

115TH CONGRESS  
2D SESSION

# H. R. 4865

To amend the Federal Crop Insurance Act to establish a conservation practice-based pilot program, and for other purposes.

---

IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 2018

Mr. NOLAN introduced the following bill; which was referred to the Committee on Agriculture

---

## A BILL

To amend the Federal Crop Insurance Act to establish a conservation practice-based pilot program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Crop Insurance Mod-  
5 ernization Act of 2018”.

6 **SEC. 2. AMENDMENTS TO FEDERAL CROP INSURANCE ACT.**

7 (a) DEFINITION OF BEGINNING FARMER OR RANCH-  
8 ER.—Section 502(b)(3) of the Federal Crop Insurance Act  
9 (7 U.S.C. 1502(b)(3)) is amended—

10 (1) by striking “tenant,”; and

1           (2) by striking “5 crop years” and inserting  
2           “10 crop years”.

3           (b) MANAGEMENT OF CORPORATION.—Section  
4 505(a)(2) of the Federal Crop Insurance Act (7 U.S.C.  
5 1505(a)(2)) is amended by adding at the end the fol-  
6 lowing:

7                   “(H) One person who—

8                           “(i) shall serve as a nonvoting ex offi-  
9                           cio member; and

10                           “(ii) is—

11                                   “(I) the Chief of the Natural Re-  
12                                   sources Conservation Service; or

13                                   “(II) an expert on the relation-  
14                                   ship between conservation activities,  
15                                   farm production, and risk.”.

16           (c) COLLECTION AND SHARING OF INFORMATION.—  
17 Section 506(h) of the Federal Crop Insurance Act (7  
18 U.S.C. 1506(h)) is amended—

19                   (1) in paragraph (1), by inserting “, risks re-  
20                   lated to natural resources,” after “losses”; and

21                   (2) in paragraph (2)—

22                           (A) by striking “purpose of establishing”  
23                           and inserting the following: “purposes of—

24                           “(A) establishing”;

1 (B) by striking the period and inserting “;  
2 and”; and

3 (C) by adding at the end the following:

4 “(B) understanding the impact of soil  
5 type, soil quality, and conservation practices on  
6 risk rating.”.

7 (d) COVER CROP TERMINATION.—Section 508 of the  
8 Federal Crop Insurance Act (7 U.S.C. 1508) is amend-  
9 ed—

10 (1) in subsection (a)(3)—

11 (A) in subparagraph (A), by striking  
12 clause (iii) and inserting the following:

13 “(iii) the failure of the producer to  
14 follow good farming practices, including—

15 “(I) scientifically sound, sustain-  
16 able, and organic farming practices;  
17 and

18 “(II) acceptable conservation ac-  
19 tivities, including those approved by  
20 the Natural Resources Conservation  
21 Service.”; and

22 (B) in subparagraph (B), by adding at the  
23 end the following:

24 “(iv) SAFE HARBOR.—

1                   “(I) DEFINITION OF ‘COVER  
2                   CROP TERMINATION’.—In this clause,  
3                   the term ‘cover crop termination’  
4                   means a practice that historically and  
5                   under reasonable circumstances re-  
6                   sults in termination of the targeted  
7                   cover crop.

8                   “(II) CONSERVATION ACTIV-  
9                   ITY.—A good farming practice in-  
10                  cludes a conservation activity, such as  
11                  cover crop management, cover crop  
12                  termination, and an agronomic man-  
13                  agement activity, that is recognized  
14                  by—

15                               “(aa) the Natural Resources  
16                               Conservation Service; or

17                               “(bb) an agricultural expert  
18                               operating in the area in which  
19                               the conservation activity is occur-  
20                               ring.”; and

21                   (2) in subsection (j), by adding at the end the  
22                   following:

23                               “(6) OMBUDSPERSON.—The Secretary shall es-  
24                               tablish an ombudsperson in the Corporation who  
25                               shall—

1           “(A) assist producers with under-  
2 standing—

3           “(i) the process of appealing claim de-  
4 nials; and

5           “(ii) the rights of producers in denied  
6 or arbitrated claims;

7           “(B) obtain rule clarifications; and

8           “(C) perform other duties as determined  
9 by the Secretary.”.

10       (e) RESEARCH AND DEVELOPMENT.—Section 522(c)  
11 of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is  
12 amended—

13       (1) in paragraph (19)—

14           (A) in subparagraph (A), by striking “,  
15 with a liability limitation of \$1,500,000,”; and

16           (B) by adding at the end the following new  
17 subparagraph:

18           “(E) PAPERWORK REDUCTION.—The Cor-  
19 poration shall conduct activities or enter into  
20 contracts to carry out research and development  
21 to develop a paperwork reduction policy that—

22           “(i) is only available to operations  
23 with less than \$1,000,000 in revenue; and

24           “(ii) streamlines the purchase and ap-  
25 proval process to the maximum extent pos-

1           sible while maintaining actuarial sound-  
2           ness.”; and

3           (2) by adding at the end the following:

4           “(25) REPORT ON BEGINNING FARMER BAR-  
5           RIERS.—Not later than 1 year after the date of en-  
6           actment of this paragraph, the Corporation shall  
7           submit to the Committee on Agriculture of the  
8           House of Representatives and the Committee on Ag-  
9           riculture, Nutrition, and Forestry of the Senate, a  
10          report that includes—

11                 “(A) an assessment of the barriers for be-  
12                 ginning farmers in accessing crop insurance, in-  
13                 cluding insurance under paragraph (19); and

14                 “(B) recommendations to address those  
15                 barriers.

16           “(26) REPORT ON EXPANSION OF REVENUE  
17           POLICY AVAILABILITY.—Not later than 1 year after  
18           the date of the enactment of this paragraph, and an-  
19           nually thereafter, the Corporation, in consultation  
20           with the Risk Management Agency, shall submit to  
21           the Committee on Agriculture of the House of Rep-  
22           resentatives and the Committee on Agriculture, Nu-  
23           trition, and Forestry of the Senate, a report that in-  
24           cludes—

1           “(A) with respect to the year preceding  
2           such report, the 10 most widely grown crops by  
3           acreage that—

4                     “(i) have yield policies; and

5                     “(ii) do not have revenue policies; and

6                     “(B) the feasibility of developing a revenue  
7           policy for each one of the crops described in  
8           subparagraph (A).”.

9           (f) CONSERVATION PRACTICE-BASED PILOT PRO-  
10       GRAM.—Section 523 of the Federal Crop Insurance Act  
11       (7 U.S.C. 1523) is amended by adding at the end the fol-  
12       lowing new subsection:

13           “(j) CONSERVATION PRACTICE-BASED PILOT PRO-  
14       GRAM.—

15                     “(1) IN GENERAL.—The Corporation shall  
16           carry out a pilot program to provide premium sub-  
17           sidies of up to 10 percentage points to eligible pro-  
18           ducers.

19                     “(2) LIMITATION ON NUMBER OF STATES.—  
20           The Corporation shall carry out premium subsidies  
21           under this subsection in not more than 6 States with  
22           a high State-average loss ratio, as determined by the  
23           Secretary.

1           “(3) EXPIRATION.—The pilot program shall ex-  
2           pire on a date that is not before 5 years after the  
3           date of the enactment of this subsection.

4           “(4) REPORT.—The Corporation shall publish a  
5           report evaluating the participating producers yield  
6           records and the success of the pilot in encouraging  
7           conservation—

8                   “(A) 1 year after the date of the enact-  
9                   ment of this subsection;

10                   “(B) 3 years after the date of the enact-  
11                   ment of this subsection; and

12                   “(C) 5 years after the date of the enact-  
13                   ment of this subsection.

14           “(5) ELIGIBLE PRODUCER DEFINED.—In this  
15           subsection, the term ‘eligilbe producer’ means a pro-  
16           ducer—

17                   “(A) of a farm in a high loss county; and

18                   “(B) that commits to practice conservation  
19                   tillage, cover crops, or resource-conserving crop  
20                   rotations on such farm for at least 5 years.”.

21 **SEC. 3. AMENDMENTS TO FOOD SECURITY ACT OF 1985.**

22           (a) CONSERVATION PLANS.—Section 1213 of the  
23           Food Security Act of 1985 (16 U.S.C. 3812a) is amend-  
24           ed—



1           (1) by adding at the end the following new sub-  
2           section:

3           “(g) SPOT CHECKS.—The Secretary shall, using  
4 funds of the Commodity Credit Corporation, conduct an-  
5 nual spot checks of at least 5 percent of applicable farms  
6 in each State to ensure compliance with this subtitle.”;  
7 and

8           (2) in subsection (d)—

9                   (A) by redesignating paragraph (4) as  
10           paragraph (6); and

11                   (B) by inserting after paragraph (3) the  
12           following new paragraphs:

13           “(4) EPHEMERAL GULLY MODIFICATIONS.—

14                   “(A) IN GENERAL.—In the case of pro-  
15           ducer on a farm with an existing conservation  
16           plan on the date of the enactment of this para-  
17           graph, if a compliance review identifies an  
18           ephemeral gully that requires treatment and  
19           was not included in the plan for such farm,  
20           such plan shall be modified to include adequate  
21           ephemeral gully control and stabilization.

22                   “(B) REVISION.—In the case of a plan re-  
23           vised under subparagraph (A), the producer on  
24           the farm shall implement such plan not later

1 than 1 year after the date of the revision of  
2 such plan.

3 “(C) PROHIBITION.—A producer may not  
4 allow an ephemeral gully to advance to the  
5 point of becoming a classic gully in an attempt  
6 to avoid treatment.

7 “(5) YIELD TRANSFER.—The Corporation shall  
8 not allow a producer’s actual production records  
9 from one parcel of land to be used to establish ac-  
10 tual production history on a separate parcel of  
11 land.”.

○