on a case by case basis, to waive the personal liability of a borrower for an operating loan if any default on the loan was due to circumstances beyond the control of the borrower.

Sec. 5104. Microloans

Section 5104 authorizes the Secretary to make operating loans of $35,000 to eligible borrowers.

SUBTITLE C—EMERGENCY LOANS

Sec. 5201. Eligibility for Emergency Loans

Section 5201 expands the eligibility for emergency loans by adding "or other such legal entities as the Secretary deems appropriate" to the list of approved borrowers. An entity that is an owner-operator and is owned in whole or in part by other entities is deemed to meet the direct ownership if at least 75% of the embedded entity is owned directly or indirectly by the individuals that own the farm.

SUBTITLE D—ADMINISTRATIVE PROVISIONS

Sec. 5301. Beginning Farmer and Rancher Individual Development Accounts Pilot Program

Section 5301 reauthorizes the Beginning Farmer and Rancher Individual Development Accounts Pilot Program through 2018.

Sec. 5302. Eligible Beginning Farmers and Ranchers

Section 5302 expands the definition of a beginning farmer or rancher to include "or other such legal entity". It also changes the acreage ownership limitation from 30% of the median acreage of farms in the county to 30% of the average acreage of farms in the county.

Sec. 5303. Loan Authorization Levels

Section 5303 reauthorizes the Secretary's ability to make loans under each subtitle through 2018.

Sec. 5304. Priority for Participation Loans

Section 5304 adds a new priority for beginning farmer and rancher direct loans to those applicants who apply under the down payment loan program or for joint financing arrangements.

Sec. 5305. Loan Fund Set-Asides

Section 5305 reauthorizes the loan fund set-asides through 2018.

Sec. 5306. Conforming Amendment to Borrower Training Provision, Relating to Eligibility Changes

Section 5306 is a conforming amendment to a borrower training provision.

SUBTITLE E—STATE AGRICULTURAL MEDIATION PROGRAMS

Sec. 5401. State Agricultural Mediation Programs

Section 5401 reauthorizes the state agricultural mediation programs through 2018.

SUBTITLE F—LOANS TO PURCHASERS OF HIGHLY FRACTIONATED LAND

Sec. 5501. Loans to Purchasers of Highly Fractionated Land

Section 5501 authorizes the use of a revolving loan fund for purchasers of highly fractionated land.

TITLE VI—RURAL DEVELOPMENT

SUBTITLE A—CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

Sec. 6001. Water, Waste Disposal, and Wastewater Facility Grants

Water, Waste Disposal and Wastewater Facility Grants (7 U.S.C. 1926(a)(2)(B)(vii)) is reauthorized.

Sec. 6002. Rural Business Opportunity Grants

Rural Business Opportunity Grants (7 U.S.C. 1926(a)(11)(D)) are reauthorized for fiscal years 2014 through 2018.

Sec. 6003. Elimination of Reservation of Community Facilities Grant Program Funds

A reservation of funds (7 U.S.C. 1926(a)(19)) for the Community Facilities Grant Program is repealed.

Sec. 6004. Utilization of Loan Guarantees for Community Facilities

Amends the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(24)) directing the Secretary to utilize loan guarantees in the Community Facilities Program to the maximum extent possible.

Sec. 6005. Rural Water and Wastewater Circuit Rider Program

The Rural Water and Wastewater Circuit Rider program (7 U.S.C. 1926(a)(22)) is amended to continue with a national program that is consistent with the activities and results of the program prior to enactment of this paragraph, and funded from the Secretary through the Rural Utilities Service. $20,000,000 is authorized to be appropriated for fiscal year 2014 and each fiscal year thereafter.

Sec. 6006. Tribal College and University Essential Community Facilities

Tribal College and University Essential Community Facilities (7 U.S.C. 1926(a)(25(C)) is amended to decrease the current authorization of appropriations from $10,000,000 to $5,000,000 for each fiscal year 2014 through 2018.

Sec. 6007. Essential Community Facilities Technical Assistance and Training

Amends Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) to authorize grants to eligible entities which will serve rural areas to provide technical assistance and training with respect to essential community facility programs authorized under subsection (a). The Secretary shall give priority to organizations with experience in providing technical assistance and training. A funding reservation of not more than 3 nor more than 5 percent of funds appropriated to carry out the essential community facilities grant, loan and loan guarantee programs authorized under subsection (a) shall be reserved for grants authorized by this paragraph.

Sec. 6008. Emergency and Imminent Community Water Assistance Grant Program

Emergency and Imminent Community Water Assistance Grant Program (7 U.S.C. 1926a(i)(2)) is amended to decrease the current authorization of appropriations from $35,000,000 to $27,000,000 for each fiscal year 2014 through 2018.

Sec. 6009. Grants to Household Water Well Systems

Grants to nonprofits to finance the construction, refurbishing, and servicing of individually-owned household water well systems (7 U.S.C. 1926e(d)) is amended to decrease the current authorization of appropriations from $10,000,000 to $5,000,000 for each fiscal year 2014 through 2018.

Sec. 6010. Rural Business and Industry Loan Program

The Consolidated Farm and Rural Development Act is amended (7 U.S.C. 1932(a)(2)(A)) to authorize working capital as a loan purpose. The Business and Industry loan program (7 U.S.C. 1932(g)) is amended to allow, where the action would not create or contribute to an unreasonable risk of default or loss to the Federal Government, in the discretion of the Secretary, accounts receivables as security for a loan under this subsection. Requires the Secretary to promulgate regulations to implement these amendments within 6 months.

Sec. 6011. Rural Cooperative Development Grants

Rural Cooperative Development Grants (7 U.S.C. 1932(e)(12)) is amended to decrease the current authorization level from $50,000,000 to $40,000,000 for each fiscal year 2014 through 2018.

Sec. 6012. Locally or Regionally Produced Agricultural Food Products

Locally or regionally produced agricultural food products (7 U.S.C. 1932(g)(9)(B)(v)(I)) is reauthorized through 2018. The Secretary shall reserve not more than 7 percent of funds made available to carry out this loan program for this authority.

Sec. 6013. Intermediary Relending Program

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922–1936a) is amended to authorize the Intermediary Relending Program. $10,000,000 is authorized to be appropriated for each fiscal year through 2018.

Sec. 6014. Rural College Coordinated Strategy

Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended to authorize the Secretary to develop a coordinated strategy across the Rural Development mission areas to serve the specific, local needs of rural communities when making investments in rural community and technical colleges through other current authorities. However, this authorization is not intended to provide a priority for funding. The purpose of the subsection is to more effectively serve rural communities through investments in community and technical colleges.

Sec. 6015. Rural Water and Waste Disposal Infrastructure

Water and waste disposal direct and guaranteed loans (7 U.S.C. 1983) are amended to encourage financing by private or cooperative lenders, to the maximum extent practicable, for rural water and waste disposal facilities by using loan guarantees where the population exceeds 5,500, using direct loans where the impact on rate payers will be material when compared to financing with a loan guarantee, establishing and applying a materiality standard regarding the difference in impact on rate payers, requiring projects that require interim financing in excess of $500,000 initially seek financing from private or cooperative lenders, and determining if an existing direct loan borrower can refinance with a private or cooperative lender prior to providing a new direct loan.

Sec. 6016. Simplified Applications

Amends the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) authorizing the Secretary, to the maximum extent practicable, to develop a simplified application process, including single page applications where possible, for specific grants and relending programs authorized in this title. Within 2 years, after the date of enactment of this Act, the Secretary shall submit to Congress a report on the implementation of simplified applications.

Sec. 6017. Grants for NOAA Weather Radio Transmitters

Grants for NOAA weather radio transmitters (7 U.S.C. 2008p(d)) are authorized to be appropriated at $1,000,000 for each fiscal year 2014 through 2018.

Sec. 6018. Rural Microentrepreneuer Assistance Program

The Rural Microentrepreneuer Assistance Program (7 U.S.C. 2008s(d)(2)) is amended to decrease the current authorization level from $40,000,000 to $20,000,000 for each fiscal year 2014 through 2018.

Sec. 6019. Delta Regional Authority

The Delta Regional Authority is reauthorized (7 U.S.C. 2009aa–13) and amended (7 U.S.C. 2009aa–12(a)) to decrease the current authorization level from $30,000,000 to $12,000,000 for each fiscal year 2014 through 2018.

Sec. 6020. Northern Great Plains Regional Authority

The Northern Great Plains Regional Authority (7 U.S.C. 2009bb–13) is reauthorized and amended (7 U.S.C. 2009bb–12(a)) to decrease the current authorization level from $30,000,000 to $2,000,000 for each fiscal year through 2018.

Sec. 6021. Rural Business Investment Program

The Rural Business Investment Program (7 U.S.C. 2009cc–18) is amended to decrease the current authorization level from $50,000,000 to $20,000,000 for each fiscal year 2014 through 2018.

SUBTITLE B—RURAL ELECTRIFICATION ACT OF 1936

Sec. 6101. Relending for Certain Purposes

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended to authorize loans for borrower relending to ultimate consumers for the purpose of energy efficiency. Loans and grants through the Rural Utilities Service are also authorized under the Cushion of Credit Payments Program for relending to ultimate consumers for the purpose of energy efficiency.

Sec. 6102. Fees for Certain Loan Guarantees

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended to require that the Secretary, at the request of an electrification baseload generation loan guarantee borrower, charge an upfront fee that is equal to the costs of the loan guarantee to cover the costs of the loan guarantee. A borrower may not use funds from

a loan or other debt obligation made or guaranteed by the Federal Government to pay the fee.

Sec. 6103. Guarantees for Bonds and Notes Issued for Electrification or Telephone Purposes

Guarantees for bonds and notes issued for electrification or telephone purposes (7 U.S.C. 940c–1(f)) is reauthorized through 2018.

Sec. 6104. Expansion of 911 Access

Expansion of 911 access (7 U.S.C. 940e(d)) is reauthorized through 2018.

Sec. 6105. Access to Broadband Telecommunications Services in Rural Areas

The Broadband Program (7 U.S.C. 950bb) is reauthorized through 2018 and amended to provide a priority for applications that are not predominantly for business service but where at least 25 percent of customers in the proposed service territory are commercial interests. Publication of notice of applications shall include the amount and type of support requested and a list of the census block groups or tracts to be served. The Secretary is authorized to establish a process where an incumbent service provider that as of the date of the publication of notice of an application is providing broadband service to a remote rural area, may submit information to the Secretary information regarding the broadband services offered in the application's proposed service territory so that the Secretary may assess whether the application is an eligible project. The Secretary is also authorized to take into consideration the upgrade or replacement cost for construction or acquisition of facilities and equipment in considering the technology needs of customers in a proposed service territory.

SUBTITLE C—MISCELLANEOUS

Sec. 6201. Distance Learning and Telemedicine

Distance Learning and Telemedicine (7 U.S.C. 950aaa–5) is amended to decrease the current authorization level from $100,000,000 to $65,000,000 for each fiscal year 2014 through 2018.

Sec. 6202. Value-Added Agricultural Market Development Program Grants

Value-Added Agricultural Market Development Program Grants (7 U.S.C. 1632a(b)(7)) is reauthorized and amended to increase the current mandatory funding level from $15,000,000 to $50,000,000.

Sec. 6203. Agriculture Innovation Center Demonstration Program

The Agriculture Innovation Center Demonstration program (7 U.S.C. 1632b(i)) is amended to decrease the current authorization from $6,000,000 to $1,000,000 for each fiscal year 2014 through 2018.

Sec. 6204. Program Metrics

The Secretary is authorized to collect data regarding economic activities created through grants and loans and to measure the short and long term viability of award recipients and any entities to whom those recipients provide assistance using award funds under certain authorities. The data shall be collected both during the award period and after the award period for a minimum of 2 years. Not later than 4 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall submit to Congress a report that contains data collected including specific information on actions taken by the Secretary to utilize the data, the number of jobs, including self employment and the value of salaries and wages, how the grant or loan affected the local economy and any other benefit, as the Secretary deems appropriate.

Sec. 6205. Study of Rural Transportation Issues

An update on the study on rural transportation issues is authorized to be submitted not later than 1 year after the date of enactment of this Act to Congress. In addition the study shall address the sufficiency of infrastructure along waterways in regard to the movement of agricultural goods and the benefits to the same through upgrades and repairs to locks and dams.

Sec. 6206. Certain Federal Actions not to be Considered Major

An action of the Secretary that does not involve the provision of Federal dollars or a loan guarantee from the Department of Agriculture, including approval by USDA of a borrower's decision to commence a privately funded activity, a lien accommodation or subordination, a debt settlement or restructuring, or the restructuring of a business entity by a borrower, in the case of a loan, loan guarantee, or grant program in the rural development mission area of the Department of Agriculture, shall not be considered a major Federal action.

TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

SUBTITLE A—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

Sec. 7101. Option to be Included as Non-Land Grant College of Agriculture

The National Agriculture, Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended to allow a Hispanic-serving Agricultural College and University and any institution eligible to receive funds under the McIntire-Stennis Cooperative Forestry Act of 1962 to opt out of their respective designation. A declaration of intent shall be in effect until September 30, 2018.

Sec. 7102. National Agricultural Research, Extension, Education, and Economics Advisory Board

The National Agricultural Research, Extension, Education, and Economics Advisory Board (7 U.S.C. 3123) is extended through September 30, 2018 and amended to provide authority for the

board to consult with industry groups and make recommendations to the Secretary.

Sec. 7103. Specialty Crop Committee

Amends Specialty Crop Committee (7 U.S.C. 3123a) to authorize in its annual report recommendations regarding research, extension and teaching programs designed to improve competitiveness in the specialty crop industry.

Sec. 7104. Veterinary Services Grant Program

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended to provide the Secretary authority to establish a competitive grant program for the purpose of developing, implementing, and sustaining veterinary services. Grants shall only be made to qualified entities that substantially relieve veterinary shortage situations, support or facilitate private veterinary practices engaged in public health activities, or support or facilitate the practices of veterinarians who are or have completed services in emergency situations. The Secretary shall give preference to qualified entities that coordinate with other qualified entities, consider together the availability of funds and the grant purpose when selecting grant recipients, and consider these grants to be competitive research, extension or education grants. A qualified entity may use funds to relieve veterinary shortage situations and support vet services for any of 5 purposes. However, qualified entities operating a veterinary clinic may only use a grant to establish or expand veterinary practices and those entities are subject to an agreement with the Secretary that includes a term of service for the recipient where the Secretary shall consider together the amount and specific purpose of the grant. The agreement shall provide remedies for any breach by the recipient and a waiver of repayment based on extreme hardship as determined by the Secretary. Funds recovered shall be credited to the account carrying out this program and remain available until expended. Funds may not be used for the purpose of constructing a new building or facility, or to acquire, expand, remodel or alter an existing building or facility. The Secretary shall promulgate regulations for this section not later than 1 year after the date of enactment of this section. There are authorized to be appropriated $10,000,000 for fiscal year 2014 and each fiscal year thereafter, to remain available until expended.

Sec. 7105. Grants and Fellowships for Food and Agriculture Sciences Education

Grants and Fellowships for Food and Agricultural Sciences Education (7 U.S.C. 3152(m)) is amended, decreasing the authorization of appropriations from $60,000,000 to $40,000,000 for each fiscal year 2014 through 2018.

Sec. 7106. Policy Research Centers

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended to authorize the Secretary to act through the office of the Chief Economist, and make competitive grants or cooperative agreements to policy research

centers with a history of providing unbiased, nonpartisan economic analysis to Congress. Eligible recipients are amended to include other public research institutions and organizations. The Secretary shall give a preference to certain policy research centers that provide analysis to Congress. There are authorized to be appropriated $5,000,000 for each fiscal year 2014 through 2018.

Sec. 7107. Repeal of Human Nutrition Intervention and Health Promotion Research Program

Human Nutrition Intervention and Health Promotion Research (7 U.S.C. 3174) is repealed.

Sec. 7108. Repeal of Pilot Research Program to Combine Medical and Agricultural Research

Pilot Research Program to Combine Medical and Agricultural Research (7 U.S.C. 3174a) is repealed.

Sec. 7109. Nutrition Education Program

Nutrition Education Program (7 U.S.C. 3175(f)) is reauthorized.

Sec. 7110. Continuing Animal Health and Disease Research Programs

Continuing Animal Health and Disease Research Programs (7 U.S.C. 3195) is amended by decreasing the authorization of appropriations from $25,000,000 to $15,000,000 for each fiscal year 2014 through 2018.

Sec. 7111. Repeal of Appropriations for Research on National or Regional Problems

Appropriations for Research on National or Regional Problems (7 U.S.C. 3196) is repealed.

Sec. 7112. Grants to Upgrade Agricultural and Food Sciences Facilities at 1890 Land-Grant colleges, including Tuskegee University

Grants to Upgrade Agricultural and Food Sciences Facilities at 1890 Land-Grant Colleges, including Tuskegee University (7 U.S.C. 3222b(b)) is reauthorized.

Sec. 7113. Grants to Upgrade Agriculture and Food Sciences Facilities and Equipment at Insular Area Land-Grant Institutions

Grants to Upgrade Agricultural and Food Sciences Facilities and Equipment at Insular Area Land-Grant Institutions (7 U.S.C. 3222b–2(d)) is reauthorized and amended (7 U.S.C. 3222b–2(a)) to authorize grants to support tropical and subtropical research, including pest and disease research.

Sec. 7114. Repeal of National Research and Training Virtual Centers

National Research and Training Virtual Centers (7 U.S.C. 3222c) is repealed.

Sec. 7115. Hispanic-Serving Institutions

Hispanic-Serving Institutions (7 U.S.C. 3241(c)) is reauthorized.

Sec. 7116. Competitive Grants Program for Hispanic Agricultural Workers and Youth

The Hispanic-Serving Agricultural Colleges and Universities (7 U.S.C. 3243) competitive grants program is amended to authorize the Secretary to award competitive grants to provide for training in the food and agricultural sciences of Hispanic agricultural workers and Hispanic youth working in the food and agricultural sciences.

Sec. 7117. Competitive Grants for International Agricultural Science and Education Programs

Competitive Grants for International Agricultural Science and Education Programs (7 U.S.C. 3292b(c)) is authorized at $5,000,000 for each fiscal year 2014 through 2018.

Sec. 7118. Repeal of Research Equipment Grants

Research Equipment Grants (7 U.S.C. 3310a) is repealed.

Sec. 7119. University Research

University Research (7 U.S.C. 3311) is reauthorized.

Sec. 7120. Extension Service

Extension Service (7 U.S.C. 3312) is reauthorized.

Sec. 7121. Auditing, Reporting, Bookkeeping, and Administrative Requirements

Section 1469 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3315) is amended to authorize the Secretary to retain not more than 4 percent of amounts made available for agricultural research, extension and teaching assistance programs towards administration, with the exception of peer panel expense or limitations on administrative expenses that are less than 4 percent.

The Secretary is authorized, to the maximum extent practicable and for the purposes of supporting ongoing research and information dissemination activities, to enter into grants, contracts, cooperative agreements, or other legal instruments with former Department of Agriculture agricultural research facilities. The Secretary is also authorized, for the purposes of receiving support for agricultural research, to enter into grants, contracts, cooperative agreements or other legal instruments with agricultural research organizations.

Sec. 7122. Supplemental and Alternative Crops

Supplemental and Alternative Crops (7 U.S.C. 3319d) research project is reauthorized and appropriations authorized at $1,000,000 for each fiscal year 2014 through 2018. The Secretary is authorized to make competitive grants to further the purposes of the program.

Sec. 7123. Capacity Building Grants for NLGCA Institutions

Capacity Building Grants for NLGCA Institutions (7 U.S.C. 3319i(b)) is reauthorized.

Sec. 7124. Aquaculture Assistance Programs

Aquaculture Assistance Programs (7 U.S.C. 3322(b)) are amended to authorize competitive grants and decrease the authorization of appropriations from $7,500,000 to $5,000,000 for each fiscal year 2014 through 2018.

Sec. 7125. Rangeland Research Programs

Rangeland Research Programs (7 U.S.C. 3336(a)) is amended, decreasing the authorization of appropriations from $10,000,000 to $2,000,000 for each fiscal year 2014 through 2018.

Sec. 7126. Special Authorization for Biosecurity Planning and Response

Special Authorization for Biosecurity Planning and Response (7 U.S.C. 3351(a)) is authorized at $10,000,000 for each fiscal year 2014 through 2018.

Sec. 7127. Distance Education and Resident Instruction Grants Program for Insular Area Institutions of Higher Education

Distance Education and Resident Instruction Grants Program for Insular Area Institutions of Higher Education (7 U.S.C. 3362) is amended to authorize competitive grants at $2,000,000 for each fiscal year 2014 through 2018. Also, Resident Instruction Grants for Insular Areas (7 U.S.C. 3363) is authorized at $2,000,000 for each fiscal year 2014 through 2018.

Sec. 7128. Matching Funds Requirement

The National Agricultural, Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended to apply a match fund requirement to the recipient of competitive grants under certain covered laws. The recipient shall provide, from sources other than funds provided through the grant, funds or in-kind contributions or a combination of both to match at least 100 percent of the amount of the grant. The match requirement shall not apply to grants awarded to a research agency of the USDA, an entity eligible to receive funds under a capacity and infrastructure program as defined in the Department of Agriculture Reorganization Act of 1994 or to the partner of such eligible entity.

SUBTITLE B—FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

Sec. 7201. Best Utilization of Biological Applications

Best Utilization of Biological Applications (7 U.S.C. 5814) is reauthorized.

Sec. 7202. Integrated Management Systems

Integrated Pest Management Systems (7 U.S.C. 5821(d)) is reauthorized.

Sec. 7203. Sustainable Agriculture Technology Development and Transfer Program

Sustainable Agriculture Technology Development and Transfer Program (7 U.S.C. 5831(f)) is authorized at $5,000,000 for each fiscal year 2014 through 2018.

Sec. 7204. National Training Program

National Training Program (7 U.S.C. 5832(9)) is reauthorized.

Sec. 7205. National Genetics Resources Program

National Genetics Resources Program (7 U.S.C. 5844(b)) is authorized at $1,000,000 for each fiscal year 2014 through 2018.

Sec. 7206. Repeal of National Agricultural Weather Information System

National Agricultural Weather Information System (7 U.S.C. 5851 et seq.) is repealed.

Sec. 7207. Repeal of Rural Electronic Commerce Extension Program

Rural Electronic Commerce Extension Program (7 U.S.C. 5923) is repealed.

Sec. 7208. Repeal of Agricultural Genome Initiative

Agricultural Genome Initiative (7 U.S.C. 5924) is repealed.

Sec. 7209. High-Priority Research and Extension Initiatives

High-Priority Research and Extension Initiatives (7 U.S.C. 5925) is reauthorized and amended to repeal certain authorities. Reauthorizes pollinator protection and amends an annual report to address honey bee health disorders and best management practices.

Sec. 7210. Repeal of Nutrient Management Research and Extension Initiative

Nutrient Management Research and Extension Initiative (7 U.S.C. 5925a) is repealed.

Sec. 7211. Organic Agriculture Research and Extension Initiative

The Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is reauthorized and amended to authorize a priority for grant proposals that, after the peer review process, are found to be scientifically meritorious under the criteria for priority under the farm business management grant authority. Of the funds of the Commodity Credit Corporation, $20,000,000 is authorized for each fiscal year 2014 through 2018.

Sec. 7212. Repeal of Agricultural Bioenergy Feedstock and Energy Efficiency Research and Extension Initiative

Agricultural Bioenergy Feedstock and Energy Efficiency Research and Extension Initiative (7 U.S.C. 5925e) is repealed.

Sec. 7213. Farm Business Management

Farm Business Management (7 U.S.C. 5925f(d)) is authorized at $5,000,000 for each fiscal year 2014 through 2018.

Sec. 7214. Centers of Excellence

The Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925f) is amended to authorize the Secretary to prioritize centers of excellence for specific agricultural commodities to receive funding for competitive research or extension programs. A center of excellence is composed of 1 or more of the eligible entities under the Agriculture and Food Research Initiative that provide financial or in-kind support. Certain criteria will be considered for recognition as a center of excellence and where practicable, the criteria for consideration shall include efforts to improve teaching capacity and infrastructure at colleges and universities.

Sec. 7215. Repeal of Red Meat Safety Research Center

Red Meat Safety Research Center (7 U.S.C. 5929) is repealed.

Sec. 7216. Assistive Technology Program for Farmers With Disabilities

Assistive Technology Program for Farmers with Disabilities (7 U.S.C. 5933(c)(1)) is amended, decreasing the authorization of appropriations from $6,000,000 to $3,000,000 for each fiscal year 2014 through 2018.

Sec. 7217. National Rural Information Center Clearinghouse

National Rural Information Center Clearinghouse (7 U.S.C. 3125b(e)) is reauthorized.

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

The Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613(a)(2)) is amended to require procedures for review to address relevance for grants administered on a competitive basis by the National Institute of Food and Agriculture and provides for ongoing consultation between the Secretary and advisory board regarding merit review procedures.

Sec. 7302. Integrated Research, Education, and Extension Competitive Grants Program

Integrated Research, Education, and Extension Competitive Grants Program (7 U.S.C. 7626(e)) is reauthorized.

Sec. 7303. Repeal of Coordinated Program of Research, Extension, and Education to Improve Viability of Small and Medium Size Dairy, Livestock, and Poultry Operations

Coordinated Program of Research, Extension, and Education to Improve Viability of Small and Medium Size Dairy, Livestock, and Poultry Operations (7 U.S.C. 7627) is repealed.

Sec. 7304. Fusarium Graminearum Grants.

Fusarium Graminearum Grants is authorized at $7,500,000 for each fiscal year 2014 through 2018.

Sec. 7305. Repeal of Bovine Johne's Disease Control Program

Bovine Johne's Disease Control Program (7 U.S.C. 7629) is repealed.

Sec. 7306. Grants for Youth Organizations

Grants for Youth Organizations (7 U.S.C. 7630(d)) is authorized at $3,000,000 for each fiscal year 2014 through 2018.

Sec. 7307. Specialty Crop Research Initiative

The Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632) is reauthorized and amended to include efforts to improve handling and processing. It is also amended to authorize competitive grants based on an initial scientific peer review conducted by a panel of subject matter experts and a final funding determination based on a review and ranking for merit, relevance and impact by an appropriate panel of specialty crop industry representatives. Of the funds of the Commodity Credit Corporation, $50,000,000 is authorized for fiscal year 2014 and 2015; $55,000,000 for each fiscal years 2016 and 2017; $65,000,000 for fiscal year 2018 and each fiscal year thereafter.

Sec. 7308. Food Animal Residue Avoidance Database Program

Food Animal Residue Avoidance Database Program is reauthorized through 2018.

Sec. 7309. Repeal of National Swine Research Center

National Swine Research Center (P.L. 105–185; 112 Stat. 605) is repealed.

Sec. 7310. Office of Pest Management Policy

Office of Pest Management Policy (7 U.S.C. 7653(f)) is authorized at $3,000,000 for each fiscal year 2014 through 2018.

Sec. 7311. Repeal of Studies of Agricultural Research, Extension, and Education

Studies of Agricultural Research, Extension, and Education (7 U.S.C. 7671 et seq.) is repealed.

SUBTITLE D—OTHER LAWS

Sec. 7401. Critical Agricultural Materials Act

Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is authorized at $2,000,000 for each fiscal year 2014 through 2018.

Sec. 7402. Equity in Educational Land-Grant Status Act of 1994

Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; P.L. 103–382) is amended to update the list of 1994 institutions. Section 533 extends the authorization of appropriations towards the 1994 Institutions Endowment Fund. Section 535 reauthorizes Institutional Capacity Building Grants. Section 536 expands the list of partners eligible to enter into cooperative agreements with 1994 institutions for the purposes of research grants and reauthorizes appropriations for each of the fiscal years through 2018.

Sec. 7403. Research Facilities Act

Research Facilities Act (7 U.S.C. 390d(a)) is reauthorized.

Sec. 7404. Repeal of Carbon Cycle Research

Carbon Cycle Research (7 U.S.C. 6711) is repealed.

Sec. 7405. Competitive, Special, and Facilities Research Grant Act

Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450(i)) is reauthorized. Plant based foods that are a major source of nutrients of concern, pests and diseases in wildlife reservoirs presenting potential concern to public health or domestic livestock and pests and diseases in minor species, animal drugs for minor species and minor uses in major species, and conservation practices and technologies addressing nutrient loss and improving water quality are authorized as sub-priority areas for competitive grants. Requires the Secretary to establish procedures under which State or Federal commodity promotion entities may directly submit proposals for requests for applications to address issues related to established priorities. Also authorizes the Secretary to provide grants to eligible entities for research proposals submitted by State or Federal commodity promotion entities. Eligible entities are amended to include foundations. Inter-Regional Research Project Number 4 is amended to include pesticides for use on specialty crops and provides direction to the Secretary regarding this additional authority within the research project and research on pesticide registrations, reregistrations, and associated tolerances. The emphasis on sustainable agriculture is repealed.

Sec. 7406. Renewable Resources Extension Act of 1978

Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is reauthorized.

Sec. 7407. National Aquaculture Act of 1980

National Aquaculture Act of 1980 (16 U.S.C. 2809) is reauthorized.

Sec. 7408. Repeal of Use of Remote Sensing Data

Use of Remote Sensing Data (7 U.S.C. 5935) is repealed.

Sec. 7409. Repeal of Reports Under Farm Security and Rural Investment Act of 2002

Reports under Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925b note, P.L. 107–171) (P.L. 107–171; 116 Stat. 462) (7 U.S.C. 5925a note; P.L. 107–171) is repealed.

Sec. 7410. Beginning Farmer and Rancher Development Program

Sec. 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended to authorize competitive grants for certain purposes and provide a priority for school based agriculture education organizations. Not less than 5 percent of funds shall be used to support programs and services addressing the needs of beginning farmers and ranchers who are also military veterans. These grant recipients are encouraged to coordinate with recipients under the Assistive Technology Program for Farmers with Disabil-

ities. Of the funds of the Commodity Credit Corporation, $20,000,000 is authorized for each fiscal year 2014 through 2018, to remain available until expended.

Sec. 7411. Inclusion of Northern Mariana Islands as a State under McIntire-Stennis Cooperative Forestry Act

Public Law 87–788, commonly known as the McIntire-Stennis Cooperative Forestry Act (16 U.S.C. 582a–7) is amended to include the Commonwealth of the Northern Mariana Islands.

SUBTITLE E—FOOD, CONSERVATION, AND ENERGY ACT OF 2008

Sec. 7501. Agricultural Biosecurity Communication Center

Agricultural Biosecurity Communication Center (7 U.S.C. 8912(c)) is authorized at $2,000,000 for each fiscal year 2014 through 2018.

Sec. 7502. Assistance To Build Local Capacity in Agricultural Biosecurity Planning, Preparation, and Response

Assistance to Build Local Capacity in Agricultural Biosecurity Planning, Preparation, and Response (7 U.S.C. 8913) is each authorized at $15,000,000 for each fiscal year 2014 through 2018.

Sec. 7503. Research and Development of Agricultural Countermeasures

Research and Development of Agricultural Countermeasures (7 U.S.C. 8921(b)) is amended, decreasing the authorization from $50,000,000 to $15,000,000 for each fiscal year 2014 through 2018.

Sec. 7504. Agricultural Biosecurity Grant Program

Agricultural Biosecurity Grant Program (7 U.S.C. 8922(e)) is authorized at $5,000,000 for each fiscal year 2014 through 2018, to remain available until expended.

Sec. 7511. Enhanced Use Lease Authority Pilot Program

Enhanced Use Lease Authority Pilot Program (7 U.S.C. 3125a) is reauthorized through 2018.

Sec. 7512. Grazinglands Research Laboratory

Grazinglands Research Laboratory (P.L. 110–246; 122 Stat. 2019) is reauthorized through 2018.

Sec. 7513. Budget Submission and Funding

Section 7506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7641c) is amended to require information be submitted with the annual budget submission of the President, including for each funding request for covered programs, certain baseline information, the location and staff years of each covered program carried out by ERS or ARS, and specific information for each request for awards under certain authorities. Covered programs may not be carried out during the fiscal year if required information is not submitted with the budget. A report is authorized containing a description of the agricultural research, extension, and education ac-

tivities carried out by the Federal Government during the fiscal year immediately preceding.

Sec. 7514. Repeal of Research and Education Grants for the Study of Antibiotic-Resistant Bacteria

Research and Education Grants for the Study of Antibiotic-Resistant Bacteria (7 U.S.C. 3202) is repealed.

Sec. 7515. Repeal of Farm and Ranch Stress Assistance Network

Farm and Ranch Stress Assistance Network (7 U.S.C. 5936) is repealed.

Sec. 7516. Repeal of Seed Distribution

Seed Distribution (7 U.S.C. 415–1) is repealed.

Sec. 7517. Natural Products Research Program

Natural Products Research Program (7 U.S.C. 5937(e)) is authorized at $7,000,000 for each fiscal year 2014 through 2018.

Sec. 7518. Sun Grant Program

Sec. 7526 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114) is amended to authorize the Secretary to coordinate among appropriate Federal agencies. Grants are authorized to be used towards integrated, multistate research, extension and education programs on technology development and implementation. Funding allocations for specific programs are repealed. Requirements for the plan for research activities to be funded to address bioproducts and priorities of appropriate Federal agencies are amended. The Sun Grant Program is reauthorized.

Sec. 7519. Repeal of Study and Report on Food Deserts

Study and Report on Food Deserts (P.L. 110–246, 112 Stat. 2039) is repealed.

Sec. 7520. Repeal of Agricultural and Rural Transportation Research and Education

Agricultural and Rural Transportation Research and Education (7 U.S.C. 5938) is repealed.

Sec. 7601. Agreements With Nonprofit Organizations for National Arboretum

The Act of March 4, 1927 (20 U.S.C. 196) is amended to allow the Secretary to negotiate agreements with nonprofit organizations that support the purpose of the National Arboretum and use the proceeds of the organizations towards operation and maintenance of the facilities. In addition, a nonprofit organization that entered into such agreement may recognize donors if such recognition is approved by the Secretary. The Secretary shall broadly exercise discretion authorized under Federal law when considering whether to approve recognition.

Sec. 7602. Cotton Disease Research Report

Not later than 180 days after enactment of this Act, the Secretary shall submit to Congress a Cotton Disease Research Report.

Sec. 7603. Acceptance of Facility for Agricultural Research Service

Authorizes the Secretary to allow a non-Federal entity to construct a facility for use and on land owned by the Agricultural Research Service under certain circumstances. This authority terminates September 30, 2018.

Sec. 7604. Miscellaneous Technical Corrections

The Food, Conservation, and Energy Act of 2008 (PL 110–246; 122 Stat. 2013) is amended to make technical corrections.

TITLE VIII—FORESTRY

SUBTITLE A—REPEAL OF CERTAIN FORESTRY PROGRAMS

Sec. 8001. Forest Land Enhancement Program

Section 8001 amends section 4 of the Cooperative Forestry Assistance Act of 1978 by repealing the Forest Land Enhancement Program.

Sec. 8002. Watershed Forestry Assistance Program

Section 8002 amends section 6 of the Cooperative Forestry Assistance Act of 1978 by repealing the Watershed Forestry Assistance Program.

Sec. 8003. Expired Cooperative National Forest Products Marketing Program

Section 8003 amends section 18 of the Cooperative Forestry Assistance Act of 1987 by repealing the Cooperative National Forest Products Marketing Program.

Sec. 8004. Hispanic-Serving Institution Agricultural Land National Resources Leadership Program

Section 8004 amends section 8402 of the Food, Conservation, and Energy Act of 2008 by repealing the Hispanic-serving Institution Agricultural Land National Resources Leadership Program.

Section 8005. Tribal Watershed Forestry Assistance Program

Section 8005 amends section 303 of the Healthy Forests Restoration Act of 2003 by repealing the Tribal Watershed Forestry Assistance Program.

Section 8006. Separate Forest Service Decisionmaking and Appeals Process

Section 8006 repeals section 322 of the Department of the Interior and Related Agencies Appropriations Act, 1993 which establishes a notice and comment period for Forest Service projects or activities that implement land and resource management plans developed under the Forest and Rangeland Renewable Resources Planning Act of 1974. The section further excludes such projects and activities from the pre-decisional objection process under the Consolidated Appropriations Act, 2012 if those projects or activities are also categorically excluded from an environmental assessment or an environmental impact statement under the National Environmental Policy Act of 1969.

SUBTITLE B—REAUTHORIZATION OF COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978 PROGRAMS

Sec. 8101. State-Wide Assessment and Strategies for Forest Resources

Section 8101 amends section 2A of the Cooperative Forestry Assistance Act of 1978 to provide for coordination between the State Forester and as feasible and under certain circumstances, appropriate military installations.

Sec. 8102. Forest Legacy Program

Section 8101 amends section 7 of the Cooperative Forestry Assistance Act of 1978 by reauthorizing the Forest Legacy Program through FY 2017 at $55,000,000 for each fiscal year 2014 through 2018.

Sec. 8103. Community Forest and Open Space Conservation Program

Section 8102 amends section 7A of the Cooperative Forestry Assistance Act of 1978 by reauthorizing the Community Forest and Open Space Conservation Program at $1,500,000 for each fiscal year 2014 though 2018.

SUBTITLE C—REAUTHORIZATION OF OTHER FORESTRY-RELATED LAWS

Sec. 8201. Rural Revitalization Technologies

Section 8201 amends section 2371 of the Food, Agriculture, Conservation, and Trade Act of 1990 by reauthorizing the Rural Revitalization Technologies at the current level of $5,000,000 for each fiscal year through 2018.

Sec. 8202. Office of International Forestry

Section 8201 amends section 2405 of the Global Climate Change Prevention Act of 1990 by reauthorizing the Office of International Forestry within the Forest Service at $6,000,000 for each fiscal year 2014 though 2018.

Sec. 8203. Change in Funding Source for Healthy Forest Reserve Program

Section 8203 amends section 508 of the Healthy Forests Restoration Act of 2003 by making the Healthy Forest Reserve Program subject to appropriated funds at an authorization level of $9,750,000 for each fiscal year 2014 through 2018. The section further allows the Secretary to use funds appropriated for a given fiscal year to carry out the Soil Conservation and Domestic Allotment Act, if necessary to cover the cost of technical assistance, management, and enforcement responsibilities for land enrolled in the program as permanent easements or 30-year easements.

Sec. 8204. Stewardship End Result Contracting Project Authority

Section 8204 amends section 347 of the Department of the Interior and Related Agencies Appropriations Act by reauthorizing Forest Service's stewardship end contracting authority through FY

2018 and providing that, at the discretion of the Secretary of Agriculture, a contract under this section may be considered a contract for the sale of property.

SUBTITLE D—NATIONAL FOREST CRITICAL AREA RESPONSE

Sec. 8301. Definitions

Section 8301 defines the terms "critical area" and "National Forest System" for the purposes of the title.

Sec. 8302. Designation of Critical Areas

Subsection (a) requires the Secretary to designate critical areas within the National Forest System for the purposes of addressing deteriorating forest health conditions in existence at the time of this Act due to insect infestation, drought, disease, or storm damage as well as future risk of insect infestations or disease outbreaks.

Subsection (b) directs the Secretary to use the most recent annual forest health aerial surveys of mortality and defoliation for the purpose of determining deteriorating forest health conditions at the time of this Act and the National Insect and Disease Risk Map for the purpose determining of future risk when considering National Forest System land for designation as a critical area.

Subsection (c) requires the Secretary to designate the first critical areas no later than 60 days after enactment of this Act.

Subsection (d) establishes that a critical area designation under this subtitle shall last for 10 years.

Sec. 8303. Application of Expedited Procedures and Activities of the Healthy Forest Restoration Act of 2003 to Critical Areas

Subsection (a), subject to specified modifications within the section, allows for the application of authorities of title I of the Healthy Forests Restoration Act of 2003 to all Forest Service projects and activities carried out in a designated critical area.

Subsection (b) exempts projects conducted in accordance with this section from section 322 of Public Law 102–381 which prohibits the use of appropriations to complete and issue the five-year program under the Forest and Rangeland Renewable Resources Planning Act.

Subsection (c) requires the Secretary to make the following modifications when applying title I authorities to Forest Service projects and activities in a critical area: (1) the authority should apply to the entire critical area; and (2) all projects and activities of the Forest Service shall be considered to be authorized hazardous fuel reduction projects for the purpose of applying this title.

Subsection (d) excludes projects that comprise less than 10,000 acres from the requirements for an environmental assessment or an environmental impact statement. The exclusion does not apply to: land in the National Wilderness Preservation System; any Federal land on which, by an Act of Congress or Presidential proclamation, removal of vegetation is restricted; a congressionally designated wilderness study area; or an area in which the activity would be inconsistent with the applicable land and resource management plan.

Subsection (e) requires that all projects and activities carried out in a critical area pursuant to the subtitle shall be consistent with land and resource management plans.

Sec. 8304. Good Neighbor Authority

Subsection (a) defines the terms "eligible State" and "State forester" for the purposes of the section.

Subsection (b) gives the Secretary authority to enter into cooperative agreements or contracts with a State forester authorizing the State forester to provide the forest, rangeland, and watershed restoration and protection services on National Forest System land in the eligible State. Restoration and protection services include activities to treat insect infected trees, activities to reduce hazardous fuels, and any other activities to restore or improve forest, rangeland, and watershed health. Such cooperative agreement or contract may authorize the State forester to serve as the agent for the Secretary in providing those authorized services. A State forester may enter into subcontracts to provide those authorized services if it is in accordance with applicable contract procedures for the eligible State. Any decision required to be made under NEPA may not be delegated to a State forester or any other officer or employee of the eligible State under this section.

Services performed under such cooperative agreement or contract shall be exempt from subsections (d) and (g) of section 14 of the National Forest Management Act of 1976. Subsection (d) of that Act requires the Secretary to advertise all timber sales unless extraordinary conditions exist or the appraised value of the sale is less than $10,000. Subsection (g) of that Act requires that designation and marking, and supervision of harvesting of trees be conducted by persons employed by the Secretary and have no personal interest in the purchase or harvest of such products nor be in the direct or indirect employ of the purchaser.

The restoration and protection services under this section shall be carried out on a project-by-project basis under existing Forest Service authorities.

SUBTITLE E—MISCELLANEOUS PROVISIONS

Sec. 8401. Revision of Strategic Plan for Forest Inventory and Analysis

Subsection (a) requires the Secretary to, not later than 180 days after enactment of this Act, revise the strategic plan for forest inventory and analysis to address the new requirements imposed by this section.

Subsection (b) enumerates a list of new requirements for the purpose of revising the strategic plan for forest inventory and analysis.

Subsection (c) requires the Secretary to submit the revised strategic plan to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Sec. 8402. Forest Service Participation in ACES Program

Section 8402 allows the Forest Service to use certain Forest Service funds for the purpose of using the Agricultural Conservation

Experienced Services (ACES) Program to provide technical services for conservation-related programs and authorities carried out on Forest Service System lands.

Sec. 8403. Green Science and Technology Transfer Research under Forest and Rangeland Renewable Resources Research Act of 1978

Section 8403 authorizes a priority for forestry and rangeland research and education on science and technology transfer through the Forest Products Laboratory to demonstrate the benefits of wood as a green building material. It also requires the Secretary of Agriculture to submit an annual report to Congress on this research, the number of buildings the Forest Service has built with wood and the investments made by the Forest Service in green building wood promotion.

Sec. 8404. Extension of Stewardship Contracts Authority Regarding Use of Designation by Prescription to all Thinning Sales under National Forest Management Act of 1976

Section 8404 amends current authority to allow for designation by prescription and designation by description for thinning projects and timber sales. Designation may be supervised by use of post-harvest cruise, sample weight scaling or other methods determined by the Secretary of Agriculture.

Sec. 8405. Reimbursement of Fire Funds Expended by a State for Management and Suppression of Certain Wildfires

Section 8405 authorizes the Secretary of Agriculture to accept reimbursement amounts from a State and pay those amounts to another State seeking the reimbursement for amounts expended for resources and services provided for the management and suppression of a wildfire. However, the states seeking and providing reimbursement must each have a mutual assistance agreement with the Forest Service or the Department of the Interior for providing and receiving wildfire management and suppression resources and services. In addition, any past acceptance of funds or reimbursements made by the Secretary that otherwise would have been authorized by this language shall be considered to have been made under this section.

Sec. 8406. Ability of National Forest System Lands to Meet Needs of Local Wood Producing Facilities for Raw Materials

Section 8406 requires the Secretary of Agriculture to conduct a study within one year assessing the raw needs of all wood producing facilities within 100 miles of each of the National Forest System units. The study would include the volume of timber which would be available if the unit of the National Forest System annually sold its Allowable Sale Quantity in the current Forest Plan as well as the actual volume sold and harvested during the previous decade. In addition, a comparison of the volume sold and harvested from the previous decade to the calculated amount under previous decades will be included. Finally, an assessment of the ability of each unit to meet the needs of the facilities will be included.

Sec. 8407. Report on the National Forest System Roads

Section 8407 requires the Secretary of Agriculture to submit a report on the condition of forest roads to Congress within 90 days.

TITLE IX—ENERGY

Sec. 9001. Definition of Renewable Energy System

Section 9001 amends section 9001 of the Farm Security and Rural Investment Act of 2002 by modifying the definition of "biobased product" and adding a definition of "forest product" to ensure that mature forest products are treated in the same manner as other biobased products. The section also adds a definition for "renewable energy system" which limits the eligible projects in the Rural Energy for America Program.

Sec. 9002. Biobased Markets Program

Section 9002 amends section 9002 of the Farm Security and Rural Investment Act of 2002 by reauthorizing the Biobased Markets Program with discretionary funding authorized at $2 million per fiscal year through 2018.

Sec. 9003. Biorefinery Assistance

Section 9003 amends section 9003 of the Farm Security and Rural Investment Act of 2002 by eliminating grant funding in the Biorefinery Assistance Program to ensure that program funding is spent more efficiently through loan guarantees with discretionary funding at $75 million per fiscal year through 2018.

Sec. 9004. Repowering Assistance Program

Section 9004 amends section 9004 of the Farm Security and Rural Investment Act of 2002 by reauthorizing the Repowering Assistance Program with discretionary funding at $10 million per fiscal year through 2018.

Sec. 9005. Bioenergy Program for Advanced Biofuels

Section 9005 amends section 9005 of the Farm Security and Rural Investment Act of 2002 by reauthorizing the Bioenergy Program for Advanced Biofuels with discretionary funding at $50 million per fiscal year through 2018.

Sec. 9006. Biodiesel Fuel Education Program

Section 9006 amends section 9006 of the Farm Security and Rural Investment Act of 2002 by reauthorizing the Biodiesel Fuel Education Program with discretionary funding at $2 million per fiscal year through 2018.

Sec. 9007. Rural Energy for America Program

Section 9007 amends section 9007 of the Farm Security and Rural Investment Act of 2002 by eliminating the authority for feasibility studies, creating a three-tiered application process, and reauthorizing the Rural Energy for America Program with discretionary funding at $45 million per fiscal year through 2018.

Sec. 9008. Biomass Research and Development

Section 9008 amends section 9008 of the Farm Security and Rural Investment Act of 2002 by reauthorizing Biomass Research and Development with discretionary funding at $20 million per fiscal year through 2018.

Sec. 9009. Feedstock Flexibility Program for Bioenergy Producers

Section 9009 amends section 9010 of the Farm Security and Rural Investment Act of 2002 by reauthorizing the Feedstock Flexibility Program for Bioenergy Producers through 2018.

Sec. 9010. Biomass Crop Assistance Program

Section 9010 amends section 9011 of the Farm Security and Rural Investment Act of 2002 by eliminating collection, harvest, storage, and transportation ("CHST") payments and reauthorizing the program with discretionary funding at $75,000,000 per fiscal year through 2018. This section also adds "existing project areas that have received funding" to the factors the Secretary shall consider when selecting project areas.

Sec. 9011. Community Wood Energy Program

Section 9011 amends section 9013 of the Farm Security and Rural Investment Act of 2002 by reauthorizing the Community Wood Energy Program with discretionary funding at $2 million per fiscal year through 2018.

Sec. 9012. Repeal of Biofuels Infrastructure Study

Section 9012 amends section 9002 of the Food, Conservation, and Energy Act of 2008 by repealing the Biofuels Infrastructure Study.

Sec. 9013. Repeal of Renewable Fertilizer Study

Section 9013 amends section 9003 of the Food, Conservation, and Energy Act of 2008 by repealing the Renewable Fertilizer Study.

TITLE X—HORTICULTURE

Sec. 10001. Specialty Crops Market News Allocation

Section 10001 amends section 10107 of the Food, Conservation, and Energy Act of 2008 by reauthorizing appropriations for specialty crop news market services at $9,000,000 for each fiscal year, through FY 2018.

Sec. 10002. Repeal of Grant Program to Improve Movement of Specialty Crops

Sec. 10002 amends section 10403 of the Food, Conservation, and Energy Act of 2008 repealing the grant program to improve movement of specialty crops.

Sec. 10003. Farmers Market and Local Food Promotion Program

Sec. 10003 amends section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 and the Farmers Market and Local Food Promotion Program. The section includes "local food" in the title and establishment section. It further clarifies the purposes section

of the program to highlight "locally and regionally produced agricultural products".

The section includes a matching fund requirement at 25 percent for entities carrying out local and regional food business enterprises. It limits the use of grant money by prohibiting its use for purchase, construction, or rehabilitation of buildings or structure.

The section makes available $30,000,000 in mandatory funding each year and maintains the authorization for $10,000,000 for the program for each fiscal year 2014 through FY 2018. Of the funds made available, 50 percent is reserved for activities related to direct producer-to-consumer market opportunities, such as farmers' market and roadside stands; and 50 percent is reserved for activities of local and regional food business enterprises that process, distribute, aggregate, and store locally or regionally produced food products. Not more than 3 percent of the total amount of funds made available to the program can be used for administrative expenses.

Sec. 10004. Organic Agriculture

Subsection (a) amends section 7407 of the Farm Security and Rural Investment Act of 2002 by extending the authorization of appropriations for Organic Production and Market Data Initiatives through FY 2018 at $5,000,000 for each fiscal year.

Subsection (b) amends section 2122 of the Organic Foods Production Act of 1990 and the National Organic Program to include a section requiring the Secretary to modernize database and technology systems for the program.

Subsection (c) amends section 2123 of the Organic Foods Production Act of 1990 by reauthorizing the program at the current level of $11,000,000 for each fiscal year through FY 2018.

Subsection (d) amends section 10606 of the Farm Security and Rural Investment Act of 2002 by repealing the National Organic Certification Cost-share Program.

Subsection (e) amends section 501 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401) to exempt organic products from the payment of an assessment under a commodity promotion law until the date on which the Secretary issues an organic commodity promotion order. In addition, the Department of Agriculture is granted the authority to consider an application for a promotion order by the organic sector, including an election right for a covered person to decide under which applicable promotion order to be assessed, and the definition of an agricultural commodity in the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C. 7412(1)) is amended to include organic products.

Sec. 10005. Investigations and Enforcement of the Organic Foods Production Act of 1990

The Organic Foods Production Act of 1990 (7 U.S.C. 6521) is amended to authorize the Secretary to take investigative actions necessary to carry out this title to verify the accuracy of information and determine whether a person covered by this title has committed a violation of this title. The Secretary is authorized to administer oaths and affirmations, subpoena witnesses, take evidence

and require the production of records required to be maintained under this title, relevant to the investigation. It is an unlawful act for any person covered by this title to refuse to provide information required by the Secretary under this title or to violate a suspension or revocation of either the organic certification of a producer or handler or the accreditation of a certifying agent.

The Secretary may suspend, after notice and opportunity for an expedited administrative hearing, an organic certification if the Secretary has proved that the producer or handler recklessly committed a violation of their organic plan or has recklessly committed or is recklessly committing a violation of this title. The Secretary may suspend, after notice and opportunity for an expedited administrative hearing, an accreditation if the Secretary has proved that the certifying agent has recklessly committed or is recklessly committing a violation of this title. The Secretary may suspend, after notice and opportunity for an expedited administrative hearing, an organic certification or accreditation if the producer, handler, or certifying agent has waived such expedited administrative hearing.

A suspension must be issued by the Secretary not later than five days after the expedited administrative hearing concludes or the Secretary receives notice of a waiver of the hearing. The period of a suspension shall not be more than 90 days beginning on the date the Secretary issues the suspension.

Prior to suspension, the Secretary may not issue a suspension if the producer, handler, or certifying agent cures or corrects the deficiency giving rise to the violation or within a reasonable timeframe, as determined by the Secretary, enters into a settlement with the Secretary regarding the deficiency giving rise to the violation. During suspension, the Secretary shall terminate the suspension if the producer, handler, or certifying agent cures the violation.

The Secretary may, after notice and opportunity for an expedited administrative hearing and an expedited administrative appeal, revoke a certification if the Secretary has proved that the producer or handler knowingly committed an egregious violation of their organic plan or has knowingly committed or is knowingly committing an egregious violation of this title. The Secretary may, after notice and opportunity for an expedited administrative hearing and an expedited administrative appeal, revoke an accreditation if the Secretary has proved that the certifying agent knowingly committed, or is knowingly committing, an egregious violation of this title. The Secretary may, after notice and opportunity for an expedited administrative hearing and an expedited administrative appeal, revoke an organic certification or accreditation if the producer, handler, or certifying agent has waived such expedited administrative hearing and appeal.

If the Secretary finds, during an investigation or during the period of suspension, that a producer, handler, or certifying agent has knowingly committed an egregious violation of this title, the Secretary shall initiate revocation proceedings not later than 30 days after the date on which notice is received by the producer, handler, or certifying agent of such finding. The Secretary shall provide the producer, handler, or certifying agent notice not later than five days after the date of such finding.

A suspension or revocation of a certification or accreditation may be appealed to a U.S. district court not later than 30 business days after notice of the suspension or revocation. A suspension or revocation is final and conclusive on the date on which judicial review is complete or, where not appealed, the date on which such 30–day period ends.

A suspension or revocation shall be reviewed in accordance with the standards of review specified in the Administrative Procedure Act. The Secretary may apply to the appropriate U.S. district court for enforcement of a final revocation, and the court shall enforce the revocation. Civil penalties under the title are authorized if there is a violation of the revocation. A violation of this title means a violation specified in section 2120.

Sec. 10006. Food Safety Education Initiatives

Section 10006 amends section 10105 of the Food, Conservation, and Energy Act of 2008 by extending the authorization of appropriations for Food Safety Education Initiatives at $1,000,000 through FY 2018.

Sec. 10007. Specialty Crop Block Grants

Section 10007 amends section 101 of the Specialty Crops Competitiveness Act of 2004 by changing the grant allocation formula. The Secretary is also authorized to accept a grant application including equipment or capital-related research costs so long as the information submitted has an assurance that state funds will supplement the Federal grant dollars towards this purpose by not less than 50 percent during the fiscal year that the cost was incurred and be replaced completely with state funds by the next fiscal year. It makes available $72,500,000 in mandatory funding for the Specialty Crop Block Grants for each fiscal year, 2014 through 2017 and $85,000,000 for fiscal year 2018. The section requires the Secretary, not later than 180 days after the effective date of this Act, to issue guidance for the purpose of making grants to multistate projects and designates mandatory funds for such purposes. The Secretary may not use more than 3 percent of the funds made available for a fiscal year for administrative expenses. A State receiving a Specialty Crop Block Grant may not use more than 8 percent of the funds received under the grant for a fiscal year for administrative expenses.

Sec. 10008. Report on Honey

Subsection (a) requires the Secretary, in consultation with stakeholders, to submit a report to the Commissioner of the FDA, describing how an appropriate Federal standard for identifying honey would be in the interest of consumers and the honey industry. The Secretary shall submit such a report not later than 180 days of the date of enactment of this Act.

Subsection (b) requires the Secretary to consider the March, 2006, Standard of Identity citizens' petition filed with the FDA, including any current industry amendments or clarifications, when preparing such a report.

Sec. 10009. Bulk Shipments of Apples to Canada

Subsection (a) exempts apples shipped to Canada in bulk bins from the provisions of the Export Apple Act.

Subsection (b) amends the definitions section of the Export Apple Act to include a definition of the term "bulk bin".

Subsection (c) requires the Secretary to issue regulations to carry out the amendments, not later than 60 days after the date of enactment of this Act.

Sec. 10010. Inclusion of Olive Oil in Import Controls under the Agricultural Adjustment Act

Section 10010 amends section 8e of the Agricultural Adjustment Act to include olive oil in the list of commodities regulated by import controls.

Sec. 10011. Consolidation of Plant Pest and Disease Management and Disaster Prevention Programs

Amends the Plant Protection Act to authorize the National Clean Plant Network, as previously authorized in the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7761). Of the funds of the Commodity Credit Corporation, $62,500,000 is made available for fiscal years 2014 through 2017 and $75,000,000 for fiscal year 2018 towards Plant Pest and Disease Management and Disaster Prevention Programs as amended here. However, not less than $5,000,000 of the funds each fiscal year will be made available to carry out the national clean plant network.

The use of any Commodity Credit Corporation funds under this section to provide technical assistance shall not be considered an allotment or fund transfer from the Corporation for the purposes of the limit on expenditure for technical assistance imposed by the Corporation's Charter Act.

Sec. 10012. Modification, Cancellation, or Suspension on Basis of a Biological Opinion

Except in the case of a voluntary request from a registrant under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a), a registration may be modified, canceled or suspended on the basis of the implementation of a Biological Opinion issued by the NMFS or the USFWS prior to the completion of the National Academy of Sciences study commissioned by the Administrator of the EPA or Jan. 1, 2015, whichever is earlier, only if the action is taken pursuant to section 6 of the Act and the Biological Opinion complies with the recommendations contained in the study. The study shall include at minimum: (1) a formal, independent, and external peer review, consistent with OMB policies of each Biological Opinion, (2) an assessment of economic impacts of measures or alternatives recommended in each Biological Opinion, (3) an examination of specific scientific and procedural questions and issues pertaining to economic feasibility contained in a June 23, 2011 letter sent to the Administrator and other Federal officials from Members of Congress.

Sec. 10013. Use and Discharges of Authorized Pesticides

Section 10013(a) is the short title.

Section 10013(b) amends section 3(f) of the Federal Insecticide, Fungicide, and Rodenticide Act prohibiting the Administrator or a State from requiring a permit under the Federal Water Pollution Control Act for pesticide applications authorized under the Federal Insecticide, Fungicide and Rodenticide Act, except in certain instances.

Section 10013(c) amends section 402 of the Federal Water Pollution Control Act prohibiting the Administrator or a State from requiring a permit under section 402 for the application into navigable waters of a pesticide applications authorized under the Federal Insecticide, Fungicide, and Rodenticide Act. Subsection (s)(2) provides exceptions for certain instances.

Sec. 10014. Seed not Pesticide or Device for Purposes of Importation

Section 10014 amends the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136o) to eliminate the requirement to notify the Administrator for seeds, including treated seeds, of the arrival of pesticides and devices under subsection (c).

Sec. 10015. Stay of Regulations Related to Christmas Tree Promotion, Research, and Information Order

Section 10015 requires the Secretary of Agriculture, within 60 days of the enactment of this Act, to lift the administrative stay imposed by the rule establishing an industry-funded promotion, research and information program for fresh cut Christmas trees.

Sec. 10016. Study on Proposed Order Pertaining to Sulfuryl Flouride

Section 10016 authorizes a report to Congress regarding the potential economic and public health effects that would result from finalization of the proposed order pertaining to sulfuryl fluoride.

Sec. 10017. Study on Local and Regional Food Production and Program Evaluation

Section 10017 directs the Secretary of Agriculture to collect data on the production and marketing of locally or regionally produced agricultural food products, facilitate interagency collaboration and data sharing on programs related to local and regional food systems and monitor the effectiveness of programs designed to expand or facilitate local food systems. The Secretary will implement these directives by collecting and distributing reporting of prices, conduct surveys and analysis and publish reports relating to the production, handling, distribution, retail sales and trend studies, evaluate the effectiveness of existing programs, expand the Agricultural Resource Management Survey and seek private-public partnerships to facilitate the collection of data. The Secretary is required to submit a report to Congress describing the progress made in implementing the above.

TITLE XI—CROP INSURANCE

Sec. 11001. Information Sharing

Section 11001 if the producer authorizes it, this section requires the FSA to provide to an agent or an approved insurance provider

(AIP) information that may assist the agent or AIP in insuring the producer.

Sec. 11002. Publication of Information on Violations of Prohibition on Premium Adjustments

Section 11002 requires the RMA to publish on its website violations of the prohibition to give rebates or discounts in premium in sufficient detail to serve as guidance to AIP, agents and producers.

Sec. 11003. Supplemental Coverage Option

Section 11003 establishes the new Supplemental Coverage Option to give a producer the option of purchasing additional coverage on an individual or area yield and loss basis or a margin basis. Coverage cannot exceed the difference between 90 percent of the actual loss and the coverage level selected by the producer of the underlying policy or plan of insurance.

Sec. 11004. Premium Amounts for Catastrophic Risk Protection

Section 11004 requires a re-rating of the catastrophic risk protection premium.

Sec. 11005. Repeal of Performance-Based Discount

Section 11005 repeals unused authority for performance-based discounts.

Sec. 11006. Permanent Enterprise Unit Subsidy

Section 11006 makes permanent the Federal Crop Insurance Corporation (the Corporation) authority to pay a portion of the premiums for policies that insure on an enterprise unit basis.

Sec. 11007. Enterprise Units for Irrigated and Non-Irrigated Crops

Section 11007 requires enterprise units to be made available by practice (irrigated or non-irrigated).

Sec. 11008. Data Collection

Section 11008 allows the use of data collected by the Risk Management Agency, the National Agricultural Statistics Service, or both, to determine yields. Where sufficient county data is not available, this section authorizes the Secretary to use data from other sources.

Sec. 11009. Adjustment in Actual Production History to Establish Insurable Yields

Section 11009 increases the percentage of the applicable transitional yield used to replace excluded recorded or appraised yields from 60 percent to 70 percent.

Sec. 11010. Submission and Review of Policies

Section 11010 requires the Corporation to review policies developed under the research and development contracting authority at 522(c), or pilot program developed under 523, and submit to the Board for review policies that will likely result in viable and marketable policies, provide crop insurance in a significantly improved

form, and adequately protect the interests of producers. This section also requires and encourages approval of certain policies.

Sec. 11011. Equitable Relief for Specialty Crop Producers

Section 11011 provides equitable relief on specialty crop policies that were disproportionately adversely impacted by the SRA but clarifies that Congress does not provide statutory assent to SRA provisions.

Sec. 11012. Budget Limitations on Renegotiation of the Standard Reinsurance Agreement

Section 11012 requires the Board to ensure budget neutrality to the maximum extent practicable, and return any savings realized in Standard Reinsurance Agreement renegotiations to specific crop insurance purposes.

Sec. 11013. Crop Production on Native Sod

Section 11013 reduces the premium subsidy during a specified period of time of planting on native sod acreage in the Prairie Pothole National Priority Area.

Sec. 11014. Coverage Levels by Practice

Section 11014 allows producers to elect different coverage for both dry land and irrigated land.

Sec. 11015. Beginning Farmer and Rancher Provisions

Section 11015 provides beginning farmers and ranchers with additional premium assistance, enhanced T-yields, and the ability to use previous producer's APH or an assigned yield.

Sec. 11016. Stacked Income Protection Plan for Producers of Upland Cotton

Section 11016 requires a stacked income protection plan to be made available to upland cotton producers beginning with the 2014 crop year.

Sec. 11017. Peanut Revenue Crop Insurance

Section 11017 creates a revenue crop insurance program for peanut producers, beginning in crop year 2014, using the effective price for peanuts equal to the Rotterdam price index, adjusted to reflect the farmer stock price of peanuts in the U.S.

Sec. 11018. Authority to Correct Errors

Section 11018 allows an insurance provider or agent to correct information to make it consistent with information a producer reported to FSA, provided the corrections do not allow the producer to obtain a disproportionate benefit or avoid any ineligibility requirements or legal obligations.

Sec. 11019. Implementation

Section 11019 requires the Secretary to maintain and upgrade information management systems and to implement an acreage report streamlining initiative.

Sec. 11020. Research and Development Priorities

Section 11020 make specialty crops, sweet sorghum, biomass sorghum, rice, peanuts and sugarcane, alfalfa, and specialty crops a research and development priority.

Sec. 11021. Additional Research and Development Contracting Requirements

Section 11021 lists additional research and development contracting priorities.

Sec. 11022. Program Compliance priorities

Section 11022 allows the Secretary to enter into partnerships to improve analysis tools and technology regarding compliance or identifying and using innovative compliance strategies.

Sec. 11023. Pilot programs

Section 11023 gives the Corporation sole discretion over which pilot programs to conduct.

Sec. 11024 Technical Amendments

Section 11024 makes technical amendments.

TITLE XII—MISCELLANEOUS

SUBTITLE A—LIVESTOCK

Sec. 12101. National Sheep Industry Improvement Center

Section 12101 amends section 375 of the Consolidated Farm and Rural Development Act by reauthorizing the appropriations for the National Sheep Industry Improvement Center though fiscal year 2018, at the current level of $10,000,000 for each fiscal year.

Sec. 12102 Repeal of Certain Regulations Under the Packers and Stockyards Act, 1921

Section 12102 prevents the Grain Inspection, Packers and Stockyards Administration (GIPSA) from doing any further work on the GIPSA rulemaking that resulted from the 2008 Farm Bill.

Sec. 12103. Trichinae Certification Program

Section 12103 directs the Secretary to amend regulations under section 11010 of the Food, Conservation, and Energy Act of 2008 to incorporate into the trichinae certification program a surveillance program or other method consistent with internationally accepted standards.

The Trichinae Certification Program is reauthorized at the current level of $1,500,000, as well as such additional sums as may be necessary to carry out Section 10405 of the Animal Health Protection Act, both through fiscal year 2018 and to remain available until expended.

Sec. 12104. National Aquatic Animal Health Plan

Section 12104 amends section 11013 of the Food, Conservation, and Energy Act of 2008 by reauthorizing the National Aquatic Animal Health Plan.

Sec. 12105. Country of Origin Labeling

Section 12105 requires the Secretary to conduct an economic analysis through the Office of the Chief Economist, within 180 days of the date of enactment, of the proposed rule, "Mandatory Country of Origin Labeling of Beef, Pork, Lamb, Chicken, Goat Meat, Wild and Farm-raised Fish and Shellfish, Perishable Agricultural Commodities, Peanuts, Pecans, Ginseng and Macadamia Nuts," published on March 12, 2013. The analysis shall include specific information with respect to the labeling of beef, pork, and chicken of the impact on consumers, producers, and packers in the United States.

Sec. 12106. National Animal Health Laboratory Network

Section 12106 authorizes the Secretary to enter into contracts, grants, cooperative agreements or other legal instruments with eligible laboratories. The network of veterinary diagnostic laboratories would expand the capability to detect and respond to emerging or existing threats to animal health, and to support the protection of public health, the environment, and the U.S. agricultural economy. The Secretary, to the extent practicable and necessary shall give priority to existing Federal, State, and university facilities. The section also adds a new authorization of appropriations of $15,000,000 for each of fiscal years 2014 through 2018.

Sec. 12107. Repeal of Duplicative Catfish Inspection Program

Section 12107 repeals the USDA program establishing an inspection and grading program for catfish.

Sec. 12108. National Poultry Improvement Program

Section 12108 restricts the Department of Agriculture from making any governance changes to the National Poultry Improvement Plan.

SUBTITLE B—SOCIALLY DISADVANTAGED PRODUCERS AND LIMITED RESOURCE PRODUCERS

Sec. 12201. Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers

Section 12201(a) amends section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 to include veteran farmers and ranchers. The section makes available $10,000,000 in mandatory funding for each fiscal year 2014 through 2018. The authorization of appropriations is reauthorized for each fiscal year 2014 through 2018.

Section 12201(b) includes a definition of the term "veteran farmer or rancher".

Sec. 12202. Office of Advocacy and Outreach

Section 12202 amends paragraph (3) of section 226B(f) of the Department of Agriculture Reorganization Act of 1994 to include an authorization of appropriations of $2,000,000 for each fiscal year 2014 through 2018.

Sec. 12203. Socially Disadvantaged Farmers and Ranchers Policy Research Center

Section 12203 establishes a Socially Disadvantaged Farmers and Ranchers Policy Center at an 1890 Land Grant College or University.

SUBTITLE C—OTHER MISCELLANEOUS PROVISIONS

Sec. 12301. Grants to Improve Supply, Stability, Safety, and Training of Agricultural Labor Force

Section 12301 amends section 14204(d) of the Food, Conservation, and Energy Act of 2008 to include an authorization of appropriations of $10,000,000 for each fiscal year 2014 through 2018.

Sec. 12302. Program Benefit Eligibility Status for Participants in High Plains Water Study

Section 12304 amends the Food, Conservation, and Energy Act of 2008 to prevent individuals participating in a 1-time study of recharge potential for the Ogallala Aquifer in the High Plains of Texas from losing eligibility for program benefits under the Federal Agriculture Reform and Risk Management Act of 2013 or its amendments solely as the result of participation in such study.

Sec. 12303. Office of Tribal Relations

Section 12303 amends the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 to require the Secretary to establish an Office of Tribal Relations, within the Office of the Secretary, to advise the Secretary on policies related to Indian Tribes.

Sec. 12304. Military Veterans Agricultural Liaison

The Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6918) is amended to require the Secretary to establish the position of Military Veterans Agricultural Liaison. The liaison shall provide information to returning veterans and connect returning veterans with beginning farmer training and agricultural vocational and rehabilitation programs, provide information to veterans concerning availability of and eligibility for agricultural programs, serve as a resource in applying for agricultural programs and serve as an advocate on behalf of veterans within the Department.

Sec. 12305. Prohibition on Keeping GSA Leased Cars Overnight

Section 12305 prohibits FSA employees that are issued government cars from taking the cars home overnight unless they are on official travel involving per diem.

Sec. 12306. Noninsured Crop Assistance Program

Section 12306 amends the noninsured crop assistance program (NAP) to allow for the purchase of additional NAP coverage for crops that do not otherwise have coverage under the Federal Crop Insurance Act as well as sweet sorghum and biomass sorghum.

Sec. 12307. Ensuring High Standards for Agency Use of Scientific Information

Requires federal agencies, by January 1, 2014, to have in effect guidelines to ensure and maximize the quality, objectivity, utility, and integrity of the scientific information upon which the agencies rely. Prohibits any policy decision issued by an agency after January 1, 2014, from taking effect unless such agency has in effect guidelines for use of scientific information that have been approved by the Director of the White House Office of Science and Technology Policy.

Sec. 12308. Evaluation Required for Purposes of Prohibition on Closure or Relocation of County Offices for the Farm Service Agency

Section 12308 requires a workload assessment before any Farm Service Agency (FSA) county office closures take place.

Sec. 12309. Acer Access and Development Program

Section 12309 authorizes the Secretary to make grants to states, tribal governments and research institutions to research, promote and expand access to lands for maple sugaring.

Sec. 12310. Regulatory Review by the Secretary of Agriculture

Section 12309 requires the Secretary of Agriculture to review publications that provide notice of Environmental Protection Agency guidance, policy, memorandums, regulations or statements, for significant impacts on agricultural entities and then take certain, specified action.

Sec. 12311. Report on Bovine Tuberculosis in Texas

Section 12311 requires the Secretary of Agriculture to submit a study of Bovine Tuberculosis in Texas.

Sec. 12312. Agricultural Commodity Definition

Section 12312 adds the products of natural stone to the list of commodities under the Commodity Promotion Act.

Sec. 12313. Prohibition on Attending an Animal Fighting Venture or Causing a Minor to Attend an Animal Fighting Venture

Section 12313 closes a loophole in the Animal Welfare Act relating to spectators at animal fighting ventures.

Sec. 12315. Increased Protection for Agricultural Interests in the Missouri River Basin

Sec. 12315 directs the Secretary of Agriculture to take action to promote immediate increased flood protection for agriculture interests in the Missouri River basin.

Sec. 12316. Increased Protection for Agricultural Interests in the Black Dirt Region

Section 12316 directs the Secretary to take actions to promote immediate increased flood protection for the farmers, producers and agricultural interests around the Wallkill River and in the Black Dirt Region.

COMMITTEE CONSIDERATION

On May 15, 2013, the Committee on Agriculture met pursuant to notice, with a quorum present to consider H.R. 1947. Chairman Lucas made an opening statement as did Ranking Member Peterson.

Chairman Lucas placed H.R. 1947 before the Committee and, without objection it was considered as original text for purposes of amendment and open to amendment at any point.

Chairman Lucas stated that although the bill was open to amendment at any point, he encouraged that amendments be offered on a Title by Title basis.

Chairman Lucas then offered an En Bloc Amendment sponsored by himself and Ranking Member Peterson. Discussion occurred and by a voice vote, the amendment was adopted.

Without objection, Title I—Commodities was placed before the Committee for consideration.

Mr. Goodlatte was recognized to offer and explain an amendment to remove the "Dairy Producer Margin Protection and Dairy Market Stabilization Programs" and replace it with a new "Dairy Producer Margin Insurance Program". Discussion occurred and by a roll call vote of 20 yeas to 26 nays, the amendment failed. See Roll Call #1.

Mr. Gibbs offered an amendment that would set the reference price in the Price Loss Coverage program at 80 percent of the 10 year Congressional Budget Office average. Discussion occurred and the amendment was withdrawn.

Mr. Goodlatte was also recognized to offer and explain an amendment that would repeal the Feedstock Flexibility Program, repeal import quotas, lower sugar price supports, remove the floor under domestic marketing allotments, and allow countries to trade their import quota. Discussion occurred and the amendment was withdrawn.

Title II—Conservation was placed before the Committee for consideration.

Ms. Kuster was recognized to offer and explain an amendment that would strike the arbitrary lower payment limits for organic producers within the Environmental Quality Incentives Program (EQIP). Discussion occurred and the amendment was withdrawn.

Mr. Costa was then recognized to offer and explain an amendment that prioritizes EQIP funds to projects that specifically address environmental and conservation concerns in areas of either Federal or state nonattainment areas or that are identified by the Secretary or State Conservationist as areas where producers need assistance in complying with Federal regulations. Discussion occurred and the amendment was withdrawn.

Ms. Kuster was recognized to offer and explain an amendment that would eliminate the five percent cap on EQIP payments targeted at practices benefitting wildlife habitat and instead specify a five percent minimum for wildlife habitat payments. Discussion occurred and the amendment was withdrawn.

Ms. Kuster was again recognized to offer and explain an amendment that would replace the five percent cap on EQIP payments

targeted at practices benefitting wildlife habitat with a ten percent cap. Discussion occurred and the amendment was withdrawn.

Mr. Nolan was then recognized to offer and explain an amendment that would raise the maximum enrollment of the Conservation Stewardship Program to 10,348,000 acres. Discussion occurred and by a voice vote the amendment failed.

Mr. Nolan was again recognized to offer and explain an amendment that would simplify the Conservation Stewardship Program ranking criteria to focus on conservation outcomes. Discussion occurred and by a voice vote the amendment failed.

Mr. Maloney was recognized to offer and explain an amendment that gives the Secretary, through the NRCS, discretionary authority to adjust the cash-cost share requirement for land trusts and state and local governments when acquiring conservation easements by allowing the Secretary to consider a non-cash (i.e., land) donation from the private landowner to count against the cash-only donation requirements. Discussion occurred and the amendment was withdrawn.

Title III—Trade was placed before the Committee for consideration. No amendment was offered.

Title IV—Nutrition was placed before the Committee for consideration.

Mr. Goodlatte was recognized to offer and explain an amendment that would require the Secretary to consider the impact of a new regulation on the cost of emergency feeding organizations. Discussion occurred and the amendment was withdrawn.

Mr. Goodlatte was also recognized to offer and explain an amendment to maximize the continuity of food product flow to emergency feeding organization throughout the year from mandatory food deliveries from TEFAP program to States. Discussion occurred and the amendment was withdrawn.

Ms. Fudge was recognized to offer and explain an amendment that would authorize the Healthy Food Financing Initiative. Discussion occurred and by a roll call vote of 21 yeas to 19 nays, and 6 not voting, the amendment was adopted. See Roll Call #2.

Mr. McGovern was then recognized to offer and explain an amendment that strikes all the sections that cut funding to the SNAP program. Discussion occurred and by a roll call vote of 17 yeas to 27 nays, and 2 not voting, the amendment failed. See Roll Call #3.

Mr. Neugebauer was recognized to offer and explain an amendment that would eliminate the automatic interaction between LIHEAP and SNAP, eliminate indexing of allowable assets, eliminate the duplicative employment and training programs, and eliminate the nutrition education grant program. Discussion occurred and by a voice vote the amendment failed.

Mr. Schrader was recognized to offer and explain an amendment that would change the utility allowance from $20 to $10. Discussion occurred and by a voice vote the amendment failed.

Mrs. Roby was recognized to offer and explain an amendment that would require households that receive SNAP benefits to provide proof of payment for their heating or cooling bill in order to qualify for the income deduction. Discussion occurred and by a voice vote the amendment failed.

Ms. DelBene was recognized to offer and explain an amendment that raises the gross income level to qualify for SNAP benefits. Discussion occurred and the amendment was withdrawn.

Ms. DelBene was again recognized to offer and explain an amendment that would ensure that children currently on the school lunch program remain eligible after reforms to SNAP eligibility. Discussion occurred and the amendment was withdrawn.

Ms. Lujan Grisham was recognized to offer and explain an amendment that would remove cuts to nutrition education. Discussion occurred and by a voice vote the amendment failed.

Mr. McGovern was then recognized to offer and explain an amendment that would delay implementation of the SNAP reforms in the base bill until the crop insurance error rate is below the SNAP error rate. Discussion occurred and by a voice vote the amendment failed.

Mr. Costa was recognized to offer and explain an amendment to restore the Fresh Fruit and Vegetable Program to its original language. Discussion occurred and the amendment was withdrawn.

Title V—Credit was placed before the Committee for consideration.

Mr. Crawford was recognized to offer and explain an amendment that would clarify that the Farm Credit Administration (FCA) has the authority to prescribe regulations requiring financial disclosure of pay for senior executives of Farm Credit System institutions. Discussion occurred and the amendment was withdrawn.

Mr. Gibson was recognized to offer and explain an amendment that would increase the current Direct Farm Ownership Loan cap of $300,000 with inflation starting in 2014. Discussion occurred and the amendment was withdrawn.

Title VI—Rural Development was placed before the Committee for consideration.

Mr. Crawford was recognized to offer and explain an amendment that would establish an Irrigation District Loan Program within the Office of Rural Development. Discussion occurred and the amendment was withdrawn.

Mr. Gibson was recognized to offer and explain an amendment that would change the definition of rural areas for Community Facility Loans. Discussion occurred and the amendment was withdrawn.

Mr. King was recognized to offer and explain an amendment that modifies the service requirements under the Water and Waste Facility loans and grants. Discussion occurred and the amendment was withdrawn.

Ms. Kuster was then recognized to offer and explain an amendment that would instruct the Secretary to develop a coordinated strategy within Rural Development programs to serve the specific, local needs of rural community and technical colleges. Discussion occurred and by a voice vote the amendment was adopted.

Mr. Gibson was recognized to offer and explain an amendment that would reauthorize both the RUS Broadband Loan and Grant programs. Discussion occurred and by a roll call vote of 17 yeas to 28 nays, and 1 not voting, the amendment failed. See Roll Call #4.

Mr. McIntyre was then recognized to offer and explain an amendment that would direct $50 million in mandatory spending

to address the waste and wastewater backlog at USDA. Discussion occurred and by a roll call vote of 22 yeas to 23 nays, and 1 not voting, the amendment failed. See Roll Call #5.

Mr. McIntyre was then recognized to offer and explain an amendment that would provide $4 million per year in mandatory funding for the Rural Microenterprise Assistance Program (RMAP). Discussion occurred and by a roll call vote of 20 yeas to 25 nays, and 1 not voting, the amendment failed. See Roll Call #6.

Title VII—Research, Extension, and Related Matters was placed before the Committee for consideration.

Mr. Courtney was recognized to offer and explain an amendment that would authorize USDA to create a Foundation for Food and Agriculture Research. Discussion occurred and the amendment was withdrawn.

Ms. DelBene was then recognized to offer and explain an amendment that would provide a Sense of Congress regarding the importance of specialty crops. Discussion occurred and the amendment was withdrawn.

Title VIII—Forestry was placed before the Committee for consideration.

Mrs. Noem was recognized to offer and explain an amendment that would direct the Forest Service to assist landowners that suffered losses due to the Pautre Forest Fire. Discussion occurred and the amendment was withdrawn.

Title IX—Energy was placed before the Committee for consideration.

Mr. Enyart was recognized to offer and explain an amendment that would create a competitive grant program through the U.S. Air Force to provide funding to existing biofuel research centers, to develop pilot-scale R&D testing for renewable jet fuel. Discussion occurred and the amendment was withdrawn.

Mrs. Noem was recognized to offer and explain an amendment that would allow for Rural Energy for America Program (REAP) funds to be used for the installation of flex fuel/blender pumps. Discussion occurred and the amendment was withdrawn.

Mr. Walz was then recognized to offer and explain an amendment that would provide mandatory funding at the level of $800 million for Title IX programs. Discussion occurred and the amendment was withdrawn.

Title X—Horticulture was placed before the Committee for consideration.

Mr. Benishek was recognized to offer and explain an amendment that would provide additional confidentiality provisions for the persons and parties subject to review by the Secretary under the Organic Food Production Act of 1990. Discussion occurred and the amendment was withdrawn.

Mr. Costa was recognized to offer and explain an amendment that would strike the repeal of the National Organic Certification Cost-Share Program and provide $22 million for producers to offset the fees associated with organic certification. Discussion occurred and the amendment was withdrawn.

Mr. Schrader was recognized to offer and explain an amendment that would grant the USDA the authority to consider an application for a promotion order by the organic sector by defining organic

as a commodity for purposes of research and promotion orders. Discussion occurred and by a roll call vote of 29 yeas to 17 nays, the amendment was adopted. See Roll Call #7.

Mr. Courtney was recognized to offer and explain an amendment that would restore mandatory funding for the National Organic Program. Discussion occurred and the amendment was withdrawn.

Mr. Gibson was recognized to offer and explain an amendment that would strike the base text of the bill which adds olive oil to the list of products covered under the Agriculture Adjustment Act. Discussion occurred and by a voice vote the amendment failed.

Mr. Schrader was recognized to offer and explain an amendment that seeks to have the Secretary of Labor to ensure producers of perishable agriculture commodities receive due process when they are being investigated for alleged violations of wage and hour laws. Discussion occurred and the amendment was withdrawn.

Title XI—Crop Insurance was placed before the Committee for consideration.

Mr. McIntyre was recognized to offer and explain an amendment that would increase the farm liability limit from $1 million to $1.5 million in the Whole Farm Risk Management Insurance product. Discussion occurred and by a roll call vote of 22 yeas to 22 nays, and 2 not voting, the amendment failed. See Roll Call #8.

Mr. Costa was recognized to offer and explain an amendment that would direct USDA's Risk Management Agency to conduct a study into the feasibility of a crop insurance product that would cover producers' losses due to food safety recalls. Discussion occurred and the amendment was withdrawn.

Mr. Garamendi was recognized to offer and explain an amendment that would direct USDA to implement a program that will allow farmers and ranchers to purchase insurance to mitigate losses incurred because of a federally issued quarantine. Discussion occurred and the amendment was withdrawn.

Mr. McIntyre was again recognized to offer and explain an amendment that would increase the farm liability limit from $1 million to $1.250 million in the Whole Farm Risk Management Insurance product. Discussion occurred and by a voice vote the amendment was adopted.

Title XII—Miscellaneous was placed before the Committee for consideration.

Ms. Fudge was recognized to offer and explain an amendment that would require USDA agencies that serve farmers and ranchers to provide a time and date stamped receipt for service to each farmer and rancher requesting information or service from USDA or to whom USDA reaches out to, provide specific information or service related to applications or availability of funds or service. Discussion occurred and the amendment was withdrawn.

Mr. Conaway was recognized to offer and explain an amendment that would prevent the Grain Inspection, Packers and Stockyards Administration from doing any further work on the GIPSA rulemaking that resulted from the 2008 Farm Bill. Discussion occurred and by a voice vote the amendment was adopted.

Mr. Garamendi was recognized to offer and explain an amendment that directs the Secretary of Agriculture and the Administrator of FEMA to conduct a study to analyze the challenges faced

by agricultural areas and rural communities that are designated as having special flood hazards under NFIP. Discussion occurred and the amendment was withdrawn.

Mr. King was recognized to offer and explain an amendment that would assert the right of a state to trade agriculture products freely with another state. Mr. Denhan raised a point of order against the amendment that it contained language relating to a subject matter within Rule X jurisdiction of another committee. Discussion occurred and the Chair ruled that the point of order is not in order based on that the amendment applies at a minimum State laws that duplicate various Federal laws within the Committee on Agriculture's jurisdiction.

Further discussion occurred and Mr. Denham offered a second degree amendment to the King amendment that would mitigate the potentially harmful effects of the underlying amendment to many states, including Illinois, Indiana, Iowa, Kentucky, Maine, Michigan, Minnesota, New York, Ohio, Pennsylvania, Vermont, Wisconsin, and California. Discussion occurred and the Denham second degree amendment failed by a roll call vote of 13 yeas to 33 nays. See Roll Call #9.

Continuing discussion on the King amendment led to a voice vote and adoption of the underlying amendment.

Mr. McGovern was recognized to offer and explain an amendment that would prohibit spectators from attending an animal fighting venture or causing a minor to attend an animal fighting venture. Discussion occurred and by a roll call vote of 28 yeas to 17 nays, and 1 not voting, the amendment was adopted. See Roll Call #10.

Mr. Austin Scott was then recognized to offer and explain an amendment that would add the products of natural stone to the list of commodities under the Commodity Promotion, Research, and Information Act of 1996. Discussion occurred and by a voice vote the amendment was adopted.

Mr. Crawford was recognized to offer and explain an amendment that would restrict the Department of Agriculture from making any governance changes to the National Poultry Improvement Plan. Discussion occurred and by a voice vote the amendment was adopted.

Mrs. Hartzler was then recognized to offer and explain an amendment that would amend the Food, Conservation, and Energy Act of 2008 to repeal the USDA program establishing an inspection and grading program for catfish. Discussion occurred and by a roll call vote of 31 yeas to 15 nays the amendment was adopted. See Roll Call #11.

Mr. King was recognized to offer and explain an amendment that directs the Secretary of Agriculture to take action to promote immediate increased flood protection for agricultural interests in the Missouri River basin. Discussion occurred and by a voice vote the amendment was adopted.

Mr. Maloney was recognized to offer and explain an amendment that directs the Secretary of Agriculture to take actions to promote immediate increased flood protection for farmers, producers and agricultural interests around the Wallkill River and the Black Dirt

region. Discussion occurred and by a voice vote the amendment was adopted.

Mr. Schrader was recognized to offer and explain an amendment that clarifies the existing exception to Wildlife Services' authority, urban rodent control and that the Wildlife Services can't directly control rodents in cities and towns with more than 50,000 people. Discussion occurred and the amendment was withdrawn.

Mr. Austin Scott was recognized to offer and explain an amendment that would repeal Mandatory Country-of-Origin Labeling (COOL) under the Farm Security and Rural Investment Act of 2002. Discussion occurred and the amendment was withdrawn.

Ms. Lujan Grisham was recognized to offer and explain an amendment to restore funding for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers. Discussion occurred and the amendment was withdrawn.

Mr. Schrader was then recognized to offer and explain an amendment that states a veterinarian, if they are licensed in a state to practice medicine and registered with DEA, will not be in violation of the Controlled Substances Act if they transport and dispense controlled substances in the usual course of veterinary practice at a location other than their principal place of practice. Chairman Lucas raised a point of order against the amendment in that it contained language relating to subject matter within Rule X jurisdiction of another committee. Discussion occurred and the amendment was withdrawn.

Ms. Lujan Grishman was recognized to offer and explain an amendment to prohibit the slaughter of horses for human consumption. Discussion occurred and the amendment was withdrawn.

There being no further amendments, Mr. Peterson moved that H.R. 1947, as amended, be adopted and reported favorably to the House with the recommendation that it do pass. By a roll call vote of 36 yeas to 10 nays, the motion was agreed to in the presence of a quorum. (See Roll Call #12).

Mr. Peterson moved that the Chairman, after consultation with the Ranking Member, be authorized to make such adjustments to the spending levels in the reported version of the bill as necessary. Without objection, the motion was agreed to.

Chairman Lucas informed Committee Members who wished to file supplemental, minority, or additional views to the bill to transmit them to the Counsel's Office.

Without objection, staff was given permission to make any necessary clerical, technical or conforming changes to reflect the intent of the Committee.

Chairman Lucas thanked all the Members for their attentiveness and good work and adjourned the meeting.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the House of Representatives, the Committee sets forth the record of the following roll call votes taken with respect to H.R.1947:

Roll Call #1

Summary: Amendment to Title I of H.R. 1947 that would remove "Dairy Producer Margin Protection and Dairy Market Stabilization

Programs" and replace it with a new "Dairy Producer Margin Insurance Program".

Offered By: Representative Bob Goodlatte.

Results: Failed by a recorded vote of 20 yeas to 26 nays.

YEAS

1. Mr. Goodlatte
2. Mr. King
3. Mr. Neugebauer
4. Mr. Thompson
5. Mr. Gibbs
6. Mr. Austin Scott
7. Mr. Tipton
8. Mr. Crawford
9. Mrs. Roby
10. Mr. DesJarlais
11. Mr. Gibson
12. Mr. Ribble
13. Mrs. Noem
14. Mr. Denham
15. Mr. LaMalfa
16. Mr. Hudson
17. Mr. Davis
18. Mr. Collins
19. Mr. Yoho
20. Mr. David Scott

NAYS

1. Mr. Lucas
2. Mr. Rogers
3. Mr. Conaway
4. Mrs. Hartzler
5. Mr. Benishek
6. Mr. Fincher
7. Mr. Peterson
8. Mr. McIntyre
9. Mr. Costa
10. Mr. Walz
11. Mr. Schrader
12. Ms. Fudge
13. Mr. McGovern
14. Ms. DelBene
15. Mrs. Negrete McLeod
16. Mr. Vela
17. Ms. Lujan Grisham
18. Ms. Kuster
19. Mr. Nolan
20. Mr. Gallego
21. Mr. Enyart
22. Mr. Vargas
23. Ms. Bustos
24. Mr. Maloney
25. Mr. Courtney
26. Mr. Garamendi

Roll Call #2

Summary: Amendment to Title IV of H.R. 1947 that would authorize the Healthy Food Financing Initiative

Offered By: Representative Marcia L. Fudge.

Results: Adopted by a recorded vote of 21 yeas, 19 nays, and 6 not voting.

YEAS

1. Mr. Gibson
2. Mr. Peterson
3. Mr. McIntyre
4. Mr. David Scott
5. Mr. Walz
6. Mr. Schrader
7. Ms. Fudge
8. Mr. McGovern
9. Ms. DelBene
10. Mrs. Negrete McLeod
11. Mr. Vela
12. Ms. Lujan Grisham
13. Ms. Kuster
14. Mr. Nolan
15. Mr. Gallego
16. Mr. Enyart
17. Mr. Vargas
18. Ms. Bustos
19. Mr. Maloney
20. Mr. Courtney
21. Mr. Garamendi

NAYS

1. Mr. Lucas
11. Mr. DesJarlais

2. Mr. King
3. Mr. Neugebauer
4. Mr. Rogers
5. Mr. Conaway
6. Mr. Thompson
7. Mr. Austin Scott
8. Mr. Tipton
9. Mr. Crawford
10. Mrs. Roby
12. Mr. Ribble
13. Mrs. Noem
14. Mr. Denham
15. Mr. Fincher
16. Mr. LaMalfa
17. Mr. Hudson
18. Mr. Collins
19. Mr. Yoho

NOT VOTING

1. Mr. Goodlatte
2. Mr. Gibbs
3. Mrs. Hartzler
4. Mr. Benishek
5. Mr. Davis
6. Mr. Costa

Roll Call #3

Summary: Amendment to Title IV of H.R. 1947 to prevent $20.5 billion in cuts to the Supplemental Nutrition Assistance Program.

Offered By: Representative James P. McGovern.

Results: Failed by a recorded vote of 17 yeas, 27 nays, and 2 not voting.

YEAS

1. Mr. David Scott
2. Mr. Walz
3. Mr. Schrader
4. Ms. Fudge
5. Mr. McGovern
6. Ms. DelBene
7. Mrs. Negrete McLeod
8. Mr. Vela
9. Ms. Lujan Grisham
10. Ms. Kuster
11. Mr. Nolan
12. Mr. Gallego
13. Mr. Enyart
14. Mr. Vargas
15. Ms. Bustos
16. Mr. Courtney
17. Mr. Garamendi

NAYS

1. Mr. Lucas
2. Mr. King
3. Mr. Neugebauer
4. Mr. Rogers
5. Mr. Conaway
6. Mr. Thompson
7. Mr. Gibbs
8. Mr. Austin Scott
9. Mr. Tipton
10. Mr. Crawford
11. Mrs. Roby
12. Mr. DesJarlais
13. Mr. Gibson
14. Mrs. Hartzler
15. Mr. Ribble
16. Mrs. Noem
17. Mr. Benishek
18. Mr. Denham
19. Mr. Fincher
20. Mr. LaMalfa
21. Mr. Hudson
22. Mr. Davis
23. Mr. Collins
24. Mr. Yoho
25. Mr. Peterson
26. Mr. McIntyre
27. Mr. Maloney

NOT VOTING

1. Mr. Goodlatte
2. Mr. Costa

Roll Call #4

Summary: Amendment to Title VI of H.R. 1947 to reauthorize both the RUS Broadband Loan and Grant programs.

Offered By: Representative Christopher P. Gibson.

Results: Failed by a recorded vote of 17 yeas, 28 nays, and 1 not voting.

YEAS

1. Mr. Tipton
2. Mr. Gibson
3. Mrs. Hartzler
4. Mrs. Noem
5. Mr. McIntyre
6. Mr. Walz
7. Mr. Schrader
8. Ms. Fudge
9. Mr. McGovern
10. Mrs. Negrete McLeod
11. Mr. Vela
12. Ms. Kuster
13. Mr. Nolan
14. Mr. Gallego
15. Mr. Enyart
16. Ms. Bustos
17. Mr. Garamendi

NAYS

1. Mr. Lucas
2. Mr. Goodlatte
3. Mr. King
4. Mr. Neugebauer
5. Mr. Rogers
6. Mr. Conaway
7. Mr. Thompson
8. Mr. Gibbs
9. Mr. Austin Scott
10. Mr. Crawford
11. Mrs. Roby
12. Mr. DesJarlais
13. Mr. Ribble
14. Mr. Benishek
15. Mr. Denham
16. Mr. Fincher
17. Mr. LaMalfa
18. Mr. Hudson
19. Mr. Davis
20. Mr. Collins
21. Mr. Yoho
22. Mr. Peterson
23. Mr. David Scott
24. Ms. DelBene
25. Ms. Lujan Grisham
26. Mr. Vargas
27. Mr. Maloney
28. Mr. Courtney

NOT VOTING

1. Mr. Costa

Roll Call #5

Summary: Amendment to Title VI of H.R. 1947 that would direct $50 million in mandatory spending to address the waste and wastewater backlog at USDA.

Offered By: Representative Mike McIntyre.

Results: Failed by a recorded vote of 22 yeas, 23 nays, and 1 not voting.

YEAS

1. Mrs. Hartzler
2. Mr. Fincher
3. Mr. Hudson
4. Mr. McIntyre
5. Mr. David Scott
6. Mr. Walz
7. Mr. Schrader
8. Ms. Fudge
12. Mr. Vela
13. Ms. Lujan Grisham
14. Ms. Kuster
15. Mr. Nolan
16. Mr. Gallego
17. Mr. Enyart
18. Mr. Vargas
19. Ms. Bustos

9. Mr. McGovern
10. Ms. DelBene
11. Mrs. Negrete McLeod
20. Mr. Maloney
21. Mr. Courtney
22. Mr. Garamendi

NAYS

1. Mr. Lucas
2. Mr. Goodlatte
3. Mr. King
4. Mr. Neugebauer
5. Mr. Rogers
6. Mr. Conaway
7. Mr. Thompson
8. Mr. Gibbs
9. Mr. Austin Scott
10. Mr. Tipton
11. Mr. Crawford
12. Mrs. Roby
13. Mr. DesJarlais
14. Mr. Gibson
15. Mr. Ribble
16. Mrs. Noem
17. Mr. Benishek
18. Mr. Denham
19. Mr. LaMalfa
20. Mr. Davis
21. Mr. Collins
22. Mr. Yoho
23. Mr. Peterson

NOT VOTING

1. Mr. Costa

Roll Call #6

Summary: Amendment to Title VI of H.R. 1947 that would provide $4 million per year in mandatory funding for the Rural Microenterprise Assistance Program (RMAP).

Offered By: Representative Mike McIntyre.

Results: Failed by a recorded vote of 20 yeas, 25 nays, and 1 not voting.

YEAS

1. Mr. Thompson
2. Mr. Hudson
3. Mr. McIntyre
4. Mr. David Scott
5. Mr. Walz
6. Mr. Schrader
7. Ms. Fudge
8. Mr. McGovern
9. Ms. DelBene
10. Mrs. Negrete McLeod
11. Mr. Vela
12. Ms. Lujan Grisham
13. Ms. Kuster
14. Mr. Nolan
15. Mr. Gallego
16. Mr. Enyart
17. Mr. Vargas
18. Ms. Bustos
19. Mr. Maloney
20. Mr. Courtney

NAYS

1. Mr. Lucas
2. Mr. Goodlatte
3. Mr. King
4. Mr. Neugebauer
5. Mr. Rogers
6. Mr. Conaway
7. Mr. Gibbs
8. Mr. Austin Scott
9. Mr. Tipton
10. Mr. Crawford
11. Mrs. Roby
14. Mrs. Hartzler
15. Mr. Ribble
16. Mrs. Noem
17. Mr. Benishek
18. Mr. Denham
19. Mr. Fincher
20. Mr. LaMalfa
21. Mr. Davis
22. Mr. Collins
23. Mr. Yoho
24. Mr. Peterson

12. Mr. DesJarlais
13. Mr. Gibson
25. Mr. Costa

NOT VOTING

1. Mr. Garamendi

Roll Call #7

Summary: Amendment to Title X of H.R. 1947 that grants the USDA the authority to consider an application for a promotion order by the organic sector (if it were to decide to do so) by defining organic as a commodity for purposes of research and promotion orders.

Offered By: Representative Kurt Schrader.

Results: Adopted by a recorded vote of 29 yeas to 17 nays.

YEAS

1. Mr. Tipton
2. Mr. Crawford
3. Mr. Gibson
4. Mrs. Hartzler
5. Mr. Ribble
6. Mr. Denham
7. Mr. Hudson
8. Mr. Davis
9. Mr. Peterson
10. Mr. McIntyre
11. Mr. David Scott
12. Mr. Costa
13. Mr. Walz
14. Mr. Schrader
15. Ms. Fudge
16. Mr. McGovern
17. Ms. DelBene
18. Mrs. Negrete McLeod
19. Mr. Vela
20. Ms. Lujan Grisham
21. Ms. Kuster
22. Mr. Nolan
23. Mr. Gallego
24. Mr. Enyart
25. Mr. Vargas
26. Ms. Bustos
27. Mr. Maloney
28. Mr. Courtney
29. Mr. Garamendi

NAYS

1. Mr. Lucas
2. Mr. Goodlatte
3. Mr. King
4. Mr. Neugebauer
5. Mr. Rogers
6. Mr. Conaway
7. Mr. Thompson
8. Mr. Gibbs
9. Mr. Austin Scott
10. Mrs. Roby
11. Mr. DesJarlais
12. Mrs. Noem
13. Mr. Benishek
14. Mr. Fincher
15. Mr. LaMalfa
16. Mr. Collins
17. Mr. Yoho

Roll Call #8

Summary: Amendment to Title XI of H.R. 1947 that would increase the farm liability limit from $1 million to $1.5 million in the Whole Farm Risk Management Insurance product.

Offered By: Representative Mike McIntyre.

Results: Failed by a recorded vote of 22 yeas to 22 nays, and 2 not voting.

YEAS

1. Mr. Ribble
2. Mr. Benishek
12. Mrs. Negrete McLeod
13. Mr. Vela

3. Mr. Peterson
4. Mr. McIntyre
5. Mr. David Scott
6. Mr. Costa
7. Mr. Walz
8. Mr. Schrader
9. Ms. Fudge
10. Mr. McGovern
11. Ms. DelBene
14. Ms. Lujan Grisham
15. Mr. Nolan
16. Mr. Gallego
17. Mr. Enyart
18. Mr. Vargas
19. Ms. Bustos
20. Mr. Maloney
21. Mr. Courtney
22. Mr. Garamendi

NAYS

1. Mr. Lucas
2. Mr. Goodlatte
3. Mr. King
4. Mr. Neugebauer
5. Mr. Rogers
6. Mr. Conaway
7. Mr. Thompson
8. Mr. Gibbs
9. Mr. Austin Scott
10. Mr. Tipton
11. Mr. Crawford
12. Mrs. Roby
13. Mr. DesJarlais
14. Mrs. Hartzler
15. Mrs. Noem
16. Mr. Denham
17. Mr. Fincher
18. Mr. LaMalfa
19. Mr. Hudson
20. Mr. Davis
21. Mr. Collins
22. Mr. Yoho

NOT VOTING

1. Mr. Gibson
2. Ms. Kuster

Roll Call #9

Summary: Second degree amendment to the King amendment #71 to Title XII of H.R. 1947 which would mitigate the potentially harmful effects of the underlying amendment to many states, including Illinois, Indiana, Iowa, Kentucky, Maine, Michigan, Minnesota, New York, Ohio, Pennsylvania, Vermont, Wisconsin, and California.

Offered By: Representative Jeff Denham.

Results: Failed by a recorded vote of 13 yeas to 33 nays.

YEAS

1. Mr. Benishek
2. Mr. Denham
3. Mr. Costa
4. Mr. Schrader
5. Ms. Fudge
6. Mr. McGovern
7. Ms. DelBene
8. Mrs. Negrete McLeod
9. Mr. Nolan
10. Mr. Vargas
11. Mr. Maloney
12. Mr. Courtney
13. Mr. Garamendi

NAYS

1. Mr. Lucas
2. Mr. Goodlatte
3. Mr. King
4. Mr. Neugebauer
5. Mr. Rogers
6. Mr. Conaway
7. Mr. Thompson
8. Mr. Gibbs
18. Mr. Fincher
19. Mr. LaMalfa
20. Mr. Hudson
21. Mr. Davis
22. Mr. Collins
23. Mr. Yoho
24. Mr. Peterson
25. Mr. McIntyre

9. Mr. Austin Scott
10. Mr. Tipton
11. Mr. Crawford
12. Mrs. Roby
13. Mr. DesJarlais
14. Mr. Gibson
15. Mrs. Hartzler
16. Mr. Ribble
17. Mrs. Noem
26. Mr. David Scott
27. Mr. Walz
28. Mr. Vela
29. Ms. Lujan Grisham
30. Ms. Kuster
31. Mr. Gallego
32. Mr. Enyart
33. Ms. Bustos

Roll Call #10

Summary: Amendment to Title XII of H.R. 1947 to prohibit attending an animal fighting venture or causing a minor to attend an animal fighting venture.

Offered By: Representative James P. McGovern.

Results: Adopted by a recorded vote of 28 yeas, 17 nays, and 1 not voting.

YEAS

1. Mr. Thompson
2. Mr. Austin Scott
3. Mr. Tipton
4. Mrs. Roby
5. Mr. Gibson
6. Mr. Denham
7. Mr. Hudson
8. Mr. Davis
9. Mr. Collins
10. Mr. Yoho
11. Mr. McIntyre
12. Mr. David Scott
13. Mr. Costa
14. Mr. Walz
15. Mr. Schrader
16. Ms. Fudge
17. Mr. McGovern
18. Ms. DelBene
19. Mr. Vela
20. Ms. Lujan Grisham
21. Ms. Kuster
22. Mr. Nolan
23. Mr. Gallego
24. Mr. Vargas
25. Ms. Bustos
26. Mr. Maloney
27. Mr. Courtney
28. Mr. Garamendi

NAYS

1. Mr. Lucas
2. Mr. Goodlatte
3. Mr. King
4. Mr. Neugebauer
5. Mr. Rogers
6. Mr. Conaway
7. Mr. Gibbs
8. Mr. Crawford
9. Mr. DesJarlais
10. Mrs. Hartzler
11. Mr. Ribble
12. Mrs. Noem
13. Mr. Benishek
14. Mr. Fincher
15. Mr. LaMalfa
16. Mr. Peterson
17. Mr. Enyart

NOT VOTING

1. Mrs. Negrete McLeod

Roll Call #11

Summary: Amendment to Title XII of H.R. 1947 that would amend the Food, Conservation, and Energy Act of 2008 to repeal the USDA program establishing an inspection and grading program for catfish.

Offered By: Representative Vicky Hartzler.

Results: Adopted by a recorded vote of 31 yeas to 15 nays.

YEAS

1. Mr. King
2. Mr. Neugebauer
3. Mr. Thompson
4. Mr. Austin Scott
5. Mr. Tipton
6. Mr. DesJarlais
7. Mr. Gibson
8. Mrs. Hartzler
9. Mr. Ribble
10. Mr. Benishek
11. Mr. Hudson
12. Mr. Davis
13. Mr. Collins
14. Mr. McIntyre
15. Mr. David Scott
16. Mr. Schrader
17. Ms. Fudge
18. Mr. McGovern
19. Ms. DelBene
20. Mrs. Negrete McLeod
21. Mr. Vela
22. Ms. Lujan Grisham
23. Ms. Kuster
24. Mr. Nolan
25. Mr. Gallego
26. Mr. Enyart
27. Mr. Vargas
28. Ms. Bustos
29. Mr. Maloney
30. Mr. Courtney
31. Mr. Garamendi

NAYS

1. Mr. Lucas
2. Mr. Goodlatte
3. Mr. Rogers
4. Mr. Conaway
5. Mr. Gibbs
6. Mr. Crawford
7. Mrs. Roby
8. Mrs. Noem
9. Mr. Denham
10. Mr. Fincher
11. Mr. LaMalfa
12. Mr. Yoho
13. Mr. Peterson
14. Mr. Costa
15. Mr. Walz

Roll Call #12

Summary: Peterson Motion to report the bill, H.R. 1947 favorably to the House with recommendation that it do pass.

Offered By: Representative Collin C. Peterson.

Results: Passed by a recorded vote of 36 yeas to 10 nays.

YEAS

1. Mr. Lucas
2. Mr. King
3. Mr. Neugebauer
4. Mr. Rogers
5. Mr. Conaway
6. Mr. Thompson
7. Mr. Austin Scott
8. Mr. Tipton
9. Mr. Crawford
10. Mrs. Roby
11. Mr. DesJarlais
12. Mr. Gibson
13. Mrs. Hartzler
14. Mr. Ribble
15. Mrs. Noem
16. Mr. Benishek
19. Mr. LaMalfa
20. Mr. Hudson
21. Mr. Davis
22. Mr. Collins
23. Mr. Yoho
24. Mr. Peterson
25. Mr. McIntyre
26. Mr. Costa
27. Mr. Walz
28. Mr. Schrader
29. Ms. DelBene
30. Ms. Kuster
31. Mr. Nolan
32. Mr. Gallego
33. Mr. Enyart
34. Ms. Bustos

17. Mr. Denham
18. Mr. Fincher
35. Mr. Maloney
36. Mr. Garamendi

NAYS

1. Mr. Goodlatte
2. Mr. Gibbs
3. Mr. David Scott
4. Ms. Fudge
5. Mr. McGovern
6. Mrs. Negrete McLeod
7. Mr. Vela
8. Ms. Lujan Grisham
9. Mr. Vargas
10. Mr. Courtney

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Agriculture's oversight findings and recommendations are reflected in the body of this report.

BUDGET ACT COMPLIANCE (SECTIONS 308, 402, AND 423)

The provisions of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and sections 402 and 423 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 23, 2013

Hon. FRANK D. LUCAS,
Chairman, Committee on Agriculture, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: CBO has prepared a cost estimate for H.R. 1947, the Agriculture Reform and Risk Management Act of 2013, as ordered reported by the House Committee on Agriculture on May 15, 2013.

ESTIMATED BUDGETARY EFFECTS

CBO estimates that direct spending stemming from the program authorizations in H.R. 1947 would total $940 billion over the 2014–2023 period. That 10–year total reflects the bill's authorization of expiring programs through 2018 *and* an extension of those authorizations through 2023, consistent with the rules governing baseline projections that are specified in the Balanced Budget and Emergency Deficit Control Act of 1985.

Relative to spending projected under CBO's May 2013 baseline, CBO estimates that enacting the bill would reduce direct spending by $33.3 billion over the 2014–2023 period. The estimated budgetary effects of H.R. 1947 are summarized in Table 1. CBO estimates that sections 10008 and 10015 of the bill would increase revenues by $64 million over the 2014–2023 period. Further details of

the changes in direct spending and revenues are displayed in Table 2.

Assuming appropriation of the specified and necessary amounts, CBO also estimates that implementing the bill would result in discretionary spending of $27.4 billion over the 2014–2018 period and $33.4 billion over the 2014–2023 period. Further details of that estimate for discretionary spending are displayed in Table 3.

INTERGOVERNMENTAL MANDATES

The bill would impose an intergovernmental mandate, as defined in the Unfunded Mandates Reform Act (UMRA), by preempting state laws that regulate the production and manufacture of agricultural products offered for sale in interstate commerce if those laws impose standards or conditions that are in addition to the standards and conditions imposed by federal law or the laws of the producing or manufacturing state. Many states have laws regulating the production and manufacture of agricultural products that are different than the laws of other states.

By limiting a state's ability to regulate agricultural products sold under its jurisdiction, the bill would preempt state authority. However, because the preemption would impose no duty on state governments that would result in additional spending, the threshold established by UMRA for costs of intergovernmental mandates ($75 million in 2013, adjusted annually for inflation) would not be exceeded.

PRIVATE-SECTOR MANDATES

The bill also would impose private-sector mandates as defined in UMRA. The aggregate cost of those mandates could exceed the annual threshold established in UMRA for private-sector mandates ($150 million in 2013, adjusted annually for inflation), depending on the extent of regulations that might be implemented by the Department of Agriculture. Specifically:

• The bill would impose mandates on dairy handlers that purchase milk from dairy producers participating in the Dairy Market Stabilization Program (DMSP). Under the DMSP, certain handlers would be required to report information to the Department of Agriculture under some circumstances. According to information from industry sources, the cost for handlers to collect and report information under the DMSP could amount to $100 million or more annually, depending on regulations to be issued by the department.

• The bill would require imports of olive oil to meet the same standards as olive oil produced in the United States if a marketing order for olive oil is established. Imports would have to be inspected to ensure compliance with the standards of such a marketing order. Because 15,000 to 20,000 lots of olive oil are imported annually, the costs of those inspections could amount to tens of millions of dollars per year, if a marketing order is established.

• The bill would expand the list of commodities eligible for federal research and promotion programs, which are funded through industry assessments. If approved by the Department of Agriculture and approved by industry referendum, members of the industry would be required to pay an assessment. Based on information from industries seeking to establish a federal research and

promotion program, CBO estimates that the assessments would amount to tens of millions of dollars annually.

PREVIOUS CBO COST ESTIMATE

On May 13, 2013, CBO transmitted a cost estimate for draft legislation entitled the Agriculture Reform and Risk Management Act of 2013, as posted on the website of the House Committee on Agriculture on May 10, 2013. CBO's estimate for the direct spending provisions of H.R. 1947 is similar to those in the earlier draft legislation. Enacting H.R. 1947 would lead to a small increase in revenues; the earlier version of the legislation would have had no impact on revenues.

On May 17, 2013, CBO transmitted a cost estimate for S. 954, the Agriculture Reform, Food, and Jobs Act of 2013, as reported by the Senate Committee on Agriculture, Nutrition, and Forestry on May 9, 2013. CBO estimates that enacting S. 954 would reduce direct spending by $17.8 billion and increase revenues by $54 million over the 2014–2023 period, relative to CBO's May 2013 baseline.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting H.R. 1947 would affect direct spending and revenues; therefore, pay-as-you-go procedures apply. The net change in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 4.

If you need further details on this estimate, we would be pleased to provide them. The CBO staff contacts for federal costs are Kathleen FitzGerald, Emily Stern, Dan Hoople, David Hull, and Jim Langley. The CBO staff contact for intergovernmental mandates is J'nell L. Blanco. The CBO staff contact for private-sector mandates is Amy Petz.

Sincerely,

ROBERT A. SUNSHINE
(For Douglas W. Elmendorf, Director).

Enclosures.

TABLE 1. SUMMARY OF ESTIMATED BUDGETARY EFFECTS OF H.R. 1947, THE FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT OF 2013

	By Fiscal Year, in Millions of Dollars											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
CHANGES IN DIRECT SPENDING												
Estimated Budget Authority	2,112	-4,665	-3,243	-2,938	-3,176	-3,772	-3,924	-3,916	-4,092	-4,158	-11,909	-31,771
Estimated Outlays	578	-4,715	-3,101	-3,112	-3,115	-3,763	-3,884	-3,950	-4,096	-4,176	-13,464	-33,333
CHANGES IN REVENUES												
Estimated Revenues	0	2	5	5	6	6	8	8	12	12	18	64
INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES												
Net Impact on the Deficit	578	-4,717	-3,106	-3,117	-3,121	-3,769	-3,892	-3,958	-4,108	-4,188	-13,482	-33,397
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
Estimated Authorization Level	6,602	6,507	6,555	6,596	6,638	507	7	7	7	7	32,898	33,433
Estimated Outlays	3,019	5,176	6,184	6,465	6,598	3,680	1,611	431	155	45	27,442	33,365

Note: Components may not sum to totals because of rounding.

Table 2. Detailed Effects on Direct Spending from H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013, as Ordered Reported by the House Committee on Agriculture on May 15, 2013

(Millions of dollars, by fiscal year)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
					CHANGES IN DIRECT SPENDING OUTLAYS							
Title I - Commodity Programs												
Repeal Direct Payments	0	-4,095	-4,158	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-17,329	-40,019
Repeal Countercyclical Payments	0	0	-117	-182	-190	-215	-217	-207	-197	-194	-489	-1,519
Repeal Average Crop Revenue Election Payments	0	0	-1,336	-696	-462	-424	-413	-454	-429	-505	-2,494	-4,719
Farm Risk Management Election	0	0	3,368	3,467	3,244	2,733	2,603	2,698	2,563	2,693	10,079	23,369
Nonrecourse Marketing Assistance Loans	4	6	7	5	5	4	4	6	6	5	27	52
Sugar Program	0	0	0	0	0	0	0	0	0	0	0	0
Dairy Program	-35	10	23	11	35	77	97	53	82	83	44	436
Supplemental Agriculture Disaster Assistance	897	364	314	296	295	297	300	302	303	306	2,166	3,674
Administration	65	35	0	0	0	0	0	0	0	0	100	100
Subtotal, Title I	**931**	**-3,680**	**-1,899**	**-1,637**	**-1,611**	**-2,066**	**-2,164**	**-2,140**	**-2,210**	**-2,150**	**-7,896**	**-18,626**
Title II - Conservation												
Conservation Reserve Program	20	30	-191	-354	-396	-462	-451	-468	-502	-565	-891	-3,339
Conservation Stewardship Program	-11	-85	-147	-219	-290	-372	-446	-518	-591	-663	-752	-3,342
Environmental Quality Incentives Program	30	58	72	87	101	114	128	128	128	128	348	974
Agricultural Conservation Easement Program	28	149	252	285	191	83	40	27	16	16	905	1,087
Regional Conservation Partnership Program	-1	-3	-3	-3	-3	-3	-3	-3	-3	-3	-13	-28
Other Conservation Programs	47	100	85	48	17	4	4	4	4	4	297	317
Funding	10	10	10	10	10	10	10	10	10	10	50	100
Repeal of Wildlife Habitat Incentives Program	-17	-35	-44	-53	-61	-70	-79	-79	-79	-79	-210	-596
Subtotal, Title II	**106**	**224**	**34**	**-199**	**-431**	**-696**	**-797**	**-899**	**-1,017**	**-1,152**	**-266**	**-4,827**
Title III - Trade	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**75**	**150**
Title IV - Nutrition												
Retailers	-7	-8	-8	-8	-8	-8	-8	-8	-8	-8	-39	-79
Updating Program Eligibility	-535	-1,295	-1,295	-1,270	-1,240	-1,220	-1,200	-1,175	-1,165	-1,160	-5,635	-11,555
Standard Utility Allowances	-190	-840	-940	-950	-950	-950	-950	-960	-970	-990	-3,870	-8,690
Repeal Bonus Program	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-240	-480
Pilot Projects to Reduce Dependency	3	5	10	10	2	0	0	0	0	0	30	30
Assistance for Community Food Projects	10	10	10	10	10	10	10	10	10	10	50	100
Emergency Food Assistance	20	20	21	21	21	22	22	23	23	24	103	217
Nutrition Education	-26	-25	-26	-26	-27	-28	-28	-29	-29	-30	-130	-274
Retailer Trafficking	5	5	5	5	5	5	5	5	5	5	25	50
Northern Mariana Islands Pilot Program	1	1	10	10	9	2	0	0	0	0	31	33
Interactions	5	15	15	15	15	15	15	15	15	15	65	140
Subtotal, Title IV	**-762**	**-2,160**	**-2,246**	**-2,231**	**-2,212**	**-2,200**	**-2,182**	**-2,167**	**-2,167**	**-2,182**	**-9,611**	**-20,509**
Title V - Credit	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

continued

Table 2. continued.

(Millions of dollars, by fiscal year)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
CHANGES IN DIRECT SPENDING OUTLAYS												
Title VI - Rural Development												
Rural Economic Development Loans and Grants	0	2	5	5	5	5	6	6	6	6	17	46
Value-Added Marketing Grants	0	18	15	15	2	0	0	0	0	0	50	50
Subtotal, Title VI	**0**	**20**	**20**	**20**	**7**	**5**	**6**	**6**	**6**	**6**	**67**	**96**
Title VII - Research, Extension, and Related Matters												
Organic Agriculture Research and Extension	10	16	20	20	20	10	4	0	0	0	86	100
Specialty Crop Research	26	40	53	54	60	63	65	65	65	65	232	555
Beginning Farmer and Rancher Development	5	10	16	20	20	15	10	4	0	0	71	100
Acceptance of Facility for Agricultural Research	0	1	1	1	1	1	0	0	0	0	4	5
Subtotal, Title VII	**41**	**67**	**90**	**95**	**101**	**89**	**79**	**69**	**65**	**65**	**394**	**760**
Title VIII - Forestry	**1**	**1**	**1**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**5**	**5**
Title IX - Energy	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Title X - Horticulture												
Farmers Market and Local Food Promotion	30	30	30	30	30	0	0	0	0	0	150	150
Specialty Crop Block Grants	9	16	18	18	24	29	30	30	30	30	83	232
Plant Pest and Disease Management	3	8	9	10	16	20	22	24	25	25	46	161
Subtotal, Title X	**42**	**53**	**57**	**58**	**69**	**49**	**52**	**54**	**55**	**55**	**279**	**543**
Title XI - Crop Insurance												
Supplemental Coverage Option	26	254	335	366	433	454	484	484	502	511	1,414	3,850
Catasptrophic Crop Insurance Rerating	-4	-38	-50	-52	-52	-53	-54	-55	-55	-56	-196	-469
Enterprise Units for Irriganted and Nonirrigated Crops	5	47	62	63	64	66	68	69	71	72	241	586
Adjustment in Average Producer History Yields	2	21	49	75	102	129	137	139	141	143	248	936
Equitable Relief for Specialty Crop Producers	127	36	37	5	0	0	0	0	0	0	205	205
Crop Production on Native Sod (Prairie Potholes)	0	-4	-8	-11	-15	-16	-16	-16	-16	-16	-38	-118
Coverage Level by Practice	0	2	17	20	21	21	21	22	22	22	60	168
Beginning Farmer and Rancher Provisions	2	20	26	28	31	34	35	36	36	36	106	283
Stacked Income Protection for Cotton	36	350	378	308	386	409	439	451	468	466	1,459	3,693
Peanut Revenue Crop Insurance	3	26	30	30	30	30	30	30	30	30	119	269
Implementation	2	21	16	15	15	14	2	0	0	0	69	85
Participation Effects of Commodity Programs	0	-9	-87	-104	-92	-63	-52	-60	-54	-53	-291	-574
Subtotal, Title XI	**199**	**725**	**805**	**744**	**923**	**1,024**	**1,093**	**1,101**	**1,145**	**1,155**	**3,396**	**8,914**

continued

Table 2. continued.

(Millions of dollars, by fiscal year)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
					CHANGES IN DIRECT SPENDING OUTLAYS							
Title XII - Miscellaneous												
Outreach to Socially Disadvantaged Producers	5	8	10	10	10	5	2	0	0	0	43	50
Noninsured Crop Assistance Program	1	11	13	13	12	12	12	12	12	12	51	111
Subtotal, Title XI	**6**	**19**	**23**	**23**	**22**	**17**	**14**	**12**	**12**	**12**	**94**	**161**
Total Changes in Direct Spending	**578**	**-4,715**	**-3,101**	**-3,112**	**-3,115**	**-3,763**	**-3,884**	**-3,950**	**-4,096**	**-4,176**	**-13,464**	**-33,333**
					CHANGES IN REVENUES							
Title X -- Organic Product Promotion Orders	**0**	**2**	**4**	**4**	**5**	**5**	**7**	**7**	**10**	**10**	**15**	**54**
Title X -- Christmas Tree Promotion Orders	**0**	**0**	**1**	**1**	**1**	**1**	**1**	**1**	**2**	**2**	**3**	**10**
					INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES							
Net Impact on the Deficit	**578**	**-4,717**	**-3,106**	**-3,117**	**-3,121**	**-3,769**	**-3,892**	**-3,958**	**-4,108**	**-4,188**	**-13,482**	**-33,397**

Source: Congressional Budget Office.

Note: Components may not sum to totals because of rounding.

Table 3. Estimated Spending Subject to Appropriation in H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013, as Ordered Reported by the House Committee on Agriculture on May 15, 2014

(Millions of dollars, by fiscal year)

	2014	2015	2016	2017	2018	2014-2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Title I - Commodity Programs						
Estimated Authorization Level	5	5	5	5	5	25
Estimated Outlays	4	5	5	5	5	24
Title II - Conservation						
Estimated Authorization Level	165	165	165	165	165	825
Estimated Outlays	81	123	149	162	165	680
Title III - Trade						
Estimated Authorization Level	2,197	2,202	2,206	2,210	2,214	11,029
Estimated Outlays	790	1,821	2,053	2,149	2,189	9,002
Title IV - Nutrition						
Estimated Authorization Level	330	204	208	212	216	1,168
Estimated Outlays	198	227	232	236	240	1,131
Title V - Credit						
Estimated Authorization Level	409	415	430	437	445	2,136
Estimated Outlays	376	415	429	436	444	2,100
Title VI - Rural Development						
Estimated Authorization Level	334	334	334	334	334	1,670
Estimated Outlays	24	116	203	289	316	948
Title VII - Research, Extension, and Related Matters						
Estimated Authorization Level	2,692	2,716	2,742	2,768	2,794	13,711
Estimated Outlays	1,374	2,166	2,724	2,750	2,776	11,790
Title VIII - Forestry						
Estimated Authorization Level	87	87	87	87	87	436
Estimated Outlays	39	61	75	83	87	345
Title IX - Energy						
Estimated Authorization Level	271	271	271	271	271	1,355
Estimated Outlays	67	148	206	248	268	936
Title X - Horticulture						
Estimated Authorization Level	36	36	36	36	36	180
Estimated Outlays	25	33	36	36	36	166
Title XII - Miscellaneous						
Estimated Authorization Level	76	71	71	71	71	360
Estimated Outlays	41	61	72	71	71	316
Total Changes[1]						
Estimated Authorization Level	6,602	6,507	6,555	6,596	6,638	32,898
Estimated Outlays	3,019	5,176	6,184	6,465	6,598	27,442

Source: Congressional Budget Office.

Note: Components may not sum to totals because of rounding.

1. CBO estimates that implementing the bill would cost $33.3 billion over the 2014-2023 period.

Table 4. CBO Estimate of the Statutory Pay-As-You-Go Effects for H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013, as Ordered Reported as Reported by the House Committee on Agriculture on May 15, 2013

	By Fiscal Year, in Millions of Dollars												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	578	-4,717	-3,106	-3,117	-3,121	-3,769	-3,892	-3,958	-4,108	-4,188	-13,482	-33,397
Memorandum:													
Changes in Outlays	0	578	-4,715	-3,101	-3,112	-3,115	-3,763	-3,884	-3,950	-4,096	-4,176	-13,464	-33,333
Changes in Revenues	0	0	2	5	5	6	6	8	8	12	12	18	64

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objections of this legislation are 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.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the Committee report incorporates the cost estimate prepared by the Director of the Congressional Budget Office pursuant to sections 402 and 423 of the Congressional Budget Act of 1974.

ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

FEDERAL MANDATES STATEMENT

The Committee adopted as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–4).

EARMARK STATEMENT REQUIRED BY CLAUSE 9 OF RULE XXI OF THE RULES OF HOUSE OF REPRESENTATIVES

H.R. 1947 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

DUPLICATION OF FEDERAL PROGRAMS

H.R. 1947, the "Federal Agriculture Reform and Risk Management Act of 2013" eliminates and streamlines several duplicative or antiquated programs including 1 that was included in reports from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111 139. There are 3 other programs identified in the most recent Catalog of Federal Domestic Assistance or on a report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or a program of the Federal Government known to be duplicative of another Federal program established or reauthorized in H.R. 1947.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that enacting H.R. 1947 directs the completion of 2 specific rule makings within the meaning of 5 U.S.C. 551.

COMMITTEE CORRESPONDENCE

Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Bill Shuster
Chairman

Christopher P. Bertram, Staff Director

Nick J. Rahall, II
Ranking Member

James H. Zoia, Democrat Staff Director

May 22, 2013

The Honorable Frank D. Lucas
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I write concerning H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013, as ordered reported by the Committee on Agriculture. There are certain provisions in the legislation that fall within the Rule X jurisdiction of the Committee on Transportation and Infrastructure.

In order to expedite this legislation for floor consideration, the Committee will not assert a jurisdictional claim over this bill by seeking a sequential referral. However, this is conditional on our mutual understanding and agreement that doing so does not in any way alter or diminish the jurisdiction of the Committee on Transportation and Infrastructure with respect to the appointment of conferees or to any future jurisdictional claim over the subject matters contained in the bill or similar legislation. I request you urge the Speaker to name members of the Committee to any conference committee named to consider such provisions.

Please place a copy of this letter and your response acknowledging our jurisdictional interest into the committee report on H.R. 1947 and into the *Congressional Record* during consideration of the measure on the House floor.

Sincerely,

Bill Shuster
Chairman

cc: The Honorable John Boehner
The Honorable Nick J. Rahall, II
The Honorable Collin Peterson
Mr. Thomas J. Wickham, Jr., Parliamentarian

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MINORITY STAFF DIRECTOR

May 23, 2013

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding H.R. 1947, the Federal Agricultural Reform and Risk Management Act of 2013. As you noted, there are provisions of the bill that fall within the Rule X jurisdiction of the Committee on Transportation and Infrastructure.

I appreciate your willingness to forgo action on H.R. 1947, and I agree that your decision should not prejudice the Committee on Transportation and Infrastructure with respect to the appointment of conferees or its jurisdictional prerogatives on this or similar legislation.

I will include a copy of our exchange of letters in the Committee Report to accompany the bill and in the *Congressional Record* during the floor consideration.

Thank you for your courtesy in this matter and I look forward to continued cooperation between our respective committees.

Sincerely,

Frank D. Lucas
Chairman

cc: The Honorable John Boehner, Speaker
The Honorable Collin C. Peterson
The Honorable Nick J. Rahall, II
Mr. Thomas J. Wickham, Jr., Parliamentarian

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May 22, 2013

The Honorable Frank Lucas
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to confirm our mutual understanding with respect to the consideration of H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013. Thank you for consulting with the Committee on Education and the Workforce with regard to H.R. 1947. The committee remains watchful of policy changes to the nutrition programs within the bill under its jurisdiction and those that may impact programs under the Child Nutrition Act.

In the interest of expediting the House's consideration of H.R. 1947, the Committee on Education and the Workforce will forgo further consideration on this bill. However, I do so only with the understanding that this procedural route will not be construed to prejudice the committee's jurisdictional interest and prerogatives on this bill or any other similar legislation and will not be considered as precedent for consideration of matters of jurisdictional interest to my committee in the future.

I respectfully request your support for the appointment of outside conferees from the Committee on Education and the Workforce should this bill or a similar bill be considered in a conference with the Senate. I also request that you include our exchange of letters on this matter in the Committee Report on H.R. 1947 and in the *Congressional Record* during consideration of this bill on the House floor. Thank you for your attention to these matters.

Sincerely,

John Kline

John Kline
Chairman

CC: The Honorable John Boehner
The Honorable George Miller
The Honorable Collin C. Peterson
Mr. Thomas J. Wickham, Jr., Parliamentarian

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May 22, 2013

The Honorable John Kline
Chairman
Committee on Education and the Workforce
2181 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding H.R. 1947, the Federal Agricultural Reform and Risk Management Act of 2013. As you noted, there are provisions of the bill that fall within the Rule X jurisdiction of the Committee on Education and the Workforce.

I appreciate your willingness to forgo action on H.R. 1947, and I agree that your decision should not prejudice the Committee on Education and the Workforce with respect to the appointment of conferees or its jurisdictional prerogatives on this or similar legislation.

I will include a copy of our exchange of letters in the Committee Report to accompany the bill and in the *Congressional Record* during the floor consideration.

Thank you for your courtesy in this matter and I look forward to continued cooperation between our respective committees.

Sincerely,

Frank D. Lucas
Chairman

cc: The Honorable John Boehner, Speaker
The Honorable Collin C. Peterson
The Honorable George Miller
Mr. Thomas J. Wickham, Jr., Parliamentarian

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May 21, 2013

The Honorable Doc Hastings
Chairman
Committee on Natural Resources
1324 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

On May 15, 2013, the Committee on Agriculture ordered reported H.R. 1947, the Federal Agricultural Reform and Risk Management Act of 2013, by a bipartisan vote. I understand that there are provisions contained within the bill that are within the jurisdiction of the Committee on Natural Resources. I would appreciate your support in bringing this legislation before the House of Representatives in an expeditious manner and would ask that the Committee on Natural Resources forego further action on the bill.

The Committee on Agriculture understands that by foregoing further consideration of H.R. 1947 at this time, the Committee on Natural Resources does not waive any jurisdictional claim over the subject matter contained within. Further, should a conference on the bill become necessary, I would support your right that the Committee on Natural Resources be represented on the conference committee.

If this letter reflects a mutual understanding between our committees, I would appreciate your written response and would be pleased to include a copy of our exchange of letters in the bill report filed by the Committee on Agriculture, as well as in the *Congressional Record* during floor consideration.

Thank you for your courtesy in this matter and I look forward to continued cooperation between our respective committees.

Sincerely,

Frank D. Lucas
Chairman

cc: The Honorable John A. Boehner, Speaker
The Honorable Collin C. Peterson
The Honorable Edward J. Markey
Mr. Thomas J. Wickham, Jr., Parliamentarian

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U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

May 23, 2013

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DEMOCRATIC STAFF DIRECTOR

The Honorable Frank Lucas
Chairman
Committee on Agriculture
1301 Longworth HOB
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding H.R. 1947, the Federal Agricultural Reform and Risk Management Act of 2013. I recognize and appreciate your desire to bring this legislation before the House of Representatives in an expeditious manner, and accordingly, the Committee will forego further action on the bill. I believe our Committee's jurisdiction is triggered by the overlapping of various wetlands, fish, forestry and tribal issues.

The Committee on Natural Resources takes this action with our mutual understanding that by foregoing consideration of H.R. 1947 at this time, we do not waive any jurisdiction over the subject matter contained in this or similar legislation. Further, I request your support for the appointment of conferees from the Committee on Natural Resources during any House-Senate conference convened on this or related legislation.

Finally, I would ask that a copy of our exchange of letters on this matter be included in the Committee on Agriculture bill report on H.R. 1947.

Sincerely,

Doc Hastings
Chairman

cc: The Honorable John A. Boehner, Speaker
The Honorable Edward J. Markey
The Honorable Collin C. Peterson
The Honorable Thomas J. Wickham, Jr., Parliamentarian

LAMAR S. SMITH, Texas
CHAIRMAN

EDDIE BERNICE JOHNSON, Texas
RANKING MEMBER

Congress of the United States
House of Representatives
COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY
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www.science.house.gov

May 23, 2013

The Honorable Frank Lucas
Chairman
Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

Dear Chairman Lucas:

I am writing to you concerning the jurisdictional interest of the Committee on Science, Space, and Technology in H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013. The bill contains several provisions which are within the Committee on Science, Space, and Technology's jurisdiction.

The Committee on Science, Space, and Technology acknowledges the importance of H.R. 1947and the desire to bring this legislation before the House of Representatives in an expeditious manner. Therefore, while we have a valid jurisdictional claim over the bill, I agree not to request a sequential referral. This, of course, being conditional on our mutual understanding that nothing in this legislation or my decision to forgo a sequential referral waives, reduces, or otherwise affects the jurisdiction of the Committee on Science, Space, and Technology.

Additionally, the Committee on Science, Space, and Technology expressly reserves its authority to seek the appointment of conferees during any House-Senate conference that may be convened on this, or any similar legislation. I ask for your commitment to support any request by the Committee for conferees on H.R. 1947 as well as any similar or related legislation.

I ask that a copy of this letter and your response be included in the report on H.R. 1947 and also be placed in the Congressional Record during consideration of the bill on the House floor.

I look forward to working with you as we move this important measure through the legislative process.

Sincerely,

Lamar Smith
Chairman

cc: The Hon. John Boehner, Speaker
The Hon. Eric Cantor, Majority Leader
The Hon. Eddie Bernice Johnson, Ranking Member, Committee on Science, Space, and Technology
The Hon. Collin Peterson, Ranking Member, Committee on Agriculture
Thomas J. Wickham, Jr., Parliamentarian

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MINORITY STAFF DIRECTOR

May 21, 2013

The Honorable Lamar Smith
Chairman
Committee on Science, Space, and Technology
2321 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding H.R. 1947, the Federal Agricultural Reform and Risk Management Act of 2013. As you noted, there are provisions of the bill that fall within the Rule X jurisdiction of the Committee on Science, Space, and Technology.

I appreciate your willingness to forgo action on H.R. 1947, and I agree that your decision should not prejudice the Committee on Science, Space, and Technology with respect to the appointment of conferees or its jurisdictional prerogatives on this or similar legislation.

I will include a copy of our exchange of letters in the Committee Report to accompany the bill and in the *Congressional Record* during the floor consideration.

Thank you for your courtesy in this matter and I look forward to continued cooperation between our respective committees.

Sincerely,

Frank D. Lucas

Frank D. Lucas
Chairman

cc: The Honorable John Boehner, Speaker
The Honorable Collin C. Peterson
The Honorable Eddie Bernice Johnson
Mr. Thomas J. Wickham, Jr., Parliamentarian

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ONE HUNDRED THIRTEENTH CONGRESS

Congress of the United States
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May 24, 2013

The Honorable Frank D. Lucas
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing concerning H.R. 1947, the "Federal Agriculture Reform and Risk Management Act of 2013," which your Committee reported on May 16, 2013.

H.R. 1947 contains provisions within the Committee on Oversight and Government Reform's Rule X jurisdiction. As a result of your having consulted with the Committee and in order to expedite this bill for floor consideration, the Committee on Oversight and Government Reform will forego action on the bill. This is being done on the basis of our mutual understanding that doing so will in no way diminish or alter the jurisdiction of the Committee on Oversight and Government Reform with respect to the appointment of conferees, or to any future jurisdictional claim over the subject matters contained in the bill or similar legislation.

I would appreciate your response to this letter confirming this understanding, and would request that you include a copy of this letter and your response in the Committee Report and in the *Congressional Record* during the floor consideration of this bill. Thank you in advance for your cooperation.

Sincerely,

Darrell Issa
Chairman

cc: The Honorable John Boehner, Speaker of the House

The Honorable Elijah Cummings, Ranking Minority Member

The Honorable Collin Peterson, Ranking Minority Member
Committee on Agriculture

Mr. Tom Wickham, Parliamentarian

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May 24, 2013

The Honorable Darrell E. Issa
Chairman
Committee on Oversight and
Government Reform
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding H.R. 1947, the Federal Agricultural Reform and Risk Management Act of 2013. As you noted, there are provisions of the bill that fall within the Rule X jurisdiction of the Committee on Oversight and Government Reform.

I appreciate your willingness to forgo action on H.R. 1947, and I agree that your decision should not prejudice the Committee on Oversight and Government Reform with respect to the appointment of conferees or its jurisdictional prerogatives on this or similar legislation.

I will include a copy of our exchange of letters in the Committee Report to accompany the bill and in the *Congressional Record* during the floor consideration.

Thank you for your courtesy in this matter and I look forward to continued cooperation between our respective committees.

Sincerely,

Frank D. Lucas

Frank D. Lucas
Chairman

cc: The Honorable John Boehner, Speaker
The Honorable Collin C. Peterson
The Honorable Elijah Cummings
Mr. Thomas J. Wickham, Jr., Parliamentarian

DISSENTING VIEWS

Title IV of H.R. 1947, the Federal Agriculture Reform and Risk Management Act (FARRM), represents poor policy and will result in less food for the most vulnerable people in the United States. Known as the Nutrition Title, the programs that make up Title IV are the safety net programs that provide food for the more than 47 million people that have difficulty feeding themselves and their families. The largest program in the Nutrition Title is the Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps.

There are over 50 million hungry people living in this country who have trouble affording an adequate diet, including 17 million children. Clearly, the need for this anti-hunger safety-net has never been greater and attempts to cut these programs are misguided and harmful.

SNAP is one of our most effective and efficient federal programs. The error rate for the SNAP program was 3.80% in 2011, the lowest in the history of the program. Yet H.R. 1947 cuts $20.5 billion from SNAP. Over 90 percent of SNAP funding goes directly to benefits to allow households to purchase food, and the low error rates ensure that very little money is lost on fraud or abuse. This means that these cuts would directly impact SNAP beneficiaries. These cuts are detrimental, unnecessary and cruel, and we oppose them.

Supporters of these cuts claim that they do not affect benefits, that they are merely closing loopholes. But the facts show that these cuts will result in less food for hungry Americans.

This bill cuts four different SNAP provisions—broad-based Categorical Eligibility, the connection between the SNAP Standard Utility Allowance (SUA) and the Low Income Home Energy Assistance Program (LIHEAP), the State Performance Fund, and the SNAP Nutrition Education Program.

Categorical Eligibility (CAT–EL) is a paperwork simplification process that allows states to treat poor people the same for purposes of determining eligibility in our safety net programs. Specifically, CAT–EL allows low-income individuals or families who are already deemed eligible to receive a benefit from a program funded by the Temporary Assistance for Needy Families (TANF) program, to be made automatically eligible for SNAP. This means that TANF recipients do not have to go through a separate SNAP eligibility determination process. However, this does *not* mean that everyone enrolled in SNAP via CAT–EL actually receives a SNAP benefit. Under this program, people do not get one dollar of SNAP that they do not qualify for; instead they are simply enrolled in the program. They still must apply through the standard application process and provide evidence of their income to calculate their benefit levels, which are determined through the same process used for all

SNAP recipients. If their incomes are very high, they will still not qualify for any SNAP benefits.

CAT–EL saves critical time and money for the over 40 states that currently participate in it, because people who are already eligible for similarly-administered benefits do not have to provide this information again for SNAP and states do not have to waste valuable worker hours processing paperwork for people who are already eligible based on their incomes. CAT–EL came about because of specific concerns states had about administrative procedures. Prior to the 2002 Farm Bill, states expressed concerns about the administrative burdens of administering TANF and SNAP to similar populations. USDA and the states worked together to allow states more options for administrative flexibility, including CAT–EL. H.R. 1947 includes significant cuts to CAT–EL. Specifically, H.R. 1947 prevents states from using broad-based CAT–EL, a policy change that will result in almost 2 million people being cut from SNAP entirely.

The current connection between the SNAP Standard Utility Allowance and LIHEAP allows states to use a simplified process for determining benefit levels for SNAP recipients. When calculating the income that a household has available for food, SNAP provides deductions for certain essential household expenses. One of the most important deductions, the shelter deduction, is available to households that expend more than half of their disposable income on housing and utility expenses. States can simplify the shelter deduction by establishing Standard Utility Allowances (SUAs) that reflect typical low-income households' utility bills in the state, rather than requiring every household to provide copies of their monthly utility bills and requiring caseworkers to try to calculate each household's average month utility costs. Households that can demonstrate they have out-of-pocket utility costs for heating and cooling costs are assigned an SUA that reflects those costs, in lieu of calculating each household's utility expenses.

Federal law has long considered a household's receipt of assistance from the Low-Income Home Energy Assistance Program (LIHEAP) a sound test of whether the household incurs utility expenses and hence qualifies for the SUA. LIHEAP is targeted to low-income households that cannot afford to pay their home energy bills. For decades, SNAP households that receive LIHEAP have been eligible for the SUA, based on LIHEAP's determination that the household has home energy bills that it needs assistance in meeting. Recently, some states have provided a nominal LIHEAP benefit of $1 to $5 to SNAP households in order to qualify those households for an SUA and the larger SNAP shelter deduction that results.

Utilizing SUA the way states currently do simply streamlines a difficult and burdensome process. The connection between the two programs reduces unnecessary paperwork for states and helps poor households claim a deduction. Without this connection, families would have to provide copies of all their utility bills, caseworkers would have to sift through them, and the entire effort would be more complicated and burdensome for states and families alike. The Standard Utility Allowance provisions in H.R. 1947 will cause

850,000 households to see their SNAP benefits cut by an average of $90 a month.

The State Performance Fund was created as a results-base program to reward states that reduce their incidents of fraud, waste and abuse and increase participation in SNAP. H.R. 1947 eliminates the State Performance Fund, ending a program that has resulted in fewer errors and more low-income eligible people being enrolled in SNAP.

In addition to these three cuts to SNAP program enrollment and benefits, the Nutrition title reduces funding for nutrition education by $26 million. There is a valid concern about obesity and the impact that low-nutrient food has in America today. Less nutritious food is often cheaper, and many communities—urban, suburban and rural—have limited access to retailers that provide a variety of nutritious foods at affordable prices. In these communities, nutrition education teaches families how to purchase and prepare nutritious meals with limited funds and limited food choices. This kind of information can have serious impacts on individual health and on health care costs and cutting programs like this is a classic example of pennywise and pound foolish.

As our nation continues to battle the obesity epidemic and associated chronic conditions, this education becomes even more important. Obesity rates are significantly higher in low-income communities. We know that a healthy diet can reduce the risk of heart disease, heart attack, stroke, diabetes, osteoporosis, and some forms of cancer. The truth is that the money spent on nutrition education today can prevent future costs associated with obesity that totaled an estimated $147 billion in 2008. Research shows that consumers will modify food choices in response to information linking diet and health. The cuts to Nutrition Education in H.R. 1947 are short-sighted and ignore the cost savings achieved by improving health outcomes.

It is important to note that the cuts in these programs do not just impact SNAP. The SNAP cuts included in H.R. 1947 will cause 210,000 low-income children to be cut out of the free school lunch program. That's because many children whose families rely on SNAP are automatically enrolled in the School Meal Programs because they are already receiving SNAP. By changing the benefit structure the way H.R. 1947 does, 210,000 children will lose access to free school meals even though H.R. 1947 does not address the federal school meal programs directly. Whether intended or not, and contrary to the claims of some, these cuts will make hunger worse and will result in fewer calories being consumed by children in food insecure households.

In order to prevent these devastating cuts, we sponsored and voted for the McGovern (MA), Courtney (CT), Negrete McLeod (CA), Lujan Grisham (NM), David Scott (GA), Vela (TX), Fudge (OH), Vargas (CA), Gallego (TX), Nolan (MN), Kuster (NH), Enyart (IL), and DelBene (WA) amendment that would have repealed the $20.5 billion in cuts to SNAP included in H.R. 1947. Unfortunately, this amendment was defeated 17 to 27.

Opponents of SNAP talk about a "culture of dependency," as if getting on SNAP is a lifelong goal for some. Yet 83% of families on SNAP are making less than $24,000 a year for a family of four. The

average SNAP benefit is less than $1.50 per meal per day, an amount that will go down by an average of $25 for a family of four in November 2013 even without the cuts included in H.R. 1947. And the SNAP benefit does not provide one hundred percent of the food necessary to feed a hungry family in a month. In fact, the benefit is designed to be a supplement to the monthly income that a family earns. For many, SNAP is a last resort for those who have no place else to turn. To call it a "culture of dependency" implies that people are poor by choice and enjoy needing this help.

It is foolhardy and wrong to assume that the not-for-profit safety net will be able to provide the same amount of food to those who are cut from the federal safety-net because of the cuts included in H.R. 1947. Food banks and charities, including many faith-based institutions, are the first line of defense against hunger and simply cannot keep up with current demand. These cuts come on top of cuts to other critical low-income programs like Head Start, Meals on Wheels, and low-income housing as a result of sequestration.

Finally, it is important to note that the Agriculture Committee did not hold any hearings on the federal anti-hunger safety-net programs. Not one hearing was held on the effectiveness and efficiency of SNAP. Not one hearing was held on whether or not food banks, food pantries and other non-profits could handle the increased need created by these cuts. A serious effort to make improvements in SNAP, to ensure that every hungry person who needs help gets help, would have started with legislative hearings. The reality is that those who voted against our amendment to restore the SNAP cuts are more interested in cutting benefits than ensuring that hungry people have access to the food they desperately need.

Millions of Americans—after spending down most of their savings, selling cars, and making other serious cuts to their own budgets—put their pride aside and accept SNAP as a way to feed their families. Yet the answer to those struggling families today, the response to the call of hunger as laid out in H.R. 1947, is to continue the outrageous practice of preying on the poor.

These cuts are immoral. They are hurtful. And they are exactly the wrong answer for people who struggle with hunger. H.R. 1947 continues the 113th Congress' practice of picking winners and losers based on income. Unfortunately, these policies will result in more hunger in America and will cause real harm to the men, women, seniors, and children who rely on SNAP to put food on their tables.

JAMES P. MCGOVERN.
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JUAN VARGAS.
JOE COURTNEY.
JOHN GARAMENDI.
CHERI BUSTOS.

CHANGES IN EXISTING LAW

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives changes in existing law made by the bill will be printed in a supplement report.

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