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Sawyer
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Smith (WA)
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Kind (WI)
Nadler
Peterson (MN)
Phelps
Scarborough
Thomas
Wu

☐ 1133

So the Journal was approved.

The result of the vote was announced as above recorded.

Stated for:

Mr. THOMAS. Mr. Speaker, on rollcall No. 459, had I been present, I would have voted "yea."

AGRICULTURAL RISK PROTECTION ACT OF 1999

The SPEAKER pro tempore (Mr. NUSSLE). Pursuant to House Resolution 308 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2559.

☐ 1135

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2559) to amend the Federal Crop Insurance Act, to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improve protection from production and income loss, to improve the efficiency and integrity of the Federal crop insurance program, and for other purposes, with Mr. LATOURETTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we consider H.R. 2559, the Agriculture Risk Protection Act of 1999. This important legislation was approved by a voice vote in the subcommittee and the full committee and enjoys broad bipartisan support from colleagues representing farmers and ranchers from all regions of the country. Equally important, I am pleased to report that this bill fully complies within the budget resolution approved by the Congress earlier this year.

As my colleagues know, this country's farmers and ranchers are not experiencing the prosperity that other Americans enjoy today. Confronted by adverse weather and low prices, they are facing a second year of extreme economic crisis.

Mr. Chairman, there are two ways a farmer or rancher can lose money. That is where a strong farm safety net is needed. The culprits are low prices and lost production, and, sadly, both of these culprits are at work again this year.

On the price side of the equation, just as examples, cotton is expected to receive the lowest price in 13 years; wheat the lowest in 22 years; and soybeans the lowest in a quarter century. Fortunately, in an effort to avert a financial disaster in farm country, the House and Senate are working together to provide an emergency farm relief package.

Mr. Chairman, I believe the short-term assistance provided in the fiscal year 2000 agricultural appropriations bill is urgently needed and will bring our Nation's farmers and ranchers at least some peace of mind. But make no mistake, ad hoc relief of any kind will not bring about a long-term solution to chronic problems. That is why I have announced the committee's intention to convene a series of hearings early next year to evaluate current and future American farm policy. By providing our farmers and ranchers an opportunity to fully participate in this process, we will steer clear of the kind of fixes in farm policy that are made in haste and ultimately do more harm than good.

On the other side of the equation, there is something Congress can do now about severe crop losses that each year rob farmers and ranchers of their livelihood. After more than 8 months of input from farmers and ranchers on the problems with crop insurance, Congress is in a position to act.

The Federal crop insurance program was created in 1938, but it was not a case where the government intruded on the private sector thinking it could do better. Instead, the program came about because countless private sector attempts at crop insurance had failed miserably. Without a Federal commitment, the widespread losses associated with natural disasters would make something as fundamental as insurance protection simply unavailable to our farmers.

Unfortunately, during its 61 years of existence, this critical program has been both underfunded and seriously undermined by ad hoc disaster. This dual policy has fueled a vicious cycle that has not saved taxpayers money but cost them countless billions. By underfunding the crop insurance program, farmer-paid premiums have been unaffordable, leading to a Nation of underinsured farmers at best and uninsured farmers at worst.

For years, the practical effect of this policy has been that farmers who do not buy crop insurance or buy too little leave Congress little choice but to enact ad hoc disaster bills; and in the following year, farmers who had insured their crops the year before decide not to, trusting that Congress will once again come through.

This vicious cycle has seriously undermined the crop insurance program. It has eroded program participation and fueled the need for Congress to pass costly, unbudgeted ad hoc disaster in every year but three since 1985, at a cost totaling more than $30 billion.

Mr. Chairman, while this is by no stretch a desired effect, it is totally understandable when you consider that many of America's farmers just cannot afford crop insurance.

Mr. Chairman, reducing the need for ad hoc assistance and putting an end to this vicious cycle is my aim with respect to all of Federal farm policy. With respect to crop loss assistance that is exactly what H.R. 2559 sets out to do.

Three provisions of H.R. 2559 alone go a long way in effectively reducing the future need for ad hoc disaster. These provisions simply allow farmers who already buy crop insurance to buy better coverage and encourages those who have usually relied on the government for help to instead rely on themselves.

First, H.R. 2559 makes across-the-board reductions in farmer-paid premiums. In fact, without passage of this bill, crop insurance premiums for every farmer in America will automatically increase by 30 percent.

Second, the bill makes insurance that protects price as well as production more affordable to our farmers.

Third, the bill helps farmers who are hit hard by multiyear disasters to insure more of the yield that they have proven that they can grow. These are obvious but important changes that farmers from all regions, growing all crops, have said that they need.

But H.R. 2559 also recognizes that no matter what amount of premium assistance the government provides, if the insurance policy itself does not work for a farmer, the Federal crop insurance program is flawed. H.R. 2559 responds to calls from farmers from all regions to increase the number of crops that are served by crop insurance and to improve the quality of coverage to crops that are already being served.

By promoting new policy research and development, by expediting the policy approval process, and by helping farmers buy these new policies H.R. 2559 works to ensure that all farmers can count on crop insurance.

There are many other provisions contained in this bill that give committee members reason to be proud. The bill provides risk management assistance to livestock producers for the first time ever and eliminates an agency-imposed black dirt policy that has prevented farmers from planting perfectly good ground. I am particularly pleased with the farmers who came forward and helped us write tough antifraud and antiwaste and abuse provisions that crack down on those who would dare to farm this program.

Mr. Chairman, in short, H.R. 2559 is a fiscally sound bill that is in keeping with the commitment of this Congress to safeguard our balanced budget while strengthening the safety net for our Nation's farmers and ranchers.

I would call to the attention of my colleagues, Mr. Chairman, and at the appropriate time would ask for inclusion into the RECORD, of a variety of letters from many, many farm groups and commodity groups that I will have for the Members to review in support of the efforts of the committee and in support of the bill on the floor.

I would urge my colleagues to support H.R. 2559.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2559. I want to thank the chairman for the work that he has put in to this bill and for the inclusion of the minority and all members of the committee in the development of its provisions. The gentleman from Texas (Chairman COMBEST); the gentleman from Illinois (Chairman EWING), the subcommittee chairman; and the gentleman from California (Mr. CONDIT), the ranking Democrat on the subcommittee; are all to be commended for their efforts.

Mr. Chairman, this bill succeeds in spending the funds that were allotted in the fiscal year 2000 budget. While it was the will of our committee that these funds should be dedicated to improvements in our current crop insurance program, the Congressional budget resolution made funds available for the broader purposes of income assistance and for risk management and, in so doing, provided a level of flexibility that would permit nearly any kind of agricultural assistance.

The bill before us today, however, does not recognize that flexibility. In a rare moment, at a time when the congressional budget actually allows us to increase the amount spent on farm programs without having to offset them, the bill spends all of its money on yield insurance and ignores the many other needs facing agriculture.

□ 1145

Mr. Chairman, these budgeted funds came on the heels of last year's $6 billion in emergency agricultural spending. Even as we speak, appropriators in conference are finalizing a proposal to designated over $8 billion as emergency spending to compensate for economic circumstances that were entirely foreseeable. The fact that 2 years in a row we are compensating producers for low prices seems to me to be a stark admission that our basic farm program is not working, just as yield disaster aid shows that crop insurance is not working.

Increases in the budget were a clear signal by our colleagues that these problems, income reductions as well as yield reductions, need to be addressed. Our Nation deserves a long-term, reliable farm policy. Taxpayers and agricultural producers alike should be able to know up front what kind of assistance they can expect and what the rules will be for distributing it.

In terms of yield insurance, this bill makes some progress. Higher subsidy rates, for example, will lead to higher levels of participation in crop insurance and better indemnity performance for the producers who participate.

Absent from the bill, Mr. Chairman, is the other half of the picture. Last year, our programs left producers overexposed to price and weather disasters. This bill makes progress toward addressing yield disaster. But what about price disaster? How much more will our Government spend on ad hoc, supplemental AMTA payments before we realize that a more rational, predictable policy needs to be in force?

Mr. Chairman, I intended to offer an amendment that addresses the total revenue picture for program crops. Because the score from CBO came in at a higher level than expected, I will not offer it at this time. However, I am committed to exploring all avenues in order to provide this type of assistance in a budgetarily responsible manner.

I will describe it now in the hope of encouraging my colleagues to give it their consideration as we continue to debate long-term farm policy.

My proposal would establish a system that would allow for supplemental income payments, SIP. Producers who planted crop would receive a payment for a crop year if national revenue for the crop falls significantly below the most recent 5-year average. Payouts would occur if national prices are low or if a national production is low. A supplemental income program can work for our producers and for taxpayers as well. It is a simple program under which payments would go directly to actual producers in time of need.

It is the kind of long-term approach we should be using to address agriculture's cyclical problems. H.R. 2559 does increase the subsidy provided to the current revenue products that address price drops within a crop year. However, it does nothing to protect producers from severe downturns in income from year to year.

The supplemental income program would complement existing farm programs and the changes made to the crop insurance program by providing a complete risk-management package.

Mr. Chairman, once again I want to commend the gentleman from Texas (Mr. COMBEST) and all members of the Committee on Agriculture for their work on this bill thus far. Going into this process, we agreed that short-term changes in crop insurance this year would pave the way for a broad look at the entire program in the years ahead. I look forward to working with my colleagues in developing a crop insurance program that works better and a farm revenue program that meets producer and taxpayer needs.

Mr. Chairman, I reserve the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama (Mr. EVERETT), who is a very valuable member of our committee.

Mr. EVERETT. Mr. Chairman, I rise in strong support of H.R. 2559, the Agricultural Risk Protection Act of 1999. It is a great first step to help our struggling farmers, and I would like for my complete statement to be made a part of the RECORD at this point.

Mr. Chairman, this bill is the culmination of months of work by the Agriculture Committee in trying to form policy that would give producers from all regions of the country a better way to manage risk.

Producers have to manage two types of risk, price fluctuation and weather related disasters. I believe this bill reforms the federal crop insurance program to more adequately address the risk management needs of agricultural producers when it comes to protecting yield.

One of the problems with the current system was the program was being underutilized. Producers chose not to participate because crop insurance was too expensive for too little coverage. H.R. 2559 makes coverage more affordable by building upon the additional premium assistance that was provided by the Omnibus Appropriations bill of 1998. By increasing the government's share of the premium's cost, we can dramatically increase participation in this crucial program.

In addition, the bill provides assistance for innovative policies that protect against lost revenue or rising costs of production. Right now, current law prevents federal assistance on that portion of the policy, making these policies too costly for most farmers.

A viable crop insurance program must achieve broad-based participation across all potential production risk levels. Crop insurance participation is lower among so-called low risk producers because it is not cost effective for a producer to have insurance if he never files a claim. This bill changes that by allowing performance based discounts for those low risk producers.

The bill also addresses the need for adjustment in Actual Production History to assist farmers affected by disasters. Actual Production History serves as a guide for determining how much protection a producer can receive. Producers are currently punished two fold by natural disasters. One being the actual crop loss and two the permanent damage to a producer's production history making it harder for a producer to get adequate coverage for his crop.

One provision that is especially crucial to Southern producers is the provision that revokes the prevented planting policy. Currently, if a producer collects an indemnity because he is unable to get a crop into the ground, he is prevented from planting a second crop, possibly one with a shorter growing season. This bill strikes that language, but also provides safeguards against manipulation of the system.

In addition, the committee found far too many cases of fraud and abuse of the crop insurance program. To improve program compliance, the bill increases the punishment for fraud, including assessing a fine up to the value of the false claim or $10,000, whichever is higher, and a producer would be banned from all farm programs for five years.

Mr. Chairman, this bill addresses many of the inadequacies of the current program, making crop insurance more attractive to many more producers, but more must be done. This is a step in the right direction of letting farmers effectively manage their production risk. I ask all my colleagues to support this important legislation.

Mr. COMBEST. Mr. Chairman, what time did I consume, and how much time do I have remaining?

The CHAIRMAN. The gentleman from Texas (Mr. COMBEST) consumed 7 minutes and has 23 minutes remaining.

Mr. COMBEST. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. EWING), a very valuable member of the committee, the subcommittee chair with jurisdiction over this subject, and cosponsor of the bill on crop insurance.

(Mr. EWING asked and was given permission to revise and extend his remarks.)

Mr. EWING. Mr. Chairman, it seems that ever since I have been in Congress and been a part of the Committee on Agriculture, which has been five terms, we have been working on crop insurance. I know this is not the first bill that we have passed on crop insurance in those five terms, but I think it is the best bill; and I think we have made continued progress over the years. So I rise today in very strong support of H.R. 2559, the Agricultural Risk Protection Act of 1999.

As chairman of the Subcommittee on Risk Management, Research, and Specialty Crops, which has jurisdiction over the Federal crop insurance program, improving Federal crop insurance has long been a priority for me. H.R. 2559 is the result of many hours of work to try and give farmers better and more affordable coverage.

We also intend to make USDA more efficient in administering the program, while at the same time cutting down on fraud and abuse. Finally, we hope to give producers, producer organizations, insurance companies, and universities the ability to work together to create better, more workable crop insurance policies.

The subcommittee conducted a series of hearings all over the country last year and the year before that were designed to gather information from producers as to what was wrong with our crop insurance program.

We had hearings in western Michigan; Sioux Falls, South Dakota; Perry and Douglas, Georgia; Laurinburg, North Carolina; and Lexington, Kentucky. Many ideas were presented to us and many of these ideas eventually were incorporated in this bill before us today.

Crop insurance has become a vital link to the soundness and prosperity of American agricultural producers. It is a safety net that assists the producer in managing risk on the farm. It allows the producer, not the Government, to decide how to manage this risk, be it financial, market or legal risk. By no means has the program been perfect, and it is unrealistic to expect the same program to always work well in every part of the country.

In the past, crop insurance has worked well in many regions, but in other areas, such as California, Florida and Maine, the program has not worked as well.

During our meetings and hearings, some producers advocated complete elimination of the program. Some advocated elimination of the actuarial soundness standard. Some supported retaining the program but believed improvements, including increased premium subsidies, modified rating practices, modified APH determination, and the development of a cost-of-production crop insurance policy were needed.

What we did do that is very important in this bill is we provided higher premium support to allow more farmers to afford the purchase of this improved crop insurance policy. We also addressed the problem of yield averages to allow farmers to eliminate those bad years in their average so that they can actually purchase insurance to cover what they normally can produce.

The improved policies also allow producers to buy income protection, a much needed improvement in the safety net. The committee has stated all along that it was on a two-track approach toward improving risk management. The first track was to make improvements in the Federal crop insurance program, and that is H.R. 2559.

It has and will be combined with further efforts to bring about a full examination of our safety net and to examine the crop insurance program to find the best way to provide the best crop insurance and the best safety net for all of our farmers. I want to thank the leadership, who made the extra money possible so that we could be here today with this improved bill.

I want to thank my staff on the subcommittee who worked so hard, and I want to thank the gentleman from Texas (Mr. COMBEST), the ranking member, the gentleman from Texas (Mr. STENHOLM), the subcommittee ranking member (Mr. CONDIT), and all of those who have worked to make this bill what it is today. It is a good bill. It is an improved bill, and we ought to pass this bill resoundingly and send it to our colleagues in the Senate.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I rise first to commend the leadership of the gentleman from Texas (Mr. COMBEST) in bringing this bill to the floor today. The chairman has proven himself, in his time so far as the Committee on Agriculture chairman, to be a square shooter. He is also dealing substantively with the issues and dealing with them in a bipartisan way.

I think his comments even on the floor today, his stated intention to hold hearings in the new year on the farm bill to assess its failings, shows that he will honestly follow the facts and not get tied up in partisan positioning; asking the questions that need to be asked, why is this farm bill failing so poorly?

Another example of the constructive leadership of the chairman is the bill before us. He represents the southern plains. I represent the northern plains. He is a Republican. I am a Democrat. This bill reflects a consensus product that leaves me very, very enthused about extending the protection to the farmers I represent, as well as farmers throughout the country. I deeply appreciate the bipartisan, constructive leadership he has provided in bringing this bill together.

Quickly, let me tell of the importance of crop insurance to farmers. Family farming involves the exposure of a significant amount of capital, literally hundred of thousands of dollars each year; and yet there are risks the farmers cannot control, the risk of production loss and the risk of price collapse. We are passing a disaster bill now, responding in part to the fact that we do not have a farm program responding to price collapse. We need to build that in as part of the farm program in the future.

This crop insurance, however, responds to the other risk, production loss, and it does so very meaningfully in three important ways.

First, it makes adequate coverage levels affordable to family farmers. Right now, quite frankly, the premiums to put in place the coverage levels that begin to protect the financial investment are simply out of reach for America's family farmers. This makes those premiums more affordable and therefore will greatly help people get the coverage that they depend upon.

Secondly, it helps farmers plagued with several years of losses continue to have a production history that produces adequate coverage and adequate coverage opportunity. Right now, through no fault of the farmer, if they have a loss, another loss the next year, another loss the next year, pretty soon no matter what they do, no matter how much they want to pay, they cannot get adequate coverage back in place anymore. This deals with that problem.

Thirdly, right now we essentially do not provide adequate coverage at all for farmers that haul their grain to the elevator, and only at the elevator realize a very severe price discount due to quality problems in the grain. That is an uncovered exposure under the present system. This affords the opportunity to the Risk Management Agency to address that problem.

This bill goes an awful long way to making permanent changes in crop insurance that will help farmers deal with the risk-of-production loss. It is an excellent starting point to the full breadth of action required by this Congress to rural America, the next step being, of course, a permanent provision for protecting farmers when prices collapse.

I thank the chairman and urge support of this legislation.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. BARRETT), the vice chairman of the full committee.

Mr. BARRETT of Nebraska. Mr. Chairman, I thank the gentleman from Texas (Mr. COMBEST) for yielding me this time.

Mr. Chairman, I do rise in support of H.R. 2559, and I too want to commend the gentleman from Texas (Mr. COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), for their leadership on this issue and their hard work on the bill and certainly a word of appreciation to the subcommittee chairman, the gentleman from Nebraska (Mr. EWING), and the ranking member, the gentleman from California (Mr. CONDIT), for their leadership in bringing the bill to the point that we have reached here today.

Mr. Chairman, H.R. 2559 strengthens the farm safety net by making crop insurance more accessible and certainly more affordable for our producers. Most importantly, the bill will help reduce the need for unbudgeted ad hoc disaster assistance just as we are preparing to provide that assistance again this year.

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I believe the livestock coverage pilot program included in the bill will prove to be very, very beneficial. It will allow livestock producers to participate in the Federal insurance program for the first time to help them better manage low market prices.

The bill also rewards producers who have above average production and insurance history, that is very, very positive, by authorizing some premium discounts for exceptional performance in the program.

Mr. Chairman, our American farmers and ranchers borrow more money each and every year than most of us borrow in a lifetime just to plant a crop so that the world can eat. Borrowing that kind of money is an incredible gamble because markets may or may not provide farmers enough to pay back their loans or to cover the cost of their production. Worse yet, adverse weather, of course, can rob them of their crop and their income completely.

I think it is absolutely essential that we pass H.R. 2559 as our farmers prepare for the upcoming crop year. I urge my colleagues to join me and support this timely and very, very important measure.

Mr. STENHOLM. Mr. Chairman, I yield 2½ minutes to the gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Chairman, I wish to thank the gentleman from Texas (Mr. STENHOLM) for his leadership on this issue and bringing this about and working with the gentleman from Texas (Chairman COMBEST) and the committee as we move this legislation forward.

Mr. Chairman, this is going to provide the new national safety net. We have seen that, with the disasters in both drought and other circumstances, that our farmers need additional assistance in order to provide for a safety net.

I have enjoyed working with the committee to make sure that it includes policies which will be a benefit to, not only Maine, but to Northeast, in particular the development of new policies and the expansion of the specialty crops and the special recognition of expanding to cover more of those specialty crops like potatoes.

I want to again urge the chairman and would like to be able to work with the chairman and the gentleman from Texas (Mr. STENHOLM), the ranking member, as we look to try to reduce to smaller units and rate increases that are no greater than any other class to make sure that we can further incorporate more and more of the farmers, especially in Maine and in the Northeast, as we try to get more of them engaged on a national scale in terms of this new national safety net.

I would like to be able to work with the chairman and the ranking member in conference as we work on this particular issue.

Mr. Chairman, I yield to the gentleman from Texas (Mr. COMBEST) for comments.

Mr. COMBEST. Mr. Chairman, I appreciate very much the productive efforts of the gentleman from Maine (Mr. BALDACCI) throughout this process. Part of what he is suggesting is, a part of the whole concept behind this, is to look at new types of programs that can be available for coverage that does not exist today, look at the growing habits and conditions that farmers may have, and to encourage the associations that represent the people who grow those commodities to be involved in the product so that it is a very workable product.

We will be happy to work with the gentleman in any way that I might through the conference to assure that his concerns and interests are taken care of.

Mr. BALDACCI. Mr. Chairman, I yield to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I, too, look forward to working with the gentleman from Maine. I appreciate him bringing it to the attention of the full body, bringing this, not necessarily unique problem, but it is one which is clearly made possible in the legislation that we consider today, these concerns to be met.

I look forward to working with the gentleman from Maine (Mr. BALDACCI) and the gentleman from Texas (Mr. COMBEST) and seeing that, in the final conference report, that this be achieved.

Mr. COMBEST. Mr. Chairman, I am very pleased to yield 3 minutes to the gentleman from Georgia (Mr. CHAMBLISS), the Vice Chairman of the Committee on the Budget and a member of the House Committee on Agriculture and who I would say more than any other Member is responsible for the additional money that was in the budget for crop insurance.

(Mr. CHAMBLISS asked and was given permission to revise and extend his remarks.)

Mr. CHAMBLISS. Mr. Chairman, I just want to say, like my other colleagues, how much I appreciate the strong leadership, both to the chairman of the committee and also to the ranking member. The gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) have come together in a strong bipartisan way to ensure that farmers in America have been treated fairly. Also to the gentleman from Illinois (Mr. EWING), my subcommittee chairman, and the gentleman from California (Mr. CONDIT), the ranking member. Again, we have shown how things in this body ought to work in a bipartisan way.

Agriculture is the backbone of the economy of this country. It always has been and, frankly, always will be. But today agriculture all across the United States is in trouble. We are taking some short-term measures to shore up the current deficit in prices for commodities across the country, and that is very well needed.

But even though we have heard a lot of fingerpointing in the last 4 years now, almost since we passed the 1996 farm bill, as to what the cause of the problems are in agriculture country today, when we passed the 1996 farm bill, there were several legs to the table that were going to be necessary to require agriculture country to stabilize for years to come.

One of those legs was regulatory relief. Frankly, in this House, we passed any number of regulatory relief measures that would give our farmers more flexibility to operate their farms and improve their bottom line. Some of those measures have been enacted into law and are in the process now of being tweaked to benefit our farmers. Some of them never got beyond passage in this House.

Another leg was providing tax relief to the American farmer. We passed a real tax relief package not too long ago that would have been a huge benefit to the American farmer and has recently been vetoed.

Another leg to that table is crop insurance. The one thing that I think we agree on across agriculture country in the United States is that the current crop insurance program we have in place does not work and does not provide any sort of safety net to our farmers.

We did have hearings down in my district and all across the country. The gentleman from Illinois (Mr. EWING) was gracious enough to come down and visit with the gentleman from Georgia (Mr. BISHOP) and myself. The gentleman from Texas (Chairman COMBEST) came down and heard the interest of my farmers.

There were a couple of things in particular that we heard. One was we need flexibility. We need flexibility and a crop insurance program that will provide for a cost to production policy that will ensure our financial benefactors to be able to know that we will get some sort of return in disastrous years. That flexibility is provided in this bill.

A second thing that he heard, that both these gentleman heard from our farmers, was that, in our part of the country, we have a real distinction between irrigated and nonirrigated crops. We need crop insurance policies that will allow the insurance of irrigated crops versus nonirrigated crops so that our farmers who are making good, rational business decisions to invest in irrigation will be able to provide the risk management tool that they need to cover those irrigated versus nonirrigated crops.

Those are some of the major issues that are covered here. It is a good bill. I, again, thank our leadership and urge the passage of this bill.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Chairman, I thank the ranking member for yielding me the time. I thank him for his leadership.

I also want to thank the gentleman from Texas (Mr. COMBEST), chairman of the Committee on Agriculture, for his leadership in bringing this bill to the floor and his attitude and his openness to be inclusive of a variety of ideas.

I think this is a terrific step forward, and I think it is the right way to go. I do not think it is the complete step, however. I think it is a process that will allow us to get to a desired place where most farmers will be better protected.

We certainly know that the safety net that this bill speaks to will enable a lot of farmers to have the assurance that the risks that they need to manage, it will be greatly enhanced.

I am still hopeful that the whole issue that the gentleman from Texas (Mr. STENHOLM) is talking about, income, can be looked at. I think that is something that the chairman has at least been open to discuss.

I want to raise the issue of the whole safety net for smaller farmers. In my neck of the woods, smaller farmers have complained that they have not had the opportunity to have the same recovery from the risk management in crop insurance. This, I think, begins to open that process.

At least I want to have that intention when I vote for it, that it does not inherently put into place to enable the larger farmer over the smaller farmer; that, structurally, we are trying to make it open that all farmers have equal access in the base of their production and their year rather than to have it skewed to the larger farmer.

Finally, I would say that this risk management will go a long ways because, in many of my areas, Hurricane Floyd has added to that whole risk, and we certainly need it.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT), a very hard working member of the committee.

Mr. GUTKNECHT. Mr. Chairman, I rise in support of H.R. 2559. I, too, want to congratulate the leadership and the staff for all the work that went into this bill.

It does not go as far as I would like to see us go in terms of the area of revenue protection. H.R. 2559 marks a major step toward the kind of revenue protection program that I believe will be necessary to provide our farmers with a shock absorber, a shock absorber against the vagaries of weather and volatile commodity prices.

The past couple of years demonstrate now more than ever that our farmers need more affordable protection in times of declining prices and natural disasters. Without these changes, we are likely to face the prospect of even more costly and more unbudgeted ad hoc annual disaster programs.

Putting aside the emergency assistance package that is being prepared, the RMA estimates that $1.8 billion will be paid this year to farmers who have suffered major crop losses. Even with lower commodity prices, these payments, I am told, parallel a 17 percent jump in crop insurance protection for farmers, from $28 billion in 1998 to a projected $33 billion in 1999.

Let us not lose sight of the fact that we can save precious dollars tomorrow by a smart investment today. I urge my colleagues to support these much-needed reforms. Support the Agriculture Risk Protection Act.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Chairman, I want to thank the gentleman from Texas (Chairman COMBEST) and the gentleman from Texas (Mr. STENHOLM), the ranking member, for their leadership on this issue.

I rise today in support of the Agriculture Risk Protection Act. This bill makes the Federal crop insurance program a better risk management tool for America's farmers.

Farmers will pay less for crop insurance at every level as a result of this bill. By offering increased premium subsidies, this bill encourages farmers to purchase crop insurance and protect themselves against low yields and weather disasters.

Crop insurance should be like automobile insurance. If one gets a discount on automobile insurance for having a good driving record, one should get a discount on crop insurance for having a good production history. This bill does this by establishing premium discounts for producers who have a good production history.

This legislation also imposes different penalties on those who defraud the program. Anyone who intentionally submits false information will be disqualified from all farm programs for up to 5 years. This is an excellent step towards making sure a good crop insurance program is available for honest farmers.

This legislation improves the way a farmer's actual production history is calculated to allow producers sufficient yields to provide adequate coverage.

It enhances Farm Services Agency's roll in record keeping, yield estimates, and product approval by forming a new record-keeping system through co-operation between the Farmer Service Administration State committees and the Federal Commodity Insurance Corporation.

This system will provide more accurate information for the crop insurance program. This legislation improves oversight of companies and the Risk Management Agency by establishing an office to oversee policy development and broadens membership and oversight authority of the board of directors of the Federal Crop Insurance Corporation.

It increases coverage for fruits and vegetables by expanding and improving NAP program to benefit fruit and vegetable farmers.

The bill allows producers who are prevented from planting a crop to receive the indemnity on that crop and still make use of the land by preventing an uninsured crop. This provision is especially important for cotton producers across the country who are often prevented from getting their crop in the ground.

Mr. Chairman, this is a good bill. I urge my colleagues to vote for a better crop insurance program and pass the Agriculture Risk Protection Act.

Mr. COMBEST. Mr. Chairman, may I have an accounting of the time.

The CHAIRMAN. The gentleman from Texas (Mr. COMBEST) has 11½ minutes and the gentleman from Texas (Mr. STENHOLM) has 15½ minutes.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. LAHOOD), a very hard-working member of the committee.

Mr. LAHOOD. Mr. Chairman, I rise in strong support of this very important bill and to congratulate the two distinguished Members from Texas who have worked so well together in a bipartisan way to help hard-hit farmers solve some very important problems.

There are two things in the bill that I want to point out. One is an amendment that was adopted by the committee during consideration which allows for electronic availability for producers and agents to file electronically crop insurance paperwork.

It is a shorter version or a revised version of a bill that I have been pushing to allow for electronic filing for any number of forms and programs within the department of USDA.

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And I am glad this provision was included as an amendment. I think it is a good first step, and I hope it will allow us in the future to pass the entire bill that we have held hearings on in our subcommittee.

I also will be offering an amendment, along with the gentleman from Iowa (Mr. BOSWELL), to set up a couple of pilot projects for livestock producers around the country. And in particular I think it is interesting to note that these pilot projects are very timely, given the disasters that have taken place as a result of hurricanes, particularly in the Carolinas. I believe these pilot projects will go a long way to helping livestock producers.

I appreciate the fact that the chairman has agreed to accept our amendment and look forward to working with him as we go to conference on this bill so that these important provisions can be a part of a final bill that passes the Senate and, hopefully, turns into a conference report that both the House and Senate will pass and that the President will sign.

This is important legislation for hard-hit agriculture; and, again, I compliment both of the gentlemen from Texas for the work that they do on behalf of farmers all over America.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Chairman, I would like to thank the ranking member for yielding me this time, and I rise in support of the legislation.

This crop insurance reform proposal has been worked on now for many months. It represents an effort on the part of many commodity groups and farm organizations to come together and identify key reforms that are necessary in our program, ways to strengthen the program, and the financial support that is necessary to make this program successful and effective in the farming community.

One of the problems that we continue to face is concern on behalf of farmers that crop insurance is a very expensive tool to manage risk, and that the benefits that they receive from crop insurance are not adequate to compensate them for the tremendous losses and risks that they face in their agricultural endeavors. I hope that with the additional infusion of cash here for the Federal crop insurance program that farmers will see that this is still a better value and that they will be able to use it and that it will provide the type of countercyclical government assistance that is needed for America's farmers to continue to compete in the global economy.

I am particularly pleased that we are now moving in the direction of whole-farm revenue assurance. This bill certainly does not accomplish that, but it enables us to pursue pilot studies, pilot projects, and offer to some of the farmers that have livestock operations an opportunity to ensure the revenue stream with respect to their livestock operations and, similarly, to enable crop farmers to assure their revenue stream.

This is an important distinction from the insurance program that we have had traditionally. Traditionally, crop insurance has been keyed to productivity, to yield loss. And a multi-peril crop insurance has meant, whether it is hail, insect infestation, drought, flooding, or some other cause, that they have protection against that yield loss. But as we see here in 1998 and 1999, the farmer faces a risk of price loss that is every bit as severe as the yield loss.

When I was home in my area of Minnesota last weekend and saw the combines starting to roll and heard from some of the farmers that the yields are perhaps the best that they have ever experienced in certain parts of the State but that, still, they cannot break even because the price collapse haunts them, it reminded me even more of the importance of expanding the crop insurance concept to include this total revenue stream, to include the price risk.

So as we move ahead with this debate and consideration of the bill, I urge that we continue to focus on how this can be the most effective tool possible for farmers.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. RILEY), a very valuable member of the committee.

Mr. RILEY. Mr. Chairman, things are bleak in farm country these days. Commodity prices are at their lowest levels since the Great Depression. Each morning, far too many families in Alabama and across the Nation wake up to the haunting realization that their farm may not be around next year; that they may have to change their way of life.

Mr. Chairman, there has always been weather-related disasters and difficult economic times in agriculture, but there is something different about today's economic climate. In my own State of Alabama, farmers are suffering through some of the toughest climate and economic conditions in years.

For years, crop insurance has been the primary risk-management tool for farmers. But every time I go home, farmers tell me that insurance premiums under the current program are just too expensive and too complicated to make the program useful. H.R. 2559 will solve this problem by reducing the expensive out-of-pocket crop insurance cost to farmers by making across-the-board cuts in farmer-paid premiums. As a result, more farmers in my State and across the Nation will be able to participate in this program.

Finally, Mr. Chairman, I am pleased that this bill lifts unfair restrictions, like the so-called ''black dirt policy,'' that prohibits farmers who double crop, like many of my cotton growers, from planting a second crop in a year when they make a prevented planting claim.

Mr. Chairman, overall, H.R. 2559 is a good bill and I urge my colleagues to support it.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. BOSWELL).

(Mr. BOSWELL asked and was given permission to revise and extend his remarks.)

Mr. BOSWELL. Mr. Chairman, I thank the gentleman from Texas for yielding me this time to speak on this matter. It is very important. And I want to thank also our chairman, as others have, the gentleman from Texas (Mr. COMBEST) for his keen interest in trying to provide a better safety net for our producers.

Farmers need the insurance. But if they cannot afford it, they are not going to use it. And they have proven that to us. So this will be a big step, an incentive, to get this going. And again I want to thank the gentleman from Texas (Mr. COMBEST) for taking this on.

As has been said several times, and I will not spend a lot of time repeating it, but the lowest commodity prices in years and years and years are facing farmers today.

I am also looking forward, and I appreciate again the statement of the chairman in committee that the supplemental income language that the gentleman from Texas (Mr. STENHOLM) has prepared will be discussed at a future time. So I thank him for that. I am looking forward to that. I think that is a step forward in the right direction.

So I am very enthusiastic to support this bill today, and I look forward to the discussions we will have starting in the new year with the hearings that we are going to have on the farm bill. I think this is very important, and the farmers across this land are expecting this and looking forward to it.

So I rise in strong support of what we are doing here today and thank again the chairman and the ranking member for their good work.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. LATHAM), a former member of our committee and still-hardworking member of the Committee on Appropriations.

Mr. LATHAM. Mr. Chairman, I thank the gentleman for yielding me this time, and I just wanted to take this opportunity to congratulate the Committee on Agriculture, which, as the chairman mentioned, I was a former member of. But the gentleman from Texas (Mr. COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), have really done an outstanding job on this bill, and also the subcommittee of jurisdiction I think has done an outstanding job.

I just wanted to make a couple of comments. We have had a pilot project, or pilot plan, in Iowa for the past several years, using the revenue assurance model. And the farmers that have used the program have found it extremely beneficial in managing their risk.

And when we talk about weather-related problems, such as an individual farm hail storm, a lot of times emergency bills do not cover an isolated area that has either some small flooding or hail storms. This allows the individual farmer to manage his risk. And, also, with the revenue assurance, it allows that individual to manage the price risk.

As we all know, we are going through right now an emergency supplemental for agriculture, which is very much needed, but in the long run we have to find ways for farmers to manage their risk, both price and production risk. This is what this bill is all about. It is extraordinarily positive.

There are problems in areas where they have had disasters over a number of years that they have not been able to purchase insurance. It has been too expensive to justify purchasing the insurance. And I believe this bill will go a long ways towards solving those problems, making revenue assurance available for all producers throughout this Nation.

It is an extremely positive step forward, and I just want to compliment everyone on the committee for their great work.

(Mr. WELDON of Pennsylvania asked and was given permission to speak out of order.)

INTERNATIONAL ASSOCIATION OF FIREFIGHTERS SPONSORING VISIT OF CHILDREN WHO ARE BURN VICTIMS

Mr. WELDON of Florida. Mr. Chairman, I thank my colleagues for yielding and for indulging.

Mr. Chairman, I rise to announce to my colleagues that at present, in the basement of the Rayburn Building, we have 45 young children from all over the country who are the victims of terrible tragedies in their homes who have been burned.

These youngsters were brought here by the International Association of Firefighters. It is part of a week-long camp to help them get reoriented into their lives. I would ask Members, if they have some time, to stop by B369 in the Rayburn Building to say hello to these children and to see the tragic consequences of what fire does to young people, but also to see the spirit of these young people as they press forward, working with the IAFF to rebuild their lives.

Mr. STENHOLM. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume and, in closing, I would only thank my colleague and friend and neighbor, the ranking member of the committee, the gentleman from Texas (Mr. STENHOLM), for his bipartisan work and support.

The gentleman from California (Mr. CONDIT) is the ranking member of the Subcommittee on Risk Management, Research, and Specialty Crops, and even though he has left the floor, a special thanks to him; and to the gentleman from Illinois (Mr. EWING), the subcommittee chairman, who not only has spent a great deal of time and a lot of hard work in a lot of hearings, and probably understands crop insurance as well as anyone. I thank him for his efforts in moving this bill forward. He did a great job, and I certainly could not give him over-acclaim. He did a very good job on the bill, and I thank him very much.

Mr. BRYANT. Mr. Chairman, I rise today in strong support of this legislation.

The continuing dry weather in Tennessee has left our farmers facing devastating crop losses for the second year in a row. The harsh conditions have dried up thousands of acres of crops and left Tennessee farmers with low commodity prices and unstable market conditions for those crops which have survived the harsh drought conditions.

Rainfall has been very sparse throughout west Tennessee. National Weather Service statistics show that Jackson, Tennessee, received less than 3 inches of rain for July, which is indicative for the rest of the region. Memphis rainfall totaled less than 4 inches for 3 months in a row so far this summer. The entire west Tennessee region is more than 7 inches below the normal precipitation levels this year.

Because of the lack of significant rainfall, conditions of specific crops have suffered dramatically over the past several months. Cotton farmers, whose crops are mostly located in southwest Tennessee in the Fayette County area, reported just last month that more than 34 percent of their crops are in poor to very poor condition. Soybean farmers, who make up the largest percentage of farmers in Tennessee, reported last month that 49 percent of their crops are in poor to very poor condition.

Livestock farmers are also being forced to use their own winter feed reserves because of the crop devastation around the State. In fact, some of the livestock producers in Montgomery County have begun to sell off a portion of their herd because of the high price for feed and the unstable conditions in the area.

There can be no better time for crop insurance reform than now. The farming industry, which is solely dependent on the weather, has producers across the country contacting their Representatives asking for a more responsive crop insurance program. Their need is to have availability to insurance plans or policies for both crop and livestock risk management.

Farmers who have suffered year after year in either drought or flood conditions are having a difficult time obtaining insurance at an affordable rate. Under this bill, the Federal Government provides better assistance for buying coverage for farmers, who have been plagued by multiple disasters each year. It also provides the development of pilot programs for livestock risk management plans.

The bill also tightens the accountability of the Federal crop insurance program. It requires the Secretary of Agriculture to work with the Farm Service Agency to monitor and audit the Federal crop insurance program in the field. There are also increased sanctions for reporting false information and new requirements for record keeping and reporting of crop acreage, acreage yields and production.

Tennessee's 95 counties were declared a Federal disaster area on September 10th. This was welcome news for our farmers who have been through the worst of conditions over the past several years, and whose crops are dwindling to dust. But so far, the assistance has been slow. Many of our farmers have not received any information concerning the disaster funds available and are left wondering when the assistance will come and will it be on time to help with the financial losses they're suffering.

Comprehensive crop insurance reform is desperately needed for our farmers across the country. Future disasters will happen, and when they do, our farmers will need to have a plan they can rely on that offers accountability, premium assistance and affordable coverage to keep their industry going.

Mr. CONDIT. Mr. Chairman, I rise today in support of H.R. 2559, The Agricultural Risk Protection Act. I would like to take this opportunity to commend the chairman and ranking minority member of the committee and my subcommittee chairman, Mr. EWING for their efforts in developing this important bill.

H.R. 2559 serves the interests of farmers and ranchers by providing more choices and the tools needed to manage the risk inherent in farming. This is especially important to my constituents in the central valley of California, who rely on little Federal support or programs. Instead, these producers rely on other risk management tools, such as diversified farming, irrigation, and responding to market signals to make their decisions. However, even these practices may not be enough for producers to protect themselves from factors beyond their control. New challenges are being faced in light of the growing global marketplace and the increasing regulatory and social pressures to reduce farming inputs.

I would like to point out there are currently over 300 specialty crop producers who do not have the choice to purchase insurance products—there are simply none available. Even worse, current specialty crop insurance policies are either unusable or too costly because of high input and sales value of specialty crops. While ad hoc disaster relief seems inevitable this year to assist U.S. Agriculture, Congress cannot continue to use taxpayer money and break budgetary caps. At the same time, Congress cannot turn its back on those producers who are not eligible for Federal crop insurance and have had to rely on other forms of disaster relief protection.

Not only is there a need to develop more risk management tools, farmers need to be aware which financial, marketing, and production tools are available, both on and off the farm. I believe that H.R. 2559 provides the necessary resources and direction. This bill makes more management options available to underserved commodities in the following ways: increasing premium subsidies, increasing research and education funds, expedited product approval, expanded pilot program authority, producer and industry-wide input on policies, allowing farmers to join together through their cooperatives and associations to obtain crop insurance.

In these ways, the Risk Management Agency along with public and private inputs can better address the unique challenges associated with the planting, growing, and harvesting of specialty crops.

I thank Chairman COMBEST and his staff for all of their efforts to bring this bill to the floor. I urge my colleagues to vote for its passage.

Mr. JOHN. Mr. Chairman, I would first like to thank the chairman and the ranking minority member of the full committee, Mr. COMBEST and Mr. STENHOLM, and the chairman and ranking minority member of the subcommittee, Mr. EWING and Mr. CONDIT, for their leadership in crop insurance reform this year. Having served on the subcommittee of jurisdiction, I have been vested in this crop insurance reform effort for many months. I am pleased to say that I rise in support of H.R. 2559 and that it addresses most of the needs of my constituents in south Louisiana. Moreover, it is a tremendous improvement from the current program.

As you know, Mr. Chairman, many of my farmers are rice producers. Most rice producers have traditionally not participated in the Federal crop insurance program because premiums have been viewed as too expensive relative to the minimal coverage the program offers. For example, during the 1998 crop year only 43 percent of the 3 million rice acres planted was covered by catastrophic (CAT) policies while another 20 percent of the acreage was covered by buy-up policies. The 20 percent level of participation in the buy-up option for rice is significantly lower than the 47 percent for wheat, 44 percent for corn and cotton and 37 percent for soybeans during the 1998 crop year. In general, the low level of participation by U.S. rice farmers has occurred because: (1) coverage for CAT policies is low and premiums for buy-up policies are too high given the level of coverage; (2) serious problems exist with the actuarial data used to calculate both premiums and coverage, and (3) rice producers, due to a relative low level of yield variability, want price/revenue protection versus traditional yield insurance.

With the risk management challenges facing the rice farmer listed above, H.R. 2559 goes a long way toward addressing them. First and foremost, this crop insurance reform bill does not replace the current farm program. With respect to addressing the low level of participation in the program, H.R. 2559 makes CAT or similar policies more attractive. Though the structure of the current CAT program does not change in H.R. 2559, a Group Risk Plan (GRP) policy may provide a higher yield and price protection on a uniform national basis, which a producer can choose as an alternative to CAT. The actuarial soundness of the program is addressed in H.R. 2559 by requiring the Federal Crop Insurance Corporation to adjust rates by the 2000 crop year if they are found to be excessive. In addition, rice producers will benefit from H.R. 2559 because revenue and price coverage is strengthened in this bill. Policies protecting production and/or revenue would receive an equal percentage of assistance on total premiums as MPCI policies. Finally, the FCIC Board of Directors is expanded to include additional producer participation that reflects different crop growing regions.

With all this in mind, I believe H.R. 2559 is a good first step toward addressing the problems in farm country. However, Mr. Chairman, this bill does not solve the larger problems associated with the lack of a safety net for America's farmers, but is an important component of a comprehensive solution. There are many farmers in my district that can not secure financing for next year's crop because we have yet to address the farm crisis. In fact, I've heard from just as many community bankers as I have farmers about this crisis. There are many farmers who will not benefit from the advancements made in H.R. 2559 because they will not be farming next year unless this Congress acts soon to address the ongoing crisis. Let us pass H.R. 2559 and let us immediately address the Agriculture appropriations bill that includes emergency disaster assistance from our country's farmers.

Mr. SMITH of Michigan. Mr. Chairman, I rise in support of H.R. 2559, the Agricultural Risk Protection Act of 1999.

Mr. Chairman, American agriculture is in a serious situation right now. While the rest of the economy is booming, American farmers and ranchers are hurting and asking for our help. Commodity prices are at record lows, export markets are weak, and no relief is expected any time soon. This crop insurance bill helps protect farmers against low commodity prices and farm income by making insurance levels more affordable for crop losses, declining prices and total farm revenue loss. Under the current crop insurance program, my farmers in Michigan have very little incentive to purchase any level of insurance beyond the CAT coverage. It doesn't pay off for them to do so. In Michigan, like a lot of areas in the United States, we get hit by a disaster about every 10 years. They don't need sunshine insurance. One of my amendments adopted in the Agriculture Committee helps correct this problem. This provision adjusts the premium farmers pay by area according to frequency of disaster. Another important provision this bill contains regards revenue coverage. Plans will be developed designed to enable producers to take maximum advantage of fluctuations in market prices which will maximize revenue from the sale of a crop.

H.R. 2559 increases premium assistance to farmers at every coverage level so they can protect more of what they produce. This is why I am a cosponsor of this bill. Farmers will have across-the-board premium cuts. The little money farmers have in their pockets will stay there and not be spent on overpriced premiums. I urge all my colleagues to join with me in supporting H.R. 2559.

Mr. COMBEST. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill, modified by the amendments printed in House Report 106–346, shall be considered as an original bill for the purpose of amendment under the 5-minute rule by title, and each title shall be considered read.

No amendment to that amendment shall be in order except those printed in the portion of the CONGRESSIONAL RECORD designated for that purpose and pro forma amendments for the purpose of debate. Amendments printed in the RECORD may be offered only by the Member who caused it to be printed or his designee, shall be considered read, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Agricultural Risk Protection Act of 1999''.

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

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate title I.

The text of title I is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Agricultural Risk Protection Act of 1999''.

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

TITLE I—STRENGTHENING THE FARM SAFETY NET

SEC. 101. PREMIUM SCHEDULE FOR ADDITIONAL COVERAGE.

(a) PREMIUM AMOUNTS.—Section 508(d)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended by striking subparagraphs (B) and (C) and inserting the following new subparagraph:

''(B) In the case of additional coverage equal to or greater than 50 percent of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or an equivalent coverage, the amount of the premium shall—

''(i) be sufficient to cover anticipated losses and a reasonable reserve; and

''(ii) include an amount for operating and administrative expenses, as determined by the Corporation, on an industry-wide basis as a percentage of the amount of the premium used to define loss ratio.''.

(b) PAYMENT SCHEDULE.—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended by striking subparagraphs (B) and (C) and inserting the following new subparagraphs:

''(B) In the case of additional coverage equal to or greater than 50 percent, but less than 55 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or an equivalent coverage, the amount shall be equal to the sum of—

''(i) 67 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

''(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

''(C) In the case of additional coverage equal to or greater than 55 percent, but less than 65 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or an equivalent coverage, the amount shall be equal to the sum of—

''(i) 64 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

''(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

''(D) In the case of additional coverage equal to or greater than 65 percent, but less than 75 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or an equivalent coverage, the amount shall be equal to the sum of—

''(i) 59 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

''(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

''(E) In the case of additional coverage equal to or greater than 75 percent, but less than 80 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or an equivalent coverage, the amount shall be equal to the sum of—

''(i) 54 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

''(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

''(F) In the case of additional coverage equal to or greater than 80 percent, but less than 85 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or an equivalent coverage, the amount shall be equal to the sum of—

''(i) 40.6 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

''(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

''(G) Subject to subsection (c)(4), in the case of additional coverage equal to or greater than 85 percent of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or an equivalent coverage, the amount shall be equal to the sum of—

''(i) 30.6 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

''(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.''.

(c) PREMIUM PAYMENT DISCLOSURE.—Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by adding at the end the following new paragraph:

''(5) PREMIUM PAYMENT DISCLOSURE.—Each policy or plan of insurance under this title shall prominently indicate the dollar amount of the portion of the premium paid by the Corporation under this subsection or subsection (h)(2).''.

SEC. 102. PREMIUM SCHEDULE FOR OTHER PLANS OF INSURANCE.

Section 508(h)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(2)) is amended—

(1) by striking ''A policy'' and inserting the following:

''(A) PREPARATION.—A policy'';

(2) by striking the second sentence; and

(3) by adding at the end the following new subparagraph:

''(B) PREMIUM SCHEDULE.—In the case of a policy offered under this subsection (except paragraph (10)) or subsection (m)(4), the Corporation shall pay a portion of the premium of the policy that shall be equal to—

''(i) the percentage, specified in subsection (e) for a similar level of coverage, of the total amount of the premium used to define loss ratio; and

''(ii) the dollar amount of the administrative and operating expenses that would be paid by the Corporation under subsection (e) for a similar level of coverage.''.

SEC. 103. ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO ESTABLISH INSURABLE YIELDS.

(a) USE OF PERCENTAGE OF TRANSITIONAL YIELD.—Section 508(g) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)) is amended by adding at the end the following new paragraph:

''(4) ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO ESTABLISH INSURABLE YIELDS.—

''(A) APPLICATION.—This paragraph shall apply whenever the Corporation uses the actual production history of the producer to establish insurable yields for an agricultural commodity for the 2001 and subsequent crop years.

''(B) ELECTION TO USE PERCENTAGE OF TRANSITIONAL YIELD.—If, for one or more of the crop years used to establish the producer's actual production history of an agricultural commodity, the producer's recorded or appraised yield of the commodity was less than 60 percent of the applicable transitional yield, as determined by the Corporation, the Corporation shall, at the election of the producer—

''(i) exclude any of such recorded or appraised yield; and

''(ii) replace each excluded yield with a yield equal to 60 percent of the applicable transitional yield.''.

(b) APH ADJUSTMENT TO REFLECT PARTICIPATION IN MAJOR PEST CONTROL EFFORTS.—Section 508(g) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)) is amended by inserting after paragraph (4), as added by subsection (a), the following new paragraph:

''(5) ADJUSTMENT TO REFLECT INCREASED YIELDS FROM SUCCESSFUL PEST CONTROL EFFORTS.—

''(A) SITUATIONS JUSTIFYING ADJUSTMENT.—The Corporation shall develop a methodology for adjusting the actual production history of a producer when each of the following apply:

''(i) The producer's farm is located in an area where systematic, area-wide efforts have been undertaken using certain operations or measures, or the producer's farm is a location at which certain operations or measures have been undertaken, to detect, eradicate, suppress, or control, or at least to prevent or retard the spread of, a plant disease or plant pest, including a plant pest covered by the definition in section 102 of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a).

''(ii) The presence of the plant disease or plant pest has been found to adversely affect the yield of the agricultural commodity for which the producer is applying for insurance.

''(iii) The efforts described in clause (i) have been effective.

''(B) ADJUSTMENT AMOUNT.—The amount by which the Corporation adjusts the actual production history of a producer of an agricultural commodity shall reflect the degree to which the success of the systematic, area-wide efforts described in paragraph (1)(A), on average, increases the yield of the commodity on the producer's farm, as determined by the Corporation.''.

SEC. 104. REVIEW AND ADJUSTMENT IN RATING METHODOLOGIES.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by adding at the end the following:

''(7) REVIEW AND ADJUSTMENT OF RATES.—

''(A) REVIEW REQUIRED.—To maximize participation in the Federal crop insurance program and to ensure equity for producers, the Corporation shall periodically review the methodologies employed for rating plans of insurance under this title consistent with section 507(c)(2).

''(B) PREMIUM ADJUSTMENT.—The Corporation shall analyze the rating and loss history of approved policies and plans of insurance for agricultural commodities by area. If the Corporation makes a determination that premium rates are excessive for an agricultural commodity in an area relative to the requirements of subsection (d)(2)(B) for that area, then, in the 2000 crop year or as soon as practicable after the determination is made, the Corporation shall make appropriate adjustments in the premium rates for that area for that agricultural commodity.''.

SEC. 105. CONDUCT OF PILOT PROGRAMS, INCLUDING LIVESTOCK.

(a) REPEAL OF OBSOLETE PILOT PROGRAMS.—Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by striking paragraphs (6) and (8).

(b) GENERAL REQUIREMENTS.—Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by inserting after paragraph (7) the following new paragraph:

''(8) GENERAL REQUIREMENTS APPLICABLE TO PILOT PROGRAMS.—In conducting any pilot program of insurance or reinsurance authorized or required by this title, the Corporation—

''(A) may offer the pilot program on a regional, whole State, or national basis after considering the interests of affected producers and the interests of and risks to the Corporation;

''(B) may operate the pilot program, including any modifications thereof, for a period of up to 3 years; and

''(C) may extend the time period for the pilot program for additional periods, as determined appropriate by the Corporation.''.

(c) EXPEDITED CONSIDERATION.—Section 508(h)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(4)) is amended—

(1) by redesignating subparagraphs (A), (B), (C), and (D) as clauses (i), (ii), (iii), and (iv), respectively;

(2) by moving the text of the clauses (as so designated) 2 ems to the right;

(3) by striking ''The Corporation'' in the first sentence and inserting the following:

''(A) GUIDELINES REQUIRED.—Not later than 180 days after the date of the enactment of the Agricultural Risk Protection Act of 1999, the Corporation''; and

(4) by adding at the end the following new subparagraph:

''(B) EXPEDITED CONSIDERATION OF PROPOSED PILOT PROGRAMS.—The regulations required by subparagraph (A) shall include streamlined guidelines for the submission, and Board review, of pilot programs that the Board determines are limited in scope and duration and involve a reduced level of liability to the Federal Government, and an increased level of risk to approved insurance providers participating in the pilot program, relative to other policies or materials submitted under this subsection. The streamlined guidelines shall be consistent with the guidelines established under subparagraph (A), except as follows:

''(i) Not later than 60 days after submission of the proposed pilot program, the Corporation shall provide an applicant with notification of its intent to recommend disapproval of the proposal to the Board.

''(ii) Not later than 90 days after the proposed pilot program is submitted to the Board, the Board shall make a determination to approve or disapprove the pilot program. Any determination by the Board to disapprove the pilot program shall be accompanied by a complete explanation of the reasons for the Board's decision to deny approval. In the event the Board fails to make a determination within the prescribed time period, the pilot program submitted shall be deemed approved by the Board for the initial reinsurance year designated for the pilot program, except in the case where the Board and the applicant agree to an extension.''.

(d) LIVESTOCK PILOT PROGRAMS.—

(1) PROGRAMS REQUIRED.—Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by striking paragraph (10) and inserting the following new paragraph:

''(10) LIVESTOCK PILOT PROGRAMS.—

''(A) PROGRAMS REQUIRED.—The Corporation shall conduct one or more pilot programs to evaluate the effectiveness of risk management tools for livestock producers, including the use of futures and options contracts and policies and plans of insurance that provide livestock producers with reasonable protection from the financial risks of price or income fluctuations inherent in the production and marketing of livestock, provide protection for production losses, and otherwise protect the interests of livestock producers. To the maximum extent practicable, the Corporation shall evaluate the greatest number and variety of such programs to determine which of the offered risk management tools are best suited to protect livestock producers from the financial risks associated with the production and marketing of livestock.

''(B) IMPLEMENTATION; ASSISTANCE.—The Corporation shall begin conducting livestock pilot programs under this paragraph during fiscal year 2001, and any policy or plan of insurance offered under this paragraph may be prepared without regard to the limitations contained in this title. As part of such a pilot program, the Corporation may provide assistance to producers to purchase futures and options contracts or policies and plans of insurance offered under that pilot program. However, no action may be undertaken with respect to a risk under this paragraph if the Corporation determines that insurance protection for livestock producers against the risk is generally available from private companies.

''(C) LOCATION.—The Corporation shall conduct the livestock pilot programs under this paragraph in a number of counties that is determined by the Corporation to be adequate to provide a comprehensive evaluation of the feasibility, effectiveness, and demand among producers for the risk management tools evaluated in the pilot programs.

''(D) ELIGIBLE PRODUCERS; LIVESTOCK.—Any producer of a type of livestock covered by a pilot program under this paragraph who owns or operates a farm or ranch in a county selected as a location for that pilot program shall be eligible to participate in that pilot program. In this paragraph, the term 'livestock' means cattle, sheep, swine, goats, and poultry.

''(E) RELATION TO OTHER LAWS.—The terms and conditions of any policy or plan of insurance offered under this paragraph that is reinsured by the Corporation is not subject to the jurisdiction of the Commodity Futures Trading Commission or the Securities and Exchange Commission or considered as accounts, agreements (including any transaction which is of the character of, or is commonly known to the trade as, an 'option', 'privilege', 'indemnity', 'bid', 'offer', 'put', 'call', 'advance guaranty', or 'decline guaranty'), or transactions involving contracts of sale of a commodity for future delivery, traded or executed on a contract market for the purposes of the Commodity Exchange Act (7 U.S.C. 1 et seq.). Nothing in this subparagraph is intended to affect the jurisdiction of the Commodity Futures Trading Commission or the applicability of the Commodity Exchange Act to any transaction conducted on a designated contract market (as that term is used in such Act) by an approved insurance provider to offset the provider's risk under a plan or policy of insurance under this paragraph.

''(F) LIMITATION ON EXPENDITURES.—The Corporation shall conduct all livestock programs under this title so that, to the maximum extent practicable, all costs associated with conducting the livestock programs (other than research and *development costs covered by paragraph (6) or subsection (m)(4)) are not expected to exceed the following:*

''(i) $20,000,000 for fiscal year 2001.

''(ii) $30,000,000 for fiscal year 2002.

''(iii) $40,000,000 for fiscal year 2003.

''(iv) $55,000,000 for fiscal year 2004 and each subsequent fiscal year.''.

(2) CONFORMING AMENDMENT TO DEFINITION OF AGRICULTURAL COMMODITY.—Section 518 of the Federal Crop Insurance Act (7 U.S.C. 1518) is amended by striking ''livestock and'' after ''commodity, excluding''.

(e) FUNDING OF LIVESTOCK PILOT PROGRAMS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 516(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(2)) is amended—

(A) by striking ''years—'' and inserting ''years the following:'';

(B) by capitalizing the first letter of the first word of each subparagraph;

(C) by striking ''; and'' at the end of subparagraph (A) and inserting a period; and

(D) by adding at the end the following new subparagraph:

''(C) Costs associated with the conduct of livestock pilot programs carried out under section 508(h)(10), subject to subparagraph (F) of such section.''.

(2) USE OF INSURANCE FUND.—Section 516(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(1)) is amended—

(A) by striking ''including—'' and inserting ''including the following:'';

(B) by capitalizing the first letter of the first word of each subparagraph;

(C) by striking the semicolon at the end of subparagraph (A) and inserting a period;

(D) by striking ''; and'' at the end of subparagraph (B) and inserting a period; and

(E) by adding at the end the following new subparagraph:

''(D) Costs associated with the conduct of livestock pilot programs carried out under section 508(h)(10), subject to subparagraph (F) of such section.''.

SEC. 106. COST OF PRODUCTION AS A PRICE ELECTION.

Section 508(c)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(5)) is amended—

(1) by striking ''The Corporation shall establish a price'' in the matter preceding subparagraph (A) and inserting ''For purposes of this title, the Corporation shall establish or approve a price'';

(2) by striking ''or'' at the end of subparagraph (A);

(3) by striking the period at the end of subparagraph (B) and inserting ''; or''; and

(4) by adding at the end the following—

''(C) in the case of cost of production or similar plans of insurance, shall be the projected cost of producing the agricultural commodity (as determined by the Corporation).''.

SEC. 107. PREMIUM DISCOUNTS FOR GOOD PERFORMANCE.

Section 508(d) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)) is amended by adding at the end the following new paragraph:

''(3) PREMIUM DISCOUNTS.—

''(A) PERFORMANCE-BASED DISCOUNT.—The Corporation may provide a performance-based premium discount for a producer of an agricultural commodity who has good insurance or production experience relative to other producers of that agricultural commodity in the same area, as determined by the Corporation.

''(B) DISCOUNT FOR REDUCED PRICE FOR CERTAIN COMMODITIES.—A producer who insured wheat, barley, oats, or rye during at least 2 of the 1995 through 1999 crop years may be eligible to receive an additional 20 percent premium discount on the producer-paid premium for any 2000 crop policy if the producer demonstrates that the producer's wheat, barley, oats, or rye crop was subjected to a discounted price due to Scab or Vomitoxin damage, or both, during any 2 years of that period. The 2000 insured crop or crops need not be wheat, barley, oats, or rye to qualify for the discount under this subparagraph. The 2 years of insurance and the 2 years of discounted prices need not be the same.''.

SEC. 108. OPTIONS FOR CATASTROPHIC RISK PROTECTION.

Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended by striking paragraph (3) and inserting the following new paragraph:

''(3) ALTERNATIVE CATASTROPHIC COVERAGE.—Beginning with the 2000 crop year, the Corporation shall offer producers of an agricultural commodity the option of selecting either of the following:

''(A) The catastrophic risk protection coverage available under paragraph (2)(A).

''(B) An alternative catastrophic risk protection coverage that—

''(i) indemnifies the producer on an area yield and loss basis if such a plan of insurance is offered for the agricultural commodity in the county in which the farm is located;

''(ii) provides, on a uniform national basis, a higher combination of yield and price protection than the coverage available under paragraph (2)(A); and

''(iii) the Corporation determines is comparable to the coverage available under paragraph (2)(A) for purposes of subsection (e)(2)(A).''.

SEC. 109. AUTHORITY FOR NONPROFIT ASSOCIATIONS TO PAY FEES ON BEHALF OF PRODUCERS.

Section 508(b)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)) is amended by adding at the end the following new subparagraph:

''(F) PAYMENT OF FEES ON BEHALF OF PRODUCERS.—

''(i) PAYMENT AUTHORIZED.—Notwithstanding any other subparagraph of this paragraph, a cooperative association of agricultural producers or a nonprofit trade association may pay to the Corporation, on behalf of a member of the association who consents to be insured under such an arrangement, all or a portion of the fees imposed under subparagraphs (A) and (B) for catastrophic risk protection.

''(ii) TREATMENT OF LICENSING FEES.—A licensing fee or other payment made by the insurance provider to the cooperative association or trade association in connection with the issuance of catastrophic risk protection or additional coverage under this section to members of the cooperative association or trade association shall not be considered to be a rebate to the members if the members are informed in advance of the fee or payment.

''(iii) SELECTION OF PROVIDER; DELIVERY.—Nothing in this subparagraph shall be construed so as to limit the ability of a producer to choose the licensed insurance agent or other approved insurance provider from whom the member will purchase a policy or plan of insurance or to refuse coverage for which a payment is offered to be made under clause (i). A policy or plan of insurance for which a payment is made under clause (i) shall be delivered by a licensed insurance agent or other approved insurance provider.

''(iv) ADDITIONAL COVERAGE ENCOURAGED.—Cooperatives and trade associations and any approved insurance provider with whom a licensing fee or other arrangement under this subparagraph is made shall encourage producer members to purchase appropriate levels of additional coverage in order to meet the risk management needs of such member producers.''.

SEC. 110. ELECTIONS REGARDING PREVENTED PLANTING COVERAGE.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by inserting after paragraph (7), as added by section 104, the following new paragraph:

''(8) PREVENTED PLANTING COVERAGE.—

''(A) ELECTION NOT TO RECEIVE COVERAGE.—

''(i) ELECTION.—A producer may elect not to receive coverage for prevented planting of an agricultural commodity.

''(ii) REDUCTION.—In the case of an election under clause (i), the Corporation shall provide a reduction in the premium payable by the producer for a plan of insurance in an amount equal to the premium for the prevented planting coverage, as determined by the Corporation.

''(B) EQUAL COVERAGE.—For each agricultural commodity for which prevented planting coverage is available, the Corporation shall offer an equal percentage level of prevented planting coverage.

''(C) AREA CONDITIONS REQUIRED FOR PAYMENT.—The Corporation shall limit prevented planting payments to producers to those situations in which producers in the area in which the farm is located are generally affected by the conditions that prevent an agricultural commodity from being planted.

''(D) SUBSTITUTE COMMODITY.—

''(i) AUTHORITY TO PLANT.—Subject to clause (iv), a producer who has prevented planting coverage and who is eligible to receive an indemnity under such coverage may plant an agricultural commodity, other than the commodity covered by the prevented planting coverage, on the acreage originally prevented from being planted.

''(ii) NONAVAILABILITY OF INSURANCE.—A substitute agricultural commodity planted as authorized by clause (i) for harvest in the same crop year shall not be eligible for coverage under a policy or plan of insurance under this title or for noninsured crop disaster assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333). For purposes of subsection (b)(7) only, the substitute commodity shall be deemed to have at least catastrophic risk protection so as to satisfy the requirements of that subsection.

''(iii) EFFECT ON ACTUAL PRODUCTION HISTORY.—If a producer plants a substitute agricultural commodity as authorized by clause (i) for a crop year, the Corporation shall assign the producer a recorded yield, for that crop year for the commodity that was prevented from being planting, equal to 60 percent of the producer's actual production history for such commodity for purposes of determining the producer's actual production history for subsequent crop years.

''(iv) EFFECT ON PREVENTED PLANTING PAYMENT.—If a producer plants a substitute agricultural commodity as authorized by clause (i) before the latest planting date established by the Corporation for the agricultural commodity prevented from being planted, the Corporation shall not make a prevented planting payment with regard to the commodity prevented from being planted.''.

SEC. 111. LIMITATIONS UNDER NONINSURED CROP DISASTER ASSISTANCE PROGRAM.

(b) LIMITATION.—Section 196(i) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(i)) is amended—

(1) in paragraph (1)(B)—

(A) by striking ''GROSS REVENUES'' in the subparagraph heading and inserting ''ADJUSTED GROSS INCOME''; and

(B) by striking ''gross revenue'' and ''gross revenues'' each place they appear and inserting ''adjusted gross income''; and

(2) by striking paragraph (4) and inserting the following new paragraph:

''(4) LIMITATION.—A person who has qualifying adjusted gross income in excess of $2,000,000 during the taxable year shall not be eligible to receive any noninsured crop disaster assistance payment under this section.''.

SEC. 112. QUALITY GRADE LOSS ADJUSTMENT.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by inserting after paragraph (8), as added by section 110, the following new paragraph:

''(9) QUALITY GRADE LOSS ADJUSTMENT.—Consistent with subsection (m)(4), by the 2000 crop year, the Corporation shall enter into a contract to analyze its quality loss adjustment procedures and make such adjustments as may be necessary to more accurately reflect local quality discounts that are applied to agricultural commodities insured under this title, taking into consideration the actuarial soundness of the adjustment and the prevention of fraud, waste and abuse.''.

The CHAIRMAN. Are there amendments to title I?

□ 1230

AMENDMENT NO. 3 OFFERED BY MR. LAHOOD

Mr. LAHOOD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 Offered by Mr. LAHood: Page 16, strike lines 1 through 18, and insert the following:

''(A) PROGRAMS REQUIRED.—

''(i) NUMBER AND TYPES OF PROGRAMS.—The Corporation shall conduct two or more pilot programs to evaluate the effectiveness of risk management tools for livestock producers, including the use of—

''(I) futures and options contracts and policies and plans of insurance that provide livestock producers with reasonable protection from the financial risks of price or income fluctuations inherent in the production and marketing of livestock, provide protection for production losses, and otherwise protect the interests of livestock producers; and

''(II) policies and plans of insurance that, notwithstanding the second sentence of subsection (a)(1), and subject to the exclusions in subsection (a)(3), provide livestock producers with reasonable protection from liability to mitigate or compensate for adverse environmental impacts from producers' operations caused by natural disasters, unusual weather or climatic conditions, third-party acts, or other forces or occurrences beyond the producers' control, and with coverage to satisfy obligations established by law for closure of producers' operations.

''(ii) PURPOSE OF PROGRAMS.—To the maximum extent practicable, the Corporation shall evaluate the greatest number and varieity of pilot programs described in clause (i) to determine which of the offered risk management tools are best suited to protect livestock producers from the financial risks associated with the production and marketing of livestock.

(Mr. LAHOOD asked and was given permission to revise and extend his remarks.)

Mr. LAHOOD. Mr. Chairman, I rise today, along with the gentleman from Iowa (Mr. BOSWELL), to offer an amendment to the bill that, in keeping with the spirit of this bill, creates an equal partnership between farmers, ranchers, and the Federal Government by closing a giant gap in the farm income safety net, a gap created by the consequences of unforeseen, uncontrollable, and unforgiving natural events.

Our amendment would create, as I indicated earlier, a pilot project for two or three places around the country that would include livestock producers.

I believe that farmers and ranchers want to do the right thing. We need to help them.

My amendment allows us to live up to our commitment to our country's food producers by giving them the risk management tools to cope with disasters, weather shifts, and other natural acts beyond their control without fear that the cost of doing the right thing will put them out of business.

Mr. BOSWELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, first off, I again want to thank my colleague and neighbor the gentleman from Illinois (Mr. LAHOOD) for his good work, and also the committee, as I have already mentioned earlier.

I have been a long-time crop farmer and livestock farmer and, of course, associate with those kind of folks a lot. We have often tried very hard to respond to the needs of the crop farmers, as we should, and we should continue to do that. But we have overlooked livestock time and again.

So I rise to support this amendment. It gets right to the point of why the business of agriculture is unlike any other business in the world. Most business people have some degree of control over many of the factors that affect their bottom line. And although weather affects everyone, we can make a case that farming is greatly threatened by natural disasters such as floods, tornadoes, hurricanes, damaging droughts, which severely affect a farmer's ability to stay in business.

Now, granted that other businesses are threatened with those, too. But remember, a farmer's business stretches over many acres of land and, therefore, is a different situation. Cleanup after one of these natural disasters, like Floyd, and we are still trying to assess that impact, cost the family farmer thousands upon thousands of dollars. And in these times of disastrously low commodity prices, any kind of unforeseen cost could be a factor that finally puts the farmer out of business for good.

Farmers cannot control the weather, but they certainly must deal with it. This amendment would simply direct USDA to use its new livestock insurance pilot program to give producers a useful risk management tool against the ill effects of Mother Nature's force and other factors beyond their control. And for farmers who are barely making ends meet, every opportunity to mitigate unforeseen costs is extremely useful.

Mr. Chairman, this amendment simply moves to protect livestock producers from costs associated with incidents beyond their control. It is an amendment that will help the producer better manage the risks associated with farming. It is a common-sense amendment and it makes H.R. 2559 a better bill.

Again, I thank the gentleman from Illinois (Mr. LAHOOD), the chairman and the ranking member.

Mr. COMBEST. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate the work of the author of the amendment, the gentleman from Illinois (Mr. LAHOOD), and the cosponsor of the amendment, the gentleman from Iowa (Mr. BOSWELL).

We have discussed the amendment. There are some questions I think that at some point will need to be answered and resolved. I think this is certainly within the spirit of the direction of the bill that is before the House today, and I would certainly support the amendment and accept the amendment.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I too commend the gentleman from Illinois (Mr. LAHOOD) and the gentleman from Iowa (Mr. BOSWELL) for offering this amendment. I think it does fit certainly within the spirit of the recognition that, as the gentleman from Iowa (Mr. BOSWELL) pointed out, we have traditionally been in the crop insurance business.

This bill is intended to expand into the livestock and crop. And I think the spirit of this, particularly in the environmental side, is something that we should accept today and that we should work expeditiously to be made part of the final legislation that ultimately is signed by the President.

Mr. COMBEST. Mr. Chairman, I suggest passage of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. LAHOOD).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

Mr. THUNE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I too want to add this morning to what has already been said about how important this issue is to producers across this country and to say that agriculture has been hit by an unprecedented set of issues, the lowest prices in decades, loss of foreign markets, unprecedented levels of concentration within the industry itself. These are all issues, many of them over which producers do not have control; and those are things that I hope as we move forward in our discussion in agricultural policy in Congress, that we can begin to address.

There is tremendous room for improvement in many of these areas. I certainly hope that, as a member of the Committee on Agriculture, that I know our chairman is focused on these issues; and we intend to move forward and try to create an environment with respect to our producers to have an opportunity to make a living and to compete in the world marketplace.

But we had a series of hearings on this subject. I credit the gentleman from Illinois (Mr. EWING) the chairman of our subcommittee for allowing us to have a hearing in Sioux Falls about 10 months ago where we heard from a number of producer groups across South Dakota as to what the problems with the current crop insurance program are and how we can fix those.

I believe that the bill that we are discussing today takes us in a direction that addresses those concerns and, hopefully, comes up with a system and a program that is more workable for the producers.

A couple of suggestions that came out of that were that we need to address the premium schedule so that there is an incentive in the program for producers to buy up to the next level of coverage. If this program is going to work, we have to have that. We have addressed that in this bill.

We also have had a number that were concerned about how the actual production history is used in a calculation of what is insurable in a loss, and that has been addressed, as well. There are those areas of the country like my own where we have seen year to year successive repeated losses, and the multiple-year loss issue is something that is addressed as well in this bill. So I believe that this is an important step forward.

I want to credit the chairman of our committee, the gentleman from Texas (Mr. COMBEST), and the gentleman from Illinois (Mr. EWING), the chairman of the subcommittee, and the gentleman from Texas (Mr. STENHOLM) and others on the other side of the aisle who have worked together. This really is an issue which should take the politics out of where we should work in a bipartisan way to try and address what is a very important issue to the future of this country and that is our food supply and how we compete in the international marketplace.

Our producers need as many risk management tools as they can possibly have in order to be competitive out there, and a crop insurance program that is workable is certainly one of those tools and one of the things in their arsenal in what we hope will be an array of tools that will help them to better compete.

So I, this morning, rise in support of this legislation. I hope that we can get action in the other body, in the Senate, as well and get the President to sign it into law. It is long overdue, and it is something I hope that will start us down the road toward returning some level of profitability to agriculture and also helping us insure against those things over which producers many times have no control, such as the weather.

So this is, again, a first step. And I hope, again, that we will have an opportunity to address some of the other issues that are affecting the ag sector today.

My State of South Dakota is going through tremendous economic stress on the farm, and I believe that many of the things that we are working on that, hopefully, will make their way through the body later on this year and next year will take us farther down the road towards addressing what are the very serious concerns about agriculture.

Again, I want to thank the leadership of this committee and the House for moving this forward and taking a bill which I think is a very balanced, reasonable approach and will better make improvements in this bill to make it better, to make it a more useful tool to producers across this country.

So I urge all Members in the House to vote ''yes'' when we come to final passage.

AMENDMENT NO. 4 OFFERED BY MR. UPTON

Mr. UPTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. UPTON: Add at the end of title I the following new section:

SEC. . CORRECTION OF ERRONEOUS PRICE ELECTION, MICHIGAN FRESH MARKET PEACHES.

(a) ADDITIIONAL PAYMENT BASED ON CORRECTED PRICE.—Using funds available to carry out the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Secretary of Agriculture shall make a payment to each producer of fresh market peaches in Michigan who purchased a crop insurance policy for the 1999 fresh market peaches crop and received a payment under the policy. The amount of the additional payment shall be equal to the difference between—

(1) the amount the producer would have received under the policy had the correct price election for the 1999 crop of $11.00 per bushel been used; and

(2) the amount the producer actually received under the policy using the erroneous price election of $6.25 per bushel.

(b) PREMIUM DEDUCTION.—The amount determined under subsection (a) for a producer shall be reduced by an amount equal to the additional premium (if any) that the producer would have paid for a policy for the 1999 fresh market peaches crop that used the correct price election.

Mr. UPTON. Mr. Chairman, I am here today on behalf of peach growers in my State who may lose their farms, their livelihoods, unfortunately, because of a bureaucratic mistake.

Last January, much of the Michigan peach crop was devastated by a cold snap when temperatures plummeted to 15 degrees below 0. That was the high for a number of days. We knew then that the entire peach crop was going to be gone, literally dead on the branches, would not recover in the spring. But when the farmers turned to USDA for help, there was even more bad news.

The Risk Management Agency miscalculated our farmers' reimbursements providing them, yes, with relief but well below the amount that they deserved, expected, and what they need, in fact, to recover. In fact, we learned later on that when the disaster payments went out this summer, the same peaches in other States under this program were getting nearly twice as much per bushel. That is not right.

Now, there is some good news. The USDA admitted that they had made a mistake and, in fact, they wanted to make amends and they recalculated with a new formula to determine what the disaster payment really ought to be. But, unfortunately, those new payments will not affect the disaster program for peaches until next year, which means that this year our farmers are out.

What this amendment would have done is it would have provided a retroactive payment to Michigan peach farmers based on the correct information because we would feel that it is not fair to make peach farmers pay a price for an error by USDA.

Now, because a point of order could have been made against this amendment, I will ask unanimous consent to withdraw it. But I would like to note that I am working with the Committee on Appropriations members and they have given me a pretty good assurance that they plan to include this language as part of the agriculture appropriations conference report.

I have discussed it with a number of folks at the Department of Agriculture, including the Secretary of Agriculture earlier today, and they know of the problems that we have and would like to work with us to make sure that our peach farmers, in fact, are not discriminated against.

Mr. Chairman, I have talked to the gentleman from Texas (Mr. COMBEST), chairman of the House Committee on Agriculture, and I yield to him.

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman yielding and would certainly encourage the USDA to see if there is some way they could rectify this problem.

The gentleman has been very strongly representative of his people in his district, recognizing there was an initial problem, and I appreciate his tenacity.

It is also my understanding that the report language in the appropriations conference report will also address this subject. I appreciate the willingness of the gentleman to withdraw his amendment.

Mr. UPTON. Mr. Chairman, again, I appreciate the comments of the chairman.

I also want to commend our fellow Michigander on the Committee on Agriculture, who asked some pretty tough questions and asked us to deliver a better peach price with Gus Schumacher, representative of the USDA.

Mr. Chairman, I yield briefly to my friend and colleague, the gentleman from Michigan (Mr. SMITH) who helped carry the ball in the committee.

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman very much for yielding.

Mr. Chairman, it was simply a mistake. They made a mistake on the crop insurance. They put the wrong price down. And who ended up suffering, of course, is our farmers that bought that insurance with the mistake incorporated in that contract. So it does need to be corrected.

Mr. UPTON. Mr. Chairman, our peaches ought to be treated the same as peaches from other States no matter where they are.

Mr. UPTON. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. BOEHNER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me congratulate not only the chairman of the committee but the ranking member and all the Members who worked in a very bipartisan way to bring this crop insurance bill to the floor today. It is an important piece of legislation that will, in fact, give our Nation's farmers greater risk management tools that they need given the new environment that we are all operating in.

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There has been a lot said on the floor today about our farm policy. Like my colleague from Georgia said, we need to remember the forgotten parts of the farm policy that we put in place some 3 years ago. We knew then as we began to move agriculture to more market orientation that it was going to be essential that we work with the agriculture community to provide more risk management tools. That is what we are doing today: This extra money for crop insurance, the program is more flexible, it will work for more farmers, an essential part of what we need to do to make the farm policy that we have work more efficiently.

Secondly, we talked about the need to have regulatory reform, so that we bring some common sense to the regulations the farmers have to deal with that do nothing more, in some cases, other than drive up costs for farmers, making them less and less profitable. There is certainly an awful lot of room for improvement that we all need to be paying attention to. But we all know that the real cause of the current crisis in agriculture is what happened in Southeast Asia some 2 years ago when the bottom fell out of their markets, when their currencies were devalued and they were unable to continue buying our commodities at the rate that they were. But an important part of our farm policy was to make sure that we were out there opening new markets for our crops. About 40 percent of what we raise and produce in this country, we export somewhere around the world. If we are not exporting that product, it is going to lay here in our markets and drive down prices. That is exactly what has happened.

Not only do we see now some strengthening in Southeast Asia but I think what this House and this Congress and this administration need to get to work on is providing fast track authority to our U.S. trade rep so that we in this country can go out and begin to open markets for our farmers. Until we open markets for our farmers, we are going to have excess production. It is going to lay over the markets and drive down prices. The only other answer is to go back to what we did for 60 years, and that is to get back into this business of the Federal Government telling farmers how much they can plant, how much they can harvest and try to have some type of supply management program run by Washington, D.C. Farmers do not want that, most Members of Congress do not want that. And so if we are going to avoid that, what we need to do is to get out there and open those markets and help our farmers. But what we are doing today is an important part of making that farm policy work, providing these risk management tools to our farmers so that they can better ensure their own success down the road.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. BOEHNER. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding. I want to associate myself with his remarks. I hope that this might prove what I hear is happening on the agriculture appropriations to be unfounded. We have an opportunity to drop the sanctions language. One of the things that has hurt agriculture time and time again is when we have had sanctions on other countries applied that have a devastating effect on our agriculture producers. And so I hope that we will be able to deal in a very responsible way on the agriculture appropriations bill in eliminating these sanctions and the resulting lack of market opportunities for our producers.

Mr. BOEHNER. Reclaiming my time, I also want to congratulate the chairman of the committee and the ranking member who have announced that we are going to have a set of hearings early next year to look at our farm policy. I think it is an appropriate time to take an honest and a thorough look as to what is working in our farm policy, what is not, and what we as Members of Congress can do to improve it.

Mr. SMITH of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, American agriculture is in a very serious situation right now. While the rest of the economy is experiencing strong profits and strong employment and good income, farmers are at the lowest level of net profits that they have been in many years. That comes from two consequences: One is the natural disaster of the weather that for a lot of farmers has substantially reduced their yields all the way to almost zero in some cases; and the other problem is the commodity prices. The commodity prices are the lowest, record low commodity prices. For example, in soybeans, lower price than there has been in soybeans in 30 years, corn, rice, cotton, livestock production especially in the area of hog production, the kind of commodity prices that are devastating farmers.

I spoke last week to a fourth-generation hog producer in my area of Michigan, where his great grandfather and his grandfather and his father all were successful in running that operation. Now he is threatened with bankruptcy, a very serious situation. But it is not just the farmers. It is not just the 1.5 percent of our population in this country that are out there on the farm working their 16 hours a day or 18 hours a day. It is also the consumers. Because if we do not move ahead with this kind of legislation, if we do not move ahead in ways that we help assure that our farmers in America are not put at a competitive disadvantage with farmers in other countries because of how those other countries are subsidizing their farmers plus how they are keeping our products out of their markets, then we are going to lose our agriculture industry in this country. I think we have got to be very conscious of what the consequences are of losing our ability to produce food and fiber in this country for our consumers. I think it deserves a reminder that the American public buys food at a lower percentage of their take-home income and buy the highest quality food in the world. And so we need to maintain those kind of provisions for the consumers in our country. That is why everybody in this Chamber needs to be concerned with the future of agriculture. This bill moves us along the route of helping assure that our farmers can survive.

As I met with my farmers in Michigan, they told me that it is silly for them to buy this crop insurance because they only have a disaster once every 14 years, or 16 years, or 18 years. And so the higher priced premium that has been charged to accommodate all areas of the country, even those areas, of course, with the higher frequency of disaster, makes it not worthwhile for our farmers to buy that kind of insurance.

So the amendment that the committee adopted and those that are in this bill account in two ways to look at premiums based on how often there are disasters in particular regions, and to change those premiums to reflect the frequency of those disasters. Also, we incorporated language in this bill that says that we will work on developing insurance that has a more targeted consideration of the price of the commodity. Right now this bill is mostly sunshine insurance, or natural disaster insurance, with a small provision on helping assure that the price is either in the winter months or in the fall months, there is that option of the higher price. But this bill says to look and explore other avenues to add to the tools that a farmer has to be risk management tools to help assure that they can run their business the way anybody else runs their business. And as we continue to be in a free market system, as we continue to let the marketplace help influence that farmer on how much of what crop to plant, this kind of insurance help from the Federal Government is reasonable and it is necessary.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—IMPROVING PROGRAM EFFICIENCIES

SEC. 201. LIMITATION ON DOUBLE INSURANCE.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by inserting after paragraph (9), as added by section 112, the following new paragraph:

''(10) LIMITATION ON DOUBLE INSURANCE.—

''(A) RESTRICTED TO CATASTROPHIC RISK PROTECTION.—Except for situations covered by subparagraph (B), no policy or plan of insurance may be offered under this title for more than one agricultural commodity planted on the same acreage in the same crop year unless the coverage for the additional crop is limited to catastrophic risk protection available under subsection (b).

''(B) EXCEPTION FOR DOUBLE-CROPPING.—A policy or plan of insurance may be offered under this title for an agricultural commodity and for an additional agricultural commodity when both agricultural commodities are normally harvested within the same crop year on the same acreage if the following conditions are met:

''(i) There is an established practice of double-cropping in the area and the additional agricultural commodity is customarily double-cropped in the area with the first agricultural commodity, as determined by the Corporation.

''(ii) A policy or plan of insurance for the first agricultural commodity and the additional agricultural commodity is available under this title.

''(iii) The additional commodity is planted on or before the final planting date or late planting date for that additional commodity, as established by the Corporation.''.

SEC. 202. IMPROVING PROGRAM COMPLIANCE AND INTEGRITY.

(a) ADDITIONAL METHODS.—Section 506(q) of the Federal Crop Insurance Act (7 U.S.C. 1506(q)) is amended—

(1) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3);

(2) by inserting after the subsection heading the following new paragraph (1):

''(1) PURPOSE.—The purpose of this subsection is to improve compliance with the Federal crop insurance program and to improve program integrity.''; and

(3) by adding at the end the following new paragraphs:

''(4) RECONCILING PRODUCER INFORMATION.—The Secretary shall develop and implement a coordinated plan for the Corporation and the Administrator of the Farm Service Agency to reconcile all relevant information received by the Corporation or the Farm Service Agency from a producer who obtains crop insurance coverage under this title. Beginning with the 2000 crop year, the Secretary shall require that the Corporation and the Farm Service Agency reconcile such producer-derived information on at least an annual basis in order to identify and address any discrepancies.

''(5) IDENTIFICATION AND ELIMINATION OF FRAUD, WASTE, AND ABUSE.—

''(A) FSA MONITORING PROGRAM.—The Secretary shall develop and implement a coordinated plan for the Farm Service Agency to assist the Corporation in the ongoing monitoring of programs carried out under this title, including—

''(i) conducting fact finding relative to allegations of program fraud, waste, and abuse, both at the request of the Corporation or on its own initiative after consultation with the Corporation;

''(ii) reporting any allegation of fraud, waste, and abuse or identified program vulnerabilities to the Corporation in a timely manner; and

''(iii) assisting the Corporation and approved insurance providers in auditing a statistically appropriate number of claims made under any policy or plan of insurance under this title.

''(B) USE OF FIELD INFRASTRUCTURE.—The plan required by this paragraph shall use the field infrastructure of the Farm Service Agency, and the Secretary shall ensure that relevant Farm Service Agency personnel are appropriately trained for any responsibilities assigned to them under the plan. At a minimum, such personnel shall receive the same level of training and pass the same basic competency tests as required of loss adjusters of approved insurance providers.

''(C) MAINTENANCE OF PROVIDER EFFORT; COOPERATION.—The activities of the Farm Service Agency under this paragraph do not affect the responsibility of approved insurance providers to conduct any audits of claims or other program reviews required by the Corporation. If an insurance provider reports to the Corporation that it suspects intentional misrepresentation, fraud, waste, or abuse, the Corporation shall make a determination and provide a written response within 90 days after receiving the report. The insurance provider and the Corporation shall take coordinated action in any case where misrepresentation, fraud, waste, or abuse has occurred.

''(6) CONSULTATION WITH STATE COMMITTEES.—The Corporation shall establish a mechanism under which State committees of the Farm Service Agency are consulted concerning policies and plans of insurance offered in a State under this title.

''(7) ANNUAL REPORT ON COMPLIANCE EFFORTS.—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 containing findings relative to the efforts undertaken pursuant to paragraphs (4) and (5). The report shall identify specific occurrences of waste, fraud, and abuse and contain an outline of actions that have been or are being taken to eliminate the identified waste, fraud, and abuse.''.

(b) TECHNICAL CORRECTION.—Paragraph (3) of section 506(q) of the Federal Crop Insurance Act (7 U.S.C. 1506(q)), as redesignated by subsection (a), is amended by striking ''this subsection'' and inserting ''this paragraph''.

SEC. 203. SANCTIONS FOR FALSE INFORMATION.

(a) AUTHORIZED SANCTIONS.—Section 506(n) of the Federal Crop Insurance Act (7 U.S.C. 1506(n)) is amended—

(1) in the subsection heading, by striking ''PENALTIES'' and inserting ''SANCTIONS FOR VIOLATIONS'';

(2) by redesignating paragraph (2) as paragraph (3) and, in such paragraph, by striking ''PENALTY'' and ''assessing penalties'' and inserting ''SANCTION'' and ''imposing a sanction'', respectively; and

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

''(1) FALSE INFORMATION.—If a producer, an agent, a loss adjuster, an approved insurance provider, or any other person willfully and intentionally provides any false or inaccurate information to the Corporation or to an approved insurance provider with respect to a policy or plan of insurance under this title, the Corporation may, after notice and an opportunity for a hearing on the record, impose one or more of the sanctions specified in paragraph (2).

''(2) AUTHORIZED SANCTIONS.—The following sanctions may be imposed for a violation under paragraph (1):

''(A) The Corporation may impose a civil fine for each violation not to exceed the greater of—

''(i) the amount of the pecuniary gain obtained as a result of the false or inaccurate information provided; or

''(ii) $10,000.

''(B) If the violation is committed by a producer, the producer may be disqualified for a period of up to 5 years from—

''(i) participating in, or receiving any benefit provided under this title, the noninsured crop disaster assistance program under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333), the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.), the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.);

''(ii) receiving any loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et. seq.);

''(iii) receiving any benefit provided, or indemnity made available, under any other law to assist a producer of an agricultural commodity due to a crop loss or a decline in commodity prices; or

''(iv) receiving any cost share assistance for conservation or any other assistance provided under title XII of the Food Security Act (16 U.S.C. 3801 et seq.).

''(C) If the violation is committed by an agent, loss adjuster, approved insurance provider, or any other person (other than a producer), the violator may be disqualified for a period of up to 5 years from participating in, or receiving any benefit provided under this title.

''(D) If the violation is committed by a producer, the Corporation may require the producer to forfeit any premium owed under the policy, notwithstanding a denial of claim or collection of an overpayment, if the false or inaccurate information was material.''.

(b) DISCLOSURE OF SANCTIONS.—Section 506(n) of the Federal Crop Insurance Act (7 U.S.C. 1506(n)) is amended by adding at the end the following new paragraph:

''(4) DISCLOSURE OF SANCTIONS.—Each policy or plan of insurance under this title shall prominently indicate the sanctions prescribed under paragraph (2) for willfully and intentionally providing false or inaccurate information to the Corporation or to an approved insurance provider.''.

SEC. 204. PROTECTION OF CONFIDENTIAL INFORMATION.

Section 502 of the Federal Crop Insurance Act (7 U.S.C. 1502) is amended by adding at the end the following new subsection:

''(c) PROTECTION OF CONFIDENTIAL INFORMATION.—

''(1) AUTHORIZED DISCLOSURE.—In the case of information furnished by a producer to participate in or receive any benefit under this title, the Secretary, any other officer or employee of the Department or an agency thereof, an approved insurance provider and its employees and contractors, and any other person may not disclose the information to the public, unless the information has been transformed into a statistical or aggregate form that does not allow the identification of the person who supplied particular information.

''(2) VIOLATIONS; PENALTIES.—Subsection (c) of section 1770 of the Food Security Act of 1985 (7 U.S.C. 2276) shall apply with respect to the release of information collected in any manner or for any purpose prohibited by paragraph (1).''.

SEC. 205. RECORDS AND REPORTING.

(a) CONDITION OF OBTAINING COVERAGE.—Section 508(f)(3)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(f)(3)(A)) is amended by striking ''provide, to the extent required by the Corporation, records acceptable to the Corporation of historical acreage and production of the crops for which the insurance is sought'' and inserting ''provide annually records acceptable to the Secretary regarding crop acreage, acreage yields, and production for each agricultural commodity insured under this title''.

(b) COORDINATION OF RECORDS.—Section 506(h) of the Federal Crop Insurance Act (7 U.S.C. 1506(h)) is amended—

(1) by striking ''The Corporation'' and inserting the following:

''(1) IN GENERAL.—The Corporation''; and

(2) by adding at the end the following new paragraph:

''(2) COORDINATION AND USE OF RECORDS.—

''(A) COORDINATION BETWEEN AGENCIES.—The Secretary shall ensure that recordkeeping and reporting requirements under this title and section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) are coordinated by the Corporation and the Farm Service Agency to avoid duplication of such records, to streamline procedures involved with the submission of such records, and to enhance the accuracy of such records.

''(B) USE OF RECORDS.—Notwithstanding section 502(c), records submitted in accordance with this title and section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) shall be available to agencies and local offices of the Department, appropriate State and Federal agencies and divisions, and approved insurance providers for use in carrying out this title and such section 196 as well as other agricultural programs and related responsibilities.''.

(c) NONINSURED CROP DISASTER ASSISTANCE PROGRAM.—Section 196(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(b)) is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) RECORDS.—To be eligible for assistance under this section, a producer shall provide annually to the Secretary, acting through the Agency, records of crop acreage, acreage yields, and production for each eligible crop.''; and

(2) in paragraph (3), by inserting ''annual'' after ''shall provide''.

SEC. 206. COMPLIANCE WITH STATE LICENSING REQUIREMENTS.

Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended by adding at the end the following new subsection:

''(o) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—Any person who sells or solicits the purchase of a policy or plan of insurance under this title, including catastrophic risk protection, in any State shall be licensed and otherwise qualified to do business in that State.''.

The CHAIRMAN. Are there amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—ADMINISTRATION

SEC. 301. BOARD OF DIRECTORS OF CORPORATION.

(a) CHANGE IN COMPOSITION.—Section 505 of the Federal Crop Insurance Act (7 U.S.C. 1505) is amended by striking the section heading, ''SEC. 505.'', and subsection (a) and inserting the following:

''SEC. 505. MANAGEMENT OF CORPORATION.

''(a) BOARD OF DIRECTORS.—

''(1) ESTABLISHMENT.—The management of the Corporation shall be vested in a Board of Directors subject to the general supervision of the Secretary.

''(2) COMPOSITION.—The Board shall consist of only the following members:

''(A) The manager of the Corporation, who shall serve as a nonvoting ex officio member.

''(B) The Under Secretary of Agriculture responsible for the Federal crop insurance program.

''(C) One additional Under Secretary of Agriculture (as designated by the Secretary).

''(D) The Chief Economist of the Department of Agriculture.

''(E) One person experienced in the crop insurance business.

''(F) One person experienced in the regulation of insurance.

''(G) Four active producers who are policy holders, are from different geographic areas of the United States, and represent a cross-section of agricultural commodities grown in the United States. At least one of the four shall be a specialty crop producer.

''(3) APPOINTMENT OF PRIVATE SECTOR MEMBERS.—The members of the Board described in subparagraphs (E), (F), and (G) of paragraph (2)—

''(A) shall be appointed by, and hold office at the pleasure of, the Secretary; and

''(B) shall not be otherwise employed by the Federal Government.

''(4) CHAIRPERSON.—The Board shall select a member of the Board to serve as Chairperson.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 30 days after the date of the enactment of this Act.

(c) EFFECT ON EXISTING BOARD.—A member of the Board of Directors of the Federal Crop Insurance Corporation on the effective date specified in subsection (b) may continue to serve as a member of the Board until the earlier of the following:

(1) The date the replacement Board is appointed.

(2) The end of the 180-day period beginning on the effective date specified in subsection (b).

SEC. 302. PROMOTION OF SUBMISSION OF POLICIES AND RELATED MATERIALS.

(a) REIMBURSEMENT AUTHORITY.—Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)), as amended by section 105(a) of this Act, is amended by inserting after paragraph (5) the following new paragraph:

''(6) REIMBURSEMENT OF RESEARCH, DEVELOPMENT, AND MAINTENANCE COSTS.—

''(A) REIMBURSEMENT PROVIDED.—Subject to the conditions of this paragraph, the Corporation shall provide a payment to reimburse an applicant for research, development, and maintenance costs directly related to a policy or other material that is—

''(i) submitted to, and approved by, the Board under this subsection for reinsurance; and

''(ii) if applicable, offered for sale to producers.

''(B) DURATION.—Payments under subparagraph (A) may be made available beginning in fiscal year 2001. Payments with respect to the maintenance of an approved policy or other material may be provided for a period of not more than 4 reinsurance years following Board approval. Upon the expiration of that 4-year period, or earlier upon the agreement of the Corporation and the person receiving the payment, the Corporation shall assume responsibility for maintenance of a successful policy, as determined by the Corporation based on the market share attained by the policy, the total number of policies sold, the total amount of premium paid, and the performance of the policy in the States where the policy is sold.

''(C) TREATMENT OF PAYMENT.—Payments made under subparagraph (A) for a policy or other material shall be considered as payment in full for the research and development conducted with regard to the policy or material and any property rights to the policy or material.

''(D) REIMBURSEMENT AMOUNT.—The Corporation shall determine the amount of the payment under subparagraph (A) for an approved policy or other material based on the complexity of the policy or material and the size of the area in which the policy or material is expected to be used.''.

(b) ISSUANCE OF REGULATIONS.—Not later than October 1, 2000, the Corporation shall issue final regulations to carry out the amendment made by subsection (a).

SEC. 303. RESEARCH AND DEVELOPMENT, INCLUDING CONTRACTS REGARDING UNDERSERVED COMMODITIES.

(a) SUPPORT FOR PRIVATE RESEARCH AND DEVELOPMENT.—Section 508(m) of the Federal Crop Insurance Act (7 U.S.C. 1508(m)) is amended by adding at the end the following new paragraph:

''(4) PRIVATE RESEARCH AND DEVELOPMENT OF POLICIES AND OTHER MATERIALS.—

''(A) USE OF REIMBURSEMENT AUTHORITY.—To encourage and promote the necessary research and development for policies, plans of insurance, and related materials, including policies, plans, and materials under the livestock pilot programs under subsection (h)(10), the Corporation shall make full use of private resources by providing payment for research and development for approved policies and plans of insurance, and related materials, pursuant to subsection (h)(6).

''(B) CONTRACTS FOR UNDERSERVED COMMODITIES.—

''(i) DEVELOPMENT OF PRODUCTS AND RELATED MATERIALS.—In the event the Corporation determines that an agricultural commodity, including a specialty crop, is not adequately served by policies and plans of insurance and related materials submitted under subsection (h) or any other provision of this title, the Corporation may enter into a contract, under procedures prescribed by the Corporation, directly with any person or entity with experience in crop insurance or farm or ranch risk management, including universities, providers of crop insurance, and trade and research organizations, to carry out research and development for policies and plans of insurance and related materials for that agricultural commodity without regard to the limitations contained in this title.

''(ii) TYPES OF CONTRACTS.—A contract under this subparagraph may provide for research and development regarding new or expanded policies and plans of insurance and related materials, including policies based on adjusted gross income, cost-of-production, quality losses, and an intermediate base program with a higher coverage and cost than catastrophic risk protection.

''(iii) DELAYED EFFECTIVE DATE FOR CONTRACTS.—A contract entered into under this subparagraph may not take effect before October 1, 2000.

''(iv) USE OF RESULTING POLICIES AND PLANS.—The Corporation may offer any policy or plan of insurance developed under this subparagraph that is approved by the Board.

''(C) CONTRACT FOR REVENUE COVERAGE PLAN.—The Corporation shall enter into a contract for research and development regarding one or more revenue coverage plans designed to enable producers to take maximum advantage of fluctuations in market prices and thereby maximize revenue realized from the sale of a crop. Such a plan may include market instruments currently available or may involve the development of new instruments to achieve this goal. Not later than 15 months after the date of the enactment of this paragraph, the Corporation shall submit to Congress a report containing the results of the contract.''.

(b) RELIANCE ON PRIVATE DEVELOPMENT OF NEW POLICIES.—Section 508(m)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(m)(2)) is amended—

(1) by striking ''EXCEPTION.—No action'' and inserting—

''(2) EXCEPTIONS.—

''(A) PRIVATE AVAILABILITY.—No action''; and

(2) by adding at the end the following new subparagraph:

''(B) PROHIBITED RESEARCH AND DEVELOPMENT BY CORPORATION.—Notwithstanding paragraphs (1) and (5), on and after October 1, 2000, the Corporation shall not conduct research and development for any new policy or plan of insurance for an agricultural commodity offered under this title. Any policy or plan of insurance developed by the Corporation under this title before that date shall, at the discretion of the Corporation, continue to be offered for sale to producers.''.

(c) PARTNERSHIPS FOR RISK MANAGEMENT DEVELOPMENT AND IMPLEMENTATION.—Section 508(m) of the Federal Crop Insurance Act (7 U.S.C. 1508(m)) is amended by inserting after paragraph (4), as added by subsection (a), the following new paragraph:

''(5) PARTNERSHIPS FOR RISK MANAGEMENT DEVELOPMENT AND IMPLEMENTATION.—

''(A) PURPOSE.—The purpose of this paragraph is to authorize the Corporation to enter

into partnerships with public and private entities for the purpose of increasing the availability of loss mitigation, financial, and other risk management tools for crop producers, with priority given to risk management tools for producers of agricultural commodities covered by section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) and specialty and underserved commodity producers.

''(B) AUTHORITY.—Subject to subparagraphs (D) and (E), the Corporation may enter into partnerships with the Cooperative State Research, Education, and Extension Service, the Agricultural Research Service, the National Oceanic Atmospheric Administration, and other appropriate public and private entities with demonstrated capabilities in developing and implementing risk management and marketing options for specialty crops and underserved commodities.

''(C) OBJECTIVES.—The Corporation may enter into a partnership under subparagraph (B)—

''(i) to enhance the notice and timeliness of notice of weather conditions that could negatively affect crop yields, quality, and final product use in order to allow producers to take preventive actions to increase end-product profitability and marketability and to reduce the possibility of crop insurance claims;

''(ii) to develop a multifaceted approach to pest management and fertilization to decrease inputs, decrease environmental exposure, and increase application efficiency;

''(iii) to develop or improve techniques for planning, breeding, planting, growing, maintaining, harvesting, storing, shipping, and marketing that will address quality and quantity challenges associated with year-to-year and regional variations;

''(iv) to clarify labor requirements and assist producers in complying with requirements to better meet the physically intense and time-compressed planting, tending, and harvesting requirements associated with the production of specialty crops and underserved commodities;

''(v) to provide assistance to State foresters or equivalent officials for the prescribed use of burning on private forest land for the prevention, control, and suppression of fire;

''(vi) to provide producers with training and informational opportunities so that they will be better able to use financial management, crop insurance, marketing contracts, and other existing and emerging risk management tools; and

''(vii) to develop other risk management tools to further increase economic and production stability.

''(D) FUNDING SOURCE.—If the Corporation determines that the entire amount available to provide reimbursement payments under subsection (h) and contract payments under paragraph (4) (in this subparagraph referred to as 'reimbursement and contract payments') for a fiscal year is not needed for such purposes, the Corporation may use a portion of the excess amount to carry out this paragraph, subject to the following:

''(i) During fiscal years 2001 through 2004, amounts available for reimbursement and contract payments may be used to carry out this paragraph only if the total amount to be used for reimbursement and contract payments is less than $44,000,000 for fiscal year 2001, $47,000,000 for fiscal year 2002, $50,000,000 for fiscal year 2003, and $52,000,000 for fiscal year 2004.

''(ii) During fiscal years 2001 through 2004, the total amount used to carry out this paragraph for a fiscal year may not exceed the difference between the amount specified in clause (i) for that fiscal year and the amount actually used for reimbursement and contract payments.

''(E) DELAYED AUTHORITY.—The Corporation may not enter into a partnership under the authority of this paragraph before October 1, 2000.''.

SEC. 304. FUNDING FOR REIMBURSEMENT AND RESEARCH AND DEVELOPMENT.

(a) EXPENDITURES.—Section 508(h)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(6)), as added by section 302(a) of this Act, is amended by adding at the end the following new subparagraph:

''(E) EXPENDITURES.—

''(i) SPECIALTY CROPS.—Of the total amount made available to provide payments under this paragraph and subsection (m)(4)(B) for a fiscal year, $25,000,000 shall be reserved for research and development contracts under subsection (m)(4)(B). The Corporation may use a portion of the reserved amount for other purposes under this paragraph, with priority given to underserved commodities, if the Corporation determines that the entire amount is not needed for such contracts. If the reserved amount is insufficient for a fiscal year, the Corporation may use amounts in excess of the reserved amount for such contracts.

''(ii) LIMITATION.—In providing payments under this paragraph and subsection (m)(4)(B), the Corporation shall not obligate or expend more than $55,000,000 during any fiscal year.''.

(b) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 516(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(2)) is amended by adding at the end the following new subparagraph:

''(D) Costs associated with the reimbursement for research, development, and maintenance costs of approved policies and other materials provided under section 508(h)(6) and contracting for research and development under section 508(m)(4)(B).''.

(2) USE OF INSURANCE FUND.—Section 516(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(1)) is amended by adding at the end the following new subparagraph:

''(E) Reimbursement for research, development, and maintenance costs of approved policies and other materials provided under section 508(h)(6) and contracting for research and development under section 508(m)(4)(B).''.

SEC. 305. BOARD CONSIDERATION OF SUBMITTED POLICIES AND MATERIALS.

(a) PERSONS AUTHORIZED TO SUBMIT.—Section 508(h)(1) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(1)) is amended by inserting after ''a person'' the following: ''(including an approved insurance provider, a college or university, a cooperative or trade association, or any other person)''.

(b) SALE BY APPROVED INSURANCE PROVIDERS.—Section 508(h)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(3)) is amended by inserting after ''for sale'' the following: ''by approved insurance providers''.

(c) TIME PERIODS FOR APPROVAL OR DISAPPROVAL.—Section 508(h)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(4)(A)), as amended by section 105(c), is amended—

(1) in clause (iii), as redesignated by section 105(c), by striking ''of the applicant.'' and all that follows through the end of the clause and inserting

'', and such application, as modified, shall be considered by the Board in the manner provided in clause (iv) within the 30-day period beginning on the date the modified application is submitted. Any notification of intent to disapprove a policy or other material submitted under this subsection shall be accompanied by a complete explanation as to the reasons for the Board's intention to deny approval.''; and

(2) by striking clause (iv), as redesignated by section 105(c), and inserting the following new clause:

''(iv) Not later than 120 days after a policy or other material is submitted under this subsection, the Board shall make a determination to approve or disapprove such policy or material. Any determination by the Board to disapprove any policy or other material shall be accompanied by a complete explanation of the reasons for the Board's decision to deny approval. In the event the Board fails to make a determination within the prescribed time period, the submitted policy or other material shall be deemed approved by the Board for the initial reinsurance year designated for the policy or material, except in the case where the Board and the applicant agree to an extension.''.

(d) FUNDING TO EXPEDITE CONSIDERATION.—Effective October 1, 2000, section 516(b)(2) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(2)) is amended—

(1) by striking ''RESEARCH AND DEVELOPMENT EXPENSES.—'' and inserting ''POLICY CONSIDERATION EXPENSES.—''; and

(2) in subparagraph (A), by striking ''research and development expenses of the Corporation'' and inserting ''costs associated with considering for approval or disapproval policies and other materials under subsections (h) and (m)(4) of section 508, costs associated with implementing such subsection (m)(4), and costs to contract out for assistance in considering such policies and other materials''.

SEC. 306. CONTRACTING FOR RATING OF PLANS OF INSURANCE.

Section 507(c)(2) of the Federal Crop Insurance Act (7 U.S.C. 1507(c)(2)) is amended—

(1) by striking ''actuarial, loss adjustment,'' and inserting ''actuarial services, services relating to loss adjustment and rating plans of insurance,''; and

(2) by inserting after ''private sector'' the following: ''and to enable the Corporation to concentrate on regulating the provision of insurance under this title and evaluating new products and materials submitted under section 508(h)''.

SEC. 307. ELECTRONIC AVAILABILITY OF CROP INSURANCE INFORMATION.

Section 508(a)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(5)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii) and moving such clauses 2 ems to the right;

(2) by striking ''The Corporation'' and inserting the following:

''(A) AVAILABLE INFORMATION.—The Corporation''; and

(3) by adding at the end the following new subparagraph:

''(B) USE OF ELECTRONIC METHODS.—The Corporation shall make the information described in subparagraph (A) available electronically to producers and approved insurance providers. To the maximum extent practicable, the Corporation shall also allow producers and approved insurance providers to use electronic methods to submit information required by the Corporation.''.

SEC. 308. FEES FOR USE OF NEW POLICIES AND PLANS OF INSURANCE.

Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by adding at the end the following new paragraph:

''(11) FEES FOR NEW POLICIES AND PLANS OF INSURANCE.—

''(A) AUTHORITY TO IMPOSE FEE.—Effective beginning with fiscal year 2001, if a person develops a new policy or plan of insurance and does not apply for reimbursement of research, development, and maintenance costs under paragraph (6), the person shall have the right to receive a fee from any approved insurance provider that elects to sell the new policy or plan of insurance. Notwithstanding paragraph (5), once the right to collect a fee is asserted with respect to a new policy or plan of insurance, no approved insurance provider may offer the new policy or plan of insurance in the absence of a fee agreement with the person who developed the policy or plan.

''(B) DEFINITION.—For purposes of this paragraph only, the term 'new policy or plan of insurance' means a policy or plan of insurance that was approved by the Board on or after October 1, 2000, and was not available at the time the policy or plan of insurance was approved by the Board.

''(C) AMOUNT.—The amount of the fee that is payable by an approved insurance provider to offer a new policy or a plan of insurance under

subparagraph (A) shall be an amount that is determined by the person that developed the new policy or plan of insurance, subject to the approval of the Board under subparagraph (D).

''(D) APPROVAL.—The Board shall approve the amount of a fee determined under subparagraph (C) for a new policy or plan of insurance unless the Board can demonstrate that the fee amount—

''(i) is unreasonable in relation to the research and development costs associated with the new policy or plan of insurance; and

''(ii) unnecessarily inhibits the use of the new policy or plan of insurance.''.

SEC. 309. CLARIFICATION OF PRODUCER REQUIREMENT TO FOLLOW GOOD FARMING PRACTICES.

Section 508(a)(3)(C) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(3)(C)) is amended by inserting after ''good farming practices'' the following: '', including scientifically sound sustainable and organic farming practices''.

SEC. 310. REIMBURSEMENTS AND RENEGOTIATION OF STANDARD REINSURANCE AGREEMENT.

(a) REIMBURSEMENT RATE CHANGES.—

(1) CAT LOSS ADJUSTMENT.—Section 508(b)(11) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(11)) is amended by striking ''11 percent'' and inserting ''8 percent''.

(2) REIMBURSEMENT FOR ADMINISTRATIVE AND OPERATING COSTS.—Section 508(k)(4)(A)(ii) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)(ii)) is amended by striking ''24.5 percent'' and inserting ''24 percent''.

(3) APPLICATION OF AMENDMENTS.—The amendments made by this subsection shall apply with respect to the 2001 and subsequent reinsurance years.

(b) RENEGOTIATION.—Effective for the 2002 reinsurance year, the Federal Crop Insurance Corporation may renegotiate the Standard Reinsurance Agreement.

AMENDMENT NO. 2 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Ms. JACKSON-LEE of Texas:

Add at the end of title III the following new section:

SEC. . SENSE OF CONGRESS REGARDING PARTICIPATION OF MINORITY AND LIMITED-RESOURCE PRODUCERS IN CROP INSURANCE PROGRAMS.

It is the Sense of Congress that the Secretary of Agriculture should ensure the full participation of minority and limited-resource farmers and ranchers in the programs operating under the Federal Crop Insurance Act, as amended by this Act.

Ms. JACKSON-LEE of Texas. Mr. Chairman, my amendment specifically to H.R. 2559 provides for a sense of Congress for the full participation of minority and limited resource farmers and ranchers in programs operating under the Federal Crop Insurance Act as amended by the Agriculture Risk Protection Act of 1999.

First of all, let me thank the chairman and ranking member, both from Texas, for their cooperation in this sense of Congress. Many of them are aware that all of us as members of the Congressional Black Caucus have been working over the years with African-American farmers. In particular, those of us who live in urban or inner city communities have found ourselves more and more educated about the plight of the black farmer, in particular because many who have lost their land have moved into our cities or in fact some of our residents who live in our district still retain farming connections, as we call it, in the country. In fact, one of the sites for the black farmers meeting was Houston. Another site is Detroit, Michigan; both urban centers.

H.R. 2559, in particular, provides viable risk management tools which are imperative for producers. Crop insurance is a critical tool in a producer's risk management tool box, one which must be more affordable, equitable and more broadly available.

While farming and ranching has been declining in our country, minority and limited resource farmers have faced a severe loss of their farms over the last 70 years. According to the most recent census of agriculture, the number of all minority farms have fallen from 950,000 in 1920 to 60,000 in 1992. For African Americans, the number fell from 925,000, 14 percent of all farms in 1920, to only 18,000, 1 percent of all farms in 1992. Although the number of farms owned by other minorities has increased in recent years, particularly among Hispanics, the total acres of land farmed by these groups have actually declined. Only women have seen an increase in both the number of farms and acreage farmed.

H.R. 2559 goes a long way in ensuring that all farmers and ranchers have access to crop insurance. We need to particularly be mindful of our minority and limited resource farmers and ranchers. And so this amendment puts the sunlight and the highlight on our minority and limited resource farmers and ranchers to ensure that the programs operating under the Federal Crop Insurance Act do reach out to them. This measure is an important first step toward meeting this goal. I urge my colleagues to support not only this particular legislation but the amendment.

Mr. Chairman, today I rise to support H.R. 2559, the Agriculture Risk Protection Act of 1999. This legislation would enact needed improvements to the current crop insurance program for farmers and ranchers. H.R. 2559 provides substantial improvements that will strengthen program performance and participation across all commodities and regions of the country.

Viable risk management tools are imperative for producers. Crop insurance is a critical tool in a producer's ''risk management tool box''—one which must be more affordable, equitable and more broadly available.

H.R. 2559 amends the Federal Crop Insurance Act to strengthen the safety net for agriculture producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, to improve the efficiency and integrity of the Federal crop insurance program.

While farming and ranching has been declining in our country, minority and limited-resource farmers have faced a severe loss of their farms over the last 70 years. According to the most recent Census of Agriculture, the number of all minority farms has fallen—from 950,000 in 1920 to around 60,000 in 1992. For African-Americans, the number fell from 925,000, 14 percent of all farms in 1920, to only 18,000, 1 percent of all farms in 1992. Although the number of farms owned by other minorities has increased in recent years, particularly among Hispanics, the total acres of land farmed by these groups has actually declined. Only women have seen an increase in both number of farms and acres farmed.

H.R. 2559 goes a long way in ensuring that all farmers and ranchers have access to crop insurance. We need to be particularly mindful of our minority and limited-resource farmers and ranchers. This measure is an important first step toward meeting this goal. I urge my colleagues to do the right thing and support H.R. 2559 in a bipartisan manner.

Mr. COMBEST. Mr. Chairman, I rise in support of the amendment.

I would say to the gentlewoman that the crop insurance program obviously is a voluntary program which should be open and we would always want it to be open to any individual who qualifies as a farmer. And that the intent of this bill is to create an additional menu of insurance options that are available to hopefully be able to reach and to meet the specific needs that some farmers may have that may not fit into a bigger box. That is the whole purpose, to create new programs available. Certainly without singling out or giving a priority to anyone, I just want to make sure the record is clear that this program is available voluntarily to any farmer who wishes to participate who does qualify.

With that in mind, Mr. Chairman, I would rise in support and urge the adoption of the gentlewoman's amendment.

Mr. STENHOLM. Mr. Chairman, I move to strike the last word.

I want to say that it certainly was the full intent of the Committee on Agriculture that all farmers be allowed full participation in this. I appreciate the gentlewoman from Texas with the sense of Congress resolution that she offers today which will highlight the full intent of that. I commend her for bringing this, and I urge support of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—EFFECTIVE DATE AND IMPLEMENTATION

SEC. 401. EFFECTIVE DATE.

Except as provided in sections 301(b) and 305(d), this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act. The actual implementation by the Secretary of Agriculture and the Federal Crop Insurance Corporation of an amendment made by this Act shall depend on the terms of the amendment or, in the absence of an express implementation date in the amendment, the special rules specified in section 402.

SEC. 402. SPECIAL RULES REGARDING IMPLEMENTATION OF CERTAIN AMENDMENTS.

(a) IMPLEMENTATION FOR 2000 CROP YEAR.—The amendments made by the following sections of this Act shall apply beginning with the 2000 crop year:

(1) Section 104, relating to review and adjustment in rating methodologies.

(2) Section 106, relating to cost of production as a price election.

(3) Section 107, relating to premium discounts for good performance.

(4) Section 202, relating to improving program compliance and integrity.

(5) Section 203, relating to sanctions for false information.

(6) Section 204, relating to protection of confidential information.

(7) Section 205, relating to records and reporting.

(8) Section 206, relating to compliance with State licensing requirements.

(9) Section 309, relating to requirement to follow good farming practices.

(b) IMPLEMENTATION FOR FISCAL YEAR 2000.—The amendments made by the following sections of this Act shall apply beginning with fiscal year 2000:

(1) Section 105(a), relating to repeal of obsolete pilot programs.

(2) Subsections (a), (b), and (c) and section 305, relating to Board consideration of submitted policies and materials.

(3) Section 306, relating to contracting for rating plans of insurance.

(4) Section 307, relating to electronic availability of crop insurance information.

(c) IMPLEMENATION FOR 2001 CROP YEAR.—The amendments made by the following sections of this Act shall apply beginning with the 2001 crop year:

(1) Section 101, relating to premium schedule for additional coverage.

(2) Section 102, relating to premium schedule for other plans of insurance.

(3) Section 103(b), relating to adjustment in production history to reflect pest control.

(4) Section 109, relating to authority for nonprofit associations to pay fees on behalf of producers.

(5) Section 110, relating to elections regarding prevented planting coverage.

(6) Section 111, relating to limitations under noninsured crop disaster assistance program.

(7) Section 201, relating to limitation on double insurance.

(d) IMPLEMENTATION FOR FISCAL YEAR 2001.—The amendments made by the following sections of this Act shall apply beginning with fiscal year 2001:

(1) Section 105(b), relating to general requirements applicable to pilot programs.

(2) Section 304, relating to funding for reimbursement and research and development.

SEC. 403. SAVINGS CLAUSE.

The Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333), as in effect on day before the date of the enactment of this Act, shall continue to apply with respect to the 1999 crop year and shall apply with respect to the 2000 crop year, to the extent the application of an amendment made by this Act is delayed under section 402 or by the terms of the amendment.

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

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Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCHUGH) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2559) to amend the Federal Crop Insurance Act to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, to improve the efficiency and integrity of the Federal crop insurance program, and for other purposes, pursuant to House Resolution 308, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the Committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2559, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2559, AGRICULTURAL RISK PROTECTION ACT OF 1999

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, H.R. 2559, the Clerk be authorized to correct section numbers, punctuation, citations, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Without prejudice to the resumption of regular legislative business, under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each:

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. LIPINSKI) is recognized for 5 minutes.

(Mr. LIPINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. FLETCHER) is recognized for 5 minutes.

(Mr. FLETCHER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. SMITH of Michigan. Mr. Speaker, I ask unanimous consent to proceed with my 5-minute special order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

WE SHOULD NOT SPEND SOCIAL SECURITY SURPLUS MONEY ON OTHER GOVERNMENT PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, we have significant challenges before this legislature, possibly more than any of the 7 years that I have served in Congress. That challenge is to hold the line on spending. The question before this body is should we spend the Social Security surplus money for other government programs.

And, Mr. Speaker, everybody should understand that when Congress spends more money, most often they are more likely to be reelected. They take home pork barrel projects, they do more things for more people with taxpayers' money, and they end up on the front page of the paper or end up on television cutting the ribbons; and so part of the problem is that there is a lot of Members of Congress supported by a lot of bureaucrats that work within Federal Government, all of whom would very much like to spend more money and have a bigger government.

The challenge facing us this year is a budget resolution decision not to spend